SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

Kemet Corp (KEM)

Market Price: \$6	\$6.75		A/Share:	\$2.08	Net Ass	set/Share:	\$7.61
DCF: EV/EBITDA Terminal Value	10.5	16%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value				13.166%
EBITDA-Cap Ex/Share	\$1.19		EVA Analysis:				-2.220%

Overview

The company sells capacitors for a wide array of products. They are passive components in an electric board that can hold charges. The products are commoditized.

Dividend?

Dividend yield is 0.0%.

Cashflow Generation

Cashflows are \$120 MM from operating cashflow. Capex is \$35 MM, intangibles are \$0 MM and dividend is \$0 MM. Free cash flow is about \$80 MM.

9.2% EBITA margin.

The company has \$152 MM in cash/short term investment and \$273 MM in debt. We are projecting a \$50 MM paydown annually.

Profitability

ROA is 7.2%, and ROC is 17.5%.

LBO?

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

Price

We are forecasting a \$14.00/share in Year 5, or a 132.0% holding return, or 15.84% annual return.

Thus, the 1 year forecasted price is \$7.80.

Finviz is showing \$16 in the next 12 months.

Financial Times is showing 2 Buys, 2 Outperform, 2 Holds. \$24 high, \$16 med, \$10 low.

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100.0% 75.4% 24.6% 17.1% 8.7%

KEMET Corporation (KEMET) is a global manufacturer of a variety of capacitors. Its product offerings include tantalum, multilayer ceramic, solid and electrolytic aluminum, film and paper capacitors. Capacitors are components of electronic circuits and are found in communication systems, data processing equipment, personal computers, cellular phones, automotive electronic systems, defense and aerospace systems, consumer electronics, power management systems and many other electronic devices and systems. Capacitors are used to filter out interference, smooth the output of power supplies, block the flow of direct current while allowing alternating current to pass and for many other purposes. The Company is organized into three business groups:

Tantalum, Ceramic, and Film and Electrolytic. In June 2011, the Company acquired Cornell Dubilier Foil, LLC.

				Income Statement	
Company Name:	Kemet Corp	Market Capitalization:	\$301,252,500.00	Revenue:	\$1.080.000.000.00
Ticker Symbol:	KEM	Total Debt:	\$273.320.000.00	Cost of Goods Sold:	\$814.360.000.00
Last Price:	\$6.75	Total Cash:	\$152,050,000.00	Gross Profit:	\$265,640,000.00
Net Cash/Share:	-\$2.72	Net Cash/(Debt):	-\$121,270,000.00	EBITDA:	\$184,310,000.00
Net Cash to Last Price:	-40.26%	Enterprise Value:	\$422,522,500.00	Net Income:	\$94,400,000.00
Shares Outstanding:	44.630.000	Current EV/Share:	\$9.47	rvet income.	Ψ34,400,000.00
Industry:	Electronic Components	EBITDA:	\$93,010,000.00	Balance Sheet	
Sector:	Technology	EV/EBITDA Multiple:	4.54	Cash:	\$152,050,000.00
Coolor.	redifficiegy	EV/FCF Multiple:	5.22	Short Term Investment:	\$0.00
Institutional Ownership:	67.20%	Upper Range	0.22	A/R:	\$165,720,000.00
Mutual Fund Ownership:	0.63%	DCF: EV/EBITDA Terminal	Value	PP&E:	\$1,051,180,000.00
Insider Ownership:	0.00%	DOI: EV/EDITOR Terminal	value	Assets:	\$884,310,000.00
Retail Ownership:	-67.83%	Implied TV from 5 X EV/EBITDA Multiple	\$196,559,374.31	7100010.	φοσ-1,ο 10,000.00
Float:	0.00%	Implied 14 Hom o X EV/EBITEX Multiple	Ψ100,000,074.01	A/P:	\$91,000,000.00
i iodi.	0.0070	Enterprise Value	\$196,559,374.31	Deferred Tax:	\$7,960,000.00
Technic	nale	Cash at Year 5:	\$330,416,284.93	Other Liabilities:	\$152,280,000.00
52 week low:	\$6.40	Debt at Year 5:	\$30,320,000.00	Short term Debt:	\$42,100,000.00
Today from 52 week low:	5.47%	Equity Value Year 5:	\$496,655,659.24	Long Term Debt:	\$231,220,000.00
52 week high:	\$17.05	Equity/Share at Year 5:	\$11.13	Liabilities:	\$524,560,000.00
Today from 52 week high:	152.59%	Annualized Return:	10.52%	Eddintios.	ψ324,300,000.00
50 day Moving Average:	\$8.49	Lower Range	10.32 /6	Retained Earnings:	-\$87,750,000.00
200 day Moving Average:	\$11.53	DCF: Net Tangible Asset excluding Cash/	Dobt Torminal Value	Paid-In Capital:	\$479.320.000.00
200 day Moving Average.	\$11.55	DCF. Net rangible Asset excluding Cash	Debt Terminal Value	Treasury Stock:	-\$54,770,000.00
Analyst/Consensus		Year 5 Net Tangible Assets excluding cash and debt	\$259,026,190.24	Stockholder's Equity:	\$359,750,000.00
Analyst Sales Growth FY1:	0.70%	real 5 Net Taligible Assets excluding cash and debt	\$259,026,190.24	Stockholder's Equity.	\$359,750,000.00
Analyst Sales Growth FY2:	-0.60%	Enterprise Value	\$259.026.190.24	Cash Flow	
SN Valuation Estimate FY1:	10.00%	Cash at Year 5:	\$330,416,284.93	Net Income:	63,040,000.00
SN Valuation Estimate FY2:	5.00%	Debt at Year 5:	\$30,320,000.00	Depreciation/Amortization:	52,930,000.00
SIN Valuation Estimate F12.	5.00%	Equity Value Year 5:	\$50,320,000.00	Change in Working capital:	-39,990,000.00
Analyst Earnings Estimate FY1:	\$1.57	Equity/Share at Year 5:	\$339,122,473.17 \$12.53	Cash from Operating Activities:	113,970,000.00
Analyst Earnings Estimate F11: Analyst Earnings Estimate FY2:	\$1.45	Annualized Return:	13.17%	Cash from Operating Activities.	113,970,000.00
SN Valuation Earnings Est. FY1:	\$2.20	Annualized neturn.	13.17%	Capital Expenditures:	-34,990,000.00
SN Valuation Earnings Est. FY1:	\$2.20 \$2.35	EVA		Cash from Investing Activities:	-29,560,000.00
Siv valuation Lamings Est. 1 12.	φ2.33	EVA today:	\$685,006,969.22	Cash nom investing Activities.	-29,300,000.00
Multiples		EVA today: EVA in 5 Years:	\$612,264,121.38	Total Cash Dividends Paid:	0.00
Market Value to Book:	0.84	EVA/Share:	\$13.72	Issuance (Retirement) of Stock:	90,000.00
EV to Book:	1.17	T	\$330,416,284.93	Issuance (Retirement) of Debt:	-5,370,000.00
P/E Ratio:	3.19	Debt at Year 5:	\$30,320,000.00	Cash from Financing Activities:	-13,340,000.00
Trailing P/E Ratio:	3.75	Equity Value Year 5:	\$912,360,406.30	Cash nom i mancing Activities.	-13,340,000.00
Forward P/E Ratio:	4.66	Equity/Share at Year 5:	\$20.44		
Beta:	3.97	Equity/online at Teal 5.	Ψ20.44	Profitability Margins	
Dividend:	0	Annualized return	-2.22%	Debt to Equity:	75.97%
Dividend Yield:	0.00%	Allidalized return	-2.22 /6	Return on Assets:	7.13%
Dividend Date:	0.00 /s N/A	Current Net Tangible As	set	Return on Capital:	9.96%
Ex-Dividend Date:	N/A	Net Tangible Asset/Share:	\$7.61	Return on Equity:	17.52%
Ex Biridona Bato.		Net Tangible Asset/Share in Year 5:	\$14.35	notani on Equity.	1710270
Compet	itors	Annualized return	13.53%		
Average EV to EBITDA:	N/A	/ Wildelie De Totalii	10.0070		
Company EV to EBITDA:	4.54	Current Equity Price:	\$6.75		
55pay 2.7 to 23.1.37		Selling at Discount?	Discount		
Average EV to EBIT:	N/A	Appreciation Potential:	12.75%		
Company EV to EBITA:	4.54	b.b., 22,200.000.	.2 370		
, ,		Dividend Model			
		Next Year Dividend	\$0.00		
		WACC:	5.88%		
		Dividend:	\$0.00		
		Net Income:	\$94,400,000.00		
		Retention Ratio:	100.00%		
		Return on Equity:	17.52%		

17.52%

Dividend Growth Rate:

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LBO Analysis

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		Intrinsic Price in 5 Years:	14.03	Non-LBO For Year 1 Target	7.81	Non-LBO I Desired Return Rate	20.00%
WACC Terminal Value:		Market Price:	6.75	Year 2 Target	9.04	Implied Today's Price	5.64
EV/EBITDA with 5X Multiple Terminal Value:	\$11.13	LBO Price:	6.07	Year 3 Target	10.47	Overvalued/(Undervalued)	19.74%
Net Tangible Asset Terminal Value:	\$12.53	Premium to Market Price:	-10.07%	Year 4 Target	12.12		17.1.170
EV/EBITDA with Today's Multiple Terminal Value:	\$12.01	LBO Price/Intrinsic Price Target:	18.24%	Year 5 Target	14.03		
EVA Enterprise Value:	\$20.44	LBO Price/EV/EBIT Exit Price:	-0.31%	Tem o Tanger	11100		
Dividend Discount Model:	N/A	Implied IRR at today's EV/EBITA:	12.21%	Implied IRR (Market Price):	15.75%		
Average (Excluding Dividend Discount):	\$14.03	5 Year Return:	131.09%	implieu ilii (iviiiliet i liee).	2017070		
Trerage (Extracting Erracing Esternis)	41100		101.05 /0				
	Current Evalua	tion				Exit Evaluation	
Current Market Price:	6.75	LBO Price:	6.07	Exit Price:	14.03	Exit Price:	12.01
Outstanding Shares:	44,630,000	Outstanding Shares:	44,630,000	Outstanding Shares:	44,630,000	Outstanding Shares:	44,630,000
Market Capitalization:	301,252,500	Market Capitalization:	270,904,100	Market Capitalization:	626,026,519	Market Capitalization:	535,967,534
Available Cash:	152,050,000	Available Cash:	152,050,000	Available Cash:	330,416,285	Available Cash:	330,416,285
Debt:	273,320,000	Debt:	273,320,000	Debt:	30,320,000	Debt:	30,320,000
Net Cash:	-121,270,000	Net Cash:	-121,270,000	Net Cash:	300,096,285	Net Cash:	300,096,285
Enterprise Value:	422,522,500	Enterprise Value:	392,174,100	Enterprise Value:	325,930,234	Enterprise Value:	235,871,249
Original EV/EBITA:	4.54	EV/EBITA:	4.22	EV/EBITA at 5 Years:	8.29	EV/EBITA at 5 Years:	6.00
Original EV/EBITDA:	4.54	EV/EBITDA:	2.69	EV/EBITDA at 5 Years:	2.37	EV/EBITDA at 5 Years:	1.92
Competitor Average EV/EBIT:	N/A	z., Euron.	2.07	2., EDITOTIALS TEATS.	2.01	2., EDITOTIALO TEATS.	1.72
Competitor Average EV/EBITDA:	N/A						
Competitor Average Ev/EDITOA.	14/17						
		Enterprise 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:	6.07	6.07	7.18	8.49	10.03	11.86	14.03
Shares Outstanding:	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000
Market Capitalization:	270,904,100	270,904,100	320,310,377	378,727,149	447,797,711	529,465,053	626,026,519
Available Cash:	152,050,000	152,050,000	161,899,595	190,876,378	224,741,291	263,788,151	330,416,285
Debt:	273,320,000	273,320,000	211,320,000	161,320,000	111,320,000	61,320,000	30,320,000
Net Cash:	-121,270,000	-121,270,000	-49,420,405	29,556,378	113,421,291	202,468,151	300,096,285
Enterprise Value:	392,174,100	392,174,100	369,730,781	349,170,772	334,376,421	326,996,902	325,930,234
EBIT	93,010,000	93,010,000	33,610,170	35,290,679	37,055,212	38,166,869	39,311,875
EV/EBIT:	4.22	4.22	11.00	9.89	9.02	8.57	8.29
EBITDA	145,940,000	145,940,000	106,698,178	112.033.087	115,467,937	116,385,749	122,993,663
EV/EBITDA:	2.69	2.69	3.47	3.12	2.90	2.81	2.65
DIT LOTTE II	2.03	2.07	0.17	0.12	2.50	2.01	2.00
		•	tion Calculation Duri	0 0			
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	6.07	6.07	2.07	4.00	6.04	8.14	10.44
Shares Outstanding:	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000	44,630,000
Market Capitalization:	270,904,100	270,904,100	92,295,950	178,358,550	269,663,572	363,397,701	465,853,721
Available Cash:	152,050,000	152,050,000	161,899,595	190,876,378	224,741,291	263,788,151	330,416,285
Debt:	273,320,000	273,320,000	211,320,000	161,320,000	111,320,000	61,320,000	30,320,000
Net Cash:	-121,270,000	-121,270,000	-49,420,405	29,556,378	113,421,291	202,468,151	300,096,285
Enterprise Value:	392,174,100	392,174,100	141,716,355	148,802,173	156,242,281	160,929,550	165,757,436
EBIT	93,010,000	93,010,000	33,610,170	35,290,679	37,055,212	38,166,869	39,311,875
EV/EBIT:	4.22	4.22	4.22	4.22	4.22	4.22	4.22
EBITDA	145,940,000	145,940,000	106,698,178	112,033,087	115,467,937	116,385,749	122,993,663
EV/EBITDA:	2.69	2.69	1.33	1.33	1.35	1.38	1.35
				- MAT 100*		1.00 100	
I DO D		F '' B '	F44.004.400	Weighting			
LBO Price	6.07	Equity Partners:	544,224,100	100.00%	Annualized R	eturn for Equity Partners:	-0.31%
Shares Outstanding	44,630,000	Debt Partners:	0	0.00%		1. 7	0.01/0
Market Capitalization	270,904,100	Total Funds for LBO:	544,224,100	100.00%			
Debt	273,320,000						
Cash	152,050,000						
Enterprise Value	392,174,100						
Capital Investment	544,224,100						
Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	359.75	Beginning Enterprise Value	392.17	Current Market Price	\$6.75	Starting Debt	231.22
Year 5 Book Value	590.97	Year 5 Enterprise Value	235.87	Year 5 Market Price	\$12.01	Debt Repayment	42.00
Annualized Return	10.44%	Annualized Return	-9.67%	Annualized Return	12.21%	Year 5 Ending Debt	30.22
						% of Starting Debt	13.07%
						, , , , , , , , , , , , , , , , , , ,	

SN VALUATION

-2.97%

-35.46%

LBO Pro Forma Income Statement **KEM** Name: Kemet Corp Ticker: 12 months ending 2011-03-31 12 months ending 2008-03-31 12 months ending 2009-03-31 12 months ending 2010-03-31 2012 2011 2013 2014 2015 Revenue 804.38 736,34 1.018.49 1.120.34 1.176.36 1.235.17 1.272.23 1.310.40 611.64 **124.70** 736.55 cogs 752.85 964,61 696.81 918 68 1.012.84 1.043.23 1.074.52 Gross margin 153.31 67.83 265.64 211.74 222.33 235.87 201.66 229.00 86.08 104.61 148.22 R&D 35.70 28.96 22.06 25.86 33.61 35.29 37.06 38.17 39.31 Unusual expense 28.86 218.70 -30.07 42.16 0.00 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 Depreciation is: Excluded from COGS Operating Income (EBITA) -8.89 -273.33 46.63 93.01 33.61 35.29 37.06 38.17 39.31 Interest income/(expense) -10.66 -15.10 0.00 -29.93 -27.06 -15.39 0.00 -11.39 -7.39 0.00 -3.39 -0.91 0.00 Gain (loss) on sale of asset 0.00 0.00 0.00 0.00 0.00 -0.56 0.01 -81.10 -0.20 -37.15 -36.43 -35.26 -37.83 -38.66 Income before tax -20.10 -288.41 -64.41 65.75 55.37 60.33 64.93 72.61 77.07 5.11 **-25.21** 18.10 **42.23** 19.48 **45.45** -3.20 5.04 271 16.61 21.78 23.12 Income after tax -285.21 -69.45 63.04 38.76 50.83 53.95 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 Net income -25.21 -285.21 -69.45 63.04 38.76 42.23 45.45 50.83 53.95 *Figures are in millions (\$) Revenue Growth N/A -5.38% -8.46% 38.32% 10.00% 5.00% 5.00% 3.00% 3.00% 1.11% Tax Rate -25.42% -7.82% 4.12% 30.00% 30.00% 30.00% 30.00% 30.00% Implied Debt Interest Rate -2.58% -12.00% -9.90% -6.65% -4.58% -1.48% -5.39% -3.04% Margins 81.97% 91.57% 82.00% 82.00% 82.00% COGS 83.06% 73.92% 82.00% 82.00% 8.43% 11.62% Gross margin 18.03% 16.94% 26.08% 18.00% 18.00% 18.00% 18.00% 18.00% SG&A 11.49% 11.69% 10.27% 12.00% 12.00% 12.00% 12.00% 12.00% R&D 4.20% 3.60% 3.00% 2.54% 3.00% 3.00% 3.00% 3.00% 3.00% Unusual expense 3.39% 27.19% -4.08% 4.14% 0.00% 0.00% 0.00% 0.00% 0.00% Other operating expense Depreciation is: Excluded from COGS 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% Operating Income (EBITA) -1.05% -33.98% 6.33% 9.13% 3.00% 3.00% 3.00% 3.00% 3.00% Interest income/(expense) -1.25% -1.88% -4.06% -2.66% -1.37% -0.97% -0.60% -0.27% -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% -0.07% 0.00% -11.01% -3.32% -3.10% -2.85% **5.26%** -2.97% Other -0.02% -2.95% Income before tax -2.36% -35.85% -8.75% 6.46% 4.94% 5.13% 5.71% 5.88% 0.60% -0.40% 0.68% 0.27% 1.48% 1.54% 1.58% 1.76% Income after tax -2.97% -35.46% -9.43% 6.19% 3.46% 3.77% 4.06% 4.54% 4.82% Minority Interest Equity in affiliates 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

LBO Adjusted Proforma Balance Sheet

Adjustment

	As of 2008-03-31	As of 2009-03-31	As of 2010-03-31	As of 2011-03-31	+	-	Adjusted Proforma	2011	2012	2013	2014	2015
Cash	81.38	39.20	79.20	152.05			152.05	161.90	190.88	224.74	263.79	330.42
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	81.38	39.20	79.20	152.05			152.05	161.90	190.88	224.74	263.79	330.42
Accounts Receivable	195.10	124.78	137.55	165.72			165.72	165.72	165.72	165.72	165.72	165.72
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	195.10	124.78	137.55	165.72			165.72	165.72	165.72	165.72	165.72	165.72
Deferred Income Tax	2.16	-4.63	-0.17	-5.01			-5.01	-5.01	-5.01	-5.01	-5.01	-5.01
Total Inventory	243.71	154.98	150.51	206.44			206.44	206.44	206.44	206.44	206.44	206.44
Prepaid Expenses	15.69	11.24	18.79	18.02			18.02	18.02	18.02	18.02	18.02	18.02
Other Current Assets	4.02	0.15	2.13	5.30			5.30	5.30	5.30	5.30	5.30	5.30
Current Assets	542.06	325.72	388.01	542.52	0.00	0.00	542.52	552.37	581.35	615.21	654.26	720.89
PD45 0	4 450 07									=		
PP&E, Gross	1,152.97	1,004.94	1,006.84	1,051.18			1,051.18	1,091.18	1,131.18	1,171.18	1,211.18	1,251.18
Change in Depreciation	52.38	58.12	52.64	52.93			52.93	73.09	76.74	78.41	78.22	83.68
Accumulated Depreciation PP&E, Net	673.57 479.40	646.96 357.98	699.60 307.24	752.53 298.65			752.53 298.65	825.62 265.56	902.36 228.82	980.77 190.41	1,058.99 152.19	1,142.67 108.51
Goodwill	182.27	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
		24.09			0.00							
Intangibles	35.79 0.00	0.00	21.81 0.00	20.09 0.00			20.09 0.00	20.09	20.09 0.00	20.09 0.00	20.09 0.00	20.09 0.00
Long term investments Other long term assets	12.38	6.36	11.27	11.29			11.29	0.00 11.29	11.29	11.29	11.29	11.29
Long Term Assets	1,383.41	1.035.39	340.32	330.03			330.03	296.94	260.20	221.79	183.57	139.89
		714.15	740.96	884.31	0.00	0.00	872.55	849.31	841.55	837.00	837.83	860.77
Total Assets	1,251.90	/14.15	740.96	004.31	0.00	0.00	0/2.55	049.31	041.33	037.00	037.03	000.77
Accounts Payable	131.47	49.86	78.83	91.00			91.00	91.00	91.00	91.00	91.00	91.00
Accrued Expense	59.63	53.59	63.61	88.29			88.29	88.29	88.29	88.29	88.29	88.29
Other current Liabilities	3.52	1.13	1.10	4.26			4.26	4.26	4.26	4.26	4.26	4.26
Total Current Liabilities	194.62	104.58	143.54	183.55	0.00	0.00	183.55	183.55	183.55	183.55	183.55	183.55
Total Garront Elabinido	10.102	10 1100		.00.00	0.00	0.00	100.00		100.00	100.00	100.00	100.00
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	108.39	25.99	17.88	42.10			42.10	0.10	0.10	0.10	0.10	0.10
Long term Debt	304.29	280.75	231.63	231.22	0.00	0.00	231.22	211.22	161.22	111.22	61.22	30.22
Capital Lease Obligations	0.34	0.57	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	413.02	307.31	249.51	273.32	0.00	0.00	273.32	211.32	161.32	111.32	61.32	30.32
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Deferred Income tax	21.68	5.47	8.02	7.96			7.96	7.96	7.96	7.96	7.96	7.96
Minority Interest	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	79.79	56.75	55.63	59.73			59.73	59.73	59.73	59.73	59.73	59.73
Total Liabilities	709.11	474.11	456.70	524.56	0.00	0.00	524.56	462.56	412.56	362.56	312.56	281.56
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	0.88	0.89	0.29	0.40		0.00	0.40	0.40	0.40	0.40	0.40	0.40
Additional Paid-in capital	323.36	367.26	479.70	479.32	0.00	0.00	479.32	479.32	479.32	479.32	479.32	479.32
Dividends Paid	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	214.18	-81.34	-150.79	-87.75		0.00	-87.75	-48.99	-6.75	38.70	89.53	143.47
Treasury Stock	-61.19	-59.42	-56.93	-54.77		2.5-	-54.77	-54.77	-54.77	-54.77	-54.77	-54.77
Other Equity	65.56	12.66	11.99	22.55		0.00	22.55	22.55	22.55	22.55	22.55	22.55
Total Equity	542.79	240.05	284.26	359.75	0.00	0.00	359.75	398.51	440.75	486.20	537.03	590.97
Liability + Equity	1,251.90	714.16	740.96	884.31	0.00	0.00	884.31	861.07	853.31	848.76	849.59	872.53
Variance	0.00	-0.01	0.00	0.00			-11.76	-11.76	-11.76	-11.76	-11.76	-11.76
variance	0.00	-0.01	0.00	0.00			-11.76	-11.76	-11.76	-11.70	-11.76	-11.70
Debt/Equity	0.76	1.28	0.88	0.76			0.76	0.53	0.37	0.23	0.11	0.05
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Inventory Turnover	3.49	5.19	4.89	4.93			4.93	5.43	5.70	5.98	6.16	6.35
Inventory Turnover Days	104.64	70.32	74.61	73.98			73.98	67.26	64.05	61.00	59.23	57.50
Days Inventory Outstanding	127.66	76.80	89.82	100.09			100.09	82.02	78.11	74.40	72.23	70.12
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Accounts Receivable Turnover	4.36	6.45	5.35	6.15			6.15	6.76	7.10	7.45	7.68	7.91
Accounts Receivalbe Turnover Days	83.77	56.62	68.18	59.39			59.39	53.99	51.42	48.97	47.54	46.16
Days Payable Outstanding	68.87	24.71	47.04	44.12			44.12	36.16	34.43	32.79	31.84	30.91
Days Sales Outstanding	83.77	56.62	68.18	59.39			59.39	59.39	53.99	51.42	48.97	47.54
Cash Conversion Cycle	142.56	108.71	110.96	115.36			115.36	105.26	97.67	93.02	89.36	86.76

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-03-31	12 months ending 2009-03-31	12 months ending 2010-03-31	12 months ending 2011-03-31		2012	2013	2014	2015
Net Income	-25.21	-285.21	-69.45	63.04	38.76	42.23	45.45	50.83	53.95
Depreciation	52.38	58.12	52.64	52.93	73.09	76.74	78.41	78.22	83.68
Net Income + Depreciation	27.17	-227.09	-16.81	115.97	111.85	118.98	123.86	129.05	137.63
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-3.41	-11.05	0.58	-3.40	0.00	0.00	0.00	0.00	0.00
Non Cash Items	16.68	192.86	54.36	41.38	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-61.00	51.00	16.48	-39.99	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	70.32	-12.77	-28.17	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	88.73	4.47	-55.93	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	4.45	-7.55	0.77	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-81.61	28.97	12.17	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	-20.56	5.72	54.61	113.96	111.85	118.98	123.86	129.05	137.63
Capital Expenditures	-43.60	-30.54	-12.92	-34.99	-40.00	-40.00	-40.00	-40.00	-40.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-15.85	37.77	1.50	5.42	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-59.45	7.23	-11.42	-29.57	-40.00	-40.00	-40.00	-40.00	-40.00
Financing Cash flow items	-0.60	-1.57	-7.81	-8.06	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-17.52	0.25	0.00	0.09	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-42.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-28.14	-52.17	4.90	-5.37	-20.00	-50.00	-50.00	-50.00	-31.00
Cash from Financing Activities	-46.26	-53.49	-2.91	-13.34	-62.00	-50.00	-50.00	-50.00	-31.00
Foreign Exchange effect	1.96	-1.64	-0.29	1.79	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	205.69	81.38	39.20	79.20	152.05	161.90	190.88	224.74	263.79
Net Change in Cash	-124.31	-42.18	39.99	72.85	9.85	28.98	33.86	39.05	66.63
Ending Cash Balance	81.38	39.20	79.19	152.05	161.90	190.88	224.74	263.79	330.42
Depreciation to Sales	6.16%	7.23%	7.15%	5.20%	6.52%	6.52%	6.35%	6.15%	6.39%
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	22.95%	15.51%	18.68%	16.27%	14.79%	14.09%	13.42%	13.03%	12.65%
Distributable FCF Yield	-18.94%	3.06%	10.22%	19.97%	17.00%	18.69%	19.85%	21.08%	23.11%

SN VALUATION LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	72.85	9.85	28.98	33.86	39.05	66.63
Current Portion Debt Repayment		42.00				
Long Term Debt Repayment		20.00	50.00	50.00	50.00	31.00
Outstanding Debt	273.32	211.32	161.32	111.32	61.32	30.32
Current Portion Debt Balance	42.1	0.10	0.10	0.10	0.10	0.10
Long Term Debt Balance	231.22	211.22	161.22	111.22	61.22	30.22
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		16.91	12.91	8.91	4.91	2.43
Cash Balance		152.05				
Interest @ 1.0%		1.52	1.52	1.52	1.52	1.52
Net Interest Expense/(Income)		15.39	11.39	7.39	3.39	0.91
Net Interest Rate		6.65%	5.39%	4.58%	3.04%	1.48%
EBITDA		33.61	35.29	37.06	38.17	39.31
EBITDA/Interest Expense Coverage		1.99	2.73	4.16	7.78	16.21

Interest Rate Coverage Table

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

^{*}Source: NYU; Professor Damodaran