

July 10, 2013

SN VALUATION [Stocks, Real Estate, Bonds]

Intersections (INTX)

Price:	\$8.90	Net Tang. Bk Value Incl. Cash, Excl.	\$66,980,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$139,145,827.50
Market Cap:	\$160,200,000	Goodwill (NTBVIC):		Avg. Year Op. Cash:	\$27,605,231.10
Cash:	\$20,020,000	NTBVIC/Market Downside Recovery:	41.81%	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$1,980,000	Op. Cash Flow:	\$28,374,669	Year 5 Disposition Price:	\$221,961,520.79
Net Cash:	\$18,040,000	Implied Years to Fill Gap:	3.29		
Enterprise Value:	\$142,160,000	Today's Equity if 5x Op. CF:	\$152,104,008		
		Net Tang. Book+ Gain Disposition:			\$221,961,520.79
Shares Outstanding:	18,000,000	IRR:			6.74%
				Price:	\$12.33
				Target Market Cap:	\$221,961,521
				Target Enterprise Value:	\$203,921,521

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

Management advised 2013 revenue will be down 10-15% YoY and EBITDA is cut in half. However, there is still value left in this Co. and the dividend yield is high at 9% right now. The CEO is a former IBanker and likes to reward the investors with dividends. The Co. suffers from a legacy business and there is a risk of being outdated, like RIMG. We saw their recent presentation file at the Stephens Spring Investment Conference. There is nothing exciting about this business. Seems like it is stuck in a limited industry. We say be happy with the dividend and bounce if the margins deteriorates further. The floor for either stock appreciation, or dividend is at about 7%, so its a safe play.

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350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
-
-50,000,000

Debt
1,980,000

Mkt Cap
160,200,000

Cash
-20,020,000

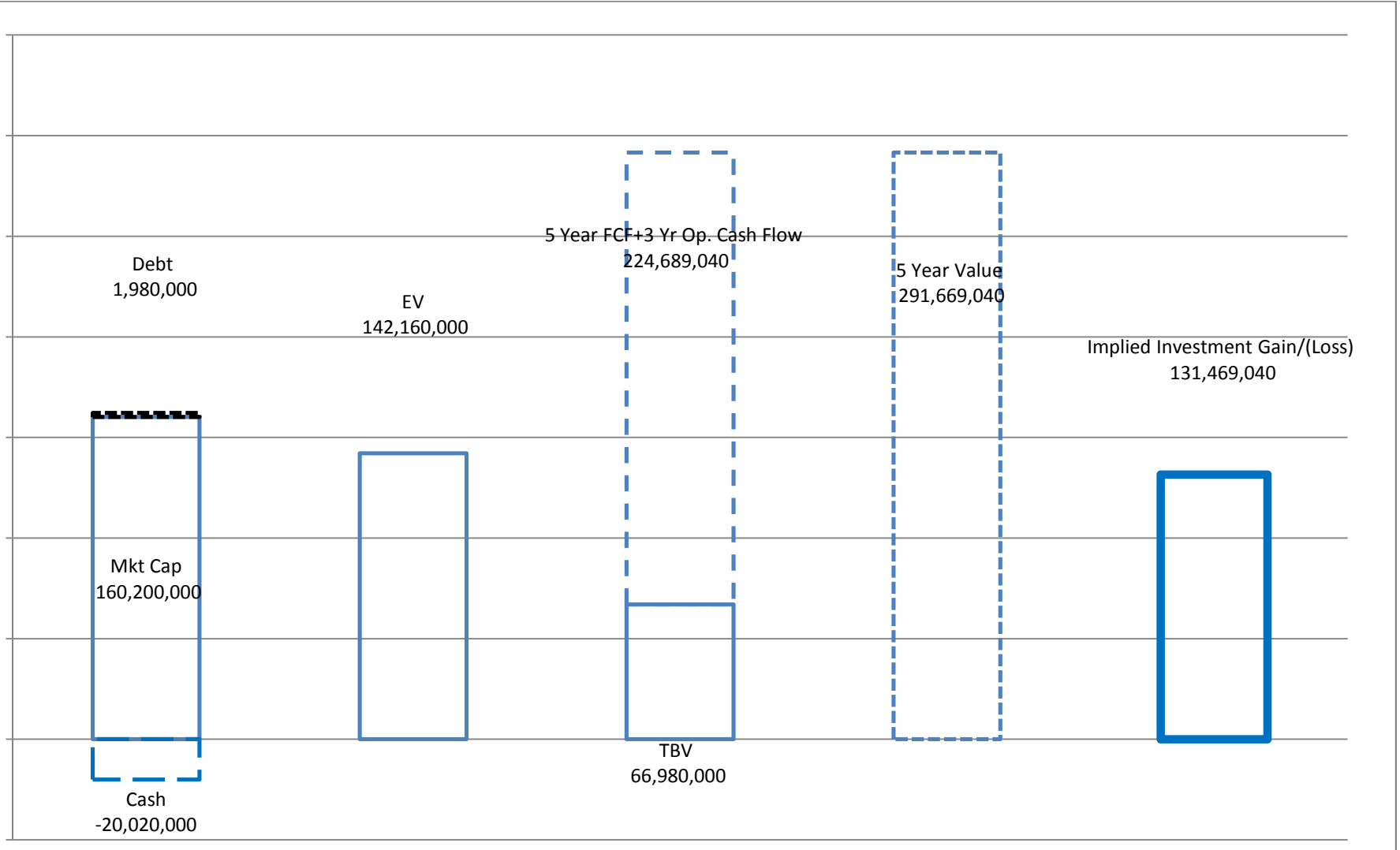
EV
142,160,000

5 Year FCF+3 Yr Op. Cash Flow
224,689,040

TBV
66,980,000

5 Year Value
291,669,040

Implied Investment Gain/(Loss)
131,469,040



SN VALUATION

LBO Pro Forma Income Statement

Name:

Intersections

Ticker:

INTX

	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	346.17	364.14	373.00	349.19	314.27	314.27	314.27	314.27	314.27
COGS	91.08	88.88	110.66	106.83	103.71	103.71	103.71	103.71	103.71
Gross margin	255.09	275.26	262.34	242.36	210.56	210.56	210.56	210.56	210.56
SG&A	237.03	234.09	218.50	193.77	188.56	188.56	188.56	188.56	188.56
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.95	0.00	-1.41	1.80	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)	17.11	41.17	45.25	46.79	22.00	22.00	22.00	22.00	22.00
Interest income/(expense)	-1.11	-1.68	-0.80	-0.40	0.21	0.21	0.21	0.21	0.21
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	1.36	-0.44	0.28	0.47	0.00	0.00	0.00	0.00	0.00
Income before tax	0.85	24.21	31.86	33.60	22.20	22.20	22.20	22.20	22.20
Tax	0.16	3.33	13.24	13.90	7.77	7.77	7.77	7.77	7.77
Income after tax	0.69	14.88	18.62	19.70	14.43	14.43	14.43	14.43	14.43
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	0.69	14.88	18.62	19.70	14.43	14.43	14.43	14.43	14.43
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.04	\$0.83	\$1.03	\$1.09	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
P/E (historical today's price; forecasted intrinsic price)	232.17	10.77	8.60	8.13	11.85	12.65	13.50	14.41	15.38
Revenue Growth		5.19%	2.43%	-6.38%	-10.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	18.82%	38.54%	41.56%	41.37%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-2.70%	-33.27%	-3.38%	-17.94%	NA	NA	NA	NA	NA
Margins									
COGS	26.31%	24.41%	29.67%	30.59%	33.00%	33.00%	33.00%	33.00%	33.00%
Gross margin	73.69%	75.59%	70.33%	69.41%	67.00%	67.00%	67.00%	67.00%	67.00%
SG&A	68.47%	64.29%	58.58%	55.49%	60.00%	60.00%	60.00%	60.00%	60.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.27%	0.00%	-0.38%	0.52%	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)	4.94%	11.31%	12.13%	13.40%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest income/(expense)	-0.32%	-0.46%	-0.21%	-0.11%	0.07%	0.07%	0.07%	0.07%	0.07%
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	0.39%	-0.12%	0.08%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	0.25%	6.65%	8.54%	9.62%	7.07%	7.07%	7.07%	7.07%	7.07%
Tax	0.05%	2.56%	3.55%	3.98%	2.47%	2.47%	2.47%	2.47%	2.47%
Income after tax	0.20%	4.09%	4.99%	5.64%	4.59%	4.59%	4.59%	4.59%	4.59%
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	0.20%	4.09%	4.99%	5.64%	4.59%	4.59%	4.59%	4.59%	4.59%

	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	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	12.39	14.46	30.83	25.56	20.02			20.02	42.39	63.92	85.09	106.44	128.05
Short term investment	5.00	4.99	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	17.39	19.45	30.83	25.56	20.02			20.02	42.39	63.92	85.09	106.44	128.05
Accounts Receivable	25.11	19.20	24.79	22.27	23.00			23.00	23.00	23.00	23.00	23.00	23.00
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	25.11	19.20	24.79	22.27	23.00			23.00	23.00	23.00	23.00	23.00	23.00
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	3.21	5.56	5.25	3.40	3.70			3.70	3.70	3.70	3.70	3.70	3.70
Other Current Assets	36.22	26.21	15.65	10.04	11.37			11.37	11.37	11.37	11.37	11.37	11.37
Current Assets	81.93	70.42	76.52	61.27	58.09	0.00	0.00	58.09	80.46	101.99	123.16	144.51	166.12
PP&E, Gross	64.72	66.47	74.84	0.00	75.00			75.00	81.00	87.00	93.00	99.00	105.00
Change in Depreciation	8.29	8.55	9.04	9.71	9.71			9.71	8.74	8.74	8.74	8.74	8.74
Accumulated Depreciation	46.91	44.90	51.03	0.00	52.00			52.00	60.74	69.48	78.22	86.96	95.70
PP&E, Net	17.81	21.57	23.81	0.00	23.00			23.00	20.26	17.52	14.78	12.04	9.30
Goodwill	46.94	43.23	43.23	43.23	43.23	0.00		43.23	43.23	43.23	43.23	43.23	43.23
Intangibles	21.61	14.90	11.07	7.53	8.00			8.00	2.80	-1.56	-5.55	-9.73	-14.17
Long term investments	3.33	4.33	4.33	8.92	9.31			9.31	9.31	9.31	9.31	9.31	9.31
Other long term assets	18.09	8.19	7.53	7.14	4.65			4.65	4.65	4.65	4.65	4.65	4.65
Long Term Assets	107.78	92.22	89.97	66.82	88.19			88.19	80.25	73.16	66.42	59.50	52.33
Total Assets	189.71	162.64	166.49	128.09	146.28	0.00	0.00	146.28	160.71	175.15	189.58	204.01	218.45
Accounts Payable	9.17	5.10	1.53	3.89	4.00			4.00	4.00	4.00	4.00	4.00	4.00
Accrued Expense	20.04	17.06	18.99	15.91	16.00			16.00	16.00	16.00	16.00	16.00	16.00
Other current Liabilities	22.12	16.09	9.94	9.99	9.20			9.20	9.20	9.20	9.20	9.20	9.20
Total Current Liabilities	51.33	38.25	30.46	29.79	29.20	0.00	0.00	29.20	29.20	29.20	29.20	29.20	29.20
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	8.03	1.65	21.35	0.77	0.71			0.71	0.71	0.71	0.71	0.71	0.71
Long term Debt	31.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	1.68	3.40	2.30	1.46	1.27			1.27	1.27	1.27	1.27	1.27	1.27
Total Interest Earning Debt	41.10	5.05	23.65	2.23	1.98	0.00	0.00	1.98	1.98	1.98	1.98	1.98	1.98
Deferred Income tax	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
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	3.33	2.78	4.76	4.95	8.05			8.05	8.05	8.05	8.05	8.05	8.05
Total Liabilities	95.76	46.08	58.87	36.97	39.23	0.00	0.00	39.23	39.23	39.23	39.23	39.23	39.23
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	0.19	0.19	0.20	0.21	0.21		0.00	0.21	0.21	0.21	0.21	0.21	0.21
Additional Paid-in capital	104.81	109.25	113.63	119.44	120.00	0.00	0.00	120.00	120.00	120.00	120.00	120.00	120.00
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	2.03	17.06	23.60	20.03	20.00		0.00	20.00	34.43	48.87	63.30	77.73	92.17
Treasury Stock	-9.52	-9.95	-29.55	-30.30	-30.00		0.00	-30.00	-30.00	-30.00	-30.00	-30.00	-30.00
Other Equity	-1.10	0.01	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	96.41	116.56	107.88	109.38	110.21	0.00	0.00	110.21	124.64	139.08	153.51	167.94	182.38
Liability + Equity	192.17	162.64	166.75	146.35	149.44	0.00	0.00	149.44	163.87	178.31	192.74	207.17	221.61
Variance	-2.46	0.00	-0.26	-18.26	-3.16			-3.16	-3.16	-3.16	-3.16	-3.16	-3.16
Debt/Equity	0.43	0.04	0.22	0.02	0.02			0.02	0.02	0.01	0.01	0.01	0.01
Inventory Turnover	#DIV/0!	#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!	#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	0.00
Accounts Receivable Turnover	13.79	18.97	15.05	15.68	13.66			15.18	13.66	13.66	13.66	13.66	13.66
Accounts Receivable Turnover Days	26.48	19.25	24.26	23.28	26.71			24.04	26.71	26.71	26.71	26.71	26.71
Days Payable Outstanding	36.75	20.94	5.05	13.29	14.08			13.67	14.08	14.08	14.08	14.08	14.08
Days Sales Outstanding	26.48	19.25	24.26	23.28	26.71			23.28	24.04	26.71	26.71	26.71	26.71
Cash Conversion Cycle	-10.27	-1.70	19.21	9.99	12.63			9.61	9.96	12.63	12.63	12.63	12.63
Net tangible assets/share	\$1.55	\$3.25	\$2.98	\$3.26	\$3.28				\$4.37	\$5.41	\$6.43	\$7.47	\$8.52

	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	-10.73	20.36	18.62	19.70	14.43	14.43	14.43	14.43	14.43
Depreciation	8.29	8.55	9.04	9.71	8.74	8.74	8.74	8.74	8.74
Net Income + Depreciation	-2.44	28.91	27.66	29.41	23.17	23.17	23.17	23.17	23.17
Amortization	9.47	6.72	3.83	3.54	5.20	4.35	3.99	4.18	4.43
Deferred Taxes	1.03	-5.57	3.17	-1.80	0.00	0.00	0.00	0.00	0.00
Non Cash Items	76.79	62.27	43.19	29.99	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-67.49	-44.05	-42.31	-12.19	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	5.91	-5.59	2.52	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	-2.35	0.31	1.85	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-4.07	-3.57	2.36	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	17.36	48.28	35.54	48.95	28.37	27.53	27.16	27.36	27.61
Capital Expenditures Expenditures	-7.02	-10.62	-11.54	-5.17	-6.00	-6.00	-6.00	-6.00	-6.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	0.03	11.64	7.96	-2.59	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-6.99	1.02	-3.58	-7.76	-6.00	-6.00	-6.00	-6.00	-6.00
Financing Cash flow items	-0.76	-1.62	-3.13	-2.08	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	-5.33	-12.08	-23.27	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.00	-0.06	-18.67	0.32	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	-7.80	-40.25	18.29	-21.42	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-8.56	-47.26	-15.59	-46.45	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	-0.18	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	10.76	12.39	14.45	30.83	20.02	42.39	63.92	85.09	106.44
Net Change in Cash	1.63	2.06	16.38	-5.28	22.37	21.53	21.16	21.36	21.61
Ending Cash Balance	12.39	14.45	30.83	25.55	42.39	63.92	85.09	106.44	128.05
Capex to Revenue	2.03%	2.92%	3.09%	1.48%	1.91%	1.91%	1.91%	1.91%	1.91%
Depreciation to Sales	2.39%	2.35%	2.42%	2.78%	2.78%	2.78%	2.78%	2.78%	2.78%
Amortization to Sales	2.74%	1.83%	1.03%	1.01%	1.66%	1.39%	1.27%	1.33%	1.41%
A/R to Sales	7.25%	5.27%	6.65%	6.38%	7.09%	7.09%	7.09%	7.09%	7.09%
Distributable FCF/EV Yield	7.29%	34.68%	22.48%	28.97%	15.74%	15.14%	14.89%	15.02%	15.20%
Dividend Yield	0.00%	-3.33%	-7.54%	-14.53%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	10.34	42.99	36.08	67.05	22.37	21.53	21.16	21.36	21.61

SN VALUATION

LBO Debt Schedule

Ticker:

INTX

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	-5.28	22.37	21.53	21.16	21.36	21.61
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.71	0.71	0.71	0.71	0.71	0.71
Current Portion Debt Balance	0.71	0.71	0.71	0.71	0.71	0.71
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
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		0.05	0.05	0.05	0.05	0.05
Cash Balance		25.56				
Interest @ 1.0%		0.26	0.26	0.26	0.26	0.26
Net Interest Expense/(Income)		(0.21)	(0.21)	(0.21)	(0.21)	(0.21)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		22.00	22.00	22.00	22.00	22.00
EBITDA/Interest Expense Coverage		442.64	442.64	442.64	442.64	442.64

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Intersections

Ticker:

INTX

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	30.60	32.17	46.06	28.89	51.26	72.79	93.96	115.31	136.92
Total Assets	189.71	162.64	166.49	146.28	160.71	175.15	189.58	204.01	218.45
X1	0.16	0.20	0.28	0.20	0.32	0.42	0.50	0.57	0.63
Retained Earnings	2.03	17.06	23.60	20.00	34.43	48.87	63.30	77.73	92.17
Total Assets	189.71	162.64	166.49	146.28	160.71	175.15	189.58	204.01	218.45
X2	0.01	0.10	0.14	0.14	0.21	0.28	0.33	0.38	0.42
EBITDA	17.11	41.17	45.25	46.79	22.00	22.00	22.00	22.00	22.00
Total Assets	189.71	162.64	166.49	146.28	160.71	175.15	189.58	204.01	218.45
X3	0.09	0.25	0.27	0.32	0.14	0.13	0.12	0.11	0.10
Market Value of Equity	160.20	160.20	160.20	160.20	171.00	182.52	194.82	207.95	221.96
Total Liabilities	95.76	46.08	58.87	39.23	39.23	39.23	39.23	39.23	39.23
X4	1.67	3.48	2.72	4.08	4.36	4.65	4.97	5.30	5.66
Net Sales	346.17	364.14	373.00	349.19	314.27	314.27	314.27	314.27	314.27
Total Assets	189.71	162.64	166.49	146.28	160.71	175.15	189.58	204.01	218.45
X5	1.82	2.24	2.24	2.39	1.96	1.79	1.66	1.54	1.44
Altman Z Score	3.33	5.54	5.30	6.32	5.71	5.89	6.08	6.29	6.51

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

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	66.98	81.41	95.85	110.28	124.71	139.15				139.15
Annual Change		14.43	14.43	14.43	14.43	14.43				
Annual FCF	43.78	22.37	21.53	21.16	21.36	21.61	21.61	21.61	21.61	64.82
Annual Op. Cash Flow	48.95	28.37	27.53	27.16	27.36	27.61	27.61	27.61	27.61	
Annual PP&E Investment	(5.17)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	
Today's Tangible Book Value	66.98	77.53	89.73	103.86	120.22	139.15				203.96
Intrinsic Value IRR	15.75%									
Market Price	160.20	168.13	176.45	185.18	194.34	203.96				203.96
Market Price IRR	4.95%									

Debt	50.00%	80.10
Equity	50.00%	80.10
Total	100.00%	160.20

	Present Value	Holding Period					Terminal Value			Sale Price	
	Historic	ProForma	1	2	3	4	5	6	7	8	
Book Equity	110.21	80.10	90.75	101.41	112.06	122.72	133.37				
Goodwill	43.23	93.22	93.22	93.22	93.22	93.22	93.22				
Debt	0	80.10	80.10	80.10	80.10	80.10	80.10				
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%				
Additional Interest Expense		5.81	5.81	5.81	5.81	5.81					
Tangible Book Value	66.98	-13.12	-2.47	8.19	18.84	29.50	40.15				40.15
Annual Change			10.65	10.65	10.65	10.65	10.65				
Annual FCF	43.78		18.60	17.75	17.39	17.58	17.83	17.83	17.83		53.48
Annual Net Income	19.70		10.65	10.65	10.65	10.65	10.65	10.65	10.65		
Annual Op. Cash Flow	48.95		24.60	23.75	23.39	23.58	23.83	23.83	23.83		
Dividend Payments											
Annual PP&E Investment	(5.17)		(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)	(6.00)		
Debt Paydown	0.00						0.00	0.00	0.00		
Sale Price in Year 5											93.63
Remaining Debt Balance											80.10
Capital Left for Equity Investor											13.53
Dividend Payments											0.00
Total Cash In Flow											13.53
Invested Equity	80.10	56.13	39.33	27.56	19.31	13.53					
IRR	-29.93%										

Value Creation

TBV Growth (equals sum of NI Year 1-5)	53.27
Cash Flow (Year 6-8)	53.48
Total	106.75

Value Dilution

Debt	80.10
Goodwill	49.99
Additional Interest	29.06
Total	159.15