

**American Greetings Corp (AM)**

|                          |                |                                 |         |                               |         |
|--------------------------|----------------|---------------------------------|---------|-------------------------------|---------|
| <b>Price:</b>            | \$16.15        | <b>Price/Book:</b>              | 0.81    | <b>EV/EBITDA 5x TV:</b>       | \$12.99 |
| <b>Market Cap:</b>       | \$618,867,985  | <b>Price/Earnings:</b>          | 7.47    | <b>Net Tangible Asset TV:</b> | \$18.95 |
| <b>Cash:</b>             | \$85,660,000   | <b>EV/EBITA:</b>                | 3.56    | <b>SN Defined TV:</b>         | \$22.53 |
| <b>Debt:</b>             | \$234,640,000  | <b>EV/FCF:</b>                  | 4.08    | <b>Economic Value Added:</b>  | \$22.25 |
| <b>Net Cash:</b>         | -\$148,980,000 | <b>Net Tang. Asset/Share:</b>   | \$20.65 | <b>Year 5 Target:</b>         | \$19.18 |
| <b>Enterprise Value:</b> | \$767,847,985  | <b>Avg. Year 1-5 FCF/Share:</b> | \$0.51  | <b>Appreciation:</b>          | 18.754% |

How to grow a business for a timeless item like greeting cards in a digitized age? It will be very difficult. It is a highly commoditized item, which China and low cost print shops could sell to large discount retail stores such as Walmart. AM exited retail store operations and only manufactures and markets the products to large customers such as Walmart and Target.

Family run businesses tend to run efficiently as their wealth is linked to the performance of the company. However, looking at the astounding 48% SG&A, we are wondering whether the Weiss family's rein is beneficial for the company.

**Technicals**

Upper end of the bollinger band, broke the 1st resistance price at \$16.15. Expect a dip if new support not created at current price level.

**Dividend?**

Dividend yield is 3.72%.

**Price to Book**

Price to book is 0.81. Price to book excluding intangibles is 0.78.

**Cashflow Generation**

Cashflows are \$115.0 MM from operating cashflow.

Capex is \$70 MM, minority interest payment is \$0 MM, intangibles are \$0 MM and dividend is \$25 MM.

Free cash flow is about \$20 MM.

8.4% EBITA margin and FCF yield is 5.8%.

The company has \$86 MM in cash/short term investment and \$235 MM in debt.

We are projecting a \$15.0 MM paydown annually.

**Profitability**

ROA is 5.4%, and ROC is 11.4%.

**Bankruptcy Risk**

Altman Z is at 3.16.

**LBO?**

We don't believe a 60% debt/40% equity would be sustainable.

**Price**





# SN VALUATION

# LBO Analysis

|   |                |                                    |              |                                    |                         |                              |               |
|---|----------------|------------------------------------|--------------|------------------------------------|-------------------------|------------------------------|---------------|
| WACC Terminal Value:                            | N/A            | <b>Intrinsic Price in 5 Years:</b> | <b>19.18</b> | <b>Non-LBO Forecast</b>            | <b>Non-LBO Forecast</b> | <b>Desired Return Rate</b>   | <b>20.00%</b> |
| EV/EBITDA with 3X Multiple Terminal Value:      | \$12.99        | Market Price:                      | 16.15        | Year 1 Target                      | 16.71                   | <b>Implied Today's Price</b> | <b>7.71</b>   |
| Net Tangible Asset Terminal Value:              | \$18.95        | LBO Price:                         | <b>16.15</b> | Year 2 Target                      | 17.30                   | Overvalued/(Undervalued)     | 109.54%       |
| EV/EBITDA with Today's Multiple Terminal Value: | \$22.53        | Premium to Market Price:           | 0.00%        | Year 3 Target                      | 17.90                   |                              |               |
| <b>EVA Enterprise Value:</b>                    | <b>\$22.25</b> | LBO Price/Intrinsic Price Target:  | 3.50%        | Year 4 Target                      | 18.53                   |                              |               |
| <b>Dividend Discount Model:</b>                 | <b>\$17.68</b> | LBO Price/EV/EBIT Exit Price:      | 0.27%        | Year 5 Target                      | 19.18                   |                              |               |
| <b>Average (Excluding Dividend Discount):</b>   | <b>\$19.18</b> | Implied IRR at today's EV/EBIT A:  | 6.88%        | <b>Implied IRR (Market Price):</b> | <b>3.50%</b>            |                              |               |
|   |                | 5 Year Return:                     | 18.75%       |                                    |                         |                              |               |

| Current Evaluation            |                     |                               |                     | Exit Evaluation               |                    |                               |                    |
|-------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|--------------------|-------------------------------|--------------------|
| Current Market Price:         | 16.15               | LBO Price:                    | 16.15               | Exit Price:                   | 19.18              | Exit Price:                   | 22.53              |
| Outstanding Shares:           | 38,320,000          | Outstanding Shares:           | 38,320,000          | Outstanding Shares:           | 38,320,000         | Outstanding Shares:           | 38,320,000         |
| <b>Market Capitalization:</b> | <b>618,867,985</b>  | <b>Market Capitalization:</b> | <b>618,867,985</b>  | <b>Market Capitalization:</b> | <b>734,929,941</b> | <b>Market Capitalization:</b> | <b>863,217,089</b> |
| Available Cash:               | 85,660,000          | Available Cash:               | 85,660,000          | Available Cash:               | 113,969,359        | Available Cash:               | 113,969,359        |
| Debt:                         | 234,640,000         | Debt:                         | 234,640,000         | Debt:                         | 164,640,000        | Debt:                         | 164,640,000        |
| Net Cash:                     | <b>-148,980,000</b> | Net Cash:                     | <b>-148,980,000</b> | Net Cash:                     | <b>-50,670,641</b> | Net Cash:                     | <b>-50,670,641</b> |
| <b>Enterprise Value:</b>      | <b>767,847,985</b>  | <b>Enterprise Value:</b>      | <b>767,847,985</b>  | <b>Enterprise Value:</b>      | <b>785,600,582</b> | <b>Enterprise Value:</b>      | <b>913,887,731</b> |
| Original EV/EBIT A:           | 4.40                | EV/EBIT A:                    | 4.40                | EV/EBIT A at 5 Years:         | 5.92               | EV/EBIT A at 5 Years:         | <b>5.00</b>        |
| Original EV/EBITDA:           | 3.56                | EV/EBITDA:                    | 4.40                | EV/EBITDA at 5 Years:         | 6.41               | EV/EBITDA at 5 Years:         | 5.08               |
| Competitor Average EV/EBIT:   | N/A                 |                               |                     |                               |                    |                               |                    |
| Competitor Average EV/EBITDA: | N/A                 |                               |                     |                               |                    |                               |                    |

| Enterprise Valuation Calculation During Holding Period |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Time Period  | 0                  | Adjusted for LBO   | 1                  | 2                  | 3                  | 4                  | 5                  |
| Annualized Price Targets based off LBO Price:          | 16.15              | 11.44              | 11.84              | 12.25              | 12.68              | 13.13              | 13.59              |
| Shares Outstanding:                                    | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         |
| <b>Market Capitalization:</b>                          | <b>618,867,985</b> | <b>438,399,535</b> | <b>453,732,272</b> | <b>469,601,261</b> | <b>486,025,258</b> | <b>503,023,673</b> | <b>520,616,597</b> |
| Available Cash:  | 85,660,000         | 85,660,000         | 86,634,220         | 87,755,785         | 92,644,979         | 101,362,277        | 113,969,359        |
| Debt:  | 234,640,000        | 234,640,000        | 224,640,000        | 209,640,000        | 194,640,000        | 179,640,000        | 164,640,000        |
| Net Cash:  | -148,980,000       | -148,980,000       | -138,005,780       | -121,884,215       | -101,995,021       | -78,277,723        | -50,670,641        |
| <b>Enterprise Value:</b>                               | <b>767,847,985</b> | <b>587,379,535</b> | <b>591,738,052</b> | <b>591,485,476</b> | <b>588,020,278</b> | <b>581,301,396</b> | <b>571,287,238</b> |
| EBIT   | 133,640,000        | 133,640,000        | 117,218,800        | 122,235,364        | 125,680,071        | 129,193,673        | 132,777,546        |
| EV/EBIT:   | 5.75               | 4.40               | 5.05               | 4.84               | 4.68               | 4.50               | 4.30               |
| EBITDA   | 174,690,000        | 174,690,000        | 160,321,300        | 166,630,939        | 170,963,558        | 175,382,829        | 179,890,486        |
| EV/EBITDA:   | 4.40               | 4.40               | 3.69               | 3.55               | 3.44               | 3.31               | 3.18               |

| Enterprise Valuation Calculation During Holding Period |                    |                    |                    |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Time Period  | 0                  | Adjusted for LBO   | 1                  | 2                  | 3                  | 4                  | 5                  |
| Annualized Price Targets based off LBO Price:          | 16.15              | 11.44              | 9.84               | 10.84              | 11.75              | 12.78              | 13.91              |
| Shares Outstanding:                                    | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         | 38,320,000         |
| <b>Market Capitalization:</b>                          | <b>618,867,985</b> | <b>438,399,535</b> | <b>377,198,682</b> | <b>415,369,236</b> | <b>450,398,737</b> | <b>489,559,147</b> | <b>532,918,204</b> |
| Available Cash:  | 85,660,000         | 85,660,000         | 86,634,220         | 87,755,785         | 92,644,979         | 101,362,277        | 113,969,359        |
| Debt:  | 234,640,000        | 234,640,000        | 224,640,000        | 209,640,000        | 194,640,000        | 179,640,000        | 164,640,000        |
| Net Cash:  | -148,980,000       | -148,980,000       | -138,005,780       | -121,884,215       | -101,995,021       | -78,277,723        | -50,670,641        |
| <b>Enterprise Value:</b>                               | <b>767,847,985</b> | <b>587,379,535</b> | <b>515,204,462</b> | <b>537,253,452</b> | <b>552,393,758</b> | <b>567,836,871</b> | <b>583,588,846</b> |
| EBIT   | 133,640,000        | 133,640,000        | 117,218,800        | 122,235,364        | 125,680,071        | 129,193,673        | 132,777,546        |
| EV/EBIT:   | 5.75               | 4.40               | 4.40               | 4.40               | 4.40               | 4.40               | 4.40               |
| EBITDA   | 174,690,000        | 174,690,000        | 160,321,300        | 166,630,939        | 170,963,558        | 175,382,829        | 179,890,486        |
| EV/EBITDA:   | 4.40               | 4.40               | 3.21               | 3.22               | 3.23               | 3.24               | 3.24               |

|                              |                    |                             |                    |           |                |   |              |
|------------------------------|--------------------|-----------------------------|--------------------|-----------|----------------|---|--------------|
| LBO Price                    | 16.15              | Equity Partners:            | 851,557,985        | Weighting | <b>100.00%</b> | <b>Annualized Return for Equity Partners:</b> | <b>0.27%</b> |
| Shares Outstanding           | 38,320,000         | Debt Partners:              | 0                  |           | 0.00%          |   |              |
| <b>Market Capitalization</b> | <b>618,867,985</b> | <b>Total Funds for LBO:</b> | <b>851,557,985</b> |           | <b>100.00%</b> |   |              |
| Debt                         | 232,690,000        |                             |                    |           |                |   |              |
| Cash                         | 85,660,000         |                             |                    |           |                |   |              |
| <b>Enterprise Value</b>      | <b>765,897,985</b> |                             |                    |           |                |   |              |
| <b>Capital Investment</b>    | <b>851,557,985</b> |                             |                    |           |                |   |              |

|                          |              |                            |              |                          |              |                           |               |
|--------------------------|--------------|----------------------------|--------------|--------------------------|--------------|---------------------------|---------------|
| <b>Book Value</b>        |              | <b>Enterprise Value</b>    |              | <b>Stock Valuation</b>   |              | <b>Debt Reduction</b>     |               |
| Beginning Book Value     | 766.98       | Beginning Enterprise Value | 767.85       | Current Market Price     | \$16.15      | Starting Debt             | 234.64        |
| Year 5 Book Value        | 989.21       | Year 5 Enterprise Value    | 913.89       | Year 5 Market Price      | \$22.53      | Debt Repayment            | 0.00          |
| <b>Annualized Return</b> | <b>5.22%</b> | <b>Annualized Return</b>   | <b>3.54%</b> | <b>Annualized Return</b> | <b>6.88%</b> | Year 5 Ending Debt        | 164.64        |
|                          |              |                            |              |                          |              | <b>% of Starting Debt</b> | <b>70.17%</b> |

## SN VALUATION

## LBO Pro Forma Income Statement

Name:

American Greetings Corp

Ticker:

AM

|  | Historical                  |                             |                             |                             | Forecasted |          |          |          |          |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------|----------|----------|----------|----------|
|  | 12 months ending 2008-02-29 | 12 months ending 2009-02-28 | 12 months ending 2010-02-28 | 12 months ending 2011-02-28 | 2011       | 2012     | 2013     | 2014     | 2015     |
| Revenue  | 1,776.45                    | 1,690.74                    | 1,635.86                    | 1,592.56                    | 1,672.19   | 1,722.35 | 1,756.80 | 1,791.94 | 1,827.78 |
| COGS   | 780.77                      | 809.96                      | 713.08                      | 682.37                      | 719.04     | 740.61   | 755.42   | 770.53   | 785.94   |
| Gross margin   | 995.68                      | 880.78                      | 922.78                      | 910.19                      | 953.15     | 981.74   | 1,001.38 | 1,021.40 | 1,041.83 |
| SG&A   | 869.20                      | 845.22                      | 783.99                      | 738.70                      | 785.03     | 809.51   | 825.73   | 842.21   | 859.05   |
| R&D  | 0.00                        | 0.00                        | 0.00                        | 0.00                        | 0.00       | 0.00     | 0.00     | 0.00     | 0.00     |
| Unusual expense  | 0.00                        | 290.17                      | -6.51                       | -0.25                       | 0.00       | 0.00     | 0.00     | 0.00     | 0.00     |
| Other operating expense                                    | -1.32                       | -1.40                       | -2.43                       | -2.95                       | 0.00       | 0.00     | 0.00     | 0.00     | 0.00     |
| Depreciation is: Excluded from COGS                        | 48.53                       | 50.02                       | 45.16                       | 41.05                       | 50.00      | 50.00    | 50.00    | 50.00    | 50.00    |
| Operating Income (EBITA)                                   | 80.27                       | -303.23                     | 102.57                      | 133.64                      | 117.22     | 122.24   | 125.68   | 129.19   | 132.78   |
| Interest income/(expense)                                  | -5.04                       | -20.05                      | -19.89                      | -24.75                      | -15.81     | -14.61   | -13.41   | -12.21   | -11.01   |
| Gain (loss) on sale of asset                               | 0.00                        | -1.22                       | -0.06                       | 3.46                        | 0.00       | 0.00     | 0.00     | 0.00     | 0.00     |
| Other  | 0.20                        | -0.46                       | 1.80                        | 2.60                        | 0.00       | 0.00     | 0.00     | 0.00     | 0.00     |
| Income before tax  | 123.97                      | -274.93                     | 120.95                      | 156.01                      | 101.41     | 107.62   | 112.27   | 116.98   | 121.76   |
| Tax  | 40.65                       | -47.17                      | 39.38                       | 68.99                       | 38.53      | 40.90    | 42.66    | 44.45    | 46.27    |
| Income after tax   | 83.32                       | -227.76                     | 81.57                       | 87.02                       | 62.87      | 66.73    | 69.61    | 72.53    | 75.49    |
| 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   | 83.32                       | -227.76                     | 81.57                       | 87.02                       | 62.87      | 66.73    | 69.61    | 72.53    | 75.49    |
| *Figures are in millions (\$)                              |                             |                             |                             |                             |            |          |          |          |          |
| EPS (based off today's share count)                        | \$2.17                      | -\$5.94                     | \$2.13                      | \$2.27                      | \$1.64     | \$1.74   | \$1.82   | \$1.89   | \$1.97   |
| P/E (historical today's price; forecasted intrinsic price) | 7.43                        | -2.72                       | 7.59                        | 7.11                        | 10.19      | 9.93     | 9.86     | 9.79     | 9.73     |
| Revenue Growth   | N/A                         | -4.82%                      | -3.25%                      | -2.65%                      | 5.00%      | 3.00%    | 2.00%    | 2.00%    | 2.00%    |
| Tax Rate   | 32.79%                      | 17.16%                      | 32.56%                      | 44.22%                      | 38.00%     | 38.00%   | 38.00%   | 38.00%   | 38.00%   |
| Implied Debt Interest Rate                                 | -2.07%                      | -5.14%                      | -6.03%                      | -10.64%                     | -6.74%     | -6.50%   | -6.40%   | -6.27%   | -6.13%   |
| <b>Margins</b>   |                             |                             |                             |                             |            |          |          |          |          |
| COGS   | 43.95%                      | 47.91%                      | 43.59%                      | 42.85%                      | 43.00%     | 43.00%   | 43.00%   | 43.00%   | 43.00%   |
| Gross margin   | 56.05%                      | 52.09%                      | 56.41%                      | 57.15%                      | 57.00%     | 57.00%   | 57.00%   | 57.00%   | 57.00%   |
| SG&A   | 48.87%                      | 49.99%                      | 47.93%                      | 46.38%                      | 47.00%     | 47.00%   | 47.00%   | 47.00%   | 47.00%   |
| R&D  | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%      | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Unusual expense  | 0.00%                       | 17.16%                      | -0.40%                      | -0.02%                      | 0.00%      | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Other operating expense                                    | -0.07%                      | -0.08%                      | -0.15%                      | -0.19%                      | 0.00%      | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Depreciation is: Excluded from COGS                        | 2.73%                       | 2.96%                       | 2.76%                       | 2.58%                       | 2.99%      | 2.90%    | 2.85%    | 2.79%    | 2.74%    |
| Operating Income (EBITA)                                   | 4.52%                       | -17.93%                     | 6.27%                       | 8.39%                       | 7.01%      | 7.10%    | 7.15%    | 7.21%    | 7.26%    |
| Interest income/(expense)                                  | -0.28%                      | -1.19%                      | -1.22%                      | -1.55%                      | -0.95%     | -0.85%   | -0.76%   | -0.68%   | -0.60%   |
| Gain (loss) on sale of asset                               | 0.00%                       | -0.07%                      | 0.00%                       | 0.22%                       | 0.00%      | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Other  | 0.01%                       | -0.03%                      | 0.11%                       | 0.16%                       | 0.00%      | 0.00%    | 0.00%    | 0.00%    | 0.00%    |
| Income before tax  | 6.98%                       | -16.26%                     | 7.39%                       | 9.80%                       | 6.06%      | 6.25%    | 6.39%    | 6.53%    | 6.66%    |
| Tax  | 2.29%                       | -2.79%                      | 2.41%                       | 4.33%                       | 2.30%      | 2.37%    | 2.43%    | 2.48%    | 2.53%    |
| Income after tax   | 4.69%                       | -13.47%                     | 4.99%                       | 5.46%                       | 3.76%      | 3.99%    | 4.16%    | 4.34%    | 4.51%    |
| 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   | 4.69%                       | -13.47%                     | 4.99%                       | 5.46%                       | 3.76%      | 3.87%    | 3.96%    | 4.05%    | 4.13%    |

SN VALUATION

LBO Adjusted Proforma Balance Sheet

|   | As of 2008-02-29 | As of 2009-02-28 | As of 2010-02-28 | As of 2011-02-28 | As of 2011-11-25 | Adjustment  |             | Adjusted Proforma | 2011            | 2012            | 2013            | 2014            | 2015            |
|---|------------------|------------------|------------------|------------------|------------------|-------------|-------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   |                  |                  |                  |                  |                  | +           | -           |                   |                 |                 |                 |                 |                 |
| Cash                                    | 123.50           | 60.22            | 137.95           | 215.84           | 85.66            |             |             | 85.66             | 86.63           | 87.76           | 92.64           | 101.36          | 113.97          |
| Short term investment                   | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |             |             | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| <b>Cash and Short term</b>              | <b>123.50</b>    | <b>60.22</b>     | <b>137.95</b>    | <b>215.84</b>    | <b>85.66</b>     |             |             | <b>85.66</b>      | <b>86.63</b>    | <b>87.76</b>    | <b>92.64</b>    | <b>101.36</b>   | <b>113.97</b>   |
| Accounts Receivable                     | 61.90            | 77.70            | 135.76           | 119.78           | 235.32           |             |             | 235.32            | 235.32          | 235.32          | 235.32          | 235.32          | 235.32          |
| Other receivables                       | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |             |             | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| <b>Total Receivables</b>                | <b>61.90</b>     | <b>77.70</b>     | <b>135.76</b>    | <b>119.78</b>    | <b>235.32</b>    |             |             | <b>235.32</b>     | <b>235.32</b>   | <b>235.32</b>   | <b>235.32</b>   | <b>235.32</b>   | <b>235.32</b>   |
| Total Inventory                         | 216.67           | 194.94           | 163.96           | 179.73           | 214.41           |             |             | 214.41            | 214.41          | 214.41          | 214.41          | 214.41          | 214.41          |
| Prepaid Expenses                        | 195.02           | 162.12           | 148.05           | 128.37           | 127.38           |             |             | 127.38            | 127.38          | 127.38          | 127.38          | 127.38          | 127.38          |
| Other Current Assets                    | 72.28            | 90.89            | 108.43           | 72.05            | 57.40            |             |             | 57.40             | 57.40           | 57.40           | 57.40           | 57.40           | 57.40           |
| <b>Current Assets</b>                   | <b>669.37</b>    | <b>585.87</b>    | <b>694.15</b>    | <b>715.77</b>    | <b>720.17</b>    | <b>0.00</b> | <b>0.00</b> | <b>720.17</b>     | <b>721.14</b>   | <b>722.27</b>   | <b>727.15</b>   | <b>735.87</b>   | <b>748.48</b>   |
| PP&E, Gross                             | 974.07           | 922.61           | 950.00           | 1,000.00         | 1,000.00         |             |             | 1,000.00          | 1,070.00        | 1,140.00        | 1,210.00        | 1,280.00        | 1,350.00        |
| Change in Depreciation                  |                  | 50.02            | 45.16            | 41.05            | 41.05            |             |             | 41.05             | 43.10           | 44.40           | 45.28           | 46.19           | 47.11           |
| Accumulated Depreciation                | 678.07           | 647.05           | 670.00           | 690.00           | 690.00           |             |             | 690.00            | 733.10          | 777.50          | 822.78          | 868.97          | 916.08          |
| <b>PP&amp;E, Net</b>                    | <b>296.00</b>    | <b>275.56</b>    | <b>280.00</b>    | <b>310.00</b>    | <b>310.00</b>    |             |             | <b>310.00</b>     | <b>336.90</b>   | <b>362.50</b>   | <b>387.22</b>   | <b>411.03</b>   | <b>433.92</b>   |
| Goodwill                                | 285.07           | 26.87            | 31.11            | 28.90            | 27.71            | 0.00        |             | 27.71             | 27.71           | 27.71           | 27.71           | 27.71           | 27.71           |
| Intangibles                             | 27.44            | 50.59            | 45.83            | 43.05            | 0.00             |             |             | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Long term investments                   | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |             |             | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Other long term assets                  | 526.54           | 509.14           | 530.54           | 517.88           | 551.36           |             |             | 551.36            | 551.36          | 551.36          | 551.36          | 551.36          | 551.36          |
| <b>Long Term Assets</b>                 | <b>1,135.05</b>  | <b>862.16</b>    | <b>887.48</b>    | <b>899.83</b>    | <b>899.07</b>    |             |             | <b>899.07</b>     | <b>915.97</b>   | <b>941.57</b>   | <b>966.29</b>   | <b>990.10</b>   | <b>1,012.99</b> |
| <b>Total Assets</b>                     | <b>1,804.42</b>  | <b>1,448.03</b>  | <b>1,581.63</b>  | <b>1,615.60</b>  | <b>1,609.24</b>  | <b>0.00</b> | <b>0.00</b> | <b>1,609.24</b>   | <b>1,637.11</b> | <b>1,663.84</b> | <b>1,693.44</b> | <b>1,725.97</b> | <b>1,761.47</b> |
| Accounts Payable                        | 123.71           | 117.50           | 95.43            | 87.11            | 108.25           |             |             | 108.25            | 108.25          | 108.25          | 108.25          | 108.25          | 108.25          |
| Accrued Expense                         | 148.01           | 122.43           | 163.34           | 142.20           | 126.01           |             |             | 126.01            | 126.01          | 126.01          | 126.01          | 126.01          | 126.01          |
| Other current Liabilities               | 137.90           | 117.28           | 108.82           | 113.24           | 117.07           |             |             | 117.07            | 117.07          | 117.07          | 117.07          | 117.07          | 117.07          |
| <b>Total Current Liabilities</b>        | <b>409.62</b>    | <b>357.21</b>    | <b>367.59</b>    | <b>342.55</b>    | <b>351.33</b>    | <b>0.00</b> | <b>0.00</b> | <b>351.33</b>     | <b>351.33</b>   | <b>351.33</b>   | <b>351.33</b>   | <b>351.33</b>   | <b>351.33</b>   |
| 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 | 22.69            | 0.75             | 1.00             | 0.00             | 0.00             |             |             | 0.00              | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Long term Debt                          | 220.62           | 389.47           | 328.72           | 232.69           | 234.64           | 0.00        | 0.00        | 234.64            | 224.64          | 209.64          | 194.64          | 179.64          | 164.64          |
| 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            |
| <b>Total Interest Earning Debt</b>      | <b>243.31</b>    | <b>390.22</b>    | <b>329.72</b>    | <b>232.69</b>    | <b>234.64</b>    | <b>0.00</b> | <b>0.00</b> | <b>234.64</b>     | <b>224.64</b>   | <b>209.64</b>   | <b>194.64</b>   | <b>179.64</b>   | <b>164.64</b>   |
| Deferred Income tax                     | 26.36            | 21.60            | 28.18            | 31.74            | 21.77            |             |             | 21.77             | 21.77           | 21.77           | 21.77           | 21.77           | 21.77           |
| 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                       | 181.72           | 149.82           | 168.10           | 176.52           | 182.56           |             |             | 182.56            | 182.56          | 182.56          | 182.56          | 182.56          | 182.56          |
| <b>Total Liabilities</b>                | <b>861.01</b>    | <b>918.85</b>    | <b>893.59</b>    | <b>783.50</b>    | <b>790.30</b>    | <b>0.00</b> | <b>0.00</b> | <b>790.30</b>     | <b>780.30</b>   | <b>765.30</b>   | <b>750.30</b>   | <b>735.30</b>   | <b>720.30</b>   |
| 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                            | 48.76            | 40.54            | 39.48            | 40.41            | 38.34            |             | 0.00        | 38.34             | 38.34           | 38.34           | 38.34           | 38.34           | 38.34           |
| Additional Paid-in capital              | 445.70           | 449.08           | 461.08           | 492.05           | 510.00           | 0.00        | 0.00        | 510.00            | 510.00          | 510.00          | 510.00          | 510.00          | 510.00          |
| Dividends Paid                          | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |             |             | 0.00              | -25.00          | -50.00          | -75.00          | -100.00         | -125.00         |
| Retained Earnings                       | 1,300.66         | 1,044.93         | 1,126.89         | 1,185.86         | 1,228.27         |             | 0.00        | 1,228.27          | 1,291.14        | 1,357.87        | 1,427.47        | 1,500.00        | 1,575.50        |
| Treasury Stock                          | -872.95          | -938.09          | -946.72          | -952.21          | -995.34          |             |             | -995.34           | -995.34         | -995.34         | -995.34         | -995.34         | -995.34         |
| Other Equity                            | 21.24            | -67.28           | -29.82           | -2.35            | -14.29           |             | 0.00        | -14.29            | -14.29          | -14.29          | -14.29          | -14.29          | -14.29          |
| <b>Total Equity</b>                     | <b>943.41</b>    | <b>529.18</b>    | <b>650.91</b>    | <b>763.76</b>    | <b>766.98</b>    | <b>0.00</b> | <b>0.00</b> | <b>766.98</b>     | <b>804.85</b>   | <b>846.58</b>   | <b>891.18</b>   | <b>938.71</b>   | <b>989.21</b>   |
| <b>Liability + Equity</b>               | <b>1,804.42</b>  | <b>1,448.03</b>  | <b>1,544.50</b>  | <b>1,547.26</b>  | <b>1,557.28</b>  | <b>0.00</b> | <b>0.00</b> | <b>1,557.28</b>   | <b>1,585.15</b> | <b>1,611.88</b> | <b>1,641.48</b> | <b>1,674.01</b> | <b>1,709.51</b> |
| <b>Variance</b>                         | 0.00             | 0.00             | 37.13            | 68.34            | 51.96            |             |             | 51.96             | 51.96           | 51.96           | 51.96           | 51.96           | 51.96           |
| <b>Debt/Equity</b>                      | 0.26             | 0.74             | 0.51             | 0.30             | 0.31             |             |             | 0.31              | 0.28            | 0.25            | 0.22            | 0.19            | 0.17            |
| Inventory Turnover                      | 8.20             | 8.67             | 9.98             | 8.86             | 7.80             |             |             | 7.43              | 7.80            | 8.03            | 8.19            | 8.36            | 8.52            |
| Inventory Turnover Days                 | 44.52            | 42.08            | 36.58            | 41.19            | 46.80            |             |             | 49.14             | 46.80           | 45.44           | 44.55           | 43.67           | 42.82           |
| Days Inventory Outstanding              | 101.29           | 87.85            | 83.93            | 96.14            | 108.84           |             |             | 114.69            | 108.84          | 105.67          | 103.60          | 101.57          | 99.57           |
| Accounts Receivable Turnover            | 28.70            | 21.76            | 12.05            | 13.30            | 7.11             |             |             | 6.77              | 7.11            | 7.32            | 7.47            | 7.61            | 7.77            |
| Accounts Receivable Turnover Days       | 12.72            | 16.77            | 30.29            | 27.45            | 51.36            |             |             | 53.93             | 51.36           | 49.87           | 48.89           | 47.93           | 46.99           |
| Days Payable Outstanding                | 57.83            | 52.95            | 48.85            | 46.60            | 54.95            |             |             | 57.90             | 54.95           | 53.35           | 52.30           | 51.28           | 50.27           |
| Days Sales Outstanding                  | 12.72            | 16.77            | 30.29            | 27.45            | 51.36            |             |             | 27.45             | 53.93           | 51.36           | 49.87           | 48.89           | 47.93           |
| Cash Conversion Cycle                   | 56.18            | 51.67            | 65.37            | 76.99            | 105.25           |             |             | 84.24             | 107.82          | 103.68          | 101.16          | 99.18           | 97.23           |

SN VALUATION

LBO Adjusted Proforma Cash Flow

|   | 12 months ending 2008-02-29 | 12 months ending 2009-02-28 | 12 months ending 2010-02-28 | 12 months ending 2011-02-28 | 2011          | 2012          | 2013          | 2014          | 2015          |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Net Income                                    | 83.00                       | -227.76                     | 81.57                       | 87.02                       | 62.87         | 66.73         | 69.61         | 72.53         | 75.49         |
| Depreciation                                  | 48.53                       | 50.02                       | 45.16                       | 41.05                       | 43.10         | 44.40         | 45.28         | 46.19         | 47.11         |
| <b>Net Income + Depreciation</b>              | <b>131.53</b>               | <b>-177.74</b>              | <b>126.73</b>               | <b>128.07</b>               | <b>105.97</b> | <b>111.12</b> | <b>114.89</b> | <b>118.72</b> | <b>122.61</b> |
| Amortization                                  | 0.00                        | 0.00                        | 0.00                        | 0.00                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Deferred Taxes                                | -7.56                       | -29.44                      | 25.27                       | 28.64                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Non Cash Items                                | 10.52                       | 305.12                      | 24.85                       | 13.08                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Change in Working capital                     | 108.98                      | -24.89                      | 20.64                       | 10.01                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Accounts Receivable                           | 0.00                        | -15.80                      | -58.06                      | 15.98                       | 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                        | 21.73                       | 30.98                       | -15.77                      | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Prepaid Expenses                              | 0.00                        | 32.90                       | 14.07                       | 19.68                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Accounts Payable                              | 0.00                        | -6.21                       | -22.07                      | -8.32                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Cash from Operating Activities</b>         | <b>243.47</b>               | <b>73.05</b>                | <b>197.49</b>               | <b>179.80</b>               | <b>105.97</b> | <b>111.12</b> | <b>114.89</b> | <b>118.72</b> | <b>122.61</b> |
| Capital Expenditures Expenditures             | -56.62                      | -55.73                      | -26.55                      | -36.35                      | -70.00        | -70.00        | -70.00        | -70.00        | -70.00        |
| Long term investment                          | 0.00                        | 0.00                        | 0.00                        | 0.00                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Other Investing Activities                    | -68.95                      | -81.60                      | -13.46                      | 44.56                       | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Cash from Investing Activities</b>         | <b>-125.57</b>              | <b>-137.33</b>              | <b>-40.01</b>               | <b>8.21</b>                 | <b>-70.00</b> | <b>-70.00</b> | <b>-70.00</b> | <b>-70.00</b> | <b>-70.00</b> |
| Financing Cash flow items                     | 0.00                        | 0.00                        | 0.00                        | 1.31                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Total Cash Dividends Paid                     | -21.80                      | -22.57                      | -19.05                      | -22.35                      | 25.00         | 25.00         | 25.00         | 25.00         | 25.00         |
| Issuance (Retirement) of Stock                | -145.17                     | -73.46                      | -5.14                       | 3.10                        | 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       | 20.10                       | 118.99                      | -62.35                      | -99.25                      | -10.00        | -15.00        | -15.00        | -15.00        | -15.00        |
| <b>Cash from Financing Activities</b>         | <b>-146.87</b>              | <b>22.96</b>                | <b>-86.54</b>               | <b>-117.19</b>              | <b>-35.00</b> | <b>-40.00</b> | <b>-40.00</b> | <b>-40.00</b> | <b>-40.00</b> |
| Foreign Exchange effect                       | 7.76                        | -21.96                      | 6.80                        | 7.07                        | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Beginning Cash Balance                        | 144.71                      | 123.50                      | 60.22                       | 137.95                      | 85.66         | 86.63         | 87.76         | 92.64         | 101.36        |
| <b>Net Change in Cash</b>                     | <b>-21.21</b>               | <b>-63.28</b>               | <b>77.73</b>                | <b>77.89</b>                | <b>0.97</b>   | <b>1.12</b>   | <b>4.89</b>   | <b>8.72</b>   | <b>12.61</b>  |
| Ending Cash Balance                           | 123.50                      | 60.22                       | 137.95                      | 215.84                      | 86.63         | 87.76         | 92.64         | 101.36        | 113.97        |
| Capex to Revenue                              | 3.19%                       | 3.30%                       | 1.62%                       | 2.28%                       | 4.19%         | 4.06%         | 3.98%         | 3.91%         | 3.83%         |
| Depreciation to Sales                         | 2.73%                       | 2.96%                       | 2.76%                       | 2.58%                       | 2.58%         | 2.58%         | 2.58%         | 2.58%         | 2.58%         |
| Amortization to Sales                         | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%                       | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| A/R to Sales                                  | 3.48%                       | 4.60%                       | 8.30%                       | 7.52%                       | 7.16%         | 6.95%         | 6.82%         | 6.68%         | 6.55%         |
| Distributable FCF Yield                       | 15.35%                      | -8.37%                      | 20.51%                      | 24.49%                      | 4.69%         | 5.36%         | 5.85%         | 6.34%         | 6.85%         |
| Dividend Yield                                | -3.52%                      | -3.65%                      | -3.08%                      | -3.61%                      | 4.04%         | 4.04%         | 4.04%         | 4.04%         | 4.04%         |
| <b>FCF (Ops-Investing-Dividends)</b>          | <b>139.70</b>               | <b>-41.71</b>               | <b>176.53</b>               | <b>210.36</b>               | <b>10.97</b>  | <b>16.12</b>  | <b>19.89</b>  | <b>23.72</b>  | <b>27.61</b>  |

# SN VALUATION

# LBO Debt Schedule

|   | Proforma | 2011         | 2012         | 2013         | 2014         | 2015         |
|---|----------|--------------|--------------|--------------|--------------|--------------|
| Net Change in Cash                      | 77.89    | 0.97         | 1.12         | 4.89         | 8.72         | 12.61        |
| Current Portion Debt Repayment          |          |              |              |              |              |              |
| Long Term Debt Repayment                |          | 10.00        | 15.00        | 15.00        | 15.00        | 15.00        |
| <b>Outstanding Debt</b>                 | 234.64   | 224.64       | 209.64       | 194.64       | 179.64       | 164.64       |
| Current Portion Debt Balance            | 0.00     | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         |
| Long Term Debt Balance                  | 234.64   | 224.64       | 209.64       | 194.64       | 179.64       | 164.64       |
| Forward Libor Curve                     |          | 4.00%        | 4.00%        | 4.00%        | 4.00%        | 4.00%        |
| Spread                                  |          | 4.00%        | 4.00%        | 4.00%        | 4.00%        | 4.00%        |
| <b>Interest Rate</b>                    |          | <b>8.00%</b> | <b>8.00%</b> | <b>8.00%</b> | <b>8.00%</b> | <b>8.00%</b> |
| <b>Interest Expense</b>                 |          | <b>17.97</b> | <b>16.77</b> | <b>15.57</b> | <b>14.37</b> | <b>13.17</b> |
| Cash Balance                            |          | 215.84       |              |              |              |              |
| Interest @ 1.0%                         |          | 2.16         | 2.16         | 2.16         | 2.16         | 2.16         |
| <b>Net Interest Expense/(Income)</b>    |          | <b>15.81</b> | <b>14.61</b> | <b>13.41</b> | <b>12.21</b> | <b>11.01</b> |
| <b>Net Interest Rate</b>                |          | <b>6.74%</b> | <b>6.50%</b> | <b>6.40%</b> | <b>6.27%</b> | <b>6.13%</b> |
| EBITDA                                  |          | 117.22       | 122.24       | 125.68       | 129.19       | 132.78       |
| <b>EBITDA/Interest Expense Coverage</b> |          | <b>6.52</b>  | <b>7.29</b>  | <b>8.07</b>  | <b>8.99</b>  | <b>10.08</b> |

Interest Rate Coverage Table

| Debt Rating |   |   |    |    |    |
|-------------|---|---|----|----|----|
| AAA         |   |   |    |    |    |
| AA          |   |   |    |    | AA |
| A+          |   |   | A+ | A+ |    |
| A           | A | A |    |    |    |
| A-          |   |   |    |    |    |
| BBB         |   |   |    |    |    |
| BB+         |   |   |    |    |    |
| BB          |   |   |    |    |    |
| B+          |   |   |    |    |    |
| B           |   |   |    |    |    |
| B-          |   |   |    |    |    |
| CCC         |   |   |    |    |    |
| CC          |   |   |    |    |    |
| C           |   |   |    |    |    |
| D           |   |   |    |    |    |

\*Source: NYU; Professor Damodaran



# Altman Z Score

Company Name:

American Greetings Corp

Ticker:

AM

| Period                 | 2007        | 2008         | 2009        | 2010        | 2011        | 2012        | 2013        | 2014        | 2015        |
|------------------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Working Capital        | 259.75      | 228.66       | 326.56      | 368.84      | 369.81      | 370.94      | 375.82      | 384.54      | 397.15      |
| Total Assets           | 1,804.42    | 1,448.03     | 1,581.63    | 1,609.24    | 1,637.11    | 1,663.84    | 1,693.44    | 1,725.97    | 1,761.47    |
| <b>X1</b>              | <b>0.14</b> | <b>0.16</b>  | <b>0.21</b> | <b>0.23</b> | <b>0.23</b> | <b>0.22</b> | <b>0.22</b> | <b>0.22</b> | <b>0.23</b> |
| Retained Earnings      | 1,300.66    | 1,044.93     | 1,126.89    | 1,228.27    | 1,291.14    | 1,357.87    | 1,427.47    | 1,500.00    | 1,575.50    |
| Total Assets           | 1,804.42    | 1,448.03     | 1,581.63    | 1,609.24    | 1,637.11    | 1,663.84    | 1,693.44    | 1,725.97    | 1,761.47    |
| <b>X2</b>              | <b>0.72</b> | <b>0.72</b>  | <b>0.71</b> | <b>0.76</b> | <b>0.79</b> | <b>0.82</b> | <b>0.84</b> | <b>0.87</b> | <b>0.89</b> |
| EBITDA                 | 128.80      | -253.21      | 147.73      | 174.69      | 167.22      | 172.24      | 175.68      | 179.19      | 182.78      |
| Total Assets           | 1,804.42    | 1,448.03     | 1,581.63    | 1,609.24    | 1,637.11    | 1,663.84    | 1,693.44    | 1,725.97    | 1,761.47    |
| <b>X3</b>              | <b>0.07</b> | <b>-0.17</b> | <b>0.09</b> | <b>0.11</b> | <b>0.10</b> | <b>0.10</b> | <b>0.10</b> | <b>0.10</b> | <b>0.10</b> |
| Market Value of Equity | 618.87      | 618.87       | 618.87      | 618.87      | 640.51      | 662.91      | 686.10      | 710.09      | 734.93      |
| Total Liabilities      | 861.01      | 918.85       | 893.59      | 790.30      | 780.30      | 765.30      | 750.30      | 735.30      | 720.30      |
| <b>X4</b>              | <b>0.72</b> | <b>0.67</b>  | <b>0.69</b> | <b>0.78</b> | <b>0.82</b> | <b>0.87</b> | <b>0.91</b> | <b>0.97</b> | <b>1.02</b> |
| Net Sales              | 1,776.45    | 1,690.74     | 1,635.86    | 1,592.56    | 1,672.19    | 1,722.35    | 1,756.80    | 1,791.94    | 1,827.78    |
| Total Assets           | 1,804.42    | 1,448.03     | 1,581.63    | 1,609.24    | 1,637.11    | 1,663.84    | 1,693.44    | 1,725.97    | 1,761.47    |
| <b>X5</b>              | <b>0.98</b> | <b>1.17</b>  | <b>1.03</b> | <b>0.99</b> | <b>1.02</b> | <b>1.04</b> | <b>1.04</b> | <b>1.04</b> | <b>1.04</b> |
| <b>Altman Z Score</b>  | <b>2.83</b> | <b>2.19</b>  | <b>3.00</b> | <b>3.16</b> | <b>3.23</b> | <b>3.31</b> | <b>3.37</b> | <b>3.44</b> | <b>3.52</b> |

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

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

# SN VALUATION

# Economic Indicators

| Indicators   | Period      | Value     | Previous Value | Chg %    | Released |
|--|-------------|-----------|----------------|----------|----------|
| Adjusted National Financial Conditions Index         | Mar 9 2012  | 0.0343    | -0.01          | -646.30% | Error    |
| Case-Shiller Home Price Index: National              | Dec 2011    | 125.67    | 127.90         | -1.74%   | -0.0401  |
| Philly Fed Manufacturing Activity Index              | Mar 2012    | 12.5      | 10.20          | 22.55%   | -0.6811  |
| Philly Fed Manufacturing Future Activity Index       | Mar 2012    | 32.9      | 33.30          | -1.20%   | -0.4443  |
| US Average Claims for Unemployment Insurance         | Mar 3 2012  | 3394      | 3419.302841    | -0.74%   | -0.124   |
| US Average Initial Claims for Unemployment Insurance | Mar 10 2012 | 355.75K   | N/A            | 0.00%    | -0.1016  |
| US Industrial Production Index                       | Dec 2011    | 95.29     | 94.87          | 0.44%    | 0.0295   |
| US Initial Claims for Unemployment Insurance         | Mar 10 2012 | 351.0K    | N/A            | -3.84%   | -0.1333  |
| US Producer Price Index                              | Feb 2012    | 194.2     | 193.50         | 0.36%    | 0.0335   |
| US Quits Rate: Total Nonfarm                         | Jan 2012    | 0.015     | 0.015          | 0.00%    | 0.0714   |
| US Quits: Total Nonfarm                              | Jan 2012    | 1972      | 2007.94        | -1.79%   | 0.0937   |
| US Retail Sales                                      | Feb 2012    | 364380000 | 360,451,083    | 1.09%    | 0.0628   |
| US Total Business Inventories                        | Jan 2012    | 1.569T    | N/A            | 0.69%    | 0.0762   |
| US Total Business Inventory/Sales Ratio              | Jan 2012    | 1.27      | 1.27           | 0.00%    | 0.0079   |
| US Total Business Sales                              | Jan 2012    | 1.237T    | N/A            | 0.44%    | 0.072    |
| US Total Separations Rate: Total Nonfarm             | Jan 2012    | 0.03      | 0.03           | 0.00%    | 0.0345   |
| US Total Separations: Total Nonfarm                  | Jan 2012    | 3944      | 4022.85        | -1.96%   | 0.0335   |

## U.S. Key Indicators

|  |             |
|--|-------------|
| 10 Year Treasury Rate                        | 2.29%       |
| US Producer Price Index                      | 194.2       |
| US Initial Claims for Unemployment Insurance | 351.0K      |
| US 30 Year Mortgage Rate                     | 3.92%       |
| US Average Claims for Unemployment Insurance | 3,394       |
| US Retail Sales                              | 364,380,000 |
| US Unemployment Rate                         | 0.083       |
| US Durable Goods Orders                      | 206,920,000 |
| US Purchasing Managers Index                 | 52.4        |
| US Personal Consumption Expenditures         | 10.90T      |
| US Consumer Price Index                      | 227.5       |
| US Consumer Sentiment                        | 63.7        |
| US Housing Starts                            | 699.0K      |

## Korea Key Indicators

|  | Period     | Value     | Chg from 1 Year |
|--|------------|-----------|-----------------|
| Gold Price in Korean Won                 | Mar 9 2012 | 1,886,372 | 18.99%          |
| Korea Change in Stocks                   | Sep 2011   | 3.3       | 230.00%         |
| Korea Consumer Price Index               | Feb 2012   | 123.17    | 3.11%           |
| Korea Core Consumer Price Index          | Feb 2012   | 118.35    | 2.56%           |
| Korea Core Inflation Rate                | Jan 2012   | 0.0247    | 29.01%          |
| Korea GDP                                | Sep 2011   | 310.1     | 5.30%           |
| Korea Inflation Rate                     | Jan 2012   | 0.0342    | -0.64%          |
| Korea Manufacturing Producer Price Index | Jan 2012   | 126.49    | 4.72%           |
| Korea Misery Index                       | Jan 2012   | 6.622     | -5.99%          |
| Korea Real GDP Growth                    | Dec 2011   | 0.0342    | -27.39%         |
| Korea Unemployment Rate                  | Jan 2012   | 0.032     | -11.11%         |

Source: [Ycharts.com](http://Ycharts.com)

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