

Dole Foods (DOLE)

Price:	\$12.86	Net Tang. Bk Value Incl. Cash, Excl.	\$411,730,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$515,013,012.50
Market Cap:	\$1,137,852,800	Goodwill (NTBVIC):		Avg. Year FCF/Share:	\$28,156,602.50
Cash:	\$101,070,000	NTBVIC/Market Downside Recovery:	36.18%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$240,450,000	Op. Cash Flow:	\$108,156,603	Year 5 Disposition Price:	\$599,482,820.00
Net Cash:	-\$139,380,000	Implied Years to Fill Gap:	6.71		
Enterprise Value:	\$1,277,232,800	Today's Equity if 5x Op. CF:	\$736,199,807		
Shares Outstanding:	88,480,000	Net Tang. Book+ Gain Disposition:			\$599,482,820.00
		IRR:			-12.03%
		Price:			\$6.78
		Target Market Cap:			\$599,482,820
		Target Enterprise Value:			\$738,862,820

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

The Co. sold off their Asian business to ITOCHU and as a result, received \$1.6 Billion in cash from the deal, with most going to pay down the debt balance.

"As a result of reflecting Dole Asia's operations as discontinued operations, all interest expense associated with Dole's notes and debentures, term loan and revolving credit facilities and interest rate swap has been reclassified into discontinued operations for all periods presented. Refer to Note 5 — Discontinued Operations for additional information."

The Co. booked \$1.5 BB in debt, and \$1.4 was reclassified under the discontinue operations, but not in the 10Q. There is a note that states the line items next to the asterisk has been either paid down or reclassified. This means,

The financial statements aren't what they seem on face value. This might have been intentional and the deal was consummated on April 1st, or outside of the most recent quarterly figures, which makes the analysis more difficult for the analysts/investors who may be wondering if the \$12 offer price by the CEO is valid.

DOLE FOOD COMPANY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (Continued)
(Unaudited)

The major classes of assets held-for-sale included in Dole's condensed consolidated balance sheet at March 23, 2013 were as follows:

	Fresh Fruit	Fresh Vegetables	Discontinued Operations			Total Assets Held-for-Sale
			Packaged Foods	Asia Fresh	Fresh-Cut Flowers	
	(In thousands)					
Assets held-for-sale:						
Receivables	\$ —	\$ —	\$ 126,707	\$ 124,337	\$ —	\$ 251,044
Inventories	—	—	399,984	196,238	—	596,222
Prepaid expenses and other assets	—	—	7,254	22,220	—	29,474
Deferred tax assets	—	—	1,200	754	—	1,954
Investments	—	—	1,083	17,319	—	18,402
Property, plant and equipment, net of accumulated depreciation	—	599	164,445	74,655	—	239,699
Goodwill	—	—	67,464	86,496	—	153,960
Intangibles, net	—	—	245,891	235,943	—	481,834
Other assets, net	—	—	11,598	92,523	—	104,121
Total assets held-for-sale	\$ —	\$ 599	\$ 1,025,626	\$ 840,485	\$ —	\$ 1,866,710

The major classes of liabilities held-for-sale included in Dole's condensed consolidated balance sheet at March 23, 2013 were as follows:

	Fresh Fruit	Fresh Vegetables	Discontinued Operations			Total Liabilities Held-for-Sale
			Packaged Foods	Asia Fresh	Fresh-Cut Flowers	
	(In thousands)					
Liabilities related to assets held-for-sale:						
Accounts payable	\$ —	\$ —	\$ 118,038	\$ 95,024	\$ —	\$ 213,062
Accrued liabilities	—	—	57,077	73,213	—	130,290
Current portion of long-term debt	—	—	335	566	—	901
Notes payable	—	—	34,064	9,000	—	43,064
Long-term debt	—	—	375	2,806	—	3,181
Deferred income tax liabilities	—	—	—	27	—	27
Other long-term liabilities	—	—	39,922	30,950	—	70,872
Total liabilities related to assets held-for-sale	\$ —	\$ —	\$ 249,811	\$ 211,586	\$ —	\$ 461,397

Gains on asset sales by segment were as follows:

We made some adjustments to the model related to the assets held for sale that was still booked on the 10Q.

It is a low margin business, with low cash flow and is divesting off assets and reducing debt balance. The remaining Co. will be a less leveraged, lower margin business, that extracts most of the value for shareholders from the assets. The assets on book may be undervalued since a lot are real estate, or land holdings.

Heesu wrote a great background article related to the deal and we think that management must see some undisclosed value hidden somewhere in the books because on a valuation basis, this Co. is worth nothing more than \$550 MM in 5 years.

Unless assets are worth more, which would primarily be the land holdings, we don't see why management would be willing to buy.

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	411.73	501.19	504.64	508.10	511.56	515.01				515.01
Annual Change		89.46	3.46	3.46	3.46	3.46				
Annual FCF	(60.56)	28.16	28.16	28.16	28.16	28.16	28.16	28.16	28.16	84.47
Annual Op. Cash Flow	45.28	108.16	108.16	108.16	108.16	108.16	108.16	108.16	108.16	
Annual PP&E Investment	(105.84)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	
Today's Tangible Book Value	411.73	430.58	450.29	470.91	492.47	515.01				599.48
Intrinsic Value IRR	4.58%									
Market Price	1,137.85	1,000.98	880.57	774.64	681.46	599.48				599.48
Market Price IRR	-12.03%									

Debt	0.00%	0.00
Equity	100.00%	1,137.85
Total	100.00%	1,137.85

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	685.64	1,137.85	1,148.70	1,159.54	1,170.39	1,181.23	1,192.07				
Goodwill	273.91	726.12	726.12	726.12	726.12	726.12	726.12				
Debt	65	65.00	65.00	65.00	65.00	65.00	65.00				
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%				
Additional Interest Expense		-11.37	-11.37	-11.37	-11.37	-11.37	-11.37				
Tangible Book Value	411.73	411.73	422.57	433.42	444.26	455.11	465.95				465.95
Annual Change			10.84	10.84	10.84	10.84	10.84				
Annual FCF	(60.56)		35.54	35.54	35.54	35.54	35.54	35.54	35.54	35.54	106.63
Annual Net Income	(1.69)		10.84	10.84	10.84	10.84	10.84	10.84	10.84	10.84	
Annual Op. Cash Flow	45.28		115.54	115.54	115.54	115.54	115.54	115.54	115.54	115.54	
Dividend Payments											
Annual PP&E Investment	(105.84)		(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	(80.00)	
Debt Paydown	0.00							0.00	0.00	0.00	
Sale Price in Year 5											572.58
Remaining Debt Balance											0.00
Capital Left for Equity Investor											572.58
Dividend Payments											0.00
Total Cash In Flow											572.58
Invested Equity	1,137.85	991.83	864.54	753.60	656.88	572.58					
IRR	-12.83%										

<u>Value Creation</u>	
TBV Growth (equals sum of NI Year 1-5)	54.22
Cash Flow (Year 6-8)	106.63
Total	160.85

<u>Value Dilution</u>	
Debt	0.00
Goodwill	452.21
Additional Interest	-56.83
Total	395.38

SN VALUATION

LBO Pro Forma Income Statement

Name:

Dole Foods

Ticker:

DOLE

	Historical				Forecasted				
	52 weeks ending 2010-01-02	52 weeks ending 2011-01-01	52 weeks ending 2011-12-31	52 weeks ending 2012-12-29	2013	2014	2015	2016	2017
Revenue	6,778.52	4,686.86	4,778.42	4,246.71	4,246.71	4,246.71	4,246.71	4,246.71	4,246.71
COGS	6,008.80	4,331.34	4,375.76	3,878.94	3,906.97	3,906.97	3,906.97	3,906.97	3,906.97
Gross margin	769.72	355.52	402.66	367.77	339.74	339.74	339.74	339.74	339.74
SG&A	479.23	279.47	289.76	310.53	318.50	318.50	318.50	318.50	318.50
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	-25.11	-4.08	11.87	40.64	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: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	315.60	80.13	101.03	16.60	21.23	21.23	21.23	21.23	21.23
Interest income/(expense)	-218.41	-2.38	-5.53	-7.60	-15.92	-15.92	-15.92	-15.92	-15.92
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	0.49	-0.28	-3.09	-3.09	0.00	0.00	0.00	0.00	0.00
Income before tax	97.67	77.47	95.12	5.90	5.32	5.32	5.32	5.32	5.32
Tax	22.68	6.00	-2.07	10.76	1.86	1.86	1.86	1.86	1.86
Income after tax	74.99	71.47	97.19	-4.86	3.46	3.46	3.46	3.46	3.46
Minority Interest	-3.95	-3.96	-3.43	-2.90	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	10.10	6.57	4.59	6.06	5.46	5.50	5.54	5.52	5.52
Net income	81.14	74.08	98.34	-1.69	8.91	8.96	9.00	8.98	8.98
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.92	\$0.84	\$1.11	-\$0.02	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
P/E (historical today's price; forecasted intrinsic price)	14.02	15.36	11.57	-673.29	112.32	98.33	86.09	75.91	66.75
Revenue Growth	N/A	-30.86%	1.95%	-11.13%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	23.22%	7.74%	-2.18%	182.37%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-13.67%	-0.15%	-0.33%	-0.45%	-24.49%	-24.49%	-24.49%	-24.49%	-24.49%
Margins									
COGS	88.64%	92.41%	91.57%	91.34%	92.00%	92.00%	92.00%	92.00%	92.00%
Gross margin	11.36%	7.59%	8.43%	8.66%	8.00%	8.00%	8.00%	8.00%	8.00%
SG&A	7.07%	5.96%	6.06%	7.31%	7.50%	7.50%	7.50%	7.50%	7.50%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	-0.37%	-0.09%	0.25%	0.96%	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: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	4.66%	1.71%	2.11%	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%
Interest income/(expense)	-3.22%	-0.05%	-0.12%	-0.18%	-0.37%	-0.37%	-0.37%	-0.37%	-0.37%
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	0.01%	-0.01%	-0.01%	-0.07%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	1.44%	1.65%	1.99%	0.14%	0.13%	0.13%	0.13%	0.13%	0.13%
Tax	0.33%	0.13%	-0.04%	0.25%	0.04%	0.04%	0.04%	0.04%	0.04%
Income after tax	1.11%	1.52%	2.03%	-0.11%	0.08%	0.08%	0.08%	0.08%	0.08%
Minority Interest	-0.06%	-0.08%	-0.07%	-0.07%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.15%	0.14%	0.10%	0.14%	0.13%	0.13%	0.13%	0.13%	0.13%
Net income	1.20%	1.58%	2.06%	-0.04%	0.21%	0.21%	0.21%	0.21%	0.21%

	As of 2010-01-02	As of 2011-01-01	As of 2011-12-31	As of 2012-12-29	As of 2013-03-23	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	119.67	170.15	122.35	91.58	101.07			101.07	129.23	157.38	185.54	213.70	241.85
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
Cash and Short term	119.67	170.15	122.35	91.58	101.07			101.07	129.23	157.38	185.54	213.70	241.85
Accounts Receivable	557.89	560.35	505.47	342.94	350.00		250.00	100.00	100.00	100.00	100.00	100.00	100.00
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	557.89	560.35	505.47	342.94	350.00			100.00	100.00	100.00	100.00	100.00	100.00
Total Inventory	718.19	734.97	829.52	241.74	260.27		596.00	-335.73	-335.73	-335.73	-335.73	-335.73	-335.73
Prepaid Expenses	68.67	67.91	65.33	36.25	39.38			39.38	39.38	39.38	39.38	39.38	39.38
Other Current Assets	104.52	173.97	108.06	1,883.48	1,873.37			1,873.37	1,873.37	1,873.37	1,873.37	1,873.37	1,873.37
Current Assets	1,568.94	1,707.35	1,630.73	2,595.99	2,624.09		0.00	846.00	1,778.09	1,806.25	1,834.40	1,862.56	1,890.72
PP&E, Gross	2,031.55	2,060.49	2,061.03	1,465.82	1,500.00		239.00	1,261.00	1,341.00	1,421.00	1,501.00	1,581.00	1,661.00
Change in Depreciation	119.57	114.24	103.92	104.70	104.70			104.70	104.70	104.70	104.70	104.70	104.70
Accumulated Depreciation	1,069.30	1,117.46	1,150.30	834.39	850.00			850.00	954.70	1,059.40	1,164.10	1,268.80	1,373.50
PP&E, Net	962.25	943.03	910.73	631.43	650.00			650.00	386.30	361.60	336.90	312.20	287.50
Goodwill	407.25	407.25	418.11	273.91	273.91	0.00	86.00	187.91	187.91	187.91	187.91	187.91	187.91
Intangibles	705.85	701.08	732.01	261.31	265.00		471.00	-206.00	-206.00	-206.00	-206.00	-206.00	-206.00
Long term investments	85.00	87.91	99.47	88.88	88.25			88.25	88.25	88.25	88.25	88.25	88.25
Other long term assets	209.47	219.46	300.65	172.09	244.10			244.10	244.10	244.10	244.10	244.10	244.10
Long Term Assets	2,369.82	2,358.73	2,460.97	1,427.62	1,521.26			964.26	700.56	675.86	651.16	626.46	601.76
Total Assets	3,938.76	4,066.08	4,091.70	4,023.61	4,145.35		0.00	796.00	2,742.35	2,506.81	2,510.26	2,513.72	2,517.18
Accounts Payable	474.40	521.33	452.05	313.40	315.00		213.00	102.00	102.00	102.00	102.00	102.00	102.00
Accrued Expense	290.84	331.10	449.46	395.42	395.00		130.00	265.00	265.00	265.00	265.00	265.00	265.00
Other current Liabilities	150.00	311.38	141.39	588.87	661.03			661.03	661.03	661.03	661.03	661.03	661.03
Total Current Liabilities	915.24	1,163.81	1,042.90	1,297.69	1,371.03		0.00	343.00	1,028.03	1,028.03	1,028.03	1,028.03	1,028.03
Notes Payables/Short Term Debt	37.31	31.92	27.97	19.76	13.80			13.80	13.80	13.80	13.80	13.80	13.80
Current port. Of LT Debt/Capital Leases	8.02	7.35	10.76	161.75	161.65			161.65	161.65	161.65	161.65	161.65	161.65
Long term Debt	1,552.68	1,564.33	1,641.11	1,512.65	65.00	0.00	0.00	65.00	65.00	65.00	65.00	65.00	65.00
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	1,598.01	1,603.60	1,679.84	1,694.16	240.45		0.00	240.45	240.45	240.45	240.45	240.45	240.45
Deferred Income tax	204.57	244.32	181.68	128.93	131.44			131.44	131.44	131.44	131.44	131.44	131.44
Minority Interest	27.00	24.61	25.92	26.39	27.90			27.90	27.90	27.90	27.90	27.90	27.90
Other liabilities	523.23	428.48	548.49	396.47	517.85			517.85	517.85	517.85	517.85	517.85	517.85
Total Liabilities	3,268.05	3,464.82	3,478.83	3,543.64	2,288.67		0.00	0.00	1,945.67	1,945.67	1,945.67	1,945.67	1,945.67
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	0.09	0.09	0.09	0.09	0.09		0.00	0.09	0.09	0.09	0.09	0.09	0.09
Additional Paid-in capital	768.97	776.92	786.36	800.52	800.00	0.00	0.00	800.00	800.00	800.00	800.00	800.00	800.00
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	105.21	71.08	109.44	-35.02	-35.00		0.00	-35.00	-31.54	-28.09	-24.63	-21.17	-17.72
Treasury Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	-35.29	-55.92	-103.38	-79.45	-79.45			-79.45	-79.45	-79.45	-79.45	-79.45	-79.45
Total Equity	838.98	792.17	792.51	686.14	685.64		0.00	685.64	689.10	692.55	696.01	699.47	702.92
Liability + Equity	4,107.03	4,256.99	4,271.34	4,229.78	2,974.31		0.00	0.00	2,631.31	2,634.77	2,638.22	2,645.14	2,648.59
Variance	-168.27	-190.91	-179.64	-206.17	1,171.04			111.04	-127.96	-127.96	-127.96	-127.96	-127.96
Debt/Equity	1.90	2.02	2.12	2.47	0.35			0.35	0.35	0.35	0.35	0.34	0.34
Inventory Turnover	9.44	6.38	5.76	17.57	16.32			-12.65	-12.65	-12.65	-12.65	-12.65	-12.65
Inventory Turnover Days	38.67	57.24	63.96	20.78	22.37			-28.86	-28.86	-28.86	-28.86	-28.86	-28.86
Days Inventory Outstanding	43.63	61.94	69.19	22.75	24.32			-31.59	-31.36	-31.36	-31.36	-31.36	-31.36
Accounts Receivable Turnover	12.15	8.36	9.45	12.38	12.13			42.47	42.47	42.47	42.47	42.47	42.47
Accounts Receivable Turnover Days	30.04	43.64	38.61	29.48	30.08			8.59	8.59	8.59	8.59	8.59	8.59
Days Payable Outstanding	28.82	43.93	37.71	29.49	29.43			9.60	9.53	9.53	9.53	9.53	9.53
Days Sales Outstanding	30.04	43.64	38.61	29.48	30.08			29.48	8.59	8.59	8.59	8.59	8.59
Cash Conversion Cycle	44.85	61.64	70.10	22.73	24.97			-11.71	-32.30	-32.30	-32.30	-32.30	-32.30
Net tangible assets/share	(\$3.10)	(\$3.57)	(\$4.04)	\$1.71	\$1.66			\$7.99	\$8.03	\$8.07	\$8.11	\$8.15	\$8.15

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

DOLE

	52 weeks ending 2010-01-02	52 weeks ending 2011-01-01	52 weeks ending 2011-12-31	52 weeks ending 2012-12-29	2011	2012	2013	2014	2015
Net Income	88.03	-30.17	41.79	-141.57	3.46	3.46	3.46	3.46	3.46
Depreciation	119.57	114.24	103.92	104.70	104.70	104.70	104.70	104.70	104.70
Net Income + Depreciation	207.60	84.07	145.71	-36.87	108.16	108.16	108.16	108.16	108.16
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	1.39	3.96	-47.13	78.37	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.50	113.94	100.60	55.45	0.00	0.00	0.00	0.00	0.00
Change in Working capital	72.45	-54.33	-194.06	-51.67	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-2.46	54.88	162.53	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	-16.78	-94.55	587.78	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.76	2.58	29.08	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	46.93	-69.28	-138.65	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	282.94	147.64	5.12	45.28	108.16	108.16	108.16	108.16	108.16
Capital Expenditures Expenditures	-51.21	-87.40	-82.19	-105.84	-80.00	-80.00	-80.00	-80.00	-80.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	135.62	17.48	-0.55	30.26	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	84.41	-69.92	-82.74	-75.58	-80.00	-80.00	-80.00	-80.00	-80.00
Financing Cash flow items	-31.79	-19.96	-30.09	-54.42	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-15.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	416.70	0.00	0.31	1.51	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	-710.60	-9.41	59.27	52.38	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-340.69	-29.37	29.49	-0.53	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	2.18	2.13	0.32	0.07	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	90.83	119.67	170.15	122.35	101.07	129.23	157.38	185.54	213.70
Net Change in Cash	28.84	50.48	-47.80	-30.77	28.16	28.16	28.16	28.16	28.16
Ending Cash Balance	119.67	170.15	122.35	91.58	129.23	157.38	185.54	213.70	241.85
Capex to Revenue	0.76%	1.86%	1.72%	2.49%	1.88%	1.88%	1.88%	1.88%	1.88%
Depreciation to Sales	1.76%	2.44%	2.17%	2.47%	2.47%	2.47%	2.47%	2.47%	2.47%
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	8.23%	11.96%	10.58%	8.08%	8.08%	8.08%	8.08%	8.08%	8.08%
Distributable FCF/EV Yield	28.76%	6.09%	-6.08%	-2.37%	2.20%	2.20%	2.20%	2.20%	2.20%
Dividend Yield	-1.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	246.73	60.24	-77.07	-60.56	28.16	28.16	28.16	28.16	28.16

SN VALUATION

LBO Debt Schedule

Ticker:

DOLE

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-30.77	28.16	28.16	28.16	28.16	28.16
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	240.45	240.45	240.45	240.45	240.45	240.45
Current Portion Debt Balance	175.45	175.45	175.45	175.45	175.45	175.45
Long Term Debt Balance	65.00	65.00	65.00	65.00	65.00	65.00
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		16.83	16.83	16.83	16.83	16.83
Cash Balance		91.58				
Interest @ 1.0%		0.92	0.92	0.92	0.92	0.92
Net Interest Expense/(Income)		15.92	15.92	15.92	15.92	15.92
Net Interest Rate		24.49%	24.49%	24.49%	24.49%	24.49%
EBITDA		21.23	21.23	21.23	21.23	21.23
EBITDA/Interest Expense Coverage		1.26	1.26	1.26	1.26	1.26

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Dole Foods

Ticker:

DOLE

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	653.70	543.54	587.83	750.06	778.22	806.37	834.53	862.69	890.84
Total Assets	3,938.76	4,066.08	4,091.70	2,742.35	2,506.81	2,510.26	2,513.72	2,517.18	2,520.63
X1	0.17	0.13	0.14	0.27	0.31	0.32	0.33	0.34	0.35
Retained Earnings	105.21	71.08	109.44	-35.00	-31.54	-28.09	-24.63	-21.17	-17.72
Total Assets	3,938.76	4,066.08	4,091.70	2,742.35	2,506.81	2,510.26	2,513.72	2,517.18	2,520.63
X2	0.03	0.02	0.03	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01
EBITDA	315.60	80.13	101.03	16.60	21.23	21.23	21.23	21.23	21.23
Total Assets	3,938.76	4,066.08	4,091.70	2,742.35	2,506.81	2,510.26	2,513.72	2,517.18	2,520.63
X3	0.08	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01
Market Value of Equity	1,137.85	1,137.85	1,137.85	1,137.85	1,000.98	880.57	774.64	681.46	599.48
Total Liabilities	3,268.05	3,464.82	3,478.83	1,945.67	1,945.67	1,945.67	1,945.67	1,945.67	1,945.67
X4	0.35	0.33	0.33	0.58	0.51	0.45	0.40	0.35	0.31
Net Sales	6,778.52	4,686.86	4,778.42	4,246.71	4,246.71	4,246.71	4,246.71	4,246.71	4,246.71
Total Assets	3,938.76	4,066.08	4,091.70	2,742.35	2,506.81	2,510.26	2,513.72	2,517.18	2,520.63
X5	1.72	1.15	1.17	1.55	1.69	1.69	1.69	1.69	1.68
Altman Z Score	2.43	1.60	1.66	2.23	2.39	2.36	2.34	2.32	2.31

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

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