

January 4, 2012

SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

Devry Inc (DV)

Market Price:	\$38.77	EBITDA/Share:	\$7.35	Net Asset/Share:	\$8.79
DCF: EV/EBITDA Terminal Value	10.462%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value	-6.525%		
EBITDA-Cap Ex/Share	\$5.26	EVA Analysis:	7.969%		

Overview

Dividend?

Dividend yield is 0.77%.

Price to Book

Price to book is 1.87.

Cashflow Generation

Cashflows are \$450MM from operating cashflow.

Capex is \$140 MM, minority interest payment is \$0 MM, intangibles are \$50 MM and dividend is \$0 MM.

Free cash flow is about \$310 MM.

22.6% EBITA margin and FCF yield is 15.4%.

The company has \$450 MM in cash/short term investment and \$0 MM in debt.

We are projecting a \$0 MM paydown annually.

Profitability

ROA is 17.9%, and ROC is 23.8%.

Bankruptcy Risk

Altman Z is above 3. Risk is low.

LBO?

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

Price

We are forecasting a \$50.00/share in Year 5, or a 29.1% holding return, or 5.3% annual return. Thus, the 1 year forecasted price is \$40.80.

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Altman Z Score

Company Name:

Devry Inc

Ticker:

DV

Period	0	1	2	3	4	5
Working Capital	308.22	546.08	787.67	1,039.51	1,302.60	1,578.53
Total Assets	1,771.28	2,081.34	2,394.45	2,716.87	3,048.86	3,390.73
X1	0.17	0.26	0.33	0.38	0.43	0.47
Retained Earnings	1,367.97	1,678.31	1,991.73	2,314.46	2,646.78	2,988.98
Total Assets	1,771.28	2,081.34	2,394.45	2,716.87	3,048.86	3,390.73
X2	0.77	0.81	0.83	0.85	0.87	0.88
EBITDA	494.18	465.72	470.37	484.49	499.02	513.99
Total Assets	1,771.28	2,081.34	2,394.45	2,716.87	3,048.86	3,390.73
X3	0.28	0.22	0.20	0.18	0.16	0.15
Market Value of Equity	2,608.45	2,745.28	2,889.28	3,040.85	3,200.36	3,368.24
Total Liabilities	460.98	461.2592658	461.2592658	461.2592658	461.2592658	461.2592658
X4	5.66	5.95	6.26	6.59	6.94	7.30
Net Sales	2,182.37	2,116.90	2,138.07	2,202.21	2,268.28	2,336.32
Total Assets	1,771.28	2,081.34	2,394.45	2,716.87	3,048.86	3,390.73
X5	1.23	1.02	0.89	0.81	0.74	0.69
Altman Z Score	6.84	6.77	6.86	7.01	7.18	7.36

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

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

DeVry Inc. (DeVry) is a provider of educational services and the parent organization of Advanced Academics, Becker Professional Education, Carrington College and Carrington College California, Chamberlain College of Nursing, DeVry Brasil, DeVry University, and Ross University. These institutions offer a range of programs in business, healthcare and technology and serve students in middle school through postsecondary education, as well as accounting and finance professionals. In August 2011, the Company acquired the business operations of privately held American University of the Caribbean.

Company Name:	Devry Inc	Market Capitalization:	\$2,608,445,600.00	Revenue:	\$2,180,000,000.00	100.0%
Ticker Symbol:	DV	Total Debt:	\$0.00	Cost of Goods Sold:	\$920,000,000.00	42.2%
Last Price:	\$38.77	Total Cash:	\$449,720,000.00	Gross Profit:	\$1,260,000,000.00	57.8%
Net Cash/Share:	\$6.68	Net Cash/(Debt):	\$449,720,000.00	EBITDA:	\$531,550,000.00	24.4%
Net Cash to Last Price:	17.24%	Enterprise Value:	\$2,158,725,600.00	Net Income:	\$314,290,000.00	14.4%
Shares Outstanding:	67,280,000	Current EV/Share:	\$32.09			
Industry:	Education & Training Services	EBITDA:	\$494,180,000.00			
Sector:	Consumer Defensive	EV/EBITDA Multiple:	4.37	Balance Sheet		
		EV/EBITDA Multiple Average Year 1-5:	4.44	Cash:	\$447,140,000.00	
Institutional Ownership:	82.80%	EV/FCF Multiple:	9.09	Short Term Investment:	\$2,580,000.00	
Mutual Fund Ownership:	2.09%	EV/FCF Multiple Year 1:	9.06	A/R:	\$114,690,000.00	
Insider Ownership:	14.34%			PP&E:	\$834,170,000.00	
Retail Ownership:	-13.57%			Assets:	\$1,850,500,000.00	
Float:	85.66%			A/P:	\$63,610,000.00	
		Upper Range		Deferred Tax:	\$69,030,000.00	
		DCF: EV/EBITDA Terminal Value		Other Liabilities:	\$328,350,000.00	
				Short term Debt:	\$0.00	
				Long Term Debt:	\$0.00	
Technicals		Implied TV from 5 X EV/EBITDA Multiple	\$2,569,956,961.16	Liabilities:	\$460,990,000.00	
52 week low:	\$32.73			Retained Earnings:	\$1,367,970,000.00	
Today from 52 week low:	18.45%	Enterprise Value	\$2,569,956,961.16	Paid-In Capital:	\$248,420,000.00	
52 week high:	\$66.85	Cash at Year 5:	\$1,720,030,444.80	Treasury Stock:	-\$243,340,000.00	
Today from 52 week high:	72.43%	Debt at Year 5:	\$0.00	Stockholder's Equity:	\$1,389,520,000.00	
50 day Moving Average:	\$36.74	Equity Value Year 5:	\$4,289,987,405.96			
200 day Moving Average:	\$47.77	Equity/Share at Year 5:	\$63.76	Cash Flow		
		Annualized Return:	10.46%	Net Income:	330,830,000.00	
				Depreciation/Amortization:	64,570,000.00	
		Lower Range		Change in Working capital:	-116,840,000.00	
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Cash from Operating Activities:	407,990,000.00	
Analyst/Consensus		Year 5 Net Tangible Assets excluding cash and debt	\$141,500,000.00	Cash Expenditures:	-135,730,000.00	
Analyst Sales Growth FY1:	-2.40%			Cash from Investing Activities:	-125,990,000.00	
Analyst Sales Growth FY2:	1.30%			Total Cash Dividends Paid:	-15,530,000.00	
SN Valuation Estimate FY1:	-3.00%	Enterprise Value	\$141,500,000.00	Issuance (Retirement) of Stock:	-122,380,000.00	
SN Valuation Estimate FY2:	1.00%	Cash at Year 5:	\$1,720,030,444.80	Issuance (Retirement) of Debt:	0.00	
Analyst Earnings Estimate FY1:	\$3.81	Debt at Year 5:	\$0.00	Cash from Financing Activities:	-140,190,000.00	
Analyst Earnings Estimate FY2:	\$3.96	Equity Value Year 5:	\$1,861,530,444.80			
SN Valuation Earnings Est. FY1:	\$4.52	Equity/Share at Year 5:	\$27.67	Profitability Margins		
SN Valuation Earnings Est. FY2:	\$4.56	Annualized Return:	-6.52%	Debt to Equity:	0.00%	
				Return on Assets:	17.85%	
		EVA		Return on Capital:	23.78%	
		EVA today:	\$1,594,431,161.52	Return on Equity:	23.78%	
		EVA in 5 Years:	\$2,339,407,773.09			
		EVA/Share:	\$34.77			
		Cash at Year 5:	\$1,720,030,444.80			
		Debt at Year 5:	\$0.00			
		Equity Value Year 5:	\$4,059,438,217.89			
		Equity/Share at Year 5:	\$60.34			
		Annualized return	7.97%			
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	\$8.79			
		Net Tangible Asset/Share in Year 5:	\$33.67			
		Annualized return	30.82%			
		Current Equity Price:	\$38.77			
		Selling at Discount?	Premium			
		Appreciation Potential:	-77.33%			
		Dividend Model				
		Next Year Dividend	\$24,675,131.75			
		WACC:	9.05%			
		Dividend:	\$20,184,000.00			
		Net Income:	\$314,290,000.00			
Competitors						
Average EV to EBITDA:	N/A					
Company EV to EBITDA:	4.37					
Average EV to EBIT:	N/A					
Company EV to EBITA:	4.37					

SN VALUATION

LBO Analysis

WACC Terminal Value:		Intrinsic Price in 5 Years:	50.06	Non-LBO Forecast	Non-LBO Forecast
EV/EBITDA with 5X Multiple Terminal Value:	\$63.76	Market Price:	38.77	Year 1 Target	40.80
Net Tangible Asset Terminal Value:	\$27.67	LBO Price:	38.77	Year 2 Target	42.94
EV/EBITDA with Today's Multiple Terminal Value:	\$48.48	Premium to Market Price:	0.00%	Year 3 Target	45.20
EVA Enterprise Value:	\$60.34	LBO Price/Intrinsic Price Target:	5.25%	Year 4 Target	47.57
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	4.57%	Year 5 Target	50.06
Average (Excluding Dividend Discount):	\$50.06	Implied IRR at today's EV/EBITDA:	4.57%	Implied IRR (Market Price):	5.25%
		5 Year Return:	29.13%		
				Desired Return Rate	20.00%
				Implied Today's Price	20.12
				Overvalued/(Undervalued)	92.70%

Current Evaluation				Exit Evaluation			
Current Market Price:	38.77	LBO Price:	38.77	Exit Price:	50.06	Exit Price:	48.48
Outstanding Shares:	67,280,000	Outstanding Shares:	67,280,000	Outstanding Shares:	67,280,000	Outstanding Shares:	67,280,000
Market Capitalization:	2,608,445,600	Market Capitalization:	2,608,445,600	Market Capitalization:	3,368,240,173	Market Capitalization:	3,262,004,621
Available Cash:	449,720,000	Available Cash:	449,720,000	Available Cash:	1,720,030,445	Available Cash:	1,720,030,445
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	449,720,000	Net Cash:	449,720,000	Net Cash:	1,720,030,445	Net Cash:	1,720,030,445
Enterprise Value:	2,158,725,600	Enterprise Value:	2,158,725,600	Enterprise Value:	1,648,209,728	Enterprise Value:	1,541,974,177
Original EV/EBITDA:	4.37	EV/EBITDA:	4.37	EV/EBITDA at 5 Years:	3.21	EV/EBITDA at 5 Years:	3.00
Original EV/EBITDA:	4.37	EV/EBITDA:	3.91	EV/EBITDA at 5 Years:	4.07	EV/EBITDA at 5 Years:	2.67
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:	38.77	38.77	40.80	42.94	45.20	47.57	50.06
Shares Outstanding:	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000
Market Capitalization:	2,608,445,600	2,608,445,600	2,745,276,151	2,889,284,387	3,040,846,826	3,200,359,736	3,368,240,173
Available Cash:	449,720,000	449,720,000	687,580,919	929,169,448	1,181,013,321	1,444,097,781	1,720,030,445
Debt:	0	0	0	0	0	0	0
Net Cash:	449,720,000	449,720,000	687,580,919	929,169,448	1,181,013,321	1,444,097,781	1,720,030,445
Enterprise Value:	2,158,725,600	2,158,725,600	2,057,695,233	1,960,114,939	1,859,833,505	1,756,261,955	1,648,209,728
EBIT	494,180,000	494,180,000	465,717,758	470,374,936	484,486,184	499,020,769	513,991,392
EV/EBIT:	4.37	4.37	4.42	4.17	3.84	3.52	3.21
EBITDA	552,210,000	552,210,000	522,587,229	527,535,697	543,350,999	559,757,023	576,481,102
EV/EBITDA:	3.91	3.91	3.94	3.72	3.42	3.14	2.86

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	38.77	38.77	40.46	44.35	49.01	53.86	58.94
Shares Outstanding:	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000	67,280,000
Market Capitalization:	2,608,445,600	2,608,445,600	2,721,974,958	2,983,907,429	3,297,393,441	3,623,969,304	3,965,298,114
Available Cash:	449,720,000	449,720,000	687,580,919	929,169,448	1,181,013,321	1,444,097,781	1,720,030,445
Debt:	0	0	0	0	0	0	0
Net Cash:	449,720,000	449,720,000	687,580,919	929,169,448	1,181,013,321	1,444,097,781	1,720,030,445
Enterprise Value:	2,158,725,600	2,158,725,600	2,034,394,040	2,054,737,980	2,116,380,120	2,179,871,523	2,245,267,669
EBIT	494,180,000	494,180,000	465,717,758	470,374,936	484,486,184	499,020,769	513,991,392
EV/EBIT:	4.37	4.37	4.37	4.37	4.37	4.37	4.37
EBITDA	552,210,000	552,210,000	522,587,229	527,535,697	543,350,999	559,757,023	576,481,102
EV/EBITDA:	3.91	3.91	3.89	3.89	3.90	3.89	3.89

LBO Price	38.77	Equity Partners:	2,608,445,600	Weighting	100.00%	Annualized Return for Equity Partners: 4.57%
Shares Outstanding	67,280,000	Debt Partners:	0		0.00%	
Market Capitalization	2,608,445,600	Total Funds for LBO:	2,608,445,600		100.00%	
Debt	0					
Cash	449,720,000					
Enterprise Value	2,158,725,600					
Capital Investment	2,608,445,600					

Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	1,389.52	Beginning Enterprise Value	2,158.73	Current Market Price	\$38.77	Starting Debt	0.00
Year 5 Book Value	3,010.53	Year 5 Enterprise Value	1,541.97	Year 5 Market Price	\$48.48	Debt Repayment	0.00
Annualized Return	16.72%	Annualized Return	-6.51%	Annualized Return	4.57%	Year 5 Ending Debt	0.00
						% of Starting Debt	#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Devry Inc

Ticker:

DV

	Historical				Forecasted				
	12 months ending 2008-06-30	12 months ending 2009-06-30	12 months ending 2010-06-30	12 months ending 2011-06-30	2011	2012	2013	2014	2015
Revenue	1,091.83	1,461.45	1,915.18	2,182.37	2,116.90	2,138.07	2,202.21	2,268.28	2,336.32
COGS	503.13	669.67	826.09	925.50	910.27	919.37	946.95	975.36	1,004.62
Gross margin	588.70	791.78	1,089.09	1,256.87	1,206.63	1,218.70	1,255.26	1,292.92	1,331.70
SG&A	422.62	548.07	678.19	762.69	740.91	748.32	770.77	793.90	817.71
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	3.74	8.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	162.34	234.83	410.90	494.18	465.72	470.37	484.49	499.02	513.99
Interest income/(expense)	9.94	2.52	1.72	0.25	-4.50	-4.50	4.50	4.50	4.50
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	172.28	237.35	412.62	494.43	470.21	474.87	488.98	503.52	518.49
Tax	46.75	71.70	132.64	163.60	159.87	161.46	166.25	171.20	176.29
Income after tax	125.53	165.65	279.98	330.83	310.34	313.42	322.73	332.32	342.20
Minority Interest	0.00	-0.04	-0.07	-0.43	-0.28	-0.30	-0.32	-0.32	-0.33
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	125.53	165.61	279.91	330.40	310.06	313.11	322.41	332.00	341.87
*Figures are in millions (\$)									
Revenue Growth	N/A	33.85%	31.05%	13.95%	-3.00%	1.00%	3.00%	3.00%	3.00%
Tax Rate	27.14%	30.21%	32.15%	33.09%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	0.00%	2.02%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	46.08%	45.82%	43.13%	42.41%	43.00%	43.00%	43.00%	43.00%	43.00%
Gross margin	53.92%	54.18%	56.87%	57.59%	57.00%	57.00%	57.00%	57.00%	57.00%
SG&A	38.71%	37.50%	35.41%	34.95%	35.00%	35.00%	35.00%	35.00%	35.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.34%	0.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	14.87%	16.07%	21.45%	22.64%	22.00%	22.00%	22.00%	22.00%	22.00%
Interest income/(expense)	0.91%	0.17%	0.09%	0.01%	0.21%	0.21%	0.20%	0.20%	0.19%
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	15.78%	16.24%	21.54%	22.66%	22.21%	22.21%	22.20%	22.20%	22.19%
Tax	4.28%	4.91%	6.93%	7.50%	7.55%	7.55%	7.55%	7.55%	7.55%
Income after tax	11.50%	11.33%	14.62%	15.16%	14.66%	14.81%	15.25%	15.70%	16.17%
Minority Interest	0.00%	0.00%	0.00%	-0.02%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	11.50%	11.33%	14.62%	15.14%	14.65%	14.64%	14.64%	14.64%	14.63%

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-06-30	As of 2009-06-30	As of 2010-06-30	As of 2011-06-30	+	-						
Cash	217.20	165.20	307.70	447.14			447.14	685.00	926.59	1,178.43	1,441.52	1,717.45
Short term investment	2.31	60.17	15.67	2.58			2.58	2.58	2.58	2.58	2.58	2.58
Cash and Short term	219.51	225.37	323.37	449.72			449.72	687.58	929.17	1,181.01	1,444.10	1,720.03
Accounts Receivable	55.21	104.41	119.21	114.69			114.69	114.69	114.69	114.69	114.69	114.69
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	55.21	104.41	119.21	114.69			114.69	114.69	114.69	114.69	114.69	114.69
Deferred Income Tax	0.00	0.01	0.00	-0.01			-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
Total Inventory	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	31.78	28.76	32.63	33.48			33.48	33.48	33.48	33.48	33.48	33.48
Other Current Assets	19.09	26.90	24.44	26.77			26.77	26.77	26.77	26.77	26.77	26.77
Current Assets	325.59	385.45	499.65	624.65	0.00	0.00	624.65	862.51	1,104.10	1,355.94	1,619.03	1,894.96
PP&E, Gross	553.92	643.46	722.12	834.17			834.17	974.17	1,114.17	1,254.17	1,394.17	1,534.17
Change in Depreciation	34.81	39.83	51.23	58.03			58.03	56.87	57.16	58.86	60.74	62.49
Accumulated Depreciation	314.60	335.89	387.12	445.15			445.15	502.02	559.18	618.05	678.78	741.27
PP&E, Net	239.32	307.57	335.00	389.02			389.02	472.15	554.99	636.12	715.39	792.90
Goodwill	308.02	512.57	514.86	523.62	0.00		523.62	523.62	523.62	523.62	523.62	523.62
Intangibles	62.85	203.19	194.19	195.46			195.46	184.53	173.22	162.65	152.30	140.72
Long term investments	57.17	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	25.41	25.52	30.98	38.53			38.53	38.53	38.53	38.53	38.53	38.53
Long Term Assets	1,007.37	1,384.74	1,075.03	1,146.63			1,146.63	1,218.83	1,290.36	1,360.92	1,429.84	1,495.77
Total Assets	1,018.36	1,434.30	1,627.83	1,850.50	0.00	0.00	1,771.28	2,081.34	2,394.45	2,716.87	3,048.86	3,390.73
Accounts Payable	70.37	71.56	90.36	63.61			63.61	63.61	63.61	63.61	63.61	63.61
Accrued Expense	82.47	113.34	145.93	154.93			154.93	154.93	154.93	154.93	154.93	154.93
Other current Liabilities	57.85	102.31	97.89	97.89			97.89	97.89	97.89	97.89	97.89	97.89
Total Current Liabilities	210.69	287.21	343.85	316.43	0.00	0.00	316.43	316.43	316.43	316.43	316.43	316.43
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	104.81	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.00	124.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	11.73	51.90	43.37	69.03			69.03	69.03	69.03	69.03	69.03	69.03
Minority Interest	0.00	3.19	5.01	6.75			6.75	7.03	7.03	7.03	7.03	7.03
Other liabilities	29.51	40.26	56.22	68.77			68.77	68.77	68.77	68.77	68.77	68.77
Total Liabilities	251.93	507.37	448.45	460.98	0.00	0.00	460.98	461.26	461.26	461.26	461.26	461.26
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	0.72	0.73	0.73	0.74		0.00	0.74	0.74	0.74	0.74	0.74	0.74
Additional Paid-in capital	168.41	197.10	224.21	248.42	0.00	0.00	248.42	248.42	248.42	248.42	248.42	248.42
Dividends Paid	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	637.50	791.68	1,055.59	1,367.97		0.00	1,367.97	1,678.31	1,991.73	2,314.46	2,646.78	2,988.98
Treasury Stock	-37.24	-69.72	-111.05	-243.34			-243.34	-243.34	-243.34	-243.34	-243.34	-243.34
Other Equity	-2.96	7.16	9.90	15.73		0.00	15.73	15.73	15.73	15.73	15.73	15.73
Total Equity	766.43	926.95	1,179.38	1,389.52	0.00	0.00	1,389.52	1,699.86	2,013.28	2,336.01	2,668.33	3,010.53
Liability + Equity	1,018.36	1,434.32	1,627.83	1,850.50	0.00	0.00	1,850.50	2,161.12	2,474.54	2,797.27	3,129.59	3,471.79
Variance	0.00	-0.02	0.00	0.00			-79.22	-79.78	-80.08	-80.40	-80.72	-81.06
Debt/Equity	0.00	0.13	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	19.78	14.00	16.07	19.03			19.03	18.46	18.64	19.20	19.78	20.37
Accounts Receivable Turnover Days	18.46	26.08	22.72	19.18			19.18	19.78	19.58	19.01	18.46	17.92
Days Payable Outstanding	51.05	39.00	39.92	25.09			25.09	25.51	25.25	24.52	23.80	23.11
Days Sales Outstanding	18.46	26.08	22.72	19.18			19.18	19.18	19.78	19.58	19.01	18.46
Cash Conversion Cycle	-32.59	-12.93	-17.21	-5.90			-5.90	-6.32	-5.48	-4.94	-4.80	-4.66

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-06-30	12 months ending 2009-06-30	12 months ending 2010-06-30	12 months ending 2011-06-30	2011	2012	2013	2014	2015
Net Income	125.53	165.65	279.98	330.83	310.34	313.42	322.73	332.32	342.20
Depreciation	34.81	39.83	51.23	58.03	56.87	57.16	58.86	60.74	62.49
Net Income + Depreciation	160.34	205.48	331.21	388.86	367.21	370.58	381.59	393.06	404.69
Amortization	5.07	10.62	11.00	6.54	10.93	11.32	10.57	10.35	11.57
Deferred Taxes	3.11	0.34	-9.55	23.97	0.00	0.00	0.00	0.00	0.00
Non Cash Items	61.49	83.56	97.79	105.46	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-31.36	-50.44	-38.90	-116.84	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-49.20	-14.80	4.52	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	3.02	-3.87	-0.85	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	1.19	18.80	-26.75	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	198.65	249.56	391.55	407.99	378.14	381.89	392.16	403.41	416.27
Capital Expenditures	-62.81	-74.04	-131.01	-135.73	-140.00	-140.00	-140.00	-140.00	-140.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-37.19	-315.38	45.22	9.74	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-100.00	-389.42	-85.79	-125.99	-140.00	-140.00	-140.00	-140.00	-140.00
Financing Cash flow items	4.20	3.57	3.46	-2.28	-0.28	-0.30	-0.32	-0.32	-0.33
Total Cash Dividends Paid	-7.84	-10.02	-12.84	-15.53	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-5.74	-19.46	-27.64	-122.38	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	-1.90	112.07	-124.81	0.00	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-11.28	86.16	-161.83	-140.19	-0.28	-0.30	-0.32	-0.32	-0.33
Foreign Exchange effect	0.67	1.70	-1.42	-2.37	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	129.16	217.20	165.20	307.70	447.14	685.00	926.59	1,178.43	1,441.52
Net Change in Cash	88.04	-52.00	142.50	139.44	237.86	241.59	251.84	263.08	275.93
Ending Cash Balance	217.20	165.20	307.70	447.14	685.00	926.59	1,178.43	1,441.52	1,717.45

Depreciation to Sales	3.19%	2.73%	2.67%	2.66%	2.69%	2.67%	2.67%	2.68%	2.67%
Amortization to Sales	0.46%	0.73%	0.57%	0.52%	0.52%	0.53%	0.48%	0.46%	0.50%
A/R to Sales	5.06%	7.14%	6.22%	5.26%	5.42%	5.36%	5.21%	5.06%	4.91%
Distributable FCF Yield	4.57%	-6.48%	14.16%	13.06%	11.03%	11.21%	11.68%	12.20%	12.80%
Dividend Yield	-0.30%	-0.38%	-0.49%	-0.60%	0.00%	0.00%	0.00%	0.00%	0.00%

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	139.44	237.86	241.59	251.84	263.08	275.93
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		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		0.00	0.00	0.00	0.00	0.00
Cash Balance		449.72				
Interest @ 1.0%		4.50	4.50	4.50	4.50	4.50
Net Interest Expense/(Income)		(4.50)	(4.50)	(4.50)	(4.50)	(4.50)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		465.72	470.37	484.49	499.02	513.99
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating					
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran