

American Railcar Industries (ARII)

Price:	\$32.03	Net Tang. Bk Value Incl. Cash, Excl.	\$361,440,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$628,644,600.00
Market Cap:	\$683,840,500	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$77,290,920.00
Cash:	\$56,000,000	NTBVIC/Market Downside Recovery:	52.85%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$280,000,000	Op. Cash Flow:	\$77,290,920	Year 5 Disposition Price:	\$860,517,360.00
Net Cash:	-\$224,000,000	Implied Years to Fill Gap:	4.17		
Enterprise Value:	\$907,840,500	Today's Equity if 5x Op. CF:	\$593,312,760		
		Net Tang. Book+ Gain Disposition:			\$860,517,360.00
Shares Outstanding:	21,350,000	IRR:			4.70%
				Price:	\$40.31
				Target Market Cap:	\$860,517,360
				Target Enterprise Value:	\$1,084,517,360

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

55% owned by IEP, Icahn Enterprise LP, which is 92% owned by Carl Icahn himself.

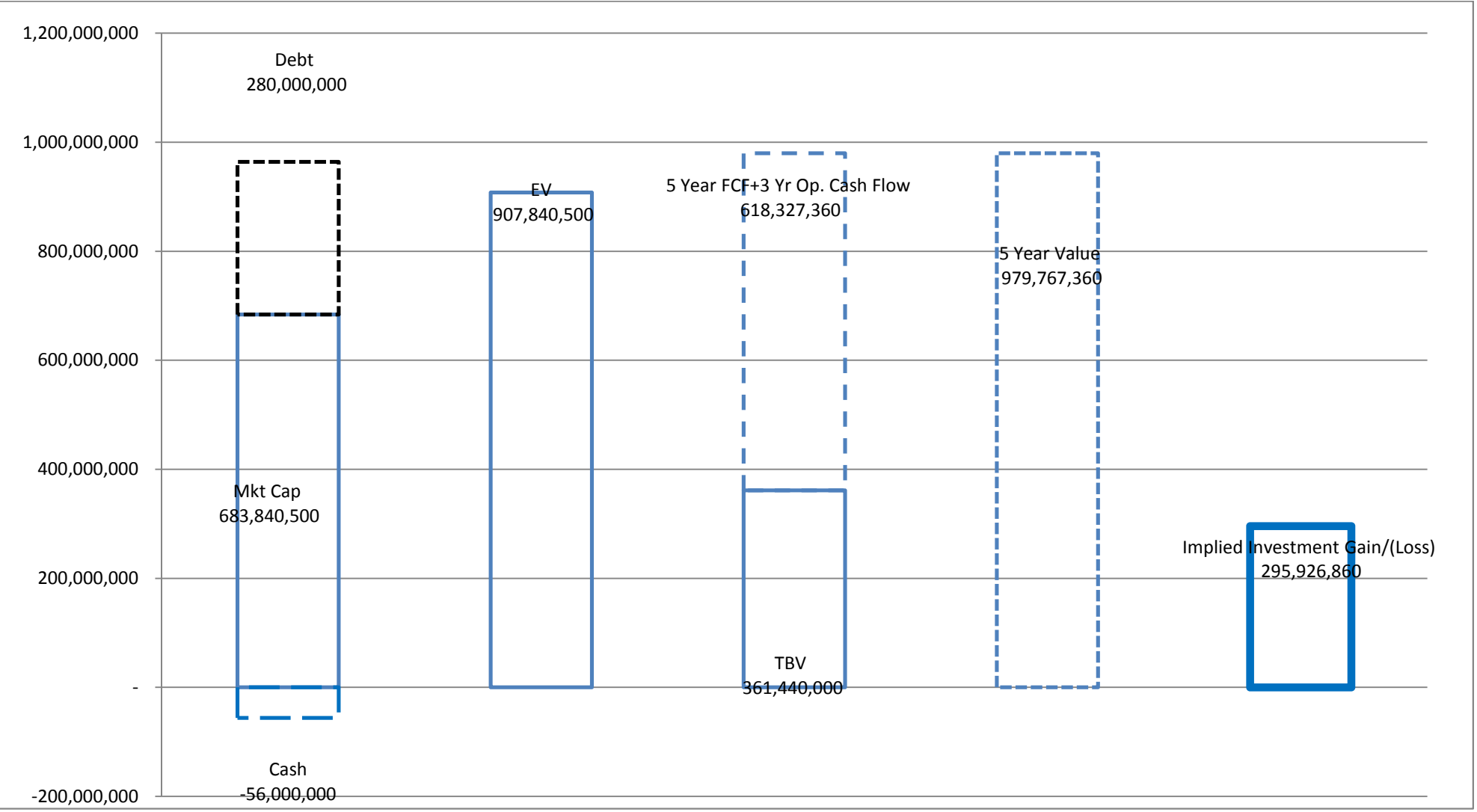
This Co. is on the cheap. We believe Icahn will make a killing from this stock. Its a recovery story in a cyclical industry that was hurt bad by the downturn in 2008/2009. However, revenues have been growing in the double digit and we believe a new JV in India, has broadened this Midwesterner's horizon to become a more international leader, rather than a small regional player.

The cash flow is positive, downside protection is 53%, Icahn is on board, Buffett made his railroad business and if the US economy grows, railcar purchases will grow along with it.

Downside is the fact that the industry is susceptible to cycles and if tapering and China slowdown and possible Japan implosion occurs, which should slow down the US economy, then we can expect cash burn for the next few years.

Dividend yield is 3%.

We are more optimistic and will include the stock in our portfolio.



SN VALUATION

LBO Pro Forma Income Statement

Name:

American Railcar Industries

Ticker:

ARI

	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	423.43	273.56	519.38	711.72	711.72	711.72	711.72	711.72	711.72
COGS	376.04	264.62	461.59	563.37	576.49	576.49	576.49	576.49	576.49
Gross margin	47.39	8.94	57.79	148.35	135.23	135.23	135.23	135.23	135.23
SG&A	25.14	25.99	25.05	26.93	28.47	28.47	28.47	28.47	28.47
R&D	0.00	0.00	0.00	0.00	7.12	7.12	7.12	7.12	7.12
Unusual expense	0.00	0.00	0.00	2.27	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	0.00
Operating Income (EBITA)	22.25	-16.65	32.74	119.15	99.64	99.64	99.64	99.64	99.64
Interest income/(expense)	-21.09	-25.54	-24.54	-15.22	-17.42	-17.42	-17.42	-17.42	-17.42
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	20.87	0.39	-0.01	1.91	0.00	0.00	0.00	0.00	0.00
Income before tax	22.03	-41.90	8.20	105.84	82.22	82.22	82.22	82.22	82.22
Tax	6.57	-14.79	3.66	42.02	28.78	28.78	28.78	28.78	28.78
Income after tax	15.46	-27.01	4.34	63.82	53.44	53.44	53.44	53.44	53.44
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	15.46	-27.01	4.34	63.82	53.44	53.44	53.44	53.44	53.44
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.72	-\$1.27	\$0.20	\$2.99	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
P/E (historical today's price; forecasted intrinsic price)	44.23	-25.32	157.57	10.72	13.40	14.03	14.69	15.38	16.10
Revenue Growth	N/A	-35.39%	89.86%	37.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	29.82%	35.38%	47.07%	39.70%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-7.67%	-9.29%	-8.92%	-5.53%	-6.34%	-6.34%	-6.34%	-6.34%	-6.34%
Margins									
COGS	88.81%	96.73%	88.87%	79.16%	81.00%	81.00%	81.00%	81.00%	81.00%
Gross margin	11.19%	3.27%	11.13%	20.84%	19.00%	19.00%	19.00%	19.00%	19.00%
SG&A	5.94%	9.35%	4.82%	3.78%	4.00%	4.00%	4.00%	4.00%	4.00%
R&D	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Unusual expense	0.00%	0.00%	0.00%	0.32%	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%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	5.25%	-6.09%	6.30%	16.74%	14.00%	14.00%	14.00%	14.00%	14.00%
Interest income/(expense)	-4.98%	-9.34%	-4.72%	-2.14%	-2.45%	-2.45%	-2.45%	-2.45%	-2.45%
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	4.93%	0.14%	0.00%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	5.20%	-15.28%	1.58%	14.87%	11.55%	11.55%	11.55%	11.55%	11.55%
Tax	1.55%	-5.41%	0.74%	5.90%	4.04%	4.04%	4.04%	4.04%	4.04%
Income after tax	3.65%	-9.87%	0.84%	8.97%	7.51%	7.51%	7.51%	7.51%	7.51%
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	3.65%	-9.87%	0.84%	8.97%	7.51%	7.51%	7.51%	7.51%	7.51%

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	+	-						
Cash	347.29	318.76	307.17	205.04	56.00			56.00	93.29	130.58	167.87	205.16	242.45
Short term investment	3.80	0.00	0.00	12.56	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	351.09	318.76	307.17	217.60	56.00			56.00	93.29	130.58	167.87	205.16	242.45
Accounts Receivable	12.77	25.98	39.73	39.64	40.00			40.00	40.00	40.00	40.00	40.00	40.00
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	12.77	25.98	39.73	39.64	40.00			40.00	40.00	40.00	40.00	40.00	40.00
Total Inventory	40.06	50.03	95.83	110.08	86.26			86.26	86.26	86.26	86.26	86.26	86.26
Prepaid Expenses	4.90	2.65	4.54	3.92	5.15			5.15	5.15	5.15	5.15	5.15	5.15
Other Current Assets	2.02	3.03	3.20	4.11	9.13			9.13	9.13	9.13	9.13	9.13	9.13
Current Assets	410.84	400.45	450.47	375.35	196.54	0.00	0.00	196.54	233.83	271.12	308.41	345.70	382.99
PP&E, Gross	325.42	330.56	362.93	615.88	620.00			620.00	660.00	700.00	740.00	780.00	820.00
Change in Depreciation	23.41	23.60	22.17	23.85	23.85			23.85	23.85	23.85	23.85	23.85	23.85
Accumulated Depreciation	126.07	149.30	168.69	196.66	200.00			200.00	223.85	247.70	271.55	295.40	319.25
PP&E, Net	199.35	181.26	194.24	419.22	420.00			420.00	436.15	452.30	468.45	484.60	500.75
Goodwill	7.17	7.17	7.17	7.17	0.00	0.00		7.17	7.17	7.17	7.17	7.17	7.17
Intangibles	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term investments	41.16	48.17	45.12	44.54	43.18			43.18	43.18	43.18	43.18	43.18	43.18
Other long term assets	3.10	2.19	2.40	6.53	9.81			9.81	9.81	9.81	9.81	9.81	9.81
Long Term Assets	250.78	238.79	248.93	477.46	480.16			480.16	496.31	512.46	528.61	544.76	560.91
Total Assets	661.62	639.24	699.40	852.81	676.70	0.00	0.00	676.70	730.14	783.58	837.02	890.46	943.90
Accounts Payable	17.45	29.61	63.12	67.80	68.00			68.00	68.00	68.00	68.00	68.00	68.00
Accrued Expense	20.19	23.02	27.20	30.84	31.00			31.00	31.00	31.00	31.00	31.00	31.00
Other current Liabilities	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	37.64	52.63	90.32	98.64	99.00	0.00	0.00	99.00	99.00	99.00	99.00	99.00	99.00
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	2.75	5.00			5.00	5.00	5.00	5.00	5.00	5.00
Long term Debt	275.00	275.00	275.00	272.25	275.00	0.00	0.00	275.00	275.00	275.00	275.00	275.00	275.00
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	275.00	275.00	275.00	275.00	280.00	0.00	0.00	280.00	280.00	280.00	280.00	280.00	280.00
Deferred Income tax	7.12	7.94	14.92	53.47	68.14			68.14	68.14	68.14	68.14	68.14	68.14
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	8.96	11.02	13.36	13.19	-144.28			-144.28	-144.28	-144.28	-144.28	-144.28	-144.28
Total Liabilities	328.72	346.59	393.60	440.30	302.86	0.00	0.00	302.86	302.86	302.86	302.86	302.86	302.86
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	0.21	0.21	0.21	0.21	0.21		0.00	0.21	0.21	0.21	0.21	0.21	0.21
Additional Paid-in capital	239.62	238.95	239.61	239.61	240.00	0.00	0.00	240.00	240.00	240.00	240.00	240.00	240.00
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	94.22	67.21	71.55	130.03	130.00		0.00	130.00	183.44	236.88	290.32	343.76	397.20
Treasury Stock	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	1.59	1.41	-1.20	-1.60	-1.60		0.00	-1.60	-1.60	-1.60	-1.60	-1.60	-1.60
Total Equity	335.64	307.78	310.17	368.25	368.61	0.00	0.00	368.61	422.05	475.49	528.93	582.37	635.81
Liability + Equity	664.36	654.37	703.77	808.55	671.47	0.00	0.00	671.47	724.91	778.35	831.79	885.23	938.67
Variance	-2.74	-15.13	-4.37	44.26	5.23			5.23	5.23	5.23	5.23	5.23	5.23
Debt/Equity	0.82	0.89	0.89	0.75	0.76			0.76	0.66	0.59	0.53	0.48	0.44
Inventory Turnover	10.57	5.47	5.42	6.47	8.25			8.25	8.25	8.25	8.25	8.25	8.25
Inventory Turnover Days	34.53	66.75	67.35	56.45	44.24			44.24	44.24	44.24	44.24	44.24	44.24
Days Inventory Outstanding	38.88	69.01	75.78	71.32	54.61			55.89	54.61	54.61	54.61	54.61	54.61
Accounts Receivable Turnover	33.16	10.53	13.07	17.95	17.79			17.79	17.79	17.79	17.79	17.79	17.79
Accounts Receivable Turnover Days	11.01	34.66	27.92	20.33	20.51			20.51	20.51	20.51	20.51	20.51	20.51
Days Payable Outstanding	16.94	40.84	49.91	43.93	43.05			44.06	43.05	43.05	43.05	43.05	43.05
Days Sales Outstanding	11.01	34.66	27.92	20.33	20.51			20.33	20.51	20.51	20.51	20.51	20.51
Cash Conversion Cycle	32.95	62.83	53.79	47.72	32.07			32.16	32.07	32.07	32.07	32.07	32.07
Net tangible assets/share	\$15.39	\$14.08	\$14.19	\$16.91	\$16.93			\$19.43	\$21.94	\$24.44	\$26.94	\$29.44	\$29.44

	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	15.46	-27.01	4.34	63.82	53.44	53.44	53.44	53.44	53.44
Depreciation	23.41	23.60	22.17	23.85	23.85	23.85	23.85	23.85	23.85
Net Income + Depreciation	38.87	-3.41	26.51	87.67	77.29	77.29	77.29	77.29	77.29
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	1.49	-0.44	6.53	37.11	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-13.02	14.41	12.18	6.55	0.00	0.00	0.00	0.00	0.00
Change in Working capital	56.80	-22.70	-17.09	-9.96	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-13.21	-13.75	0.09	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	-9.97	-45.80	-14.25	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	2.25	-1.89	0.62	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	12.16	33.51	4.68	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	84.14	-12.14	28.13	121.37	77.29	77.29	77.29	77.29	77.29
Capital Expenditures Expenditures	-15.05	-6.14	-35.65	-205.88	-40.00	-40.00	-40.00	-40.00	-40.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-11.79	-10.55	-4.81	-8.52	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-26.84	-16.69	-40.46	-214.40	-40.00	-40.00	-40.00	-40.00	-40.00
Financing Cash flow items	0.00	0.00	0.00	-3.79	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-1.92	0.00	0.00	-5.34	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.00	0.29	0.76	0.00	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	-1.92	0.29	0.76	-9.13	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.12	0.01	-0.01	0.02	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	291.79	347.29	318.76	307.17	56.00	93.29	130.58	167.87	205.16
Net Change in Cash	55.50	-28.53	-11.59	-102.13	37.29	37.29	37.29	37.29	37.29
Ending Cash Balance	347.29	318.76	307.17	205.04	93.29	130.58	167.87	205.16	242.45
Capex to Revenue	3.55%	2.24%	6.86%	28.93%	5.62%	5.62%	5.62%	5.62%	5.62%
Depreciation to Sales	5.53%	8.63%	4.27%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%
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	3.02%	9.50%	7.65%	5.57%	5.57%	5.57%	5.57%	5.57%	5.57%
Distributable FCF/EV Yield	6.31%	-3.18%	-1.36%	-10.25%	4.11%	4.11%	4.11%	4.11%	4.11%
Dividend Yield	-0.28%	0.00%	0.00%	-0.78%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	71.01	-18.28	-7.52	-79.17	37.29	37.29	37.29	37.29	37.29

SN VALUATION

LBO Debt Schedule

Ticker:

ARII

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-102.13	37.29	37.29	37.29	37.29	37.29
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	280.00	280.00	280.00	280.00	280.00	280.00
Current Portion Debt Balance	5.00	5.00	5.00	5.00	5.00	5.00
Long Term Debt Balance	275.00	275.00	275.00	275.00	275.00	275.00
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		19.60	19.60	19.60	19.60	19.60
Cash Balance		217.60				
Interest @ 1.0%		2.18	2.18	2.18	2.18	2.18
Net Interest Expense/(Income)		17.42	17.42	17.42	17.42	17.42
Net Interest Rate		6.34%	6.34%	6.34%	6.34%	6.34%
EBITDA		99.64	99.64	99.64	99.64	99.64
EBITDA/Interest Expense Coverage		5.08	5.08	5.08	5.08	5.08

Interest Rate Coverage Table

Debt Rating					
AAA					
AA					
A+					
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 Railcar Industries

Ticker:

ARII

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	373.20	347.82	360.15	97.54	134.83	172.12	209.41	246.70	283.99
Total Assets	661.62	639.24	699.40	676.70	730.14	783.58	837.02	890.46	943.90
X1	0.56	0.54	0.51	0.14	0.18	0.22	0.25	0.28	0.30
Retained Earnings	94.22	67.21	71.55	130.00	183.44	236.88	290.32	343.76	397.20
Total Assets	661.62	639.24	699.40	676.70	730.14	783.58	837.02	890.46	943.90
X2	0.14	0.11	0.10	0.19	0.25	0.30	0.35	0.39	0.42
EBITDA	22.25	-16.65	32.74	119.15	99.64	99.64	99.64	99.64	99.64
Total Assets	661.62	639.24	699.40	676.70	730.14	783.58	837.02	890.46	943.90
X3	0.03	-0.03	0.05	0.18	0.14	0.13	0.12	0.11	0.11
Market Value of Equity	683.84	683.84	683.84	683.84	716.00	749.68	784.94	821.86	860.52
Total Liabilities	328.72	346.59	393.60	302.86	302.86	302.86	302.86	302.86	302.86
X4	2.08	1.97	1.74	2.26	2.36	2.48	2.59	2.71	2.84
Net Sales	423.43	273.56	519.38	711.72	711.72	711.72	711.72	711.72	711.72
Total Assets	661.62	639.24	699.40	676.70	730.14	783.58	837.02	890.46	943.90
X5	0.64	0.43	0.74	1.05	0.97	0.91	0.85	0.80	0.75
Altman Z Score	2.88	2.33	2.70	3.43	3.42	3.50	3.58	3.67	3.76

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

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

Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
Tangible Book Value	361.44	414.88	468.32	521.76	575.20	628.64				628.64
Annual Change		53.44	53.44	53.44	53.44	53.44				
Annual FCF	(84.51)	37.29	37.29	37.29	37.29	37.29	37.29	37.29	37.29	111.87
Annual Op. Cash Flow	121.37	77.29	77.29	77.29	77.29	77.29	77.29	77.29	77.29	
Annual PP&E Investment	(205.88)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	
Today's Tangible Book Value	361.44	403.75	451.01	503.80	562.77	628.64				740.52
Intrinsic Value IRR	11.71%									
Market Price	683.84	694.82	705.97	717.30	728.82	740.52				740.52
Market Price IRR	1.61%									

Debt	50.00%	341.92
Equity	50.00%	341.92
Total	100.00%	683.84

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5	6	7	8
Book Equity	368.61	341.92	378.62	415.31	452.01	488.71	525.40			
Goodwill	7.17	322.40	322.40	322.40	322.40	322.40	322.40			
Debt	275	616.92	616.92	616.92	616.92	616.92	616.92			
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%			
Additional Interest Expense		25.76	25.76	25.76	25.76	25.76	25.76			
Tangible Book Value	361.44	19.52	56.22	92.91	129.61	166.31	203.00			203.00
Annual Change			36.70	36.70	36.70	36.70	36.70			
Annual FCF	(84.51)		20.55	20.55	20.55	20.55	20.55	20.55	20.55	61.64
Annual Net Income	63.82		36.70	36.70	36.70	36.70	36.70	36.70	36.70	
Annual Op. Cash Flow	121.37		60.55	60.55	60.55	60.55	60.55	60.55	60.55	
Dividend Payments										
Annual PP&E Investment	(205.88)		(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	(40.00)	
Debt Paydown	0.00							0.00	0.00	0.00
Sale Price in Year 5										264.64
Remaining Debt Balance										341.32
Capital Left for Equity Investor										(77.28)
Dividend Payments										0.00
Total Cash In Flow										(77.38)
Invested Equity	341.92	-253.95	188.61	-140.09	104.05	-77.28				
IRR	-174.27%									

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	183.48
Cash Flow (Year 6-8)	61.64
	245.12

<u>Value Dilution</u>	
Debt	341.92
Goodwill	315.23
Additional Interest	128.80
	785.95