

Activision Blizzard Inc (ATVI)

Price:	\$14.39	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$4,104,000,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$7,904,807,583.92
Market Cap:	\$15,972,900,000	NTBVIC/Market Downside Recovery:	25.69%	Avg. Year FCF/Share:	\$1,069,869,465.67
Cash:	\$4,375,000,000	Op. Cash Flow:	\$1,160,263,952	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$0	Implied Years to Fill Gap:	10.23	Year 5 Disposition Price:	\$11,114,415,980.94
Net Cash:	\$4,375,000,000	Today's Equity if 5x Op. CF:	\$7,584,791,857		
Enterprise Value:	\$11,597,900,000			Net Tang. Book+5 FCF+ Gain Disposition:	\$11,114,415,980.94
				IRR:	-7.00%
Shares Outstanding:	1,110,000,000			Price:	\$10.01
				Target Market Cap:	\$11,114,415,981
				Target Enterprise Value:	\$6,739,415,981

* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

The co. is a cash cow. Generates 9% FCF/EV yields and has zero debt. The co is generating so much cash that they can pay out \$200 MM in dividends and is buying back stock. Also, the co. has a cash balance of \$4.4 BB or close to 27% of market value.

As a result, the co. is selling at a premium, per our standards.

The co. sells Call of Duty games and Star Craft/Warcraft/Diablo.

These are not child play, when it comes to the volume and dollars generated in revenue. For example, Call of Duty launched a new version and sold \$1 Billion in 15 days. MMORPG games accounted for 90% of revenue in 2010, but in 2012, only 61%, so the co. is diversifying their product portfolio.

The co. is 64% owned by Vivendi, a French media conglomerate, and so we know it will be run efficiently, since it has the oversight of the large shareholder.

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SN VALUATION

LBO Pro Forma Income Statement

Name:

Activision Blizzard Inc

Ticker:

ATVI

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	4,279.00	4,447.00	4,755.00	4,856.00	4,904.56	4,953.61	5,003.14	5,053.17	5,103.70
COGS	2,307.00	2,126.00	1,772.00	1,662.00	1,716.60	1,733.76	1,751.10	1,768.61	1,786.30
Gross margin	1,972.00	2,321.00	2,983.00	3,194.00	3,187.96	3,219.84	3,252.04	3,284.56	3,317.41
SG&A	939.00	888.00	1,001.00	1,199.00	1,226.14	1,236.40	1,250.79	1,263.29	1,275.93
R&D	627.00	635.00	629.00	604.00	735.69	743.04	750.47	757.96	765.56
Unusual expense	432.00	329.00	25.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS					125.00	125.00	125.00	125.00	125.00
Operating Income (EBITA)	-26.00	469.00	1,328.00	1,451.00	1,101.14	1,113.40	1,125.79	1,138.29	1,150.93
Interest income/(expense)	18.00	23.00	3.00	7.00	43.57	43.57	43.57	43.57	43.57
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	-8.00	492.00	1,331.00	1,458.00	1,144.71	1,156.97	1,169.36	1,181.86	1,194.50
Tax	-121.00	74.00	246.00	309.00	400.65	404.94	409.27	413.65	418.07
Income after tax	113.00	418.00	1,085.00	1,149.00	744.06	752.03	760.08	768.21	776.42
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	113.00	418.00	1,085.00	1,149.00	744.06	752.03	760.08	768.21	776.42
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.10	\$0.38	\$0.98	\$1.04	\$0.67	\$0.68	\$0.68	\$0.69	\$0.70
P/E (historical today's price; forecasted intrinsic price)	141.35	38.21	14.72	13.90	19.97	18.37	16.91	15.56	14.31
Revenue Growth	N/A	3.93%	6.93%	2.12%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	1512.50%	15.04%	18.48%	21.19%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	0.00%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	53.91%	47.81%	37.27%	34.23%	35.00%	35.00%	35.00%	35.00%	35.00%
Gross margin	46.09%	52.19%	62.73%	65.77%	65.00%	65.00%	65.00%	65.00%	65.00%
SG&A	21.94%	19.97%	21.05%	23.46%	25.00%	25.00%	25.00%	25.00%	25.00%
R&D	14.65%	14.28%	13.23%	12.44%	15.00%	15.00%	15.00%	15.00%	15.00%
Unusual expense	10.10%	7.40%	0.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	2.55%	2.52%	2.50%	2.47%	2.45%
Operating Income (EBITA)	-0.61%	10.55%	27.93%	29.88%	22.45%	22.48%	22.50%	22.53%	22.55%
Interest income/(expense)	0.42%	0.52%	0.06%	0.14%	0.89%	0.88%	0.87%	0.86%	0.85%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	-0.19%	11.06%	27.99%	30.02%	23.34%	23.36%	23.37%	23.39%	23.40%
Tax	-2.83%	1.66%	5.17%	6.36%	8.17%	8.17%	8.18%	8.19%	8.19%
Income after tax	2.64%	9.40%	22.82%	23.66%	15.17%	15.33%	15.50%	15.66%	15.83%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	2.64%	9.40%	22.82%	23.66%	15.17%	15.18%	15.19%	15.20%	15.21%

	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
					+	-						
Cash	464.00	264.00	294.00	448.00	3,959.00		3,959.00	5,019.26	6,084.82	7,146.35	8,213.92	9,308.35
Short term investment	2,781.00	3,244.00	3,231.00	3,909.00	416.00		416.00	416.00	416.00	416.00	416.00	416.00
Cash and Short term	3,245.00	3,508.00	3,525.00	4,357.00	4,375.00		4,375.00	5,435.26	6,500.82	7,562.35	8,629.92	9,724.35
Accounts Receivable	739.00	673.00	649.00	707.00	707.00		707.00	707.00	707.00	707.00	707.00	707.00
Other receivables	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	739.00	673.00	649.00	707.00	707.00		707.00	707.00	707.00	707.00	707.00	707.00
Total Inventory	241.00	112.00	144.00	209.00	209.00		209.00	209.00	209.00	209.00	209.00	209.00
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	1,104.00	1,139.00	1,062.00	1,001.00	983.00		983.00	983.00	983.00	983.00	983.00	983.00
Current Assets	5,329.00	5,432.00	5,380.00	6,274.00	6,274.00	0.00	6,274.00	7,334.26	8,399.82	9,461.35	10,528.92	11,623.35
PP&E, Gross	437.00	512.00	533.00	0.00	533.00		533.00	633.00	733.00	833.00	933.00	1,033.00
Change in Depreciation		198.00	148.00	120.00	120.00		120.00	121.20	122.41	123.64	124.87	126.12
Accumulated Depreciation	299.00	343.00	370.00	0.00	370.00		370.00	491.20	613.61	737.25	862.12	988.24
PP&E, Net	138.00	169.00	163.00	0.00	163.00		163.00	141.80	119.39	95.75	70.88	44.76
Goodwill	7,154.00	7,132.00	7,111.00	7,106.00	7,106.00	0.00	7,106.00	7,106.00	7,106.00	7,106.00	7,106.00	7,106.00
Intangibles	1,079.00	621.00	533.00	531.00	531.00		531.00	236.00	-55.12	-332.93	-607.41	-899.30
Long term investments	23.00	23.00	16.00	8.00	8.00		8.00	8.00	8.00	8.00	8.00	8.00
Other long term assets	9.00	15.00	12.00	11.00	11.00		11.00	11.00	11.00	11.00	11.00	11.00
Long Term Assets	8,403.00	7,960.00	7,835.00	7,656.00	7,819.00	0.00	7,819.00	7,502.80	7,189.27	6,887.82	6,588.47	6,270.46
Total Assets	13,732.00	13,392.00	13,215.00	13,930.00	14,093.00	0.00	14,093.00	14,837.06	15,589.09	16,349.17	17,117.39	17,893.81
Accounts Payable	302.00	363.00	390.00	343.00	343.00		343.00	343.00	343.00	343.00	343.00	343.00
Accrued Expense	779.00	871.00	694.00	652.00	652.00		652.00	652.00	652.00	652.00	652.00	652.00
Other current Liabilities	1,426.00	1,726.00	1,472.00	1,657.00	1,657.00		1,657.00	1,657.00	1,657.00	1,657.00	1,657.00	1,657.00
Total Current Liabilities	2,507.00	2,960.00	2,556.00	2,652.00	2,652.00	0.00	2,652.00	2,652.00	2,652.00	2,652.00	2,652.00	2,652.00
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	270.00	120.00	55.00	25.00	25.00		25.00	25.00	25.00	25.00	25.00	25.00
Minority Interest	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	209.00	164.00	174.00	206.00	206.00		206.00	206.00	206.00	206.00	206.00	206.00
Total Liabilities	2,986.00	3,244.00	2,785.00	2,883.00	2,883.00	0.00	2,883.00	2,883.00	2,883.00	2,883.00	2,883.00	2,883.00
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	12,376.00	12,353.00	9,616.00	9,450.00	9,450.00	0.00	9,450.00	9,450.00	9,450.00	9,450.00	9,450.00	9,450.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	-361.00	57.00	948.00	1,893.00	1,890.00		1,890.00	2,634.06	3,386.09	4,146.17	4,914.39	5,690.81
Treasury Stock	-1,235.00	-2,194.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	-24.00	-13.00	-72.00	-26.00	-26.00		-26.00	-26.00	-26.00	-26.00	-26.00	-26.00
Total Equity	10,756.00	10,203.00	10,492.00	11,317.00	11,314.00	0.00	11,314.00	12,058.06	12,810.09	13,570.17	14,338.39	15,114.81
Liability + Equity	13,742.00	13,447.00	13,277.00	14,200.00	14,197.00	0.00	14,197.00	14,941.06	15,693.09	16,453.17	17,221.39	17,997.81
Variance	-10.00	-55.00	-62.00	-270.00	-104.00		-104.00	-104.00	-104.00	-104.00	-104.00	-104.00
Debt/Equity	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	17.76	39.71	33.02	23.23	23.47		23.23	23.47	23.70	23.94	24.18	24.42
Inventory Turnover Days	20.56	9.19	11.05	15.71	15.55		15.71	15.55	15.40	15.25	15.10	14.95
Days Inventory Outstanding	38.13	19.23	29.66	45.90	44.44		45.90	44.44	44.00	43.56	43.13	42.71
Accounts Receivable Turnover	5.79	6.61	7.33	6.87	6.94		6.87	7.01	7.08	7.15	7.22	7.22
Accounts Receivable Turnover Days	63.04	55.24	49.82	53.14	52.62		53.14	52.62	52.09	51.58	51.07	50.56
Days Payable Outstanding	47.78	62.32	80.33	75.33	72.93		75.33	72.93	72.21	71.50	70.79	70.09
Days Sales Outstanding	63.04	55.24	49.82	53.14	52.62		53.14	53.14	52.62	52.09	51.58	51.07
Cash Conversion Cycle	53.39	12.15	-0.85	23.71	24.12		23.71	24.65	24.40	24.16	23.92	23.69
Net tangible assets/share	\$3.24	\$2.72	\$2.99	\$3.55	\$3.70			\$4.37	\$5.05	\$5.73	\$6.42	\$7.12

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

ATVI

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	113.00	418.00	1,085.00	1,149.00	744.06	752.03	760.08	768.21	776.42
Depreciation	347.00	198.00	148.00	120.00	121.20	122.41	123.64	124.87	126.12
Net Income + Depreciation	460.00	616.00	1,233.00	1,269.00	865.26	874.44	883.72	893.08	902.54
Amortization	281.00	319.00	287.00	208.00	295.00	291.12	277.81	274.49	291.89
Deferred Taxes	-256.00	-278.00	75.00	-10.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	488.00	436.00	95.00	122.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	210.00	283.00	-738.00	-244.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	66.00	24.00	-58.00	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	129.00	-32.00	-65.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	61.00	27.00	-47.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	1,183.00	1,376.00	952.00	1,345.00	1,160.26	1,165.56	1,161.53	1,167.57	1,194.43
Capital Expenditures Expenditures	-69.00	-97.00	-72.00	-73.00	-100.00	-100.00	-100.00	-100.00	-100.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-374.00	-215.00	338.00	-51.00	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-443.00	-312.00	266.00	-124.00	-100.00	-100.00	-100.00	-100.00	-100.00
Financing Cash flow items	79.00	22.00	9.00	-11.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-189.00	-194.00	-204.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-1,028.00	-886.00	-623.00	-282.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-949.00	-1,053.00	-808.00	-497.00	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	19.00	33.00	-57.00	70.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	209.00	19.00	19.00	24.00	3,959.00	5,019.26	6,084.82	7,146.35	8,213.92
Net Change in Cash	-190.00	44.00	353.00	794.00	1,060.26	1,065.56	1,061.53	1,067.57	1,094.43
Ending Cash Balance	19.00	19.00	372.00	818.00	5,019.26	6,084.82	7,146.35	8,213.92	9,308.35
Capex to Revenue	1.61%	2.18%	1.51%	1.50%	2.04%	2.02%	2.00%	1.98%	1.96%
Depreciation to Sales	8.11%	4.45%	3.11%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
Amortization to Sales	6.57%	7.17%	6.04%	4.28%	6.01%	5.88%	5.55%	5.43%	5.72%
A/R to Sales	17.27%	15.13%	13.65%	14.56%	14.42%	14.27%	14.13%	13.99%	13.85%
Distributable FCF/EV Yield	6.38%	9.17%	10.50%	10.53%	9.14%	9.19%	9.15%	9.20%	9.44%
Dividend Yield	0.00%	-1.18%	-1.21%	-1.28%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	1,114.00	1,468.00	1,074.00	1,476.00	1,060.26	1,065.56	1,061.53	1,067.57	1,094.43

SN VALUATION

LBO Debt Schedule

Ticker:

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	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	794.00	1,060.26	1,065.56	1,061.53	1,067.57	1,094.43
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		0.00	0.00	0.00	0.00	0.00
Cash Balance		4,357.00				
Interest @ 1.0%		43.57	43.57	43.57	43.57	43.57
Net Interest Expense/(Income)		(43.57)	(43.57)	(43.57)	(43.57)	(43.57)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		1101.14	1113.40	1125.79	1138.29	1150.93
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Activision Blizzard Inc

Ticker:

ATVI

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	2,822.00	2,472.00	2,824.00	3,622.00	4,682.26	5,747.82	6,809.35	7,876.92	8,971.35
Total Assets	13,732.00	13,392.00	13,215.00	14,093.00	14,837.06	15,589.09	16,349.17	17,117.39	17,893.81
X1	0.21	0.18	0.21	0.26	0.32	0.37	0.42	0.46	0.50
Retained Earnings	-361.00	57.00	948.00	1,890.00	2,634.06	3,386.09	4,146.17	4,914.39	5,690.81
Total Assets	13,732.00	13,392.00	13,215.00	14,093.00	14,837.06	15,589.09	16,349.17	17,117.39	17,893.81
X2	-0.03	0.00	0.07	0.13	0.18	0.22	0.25	0.29	0.32
EBITDA	-26.00	469.00	1,328.00	1,451.00	1,226.14	1,238.40	1,250.79	1,263.29	1,275.93
Total Assets	13,732.00	13,392.00	13,215.00	14,093.00	14,837.06	15,589.09	16,349.17	17,117.39	17,893.81
X3	0.00	0.04	0.10	0.10	0.08	0.08	0.08	0.07	0.07
Market Value of Equity	15,972.90	15,972.90	15,972.90	15,972.90	14,855.40	13,816.08	12,849.48	11,950.50	11,114.42
Total Liabilities	2,986.00	3,244.00	2,785.00	2,883.00	2,883.00	2,883.00	2,883.00	2,883.00	2,883.00
X4	5.35	4.92	5.74	5.54	5.15	4.79	4.46	4.15	3.86
Net Sales	4,279.00	4,447.00	4,755.00	4,856.00	4,904.56	4,953.61	5,003.14	5,053.17	5,103.70
Total Assets	13,732.00	13,392.00	13,215.00	14,093.00	14,837.06	15,589.09	16,349.17	17,117.39	17,893.81
X5	0.31	0.33	0.36	0.34	0.33	0.32	0.31	0.30	0.29
Altman Z Score	3.72	3.63	4.49	4.50	4.32	4.20	4.09	3.98	3.88

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red