

January 25, 2012

SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

Boise Ord Shs (BZ)

Price:	\$7.55	Price/Book:	1.35	EV/EBITDA 5x TV:	\$8.82
Market Cap:	\$873,233,022	Price/Earnings:	10.26	Net Tangible Asset TV:	\$10.57
Cash:	\$177,450,000	EV/EBITA:	3.36	SN Defined TV:	\$14.70
Debt:	\$781,830,000	EV/FCF:	8.19	Economic Value Added:	\$10.04
Net Cash:	-\$604,380,000	Net Tang. Asset/Share:	\$5.34	Year 5 Target:	\$11.03
Enterprise Value:	\$1,477,613,022	FCF/Share:	\$1.56	Appreciation:	46.114%

Overview

Dividend?

Dividend yield is 0.00%.

Price to Book

Price to book is 1.35. Price to book excluding goodwill is 1.41.

Cashflow Generation

Cashflows are \$250 MM from operating cashflow.

Capex is \$100 MM, minority interest payment is \$0 MM, intangibles are \$0 MM and dividend is \$32 MM.

Free cash flow is about \$118 MM.

8.2% EBITA margin and FCF yield is 10.2%.

The company has \$177 MM in cash/short term investment and \$782 MM in debt.

We are projecting a \$100.0 MM paydown annually.

Profitability

ROA is 3.2%, and ROC is 9.7%.

Bankruptcy Risk

Altman Z is at 2.31.

LBO?

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

Price

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Economic Indicators

Indicators	Period	Value	Previous Value	Chg %	Released
Adjusted National Financial Conditions Index	Jan 6 2012	-0.25	-0.25	-1.87%	-0.0215
Case-Shiller Home Price Index: National	Sep 2011	127.78	129.35	-1.21%	-0.0395
Philly Fed Manufacturing Activity Index	Jan 2012	7.3	6.80	7.35%	-0.578
Philly Fed Manufacturing Future Activity Index	Jan 2012	49	40.00	22.50%	0.0294
US Average Claims for Unemployment Insurance	Jan 7 2012	3580	3613.971331	-0.94%	-0.1227
US Average Initial Claims for Unemployment Insurance	Jan 14 2012	379.00K	N/A	-0.92%	-0.0987
US Industrial Production Index	Nov 2011	94.83	95.04	-0.22%	0.0374
US Initial Claims for Unemployment Insurance	Jan 14 2012	352.00K	N/A	-12.44%	-0.1945
US Producer Price Index	Dec 2011	192.6	192.79	-0.10%	0.0484
US Quits Rate: Total Nonfarm	Nov 2011	0.015	0.015	0.00%	0.1538
US Quits: Total Nonfarm	Nov 2011	1960	1919.12	2.13%	0.1185
US Retail Sales	Dec 2011	357980000	357,944,206	0.01%	0.0627
US Total Business Inventories	Nov 2011	1.55T	N/A	0.32%	0.0855
US Total Business Inventory/Sales Ratio	Nov 2011	1.27	1.27	0.00%	-0.0078
US Total Business Sales	Nov 2011	1.22T	N/A	0.31%	0.096
US Total Separations Rate: Total Nonfarm	Nov 2011	0.03	0.03	0.00%	0
US Total Separations: Total Nonfarm	Nov 2011	4000	3902.82	2.49%	0.0326

U.S. Key Indicators

10 Year Treasury Rate	2.05%
US Producer Price Index	192.6
US Initial Claims for Unemployment Insurance	352.00K
US 30 Year Mortgage Rate	3.88%
US Average Claims for Unemployment Insurance	3,580
US Retail Sales	357,980,000
US Unemployment Rate	0.085
US Durable Goods Orders	207,070,000
US Purchasing Managers Index	53.9
US Personal Consumption Expenditures	10.87T
US Consumer Price Index	226.75
US Consumer Sentiment	69.8
US Housing Starts	657.00K

Korea Key Indicators

	Period	Value	Chg from 1 Year
Gold Price in Korean Won	Jan 20 2012	1,874,915	24.26%
Korea Change in Stocks	Sep 2011	3.3	230.00%
Korea Consumer Price Index	Dec 2011	122.13	4.16%
Korea Core Consumer Price Index	Dec 2011	117.45	2.68%
Korea Core Inflation Rate	Oct 2011	0.0315	68.28%
Korea GDP	Sep 2011	310.1	5.30%
Korea Inflation Rate	Oct 2011	0.039	-3.90%
Korea Manufacturing Producer Price Index	Nov 2011	125.69	6.71%
Korea Misery Index	Oct 2011	7	-7.39%
Korea Real GDP Growth	Sep 2011	0.0349	-20.14%
Korea Unemployment Rate	Nov 2011	0.031	-3.12%

Source: Ycharts.com

2012-01-25

Altman Z Score

Company Name:

Boise Ord Shs

Ticker:

BZ

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	389.61	252.54	237.30	334.17	339.83	344.74	365.47	402.32	455.64
Total Assets	407.61	1,988.29	1,895.79	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
X1	0.96	0.13	0.13	0.17	0.18	0.19	0.20	0.22	0.25
Retained Earnings	0.00	-40.03	113.81	144.21	221.99	311.03	411.51	523.61	647.52
Total Assets	407.61	1,988.29	1,895.79	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
X2	0.00	-0.02	0.06	0.07	0.12	0.17	0.22	0.29	0.36
EBITDA	-0.34	149.36	393.61	301.62	301.92	310.98	320.31	329.92	339.82
Total Assets	407.61	1,988.29	1,895.79	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
X3	0.00	0.08	0.21	0.16	0.16	0.17	0.17	0.18	0.19
Market Value of Equity	873.23	873.23	873.23	873.23	942.04	1,016.27	1,096.34	1,182.73	1,275.92
Total Liabilities	14.71	1,538.83	1,274.86	1,292.15	1,208.40	1,108.40	1,008.40	908.40	808.40
X4	59.36	0.57	0.68	0.68	0.78	0.92	1.09	1.30	1.58
Net Sales	0.00	2,070.63	1,978.19	2,093.78	2,156.59	2,221.29	2,287.93	2,356.57	2,427.26
Total Assets	407.61	1,988.29	1,895.79	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
X5	0.00	1.04	1.04	1.08	1.13	1.19	1.25	1.30	1.34
Altman Z Score	36.76	1.75	2.37	2.31	2.50	2.75	3.03	3.35	3.71

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

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

LBO Analysis

WACC Terminal Value:		Intrinsic Price in 5 Years:	11.03	Non-LBO Forecast		Non-LBO Forecast	
EV/EBITDA with 3X Multiple Terminal Value:	\$8.82	Market Price:	7.55	Year 1 Target	8.14	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$10.57	LBO Price:	7.55	Year 2 Target	8.79	Implied Today's Price	4.43
EV/EBITDA with Today's Multiple Terminal Value:	\$14.70	Premium to Market Price:	0.00%	Year 3 Target	9.48	Overvalued/(Undervalued)	70.30%
EVA Enterprise Value:	\$10.04	LBO Price/Intrinsic Price Target:	7.88%	Year 4 Target	10.23		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	0.54%	Year 5 Target	11.03		
Average (Excluding Dividend Discount):	\$11.03	Implied IRR at today's EV/EBITDA:	14.25%	Implied IRR (Market Price):	7.88%		
		5 Year Return:	46.11%				

Current Evaluation				Exit Evaluation			
Current Market Price:	7.55	LBO Price:	7.55	Exit Price:	11.03	Exit Price:	14.70
Outstanding Shares:	115,660,000	Outstanding Shares:	115,660,000	Outstanding Shares:	115,660,000	Outstanding Shares:	115,660,000
Market Capitalization:	873,233,022	Market Capitalization:	873,233,000	Market Capitalization:	1,275,918,854	Market Capitalization:	1,699,921,905
Available Cash:	177,450,000	Available Cash:	177,450,000	Available Cash:	298,916,495	Available Cash:	298,916,495
Debt:	781,830,000	Debt:	781,830,000	Debt:	298,080,000	Debt:	298,080,000
Net Cash:	-604,380,000	Net Cash:	-604,380,000	Net Cash:	836,495	Net Cash:	836,495
Enterprise Value:	1,477,613,022	Enterprise Value:	1,477,613,000	Enterprise Value:	1,275,082,359	Enterprise Value:	1,699,085,410
Original EV/EBITDA:	8.61	EV/EBITDA:	8.61	EV/EBITDA at 5 Years:	6.08	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	3.36	EV/EBITDA:	4.78	EV/EBITDA at 5 Years:	4.50	EV/EBITDA at 5 Years:	4.60
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:	7.55	7.55	8.14	8.79	9.48	10.23	11.03
Shares Outstanding:	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000
Market Capitalization:	873,233,000	873,233,000	942,038,653	1,016,265,788	1,096,341,588	1,182,726,893	1,275,918,854
Available Cash:	177,450,000	177,450,000	183,106,776	188,020,379	208,747,614	245,604,489	298,916,495
Debt:	781,830,000	781,830,000	698,080,000	598,080,000	498,080,000	398,080,000	298,080,000
Net Cash:	-604,380,000	-604,380,000	-514,973,224	-410,059,621	-289,332,386	-152,475,511	836,495
Enterprise Value:	1,477,613,000	1,477,613,000	1,457,011,877	1,426,325,409	1,385,673,974	1,335,202,403	1,275,082,359
EBIT	171,690,000	171,690,000	171,923,076	180,980,768	190,310,191	199,919,497	209,817,082
EV/EBIT:	8.61	8.61	8.47	7.88	7.28	6.68	6.08
EBITDA	309,190,000	309,190,000	313,548,076	326,854,518	340,560,154	354,676,958	369,217,267
EV/EBITDA:	4.78	4.78	4.65	4.36	4.07	3.76	3.45

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	7.55	7.55	8.34	9.92	11.66	13.56	15.62
Shares Outstanding:	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000	115,660,000
Market Capitalization:	873,233,000	873,233,000	964,645,695	1,147,512,375	1,348,531,280	1,568,088,575	1,806,582,013
Available Cash:	177,450,000	177,450,000	183,106,776	188,020,379	208,747,614	245,604,489	298,916,495
Debt:	781,830,000	781,830,000	698,080,000	598,080,000	498,080,000	398,080,000	298,080,000
Net Cash:	-604,380,000	-604,380,000	-514,973,224	-410,059,621	-289,332,386	-152,475,511	836,495
Enterprise Value:	1,477,613,000	1,477,613,000	1,479,618,918	1,557,571,996	1,637,863,666	1,720,564,085	1,805,745,518
EBIT	171,690,000	171,690,000	171,923,076	180,980,768	190,310,191	199,919,497	209,817,082
EV/EBIT:	8.61	8.61	8.61	8.61	8.61	8.61	8.61
EBITDA	309,190,000	309,190,000	313,548,076	326,854,518	340,560,154	354,676,958	369,217,267
EV/EBITDA:	4.78	4.78	4.72	4.77	4.81	4.85	4.89

LBO Price	7.55	Equity Partners:	1,655,063,000	Weighting	100.00%	Annualized Return for Equity Partners: 0.54%
Shares Outstanding	115,660,000	Debt Partners:	0		0.00%	
Market Capitalization	873,233,000	Total Funds for LBO:	1,655,063,000		100.00%	
Debt	781,830,000					
Cash	177,450,000					
Enterprise Value	1,477,613,000					
Capital Investment	1,655,063,000					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	646.84	Current Market Price	Starting Debt
Year 5 Book Value	1,000.15	Year 5 Market Price	Debt Repayment
Annualized Return	9.11%	Annualized Return	14.25%
			% of Starting Debt
			40.39%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Boise Ord Shs

Ticker:

BZ

	Historical				Forecasted				
	11 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Revenue	0.00	2,070.63	1,978.19	2,093.78	2,156.59	2,221.29	2,287.93	2,356.57	2,427.26
COGS	0.09	1,811.45	1,633.07	1,659.30	1,725.27	1,777.03	1,830.34	1,885.25	1,941.81
Gross margin	-0.09	259.18	345.12	434.48	431.32	444.26	457.59	471.31	485.45
SG&A	-0.24	79.62	105.77	110.98	107.63	111.06	114.40	117.63	121.36
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	30.51	50.53	22.76	21.57	22.21	22.88	23.57	24.27
Other operating expense	0.01	-0.31	-204.79	-0.28	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS		109.98	131.50	129.93	130.00	130.00	130.00	130.00	130.00
Operating Income (EBITA)	-0.34	39.38	262.11	171.69	171.92	180.98	190.31	199.92	209.82
Interest income/(expense)	10.41	-93.68	-80.26	-63.58	-54.07	-46.07	-38.07	-30.07	-22.07
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	10.08	-54.30	181.85	108.11	117.85	134.91	152.24	169.85	187.75
Tax	-4.59	-8.78	28.01	-45.38	40.07	45.87	51.76	57.75	63.83
Income after tax	5.49	-45.52	153.84	62.73	77.78	89.04	100.48	112.10	123.91
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	5.49	-45.52	153.84	62.73	77.78	89.04	100.48	112.10	123.91
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.05	-\$0.39	\$1.33	\$0.54	\$0.67	\$0.77	\$0.87	\$0.97	\$1.07
P/E (historical today's price; forecasted intrinsic price)	159.06	-19.18	5.68	13.92	12.11	11.41	10.91	10.55	10.30
Revenue Growth		#DIV/0!	-4.46%	5.84%	3.00%	3.00%	3.00%	3.00%	3.00%
Tax Rate	45.54%	16.17%	15.40%	41.98%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	0.00%	-8.49%	-9.84%	-8.13%	-7.33%	-6.60%	-6.37%	-6.04%	-5.54%
Margins									
COGS	#DIV/0!	87.48%	82.55%	79.25%	80.00%	80.00%	80.00%	80.00%	80.00%
Gross margin	#DIV/0!	17.52%	17.45%	20.75%	20.00%	20.00%	20.00%	20.00%	20.00%
SG&A	#DIV/0!	3.85%	5.35%	5.27%	5.00%	5.00%	5.00%	5.00%	5.00%
R&D	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	#DIV/0!	1.47%	2.55%	1.09%	1.00%	1.00%	1.00%	1.00%	1.00%
Other operating expense	#DIV/0!	-0.01%	-10.35%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	#DIV/0!	5.31%	6.65%	6.21%	6.03%	5.85%	5.68%	5.52%	5.36%
Operating Income (EBITA)	#DIV/0!	1.90%	13.25%	8.20%	7.97%	8.15%	8.32%	8.48%	8.64%
Interest income/(expense)	#DIV/0!	-4.52%	-3.04%	-2.51%	-2.51%	-2.07%	-1.66%	-1.28%	-0.91%
Gain (loss) on sale of asset	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	#DIV/0!	-2.62%	9.19%	5.16%	5.46%	6.07%	6.65%	7.21%	7.73%
Tax	#DIV/0!	-0.42%	1.42%	2.17%	1.86%	2.06%	2.26%	2.45%	2.63%
Income after tax	#DIV/0!	-2.20%	7.78%	3.00%	3.61%	4.13%	4.66%	5.20%	5.75%
Minority Interest	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	#DIV/0!	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	#DIV/0!	-2.20%	7.78%	3.00%	3.61%	4.01%	4.39%	4.76%	5.10%

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2007-12-31	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	+	-						
Cash	0.19	22.52	69.40	166.83			166.83	172.49	177.40	198.13	234.98	288.30
Short term investment	0.00	0.00	10.02	10.62			10.62	10.62	10.62	10.62	10.62	10.62
Cash and Short term	0.19	22.52	79.42	177.45			177.45	183.11	188.02	208.75	245.60	298.92
Accounts Receivable	0.00	222.00	187.17	188.59			188.59	188.59	188.59	188.59	188.59	188.59
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	0.00	222.00	187.17	188.59			188.59	188.59	188.59	188.59	188.59	188.59
Deferred Income Tax	0.00	-95.42	-14.29	-54.69			-54.69	-54.69	-54.69	-54.69	-54.69	-54.69
Total Inventory	0.00	335.00	252.17	261.47			261.47	261.47	261.47	261.47	261.47	261.47
Prepaid Expenses	0.06	6.29	4.82	5.21			5.21	5.21	5.21	5.21	5.21	5.21
Other Current Assets	404.07	5.32	0.00	16.66			16.66	16.66	16.66	16.66	16.66	16.66
Current Assets	404.32	495.71	509.29	594.69	0.00	0.00	594.69	600.35	605.26	625.99	662.84	716.16
PP&E, Gross	0.00	1,363.17	1,426.45	1,539.15			1,539.15	1,639.15	1,739.15	1,839.15	1,939.15	2,039.15
Change in Depreciation	0.00	119.93	144.08	137.50			137.50	141.63	145.87	150.25	154.76	159.40
Accumulated Depreciation	0.00	0.00	144.08	281.58			281.58	423.21	569.08	719.33	874.09	1,033.49
PP&E, Net	0.00	1,363.17	1,282.37	1,257.57			1,257.57	1,215.95	1,170.07	1,119.82	1,065.06	1,005.66
Goodwill	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	0.00	35.08	32.36	29.61			29.61	29.61	29.61	29.61	29.61	29.61
Long term investments	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	3.29	94.33	71.77	57.12			57.12	57.12	57.12	57.12	57.12	57.12
Long Term Assets	3.29	1,492.58	1,386.50	1,344.30			1,344.30	1,302.68	1,256.80	1,206.55	1,151.79	1,092.39
Total Assets	407.61	1,988.29	1,895.79	1,938.99	0.00	0.00	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
Accounts Payable	0.00	180.26	175.12	179.21			179.21	179.21	179.21	179.21	179.21	179.21
Accrued Expense	0.00	44.67	72.89	65.11			65.11	65.11	65.11	65.11	65.11	65.11
Other current Liabilities	14.71	18.24	23.98	16.20			16.20	16.20	16.20	16.20	16.20	16.20
Total Current Liabilities	14.71	243.17	271.99	260.52	0.00	0.00	260.52	260.52	260.52	260.52	260.52	260.52
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
Current port. Of LT Debt/Capital Leases	0.00	25.82	30.71	43.75			43.75	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	1,078.23	785.22	738.08	0.00	0.00	738.08	698.08	598.08	498.08	398.08	298.08
Capital Lease Obligations	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	1,104.05	815.93	781.83	0.00	0.00	781.83	698.08	598.08	498.08	398.08	298.08
Deferred Income tax	0.00	8.91	32.25	88.20			88.20	88.20	88.20	88.20	88.20	88.20
Minority Interest	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.00	182.70	154.69	161.60			161.60	161.60	161.60	161.60	161.60	161.60
Total Liabilities	14.71	1,538.83	1,274.86	1,292.15	0.00	0.00	1,292.15	1,208.40	1,108.40	1,008.40	908.40	808.40
Redeemable Preferred Stock	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
Common Stock	159.76	0.01	0.01	0.01		0.00	0.01	0.01	0.01	0.01	0.01	0.01
Additional Paid-in capital	227.64	575.15	578.67	581.44	0.00	0.00	581.44	581.44	581.44	581.44	581.44	581.44
Dividends Paid	0.00	0.00	0.00	0.00			0.00	-30.00	-60.00	-90.00	-120.00	-150.00
Retained Earnings	0.00	-40.03	113.81	144.21		0.00	144.21	221.99	311.03	411.51	523.61	647.52
Treasury Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	5.49	-85.68	-71.55	-78.82		0.00	-78.82	-78.82	-78.82	-78.82	-78.82	-78.82
Total Equity	392.89	449.45	620.94	646.84	0.00	0.00	646.84	694.62	753.66	824.14	906.24	1,000.15
Liability + Equity	407.60	1,988.28	1,895.80	1,938.99	0.00	0.00	1,938.99	1,903.02	1,862.06	1,832.54	1,814.64	1,808.55
Variance	0.01	0.01	-0.01	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Debt/Equity	0.00	2.46	1.31	1.21			1.21	1.00	0.79	0.60	0.44	0.30
Inventory Turnover	#DIV/0!	6.18	7.84	8.01			8.01	8.25	8.50	8.75	9.01	9.28
Inventory Turnover Days	#DIV/0!	59.05	46.53	45.58			45.58	44.25	42.96	41.71	40.50	39.32
Days Inventory Outstanding	0.00	67.50	56.36	57.52			57.52	55.32	53.71	52.14	50.62	49.15
Accounts Receivable Turnover	#DIV/0!	9.33	10.57	11.10			11.10	11.44	11.78	12.13	12.50	12.87
Accounts Receivable Turnover Days	#DIV/0!	39.13	34.54	32.88			32.88	31.92	30.99	30.09	29.21	28.36
Days Payable Outstanding	0.00	36.32	39.14	39.42			39.42	37.91	36.81	35.74	34.70	33.69
Days Sales Outstanding	#DIV/0!	39.13	34.54	32.88			32.88	32.88	31.92	30.99	30.09	29.21
Cash Conversion Cycle	#DIV/0!	70.31	51.76	50.97			50.97	50.28	48.81	47.39	46.01	44.67

SN VALUATION

LBO Adjusted Proforma Cash Flow

	11 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Net Income	5.49	-45.52	153.84	62.73	77.78	89.04	100.48	112.10	123.91
Depreciation	0.00	119.93	144.08	137.50	141.63	145.87	150.25	154.76	159.40
Net Income + Depreciation	5.49	74.41	297.92	200.23	219.41	234.91	250.73	266.86	283.31
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-0.09	-9.36	27.71	38.88	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-10.41	68.37	55.43	35.59	0.00	0.00	0.00	0.00	0.00
Change in Working capital	1.57	-25.68	77.66	15.08	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-222.00	34.83	-1.42	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	-335.00	82.83	-9.30	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-6.23	1.47	-0.39	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	180.26	-5.14	4.09	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	-3.44	107.74	458.72	289.78	219.41	234.91	250.73	266.86	283.31
Capital Expenditures	0.00	-90.60	-77.14	-111.62	-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
Intangibles	-396.20	-817.78	-7.37	2.35	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-396.20	-908.38	-84.51	-109.27	-100.00	-100.00	-100.00	-100.00	-100.00
Financing Cash flow items	396.80	-214.49	-52.87	-17.34	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	-32.28	30.00	30.00	30.00	30.00	30.00
Issuance (Retirement) of Stock	3.02	0.00	0.00	0.64	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-43.75	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	0.00	1,037.45	-274.45	-34.10	-40.00	-100.00	-100.00	-100.00	-100.00
Cash from Financing Activities	399.82	822.96	-327.32	-83.08	-113.75	-130.00	-130.00	-130.00	-130.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	0.00	0.19	22.52	69.39	166.83	172.49	177.40	198.13	234.98
Net Change in Cash	0.19	22.33	46.88	97.44	5.66	4.91	20.73	36.86	53.31
Ending Cash Balance	0.19	22.52	69.40	166.83	172.49	177.40	198.13	234.98	288.30
Depreciation to Sales		5.79%	7.28%	6.57%	6.57%	6.57%	6.57%	6.57%	6.57%
Amortization to Sales		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales		10.72%	9.46%	9.01%	8.74%	8.49%	8.24%	8.00%	7.77%
Distributable FCF Yield	-27.05%	-54.18%	25.33%	12.22%	8.08%	9.13%	10.20%	11.29%	12.41%
Dividend Yield	0.00%	0.00%	0.00%	-3.70%	3.44%	3.44%	3.44%	3.44%	3.44%

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	97.44	5.66	4.91	20.73	36.86	53.31
Current Portion Debt Repayment		43.75				
Long Term Debt Repayment		40.00	100.00	100.00	100.00	100.00
Outstanding Debt	781.83	698.08	598.08	498.08	398.08	298.08
Current Portion Debt Balance	43.75	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	738.08	698.08	598.08	498.08	398.08	298.08
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		55.85	47.85	39.85	31.85	23.85
Cash Balance		177.45				
Interest @ 1.0%		1.77	1.77	1.77	1.77	1.77
Net Interest Expense/(Income)		54.07	46.07	38.07	30.07	22.07
Net Interest Rate		7.33%	6.60%	6.37%	6.04%	5.54%
EBITDA		171.92	180.98	190.31	199.92	209.82
EBITDA/Interest Expense Coverage		3.08	3.78	4.78	6.28	8.80

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran