January 25, 2012

SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

J Alexanders Corp (JAX)

Price:	\$6.66	Price/Book:	0.82	EV/EBITDA 5x TV:	\$3.92
Market Cap:	\$39,893,399	Price/Earnings:	39.50	Net Tangible Asset TV:	\$10.38
Cash:	\$8,600,000	EV/EBITA:	3.55	SN Defined TV:	\$6.22
Debt:	\$19,520,000	EV/FCF:	5.38	Economic Value Added:	\$14.99
Net Cash:	-\$10,920,000	Net Tang. Asset/Share:	\$8.10	Year 5 Target:	\$8.88
Enterprise Value:	\$50,813,399	FCF/Share:	\$1.58	Appreciation:	33.293%

Overview

We are including the watchlist.

Dividend?

Dividend yield is 0.00%.

Price to Book

Price to book is 0.82. Price to book excluding goodwill is 0.82.

Cashflow Generation

Cashflows are \$5 MM from operating cashflow.

Capex is \$2 MM, minority interest payment is \$0 MM, intangibles are \$0 MM and dividend is \$0 MM. Free cash flow is about \$3 MM.

1.5% EBITA margin and FCF yield is 5.4%.

The company has \$8.6 MM in cash/short term investment and \$19.5 MM in debt. We are projecting a \$0.0 MM paydown annually.

Profitability

ROA is 3.1%, and ROC is 5.8%.

Bankruptcy Risk

Altman Z is at 2.1.

LBO2

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					2040 04 05

2012-01-25

Altman Z So	Altman Z Score		ne:	J Alexanders Corp				Ticker:	JAX
Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	-40.33	-52.51	-51.19	-46.65	-44.66	-42.30	-39.55	-36.41	-32.86
Total Assets	104.46	105.57	92.14	90.95	89.61	88.46	87.50	86.73	86.17
X1	-0.39	-0.50	-0.56	-0.51	-0.50	-0.48	-0.45	-0.42	-0.38
Retained Earnings	26.48	26.59	11.25	14.05	12.71	11.56	10.60	9.83	9.27
Total Assets	104.46	105.57	92.14	90.95	89.61	88.46	87.50	86.73	86.17
X2	0.25	0.25	0.12	0.15	0.14	0.13	0.12	0.11	0.11
EBITDA	12.12	6.54	0.37	8.21	6.14	6.32	6.51	6.71	6.91
Total Assets	104.46	105.57	92.14	90.95	89.61	88.46	87.50	86.73	86.17
Х3	0.12	0.06	0.00	0.09	0.07	0.07	0.07	0.08	0.08
Market Value of Equity	39.89	39.89	39.89	39.89	42.25	44.75	47.40	50.21	53.18
Total Liabilities	41.86	42.17	46.89	42.43	42.58	42.58	42.58	42.58	42.58
X4	0.95	0.95	0.85	0.94	0.99	1.05	1.11	1.18	1.25
Net Sales	141.27	139.75	144.19	149.02	153.49	158.10	162.84	167.72	172.76
Total Assets	104.46	105.57	92.14	90.95	89.61	88.46	87.50	86.73	86.17
X5	1.35	1.32	1.56	1.64	1.71	1.79	1.86	1.93	2.00
Altman Z Score	2.20	1.85	1.59	2.10	2.13	2.26	2.40	2.55	2.71

Z = 1.2*X1 + 1.4*X2 + 3.3*X3 + 0.6*X4 + 1.0*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

100.0% 34.9% 65.1% 5.7% 0.7%

J. Alexander®s Corporation (J. Alexander®s) operates 33 J. Alexander®s full-service, casual dining restaurants located in Alabama, Arizona, Colorado, Florida, Georgia, Illinois, Kansas, Kentucky, Louisiana, Michigan, Ohio, Tennessee and Texas. J. Alexander®s is a traditional restaurant with an American menu featuring prime rib of beef; hardwood-grilled steaks, seafood and chicken; pasta; salads and soups; assorted sandwiches, appetizers and desserts, and a full-service bar. Entrees available at lunch and dinner range in price from \$10 to \$31. Entrees available at lunch and dinner range in price from \$10 to \$31. During the fiscal year ended January 2, 2011, the Company®s alcoholic beverage sales accounted for 17% of its net sales.

Company Name:

				Income Statement	
Company Name:	J Alexanders Corp	Market Capitalization:	\$39,893,399.09	Revenue:	\$155,050,000.00
Ticker Symbol:	JAX	Total Debt:	\$19,520,000.00	Cost of Goods Sold:	\$54,100,000.00
Last Price:	\$6.66	Total Cash:	\$8,600,000.00	Gross Profit:	\$100,950,000.00
Net Cash/Share:	-\$1.82	Net Cash/(Debt):	-\$10,920,000.00	EBITDA:	\$8.880.000.00
Net Cash to Last Price:	-27.37%	Enterprise Value:	\$50,813,399.09	Net Income:	\$1,010,000.00
Shares Outstanding:	5,990,000	Current EV/Share:	\$8.48	Net moone.	ψ1,010,000.00
Industry:	Restaurants	EBITDA:	\$14,330,000.00	Balance Sheet	
Sector:	Consumer Cyclical	EV/EBITDA Multiple:	3.55	Cash:	\$8,600,000.00
Gector.	Odrisamer Oyciicai	EV/EBITDA Multiple. EV/EBITDA Multiple Average Year 1-5:	7.16	Short Term Investment:	\$0.00
Institutional Ownership:	33.19%	EV/FCF Multiple:	5.38	A/R:	\$2.700.000.00
Mutual Fund Ownership:	0.07%	EV/FCF Multiple. EV/FCF Multiple Average Year 1-5:	18.42	PP&E:	\$136,010,000.00
Insider Ownership:	28.07%	EV/FOF Multiple Average Teal 1-5.	16.42	Assets:	\$90,950,000.00
Retail Ownership:	10.60%	Upper Range		Assets.	\$90,950,000.00
Float:	71.93%	DCF: EV/EBITDA Terminal Value		A/P:	\$4,360,000.00
rioat.	71.93%	DCF. EV/EDITOA Terminar value		Deferred Tax:	\$0.00
Technicals		Installed TV from 0 V EV/EDITO A Multiple	\$00.700.000.71	Other Liabilities:	
	ΦΕ 00	Implied TV from 3 X EV/EBITDA Multiple	\$20,730,602.71		\$18,540,000.00
52 week low:	\$5.00	F	400 700 000 74	Short term Debt:	\$1,040,000.00
Today from 52 week low:	33.20%	Enterprise Value	\$20,730,602.71	Long Term Debt:	\$18,480,000.00
52 week high:	\$7.30	Cash at Year 5:	\$22,394,642.87	Liabilities:	\$42,420,000.00
Today from 52 week high:	9.61%	Debt at Year 5:	\$19,670,000.00		
50 day Moving Average:	\$6.09	Equity Value Year 5:	\$23,455,245.58	Retained Earnings:	\$14,050,000.00
200 day Moving Average:	\$6.12	Equity/Share at Year 5:	\$3.92	Paid-In Capital:	\$34,190,000.00
		Annualized Return:	-10.08%	Treasury Stock:	\$0.00
Analyst/Consensus		Lower Range		Stockholder's Equity:	\$48,530,000.00
Analyst Sales Growth FY1:	N/A	DCF: Net Tangible Asset excluding Cash/Debt 1	Terminal Value		
Analyst Sales Growth FY2:	N/A			Cash Flow	
SN Valuation Estimate FY1:	3.00%	Year 5 Net Tangible Assets excluding cash and debt	\$59,440,000.00	Net Income:	2,800,000.00
SN Valuation Estimate FY2:	3.00%			Depreciation/Amortization:	6,120,000.00
		Enterprise Value	\$59,440,000.00	Change in Working capital:	2,650,000.00
Analyst Earnings Estimate FY1:	N/A	Cash at Year 5:	\$22,394,642.87	Cash from Operating Activities:	12,260,000.00
Analyst Earnings Estimate FY2:	N/A	Debt at Year 5:	\$19,670,000.00		
SN Valuation Earnings Est. FY1:	-\$0.22	Equity Value Year 5:	\$62,164,642.87	Capital Expenditures:	-2,750,000.00
SN Valuation Earnings Est. FY2:	-\$0.19	Equity/Share at Year 5:	\$10.38	Cash from Investing Activities:	-2,830,000.00
		Annualized Return:	9.28%		
Multiples				Total Cash Dividends Paid:	0.00
Market Value to Book:	0.82	EVA		Issuance (Retirement) of Stock:	40,000.00
EV to Book:	1.05	EVA today:	\$94,316,697.83	Issuance (Retirement) of Debt:	-6,490,000.00
Market Value to Tangible Net Assets:	1.00	EVA in 5 Years:	\$87,080,575.83	Cash from Financing Activities:	-6,440,000.00
P/E Ratio:	39.50	EVA/Share:	\$14.54		
Trailing P/E Ratio:	39.18	Cash at Year 5:	\$22,394,642.87		
Forward P/E Ratio:	N/A	Debt at Year 5:	\$19,670,000.00	Profitability Margins	
Beta:	1.22	Equity Value Year 5:	\$89,805,218.71	Debt to Equity:	40.22%
Dividend:	0	Equity/Share at Year 5:	\$14.99	Return on Assets:	3.08%
Dividend Yield:	0.00%			Return on Capital:	4.11%
Dividend Date:	Jan 14, 2008	Annualized return	-1.58%	Return on Equity:	5.77%
Ex-Dividend Date:	Dec 27, 2007				
		Current Net Tangible Asset			
Competitors		Net Tangible Asset/Share:	\$8.10		
Average EV to EBITDA:	N/A	Net Tangible Asset/Share in Year 5:	\$7.40		
Company EV to EBITDA:	3.55	Annualized return	-1.80%		
Average EV to EBIT:	N/A	Current Equity Price:	\$6.66		
Company EV to EBITA:	22.48	Selling at Discount?	Discount		
		Appreciation Potential:	21.62%		
		Dividend ##- del			
		Dividend Model Next Year Dividend	\$0.00		
		WACC:	\$0.00 9.50%		
			9.50% \$0.00		
		Dividend: Net Income:	\$0.00 \$1,010,000.00		201
		INGLITICOTTIC.	φ1,010,000.00		201

LBO Analysis

		220 1111111 515		Non-LBO For		Non-LBO Fo	
		Intrinsic Price in 5 Years:	8.88	Year 1 Target	7.05	Desired Return Rate	20.00%
WACC Terminal Value:		Market Price:	6.66	Year 2 Target	7.47	Implied Today's Price	3.57
EV/EBITDA with 3X Multiple Terminal Value:	\$3.92	LBO Price:	2.56	Year 3 Target	7.91	Overvalued/(Undervalued)	86.68%
Net Tangible Asset Terminal Value:	\$10.38	Premium to Market Price:	-61.56%	Year 4 Target	8.38	Overvalued/ (Glidervalued)	00.0070
EV/EBITDA with Today's Multiple Terminal Value:	\$6.22	LBO Price/Intrinsic Price Target:	28.24%	Year 5 Target	8.88		
EVA Enterprise Value:	\$14.99	LBO Price/EV/EBIT Exit Price:	1.35%	Tem o Tanger	0.00		
Dividend Discount Model:	N/A	Implied IRR at today's EV/EBITA:	-1.35%	Implied IRR (Market Price):	5.92%		
Average (Excluding Dividend Discount):	\$8.88	5 Year Return:	33.29%				
,							
G (M. L. P.	Current Evalu		2.54	E :: B :		Exit Evaluation	ć 22
Current Market Price:	6.66	LBO Price:	2.56	Exit Price:	8.88	Exit Price:	6.22
Outstanding Shares:	5,990,000 39,893,399	Outstanding Shares:	5,990,000 15,334,400	Outstanding Shares: Market Capitalization:	5,990,000 53,175,189	Outstanding Shares:	5,990,000 37,275,64 7
Market Capitalization: Available Cash:		Market Capitalization: Available Cash:		Available Cash:		Market Capitalization: Available Cash:	22,394,643
Available Cash: Debt:	8,600,000 19,520,000	Available Cash: Debt:	8,600,000 19,520,000	Debt:	22,394,643 19,670,000	Available Cash: Debt:	19,670,000
Net Cash:	-10,920,000	Net Cash:	-10,920,000	Net Cash:	2,724,643	Net Cash:	2,724,643
Enterprise Value:	50,813,399	Enterprise Value:	26,254,400	Enterprise Value:	50,450,546	Enterprise Value:	34,551,005
Original EV/EBITA:	22.48	EV/EBITA:	11.62	EV/EBITA at 5 Years:	55.43	EV/EBITA at 5 Years:	5.00
Original EV/EBITDA:	3.55	EV/EBITDA:	3.17	EV/EBITDA at 5 Years:	7.88	EV/EBITDA at 5 Years:	4.39
Competitor Average EV/EBIT:	N/A	LT/EDITOA.	3.17	LV/EDITON at 3 Teats.	7.00	Ly/EDITEM at 3 Teats.	4.37
Competitor Average EV/EBITDA:	N/A						
Teach and the second se							
			tion Calculation Duri	0 0			
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	2.56	2.56	3.28	4.21	5.40	6.92	8.88
Shares Outstanding:	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000
Market Capitalization:	15,334,400	15,334,400	19,664,153	25,216,435	32,336,435	41,466,806	53,175,189
Available Cash: Debt:	8,600,000	8,600,000 10,520,000	10,588,028	12,950,821	15,702,404	18,841,964	22,394,643
Net Cash:	19,520,000 -10,920,000	19,520,000 -10,920,000	19,670,000 -9,081,972	19,670,000 -6,719,179	19,670,000 -3,967,596	19,670,000 -828,036	19,670,000 2,724,643
Enterprise Value:	26,254,400	26,254,400	28,746,125	31,935,614	36,304,031	42,294,842	50,450,546
EBIT EBIT	2,260,000	2,260,000	139,624	323,813	513,527	708,933	910,201
EV/EBIT:	11.62	11.62	205.88	98.62	70.70	59.66	55.43
EBITDA	8,270,000	8,270,000	6,329,924	6,699,822	7,080,816	7,473,241	7,877,438
EV/EBITDA:	3.17	3.17	4.54	4.77	5.13	5.66	6.40
		Enternrice Valua	tion Calculation Duri	ng Holding Period			
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	2.56	2.56	-1.25	-0.49	0.33	1.24	2.22
Shares Outstanding:	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000	5,990,000
Market Capitalization:	15,334,400	15,334,400	-7,459,961	-2,957,450	1,998,044	7,407,631	13,298,439
Available Cash:	8,600,000	8,600,000	10,588,028	12,950,821	15,702,404	18,841,964	22,394,643
Debt:	19,520,000	19,520,000	19,670,000	19,670,000	19,670,000	19,670,000	19,670,000
Net Cash:	-10,920,000	-10,920,000	-9,081,972	-6,719,179	-3,967,596	-828,036	2,724,643
Enterprise Value:	26,254,400	26,254,400	1,622,011	3,761,730	5,965,640	8,235,667	10,573,796
EBIT	2,260,000	2,260,000	139,624	323,813	513,527	708,933	910,201
EV/EBIT:	11.62	11.62	11.62	11.62	11.62	11.62	11.62
EBITDA	8,270,000	8,270,000	6,329,924	6,699,822	7,080,816	7,473,241	7,877,438
EV/EBITDA:	3.17	3.17	0.26	0.56	0.84	1.10	1.34
				Weighting			
LBO Price	2.56	Equity Partners:	34,854,400	100.00%	Annualized R	Leturn for Equity Partners:	1.35%
Shares Outstanding	5,990,000	Debt Partners:	0	0.00%			1.00 / 0
Market Capitalization	15,334,400	Total Funds for LBO:	34,854,400	100.00%			
Debt	19,520,000						
Cash	8,600,000						
Enterprise Value	26,254,400						
Capital Investment	34,854,400						
Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	48.54	Beginning Enterprise Value	26.25	Current Market Price	\$6.66	Starting Debt	18.33
Year 5 Book Value	43.76	Year 5 Enterprise Value	34.55	Year 5 Market Price	\$6.22	Debt Repayment	0.00
Annualized Return	-2.05%	Annualized Return	5.65%	Annualized Return	-1.35%	Year 5 Ending Debt	18.48
						% of Starting Debt	100.82%

LBO Pro Forma Income Statement

| Historical | S2 weeks ending 2008-12-28 | 53 weeks ending 2010-01-03 | 139.75 | 144.19 | 156 | 96.48 | 48.19 | 47.71 | 11.69 | 10.07 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 Forecasted 2013 162.84 52 weeks ending 2007-12-30 141.27 90.90 50.37 10.56 52 weeks ending 2011-01-02 149.02 98.56 50.46 2011 153.49 102.84 2015 172.76 115.75 2012 158.10 105.92 52.17 11.07 2014 **167.72** 112.37 109.10 **55.35** 11.74 50.65 53.74 57.01 9.23 12.09 0.00 0.00 27.69 0.00 0.00 33.02 0.00 0.00 34.78 0.00 0.00 36.90 0.00 0.00 0.00 33.77 38.01 5.29 6.83 6.71 -6.34 5.93 0.61 5.95 2.26 6.00 **0.14** 6.00 **0.32** 6.00 **0.51** 6.00 **0.71** 6.00 **0.91** -1.21 0.00 0.07 -1.58 0.00 0.06 -1.96 0.00 0.06 -1.85 0.00 0.03 -1.48 0.00 0.00 -1.48 0.00 0.00 -1.48 0.00 0.00 -1.48 0.00 0.00 0.00 0.44 -2.36 2.80 0.00 0.00 -0.77 0.00 -0.77 -0.57 0.00 -0.57 **5.69** 1.14 **-0.91** -1.01 **-8.24** 7.10 -1.15 -0.96 0.00 -1.15 0.00 0.00 4.55 0.10 -15.34 -1.34 -0.96 0.00 0.00 -1.15 0.00 0.00 -0.77 0.00 0.00 0.00 0.00 0.00 0.00 0.10 -15.34 2.80 -0.96 \$0.76 8.77 \$0.02 398.93 -\$2.56 -2.60 \$0.47 14.25 -\$0.19 -38.86 -\$0.16 -49.27 -\$0.13 -65.48 -\$0.22 -\$0.09 -31.63 -94.05 N/A -1.08% 3.18% 3.35% 3.00% 3.00% 3.00% 3.00% 3.00% 20.04% -5.43% 110.99% -7.40% -86.17% -8.37% -536.36% -9.48% 34.00% -8.05% 34.00% -7.98% 34.00% -7.98% 34.00% -7.98% 34.00% -7.98% 64.34% 65.52% 66.91% 66.14% 67.00% 67.00% 67.00% 67.00% 35.66% 7.48% 0.00% 33.00% 7.00% 0.00% 33.00% 7.00% 0.00% 33.00% 7.00% 0.00% 34.48% 33.09% 33.86% 33.00% 33.00% 8.36% 0.00% 6.98% 0.00% 6.19% 0.00% 7.00% 0.00% 7.00% 0.00% 0.00% 19.60% 0.00% 2.70% 0.00% 22.00% 0.00% 22.00% 0.00% 22.00% 0.00% 22.00% 0.00% 22.00% 0.00% 22.16% 3.80% **0.20%** -0.93% 3.58% **0.42%** -0.88% 3.74% 4.24% 4.65% 3.91% **0.09%** 3.68% 0.32% 3.47% **0.53**% 3.99% 4.83% -0.86% 0.44% -1.13% **-4.40%** -1.36% 1.52% -1.24% -0.96% -0.91% -0.85% 0.00% 0.05% 4.03% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% -0.73% 0.00% -0.75% 0.00% 0.00% -0.46% 0.00% -0.50% 0.04% -5.71% 0.00% -0.87% 0.00% -0.87% 0.04% -0.65% 0.02% 0.30% 0.00% -0.59% 0.00% -0.33% 0.81% 3.22% 0.00% -0.05% -0.72% **0.07%** 0.00% 4.92% -10.64% 0.00% -1.58% 1.88% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 3.22% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 1.88% -0.33%

Name:

J Alexanders Corp

Ticker:

JAX

Revenue
COGS
Gross margin
SG&A
R&D
Unusual expense
Other operating expense
Depreciation is: Included within COGS Operating Income (EBITA)
Interest income/(expense)
Gain (loss) on sale of asset
Other
Income before tax
Tax
Income after tax
Minority Interest
Equity in affiliates
Net income
*Figures are in millions (\$)
EPS (based off today's share count)
P/E (historical today's price; forecasted intrinsic price)
. ,, ., .,,, , .,
Revenue Growth
Tax Rate
Implied Debt Interest Rate
Margins
COGS
Gross margin
SG&A
R&D
Unusual expense
Other operating expense
Depreciation is: Included within COGS
Operating Income (EBITA) Interest income/(expense)
Gain (loss) on sale of asset
Other
Income before tax
Tax
Income after tax
Minority Interest
Equity in affiliates

Net income

LBO Adjusted Proforma Balance Sheet

Adjustment

	As of 2007-12-30	As of 2008-12-28	As of 2010-01-03	As of 2011-01-02	+	-	Adjusted Proforma	2011	2012	2013	2014	2015
Cash	11.32	2.50	5.61	8.60			8.60	10.59	12.95	15.70	18.84	22.39
Short term investment	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	11.32	2.50	5.61	8.60			8.60	10.59	12.95	15.70	18.84	22.39
Accounts Receivable	3.37	3.87	3.41	2.70			2.70	2.70	2.70	2.70	2.70	2.70
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	3.37	3.87	3.41	2.70			2.70	2.70	2.70	2.70	2.70	2.70
Deferred Income Tax	-45.71	-50.88	-49.43	-48.52			-48.52	-48.52	-48.52	-48.52	-48.52	-48.52
Total Inventory	1.30	1.37	1.29	1.26			1.26	1.26	1.26	1.26	1.26	1.26
Prepaid Expenses	1.48	1.60	1.50	1.35			1.35	1.35	1.35	1.35	1.35	1.35
Other Current Assets	1.05	1.10	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current Assets	-27.19	-40.44	-37.62	-34.61	0.00	0.00	-34.61	-32.62	-30.26	-27.51	-24.37	-20.82
			****				•• .					
PP&E, Gross	124.25	137.43	134.13	136.01			136.01	139.01	142.01	145.01	148.01	151.01
Change in Depreciation	5.36	5.99	6.78	6.01			6.01	6.19	6.38	6.57	6.76	6.97
Accumulated Depreciation	0.00	0.00	6.78	12.79			12.79	18.98	25.36	31.92	38.69	45.66
PP&E, Net	124.25	137.43	127.35	123.22			123.22	120.03	116.65	113.09	109.32	105.35
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	0.00	0.00	0.00			0.00	-0.13	-0.27	-0.42	-0.56	-0.71
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	7.40	8.58	2.41	2.34			2.34	2.34	2.34	2.34	2.34	2.34
Long Term Assets	131.65	146.01	129.76	125.56			125.56	122.24	118.72	115.01	111.10	106.98
Total Assets	104.46	105.57	92.14	90.95	0.00	0.00	90.95	89.61	88.46	87.50	86.73	86.17
			-									
Accounts Payable	5.88	6.14	5.96	4.36			4.36	4.36	4.36	4.36	4.36	4.36
Accrued Expense	5.01	3.95	5.86	5.82			5.82	5.82	5.82	5.82	5.82	5.82
Other current Liabilities	2.25	1.98	1.75	1.86			1.86	1.86	1.86	1.86	1.86	1.86
Total Current Liabilities	13.14	12.07	13.57	12.04	0.00	0.00	12.04	12.04	12.04	12.04	12.04	12.04
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	0.95	0.95	1.62	1.04			1.04	1.04	1.04	1.04	1.04	1.04
Long term Debt	21.11	20.18	21.61	18.33	0.00	0.00	18.33	18.48	18.48	18.48	18.48	18.48
Capital Lease Obligations	0.23	0.22	0.19	0.15			0.15	0.15	0.15	0.15	0.15	0.15
Total Interest Earning Debt	22.29	21.35	23.42	19.52	0.00	0.00	19.52	19.67	19.67	19.67	19.67	19.67
Deferred Income tax	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
Other liabilities	6.43	8.75	9.90	10.87			10.87	10.87	10.87	10.87	10.87	10.87
Total Liabilities	41.86	42.17	46.89	42.43	0.00	0.00	42.43	42.58	42.58	42.58	42.58	42.58
B						1						
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	0.33	0.34	0.30	0.30		0.00	0.30	0.30	0.30	0.30	0.30	0.30
Additional Paid-in capital	35.76	36.47	33.70	34.19	0.00	0.00	34.19	34.19	34.19	34.19	34.19	34.19
Dividends Paid	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	26.48	26.59	11.25	14.05		0.00	14.05	12.71	11.56	10.60	9.83	9.27
Treasury Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	62.57	63.40	45.25	48.54	0.00	0.00	48.54	47.20	46.05	45.09	44.32	43.76
Liability + Equity	104.43	105.57	92.14	90.97	0.00	0.00	90.97	89.78	88.63	87.67	86.90	86.34
Variance	0.03	0.00	0.00	-0.02			-0.02	-0.17	-0.17	-0.17	-0.17	-0.17
Debt/Equity	0.36	0.34	0.52	0.40			0.40	0.42	0.43	0.44	0.44	0.45
			=0						105.17			
Inventory Turnover	108.67	102.01	111.78	118.27			118.27	121.82	125.47	129.24	133.11	137.11
Inventory Turnover Days	3.36	3.58	3.27	3.09			3.09	3.00	2.91	2.82	2.74	2.66
Days Inventory Outstanding	5.22	5.46	4.88	4.67			4.67	4.47	4.34	4.22	4.09	3.97
Asserte Dessivable Time	44.00	00.11	40.00	EE 10			EE 10	EC 05	E0.55	00.04	00.10	00.00
Accounts Receivable Turnover	41.92	36.11	42.28	55.19			55.19	56.85	58.55	60.31	62.12	63.98
Accounts Receivalbe Turnover Days	8.71	10.11	8.63	6.61			6.61	6.42	6.23	6.05	5.88	5.70
Days Payable Outstanding	23.61	24.48	22.55	16.15			16.15	15.47	15.02	14.59	14.16	13.75
Days I ayable Outstanding	20.01	24.40	22.33	10.13			10.13	13.47	13.02	14.55	14.10	13.73
Days Sales Outstanding	8.71	10.11	8.63	6.61			6.61	6.61	6.42	6.23	6.05	5.88
-y	*** *		****	***			***	****	****	**	****	
Cash Conversion Cycle	-9.68	-8.91	-9.04	-4.87			-4.87	-4.39	-4.26	-4.14	-4.02	-3.90
				-					-		-	

LBO Adjusted Proforma Cash Flow

	52 weeks ending 2007-12-30	52 weeks ending 2008-12-28	53 weeks ending 2010-01-03	52 weeks ending 2011-01-02	2011	2012	2013	2014	2015
Net Income	4.55	0.10	-15.34	2.80	-1.34	-1.15	-0.96	-0.77	-0.57
Depreciation	5.36	5.99	6.78	6.01	6.19	6.38	6.57	6.76	6.97
Net Income + Depreciation	9.91	6.09	-8.56	8.81	4.85	5.22	5.61	6.00	6.40
Amortization	0.12	0.11	0.16	0.11	0.13	0.14	0.15	0.14	0.15
Deferred Taxes	-0.25	-1.17	7.22	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	0.17	0.40	4.45	0.69	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-0.76	1.25	4.05	2.65	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-0.50	0.46	0.71	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	-0.07	0.08	0.03	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-0.12	0.10	0.15	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	0.26	-0.18	-1.60	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	9.19	6.68	7.32	12.26	4.99	5.36	5.75	6.14	6.55
Capital Expenditures	-11.88	-14.25	-2.58	-2.75	-3.00	-3.00	-3.00	-3.00	-3.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-0.09	-0.07	-0.08	-0.07	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-11.97	-14.32	-2.66	-2.82	-3.00	-3.00	-3.00	-3.00	-3.00
Financing Cash flow items	0.20	0.05	-0.13	0.02	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-0.66	-0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	0.43	0.28	-3.00	0.04	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	-0.57	-0.84	1.59	-6.49	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-0.60	-1.18	-1.54	-6.43	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	14.68	11.32	2.50	5.61	8.60	10.59	12.95	15.70	18.84
Net Change in Cash	-3.36	-8.82	3.11	2.99	1.99	2.36	2.75	3.14	3.55
Ending Cash Balance	11.32	2.50	5.61	8.60	10.59	12.95	15.70	18.84	22.39
Depreciation to Sales	3.79%	4.29%	4.70%	4.03%	4.03%	4.03%	4.03%	4.03%	4.03%
Amortization to Sales	0.08%	0.08%	0.11%	0.07%	0.09%	0.09%	0.09%	0.08%	0.09%
A/R to Sales	2.39%	2.77%	2.36%	1.81%	1.76%	1.71%	1.66%	1.61%	1.56%
Distributable FCF Yield	-5.47%	-15.04%	9.17%	18.58%	3.91%	4.65%	5.42%	6.18%	6.99%
Dividend Yield	-1.65%	-1.68%	0.00%	0.00%	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	2.99	1.99	2.36	2.75	3.14	3.55
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	19.52	19.52	19.52	19.52	19.52	19.52
Current Portion Debt Balance	1.04	1.04	1.04	1.04	1.04	1.04
Long Term Debt Balance	18.48	18.48	18.48	18.48	18.48	18.48
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		1.56	1.56	1.56	1.56	1.56
Cash Balance		8.60				
Interest @ 1.0%		0.09	0.09	0.09	0.09	0.09
Net Interest Expense/(Income)		1.48	1.48	1.48	1.48	1.48
Net Interest Rate		8.05%	7.98%	7.98%	7.98%	7.98%
EBITDA		0.14	0.32	0.51	0.71	0.91
EBITDA/Interest Expense Coverage		0.09	0.21	0.33	0.45	0.58

Interest Rate Coverage Table

Debt Rating	1				
AAA					
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+					
В					
B-					
CCC					
CC					
C					С
D	D	D	D	D	

^{*}Source: NYU; Professor Damodaran