

**Motorcar Parts of America (MPAA)**

Price:	\$6.70
Market Cap:	\$96,882,000
Cash:	\$32,700,000
Debt:	\$135,130,000
Net Cash:	-\$102,430,000
Enterprise Value:	\$199,312,000
Target Market Cap:	\$165,756,747
Target Enterprise Value:	\$268,186,747

Price/Book:	1.41
EV/FCF:	-4.98
<b>Net Tang. Asset/Share:</b>	<b>-\$0.19</b>
Avg. Year 1-5 FCF/Share:	\$1.41
<b>5 Years of FCF:</b>	<b>\$7.06</b>
Net Tang. Asset+5 FCF:	\$6.87

Net Tang. Asset Yr. 5/Share:	\$4.40
Avg. Year FCF/Share:	\$1.41
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$11.46
<b>Gain Year 5:</b>	<b>\$4.59</b>

<b>Net Tang. Asset+5 FCF+ Gain Disposition:</b>	<b>\$11.46</b>
<b>IRR:</b>	<b>11.34%</b>

Assumed Deal Details

Debt	60.00%	\$58,129,200
Equity	40.00%	\$38,752,800
Shares Outstanding		14,460,000

Levered Return

New market cap in 5 years	\$165,756,747
Nominal Gain for Equity	\$68,874,747
<b>Levered Equity Return</b>	<b>22.67%</b>

I have always liked the industrial/ machinery business, since they make stuff that people need, and this co. makes aftermarket automobile parts, such as starter, accelerator, and through their recent acquisition, make under the hood parts as well.

The co. is cheap, relative to their historic earnings, and it is not valid nor fair to base their valuation on their recent post-acquisition performance. It was pricey, since they had to add \$100MM debt, which is very high for a co.'s smaller scale. Also, their margins are not what they used to be, so may take some time for the operations to assimilate, and synergies to be created. We are wary of the high COGS figures, so it may not be an operational issue, but a low margin business.

We were reading a recent article by Prof. Damadoran from NYU and he describes what makes acquisitions go bad, and it is premium, or goodwill, which is baked into most acquisitions of publicly traded companies. The target co.'s shareholders want a premium at the buyout, so acquirors have to pay additional premium, above the froth already priced into the stock.

We like the value prospect, but we are concerned about the 1) leverage, 2) high sales concentration with a handful of clients, 3) bad press related to the stock, 4) unprofitable margins post merger. So, we will not add in our portfolio, but a great example of an acquisition which may have been too expensive for the said co.

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We are a leading manufacturer, remanufacturer, and distributor of aftermarket automobile parts.

We historically have remanufactured alternators and starters for import and domestic cars, light trucks, heavy duty, agricultural and industrial applications. As a result of our May 2011 acquisition of the business formerly operated by Fenwick Automotive Products Limited ("FAPL"), we also manufacture, remanufacture and distribute new and remanufactured steering components, brake calipers, master cylinders, hub assembly and bearings, and clutches and clutch hydraulics for virtually all passenger and truck vehicles. The acquisition of FAPL provided us the opportunity to expand beyond our existing product lines of alternators and starters and further enhanced our market presence in North America. As a result of this acquisition, we reassessed and revised our segment reporting to reflect two reportable segments, our existing product lines were included under our rotating electrical and the product lines from our FAPL acquisition were included under the under-the-car product line, based on the way we manage, evaluate and internally report our business activities. We intend to focus our efforts in the near term on four major categories: rotating electrical, brakes, steering, and wheel hubs and bearings. All of these parts are non-discretionary.

<b>Company Name:</b>	<b>Motorcar Parts of America</b>	Market Capitalization:	\$96,882,000.00	Revenue:	\$386,220,000.00	100.0%
Ticker Symbol:	MPAA	Total Debt:	\$135,130,000.00	Cost of Goods Sold:	\$358,510,000.00	92.8%
<b>Last Price:</b>	<b>\$6.70</b>	Total Cash:	\$32,700,000.00	Gross Profit:	\$27,710,000.00	7.2%
Net Cash/Share:	-\$7.08	Net Cash/(Debt):	-\$102,430,000.00	EBITDA:	\$3,800,000.00	1.0%
Net Cash to Last Price:	-105.73%	Enterprise Value:	\$199,312,000.00	Net Income:	-\$53,560,000.00	-13.9%
Shares Outstanding:	14,460,000	Current EV/Share:	\$13.78			
Industry:	Auto Parts	EBITDA:	-\$20,130,000.00			
Sector:	Consumer Cyclical	EV/EBITDA Multiple:	-9.90	<b>Income Statement</b>		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	5.58	<b>Balance Sheet</b>		
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	-4.98	Cash:	\$32,330,000.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	9.76	Short Term Investment:	\$370,000.00	
Retail Ownership:	#VALUE!			A/R:	\$21,830,000.00	
Float:	#VALUE!			PP&E:	\$10,000,000.00	
		<b>Upper Range</b>		Assets:	\$486,080,000.00	
		<b>DCF: EV/EBITDA Terminal Value</b>		A/P:	\$126,100,000.00	
				Deferred Tax:	\$0.00	
	<b>Technicals</b>	Implied TV from 3 X EV/EBITDA Multiple	\$97,475,876.71	Other Liabilities:	\$159,240,000.00	
52 week low:	Error			Short term Debt:	\$2,010,000.00	
Today from 52 week low:	#VALUE!	Enterprise Value	\$97,475,876.71	Long Term Debt:	\$133,120,000.00	
52 week high:	Error	Cash at Year 5:	\$134,840,877.53	Liabilities:	\$420,470,000.00	
Today from 52 week high:	#VALUE!	Debt at Year 5:	\$135,130,000.00	Retained Earnings:	-\$44,830,000.00	
50 day Moving Average:	Error	Equity Value Year 5:	\$97,186,754.24	Paid-In Capital:	\$114,610,000.00	
200 day Moving Average:	Error	<b>Equity/Share at Year 5:</b>	<b>\$6.72</b>	Treasury Stock:	-\$90,000.00	
		Annualized Return:	0.06%	Stockholder's Equity:	\$68,810,000.00	
		<b>Lower Range</b>		<b>Cash Flow</b>		
		<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>		Net Income:	-48,510,000.00	
		Year 5 Net Tangible Assets excluding cash and debt	\$81,630,000.00	Depreciation/Amortization:	7,350,000.00	
				Change in Working capital:	-7,420,000.00	
		Enterprise Value	\$81,630,000.00	Cash from Operating Activities:	-38,490,000.00	
		Cash at Year 5:	\$134,840,877.53	Capital Expenditures:	-1,550,000.00	
		Debt at Year 5:	\$135,130,000.00	Cash from Investing Activities:	-1,590,000.00	
		Equity Value Year 5:	\$81,340,877.53	Total Cash Dividends Paid:	0.00	
		<b>Equity/Share at Year 5:</b>	<b>\$5.63</b>	Issuance (Retirement) of Stock:	320,000.00	
		Annualized Return:	-3.44%	Issuance (Retirement) of Debt:	76,250,000.00	
				Cash from Financing Activities:	70,180,000.00	
		<b>EVA</b>				
		EVA today:	\$22,501,778.40	<b>Profitability Margins</b>		
		EVA in 5 Years:	\$193,379,504.47	Debt to Equity:	196.38%	
		EVA/Share:	\$13.37	Return on Assets:	-9.98%	
		Cash at Year 5:	\$134,840,877.53	Return on Capital:	-23.79%	
		Debt at Year 5:	\$135,130,000.00	Return on Equity:	-70.50%	
		Equity Value Year 5:	\$193,090,382.00			
		<b>Equity/Share at Year 5:</b>	<b>\$13.35</b>			
		<b>Annualized return</b>	<b>53.76%</b>			
		<b>Current Net Tangible Asset</b>				
		<b>Net Tangible Asset/Share:</b>	<b>-\$1.67</b>			
		<b>Net Tangible Asset/Share in Year 5:</b>	<b>\$3.60</b>			
		Annualized return	-216.63%			
		Current Equity Price:	\$6.70			
		Selling at Discount?	Premium			
		Appreciation Potential:	-124.93%			
		<b>Dividend Model</b>				
		<b>Next Year Dividend</b>	<b>\$0.00</b>			
		<b>WACC:</b>	<b>7.05%</b>			
		Dividend:	\$0.00			
		Net Income:	-\$53,560,000.00			
	<b>Competitors</b>					
Average EV to EBITDA:	N/A					
Company EV to EBITDA:	-9.90					
Average EV to EBIT:	N/A					
Company EV to EBITA:	-7.25					

# SN VALUATION

# LBO Analysis

WACC Terminal Value:	N/A	<b>Intrinsic Price in 5 Years:</b>	<b>9.23</b>	<b>Non-LBO Forecast</b>	<b>Non-LBO Forecast</b>
EV/EBITDA with 3X Multiple Terminal Value:	\$6.72	Market Price:	6.70	Year 1 Target	7.14
Net Tangible Asset Terminal Value:	\$5.63	LBO Price:	<b>6.70</b>	Year 2 Target	7.62
EV/EBITDA with Today's Multiple Terminal Value:	\$11.22	Premium to Market Price:	0.00%	Year 3 Target	8.12
<b>EVA Enterprise Value:</b>	\$13.35	LBO Price/Intrinsic Price Target:	6.61%	Year 4 Target	8.66
<b>Dividend Discount Model:</b>	N/A	LBO Price/EV/EBIT Exit Price:	-6.86%	Year 5 Target	9.23
<b>Average (Excluding Dividend Discount):</b>	<b>\$9.23</b>	Implied IRR at today's EV/EBITDA:	10.85%	<b>Implied IRR (Market Price):</b>	6.61%
		5 Year Return:	37.74%	<b>Desired Return Rate</b>	<b>20.00%</b>
				<b>Implied Today's Price</b>	3.71
				Overvalued/(Undervalued)	80.65%

Current Evaluation				Exit Evaluation			
Current Market Price:	6.70	LBO Price:	6.70	Exit Price:	9.23	Exit Price:	11.22
Outstanding Shares:	14,460,000	Outstanding Shares:	14,460,000	Outstanding Shares:	14,460,000	Outstanding Shares:	14,460,000
<b>Market Capitalization:</b>	<b>96,882,000</b>	<b>Market Capitalization:</b>	<b>96,882,000</b>	<b>Market Capitalization:</b>	<b>133,447,171</b>	<b>Market Capitalization:</b>	<b>162,170,672</b>
Available Cash:	32,700,000	Available Cash:	32,700,000	Available Cash:	134,840,878	Available Cash:	134,840,878
Debt:	135,130,000	Debt:	135,130,000	Debt:	135,130,000	Debt:	135,130,000
Net Cash:	<b>-102,430,000</b>	Net Cash:	<b>-102,430,000</b>	Net Cash:	<b>-289,122</b>	Net Cash:	<b>-289,122</b>
<b>Enterprise Value:</b>	<b>199,312,000</b>	<b>Enterprise Value:</b>	<b>199,312,000</b>	<b>Enterprise Value:</b>	<b>133,736,294</b>	<b>Enterprise Value:</b>	<b>162,459,795</b>
Original EV/EBITDA:	<b>-7.25</b>	EV/EBITDA:	<b>-7.25</b>	EV/EBITDA at 5 Years:	4.12	EV/EBITDA at 5 Years:	<b>5.00</b>
Original EV/EBITDA:	<b>-9.90</b>	EV/EBITDA:	<b>-8.99</b>	EV/EBITDA at 5 Years:	6.08	EV/EBITDA at 5 Years:	4.14
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:	6.70	6.69	7.14	7.61	8.11	8.65	9.22
Shares Outstanding:	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000
<b>Market Capitalization:</b>	<b>96,882,000</b>	<b>96,809,497</b>	<b>103,212,243</b>	<b>110,038,452</b>	<b>117,316,130</b>	<b>125,075,136</b>	<b>133,347,304</b>
Available Cash:	32,700,000	32,700,000	50,369,863	69,454,172	89,881,280	111,684,300	134,840,878
Debt:	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000
Net Cash:	-102,430,000	-102,430,000	-84,760,137	-65,675,828	-45,248,720	-23,445,700	-289,122
<b>Enterprise Value:</b>	<b>199,312,000</b>	<b>199,239,497</b>	<b>187,972,380</b>	<b>175,714,280</b>	<b>162,564,850</b>	<b>148,520,836</b>	<b>133,636,426</b>
EBIT	-27,480,000	-27,480,000	26,731,215	28,067,776	5	30,944,723	32,491,959
EV/EBIT:	-7.25	-7.25	7.03	6.26	32,512,970.06	4.80	4.11
EBITDA	-22,160,000	-22,160,000	32,317,215	33,933,076	35,629,730	37,411,216	39,281,777
EV/EBITDA:	-8.99	-8.99	5.82	5.18	4.56	3.97	3.40

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	6.70	6.69	-19.26	-18.62	-3.13	-17.14	-16.31
Shares Outstanding:	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000	14,460,000
<b>Market Capitalization:</b>	<b>96,882,000</b>	<b>96,809,497</b>	<b>-278,570,683</b>	<b>-269,176,902</b>	<b>-45,248,757</b>	<b>-247,805,634</b>	<b>-235,867,053</b>
Available Cash:	32,700,000	32,700,000	50,369,863	69,454,172	89,881,280	111,684,300	134,840,878
Debt:	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000	135,130,000
Net Cash:	-102,430,000	-102,430,000	-84,760,137	-65,675,828	-45,248,720	-23,445,700	-289,122
<b>Enterprise Value:</b>	<b>199,312,000</b>	<b>199,239,497</b>	<b>-193,810,547</b>	<b>-203,501,074</b>	<b>-36</b>	<b>-224,359,934</b>	<b>-235,577,931</b>
EBIT	-27,480,000	-27,480,000	26,731,215	28,067,776	5	30,944,723	32,491,959
EV/EBIT:	-7.25	-7.25	-7.25	-7.25	-7.25	-7.25	-7.25
EBITDA	-22,160,000	-22,160,000	32,317,215	33,933,076	35,629,730	37,411,216	39,281,777
EV/EBITDA:	-8.99	-8.99	-6.00	-6.00	0.00	-6.00	-6.00

LBO Price	6.70	Equity Partners:	231,422,000	Weighting	100.00%	<b>Annualized Return for Equity Partners: -6.86%</b>
Shares Outstanding	14,460,000	Debt Partners:	0	0.00%		
<b>Market Capitalization</b>	<b>96,882,000</b>	<b>Total Funds for LBO:</b>	<b>231,422,000</b>	100.00%		
Debt	134,540,000					
Cash	32,700,000					
<b>Enterprise Value</b>	<b>198,722,000</b>					
<b>Capital Investment</b>	<b>231,422,000</b>					

<b>Book Value</b>		<b>Enterprise Value</b>		<b>Stock Valuation</b>		<b>Debt Reduction</b>	
Beginning Book Value	68.81	Beginning Enterprise Value	199.31	Current Market Price	\$6.70	Starting Debt	133.00
Year 5 Book Value	135.18	Year 5 Enterprise Value	162.46	Year 5 Market Price	\$11.22	Debt Repayment	0.00
<b>Annualized Return</b>	<b>14.46%</b>	<b>Annualized Return</b>	<b>-4.01%</b>	<b>Annualized Return</b>	<b>10.85%</b>	Year 5 Ending Debt	133.00
						<b>% of Starting Debt</b>	<b>100.00%</b>

SN VALUATION

LBO Pro Forma Income Statement

Name:

Motorcar Parts of America

Ticker:

MPAA

	Historical				Forecasted				
	12 months ending 2009-03-31	12 months ending 2010-03-31	12 months ending 2011-03-31	12 months ending 2012-03-31	2013	2014	2015	2016	2017
Revenue	134.87	147.22	161.28	363.69	381.87	400.97	421.02	442.07	464.17
COGS	95.32	105.90	109.90	335.98	286.41	300.73	315.76	331.55	348.13
Gross margin	39.55	41.32	51.38	27.71	95.47	100.24	105.25	110.52	116.04
SG&A	24.72	21.41	23.57	51.69	57.28	60.15	63.15	66.31	69.63
R&D	1.99	1.42	1.55	1.76	0.00	0.00	0.00	0.00	0.00
Unusual expense	2.19	-1.14	0.88	1.74	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	11.46	12.03	12.63	13.26	13.93
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	10.65	19.63	25.38	-27.48	26.73	28.07	29.47	30.94	32.49
Interest income/(expense)	-4.19	-4.71	-5.35	-14.25	-9.12	-9.12	-9.12	-9.12	-9.12
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	6.45	14.93	20.03	-41.74	17.61	18.95	20.35	21.82	23.37
Tax	2.59	7.91	6.77	6.77	6.16	6.63	7.12	7.64	8.18
Income after tax	3.86	9.65	12.22	-48.51	11.45	12.32	13.23	14.19	15.19
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	3.86	9.65	12.22	-48.51	11.45	12.32	13.23	14.19	15.19
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.27	\$0.67	\$0.85	-\$3.35	\$0.79	\$0.85	\$0.91	\$0.98	\$1.05
P/E (historical today's price; forecasted intrinsic price)	25.10	10.04	7.93	-2.00	9.02	8.94	8.88	8.82	8.78
Revenue Growth	N/A	9.16%	9.55%	125.50%	5.00%	5.00%	5.00%	5.00%	5.00%
Tax Rate	40.16%	35.37%	38.99%	-16.22%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-16.54%	-43.21%	-64.23%	-10.59%	-6.86%	-6.86%	-6.86%	-6.86%	-6.86%
Margins									
COGS	70.68%	71.93%	68.14%	92.38%	75.00%	75.00%	75.00%	75.00%	75.00%
Gross margin	29.32%	28.07%	31.86%	7.62%	25.00%	25.00%	25.00%	25.00%	25.00%
SG&A	18.33%	14.54%	14.61%	14.21%	15.00%	15.00%	15.00%	15.00%	15.00%
R&D	1.48%	0.96%	0.96%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.62%	-0.77%	0.55%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
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)	7.90%	13.33%	15.74%	-7.56%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest income/(expense)	-3.11%	-3.20%	-3.32%	-3.92%	-2.39%	-2.27%	-2.17%	-2.06%	-1.97%
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	4.78%	10.14%	12.42%	-11.48%	4.61%	4.73%	4.83%	4.94%	5.03%
Tax	1.92%	3.59%	4.84%	1.86%	1.61%	1.65%	1.69%	1.73%	1.76%
Income after tax	2.86%	6.55%	7.58%	-13.34%	3.00%	3.22%	3.46%	3.71%	3.98%
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	2.86%	6.55%	7.58%	-13.34%	3.00%	3.07%	3.14%	3.21%	3.27%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

	As of 2009-03-31	As of 2010-03-31	As of 2011-03-31	As of 2012-03-31	As of 2012-09-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	0.45	1.21	2.48	32.62	32.33			32.33	50.00	69.08	89.51	111.31	134.47
Short term investment	0.34	0.45	0.30	0.34	0.37			0.37	0.37	0.37	0.37	0.37	0.37
<b>Cash and Short term</b>	<b>0.79</b>	<b>1.66</b>	<b>2.78</b>	<b>32.96</b>	<b>32.70</b>			<b>32.70</b>	<b>50.37</b>	<b>69.45</b>	<b>89.88</b>	<b>111.68</b>	<b>134.84</b>
Accounts Receivable	11.12	5.55	10.63	20.04	21.83			21.83	21.83	21.83	21.83	21.83	21.83
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>11.12</b>	<b>5.55</b>	<b>10.63</b>	<b>20.04</b>	<b>21.83</b>			<b>21.83</b>	<b>21.83</b>	<b>21.83</b>	<b>21.83</b>	<b>21.83</b>	<b>21.83</b>
Total Inventory	32.63	35.47	34.76	104.89	92.05			92.05	92.05	92.05	92.05	92.05	92.05
Prepaid Expenses	1.35	2.73	6.30	6.55	5.60			5.60	5.60	5.60	5.60	5.60	5.60
Other Current Assets	8.28	8.39	5.66	3.79	3.64			3.64	3.64	3.64	3.64	3.64	3.64
<b>Current Assets</b>	<b>54.17</b>	<b>53.80</b>	<b>60.13</b>	<b>168.23</b>	<b>155.82</b>	<b>0.00</b>	<b>0.00</b>	<b>155.82</b>	<b>173.49</b>	<b>192.57</b>	<b>213.00</b>	<b>234.80</b>	<b>257.96</b>
PP&E, Gross	37.48	39.12	40.85	40.00	40.00			40.00	41.00	42.00	43.00	44.00	45.00
Change in Depreciation		3.24	3.13	5.32	5.32			5.32	5.59	5.87	6.16	6.47	6.79
Accumulated Depreciation	23.49	26.43	29.19	30.00	30.00			30.00	35.59	41.45	47.61	54.08	60.87
<b>PP&amp;E, Net</b>	<b>13.99</b>	<b>12.69</b>	<b>11.66</b>	<b>10.00</b>	<b>10.00</b>			<b>10.00</b>	<b>5.41</b>	<b>0.55</b>	<b>-4.61</b>	<b>-10.08</b>	<b>-15.87</b>
Goodwill	0.00	0.00	0.00	68.36	68.36	0.00		68.36	68.36	68.36	68.36	68.36	68.36
Intangibles	2.56	6.30	5.53	22.48	21.40			21.40	19.76	17.86	15.82	13.67	11.49
Long term investments	24.45	25.77	25.98	26.94	27.23			27.23	27.23	27.23	27.23	27.23	27.23
Other long term assets	64.41	70.46	83.69	203.15	203.27			203.27	203.27	203.27	203.27	203.27	203.27
<b>Long Term Assets</b>	<b>105.41</b>	<b>115.22</b>	<b>126.86</b>	<b>330.93</b>	<b>330.26</b>			<b>330.26</b>	<b>324.04</b>	<b>317.27</b>	<b>310.07</b>	<b>302.45</b>	<b>294.48</b>
<b>Total Assets</b>	<b>159.58</b>	<b>169.02</b>	<b>186.99</b>	<b>499.16</b>	<b>486.08</b>	<b>0.00</b>	<b>0.00</b>	<b>486.08</b>	<b>497.53</b>	<b>509.84</b>	<b>523.07</b>	<b>537.25</b>	<b>552.45</b>
Accounts Payable	24.51	31.60	38.97	126.10	126.10			126.10	126.10	126.10	126.10	126.10	126.10
Accrued Expense	6.51	14.48	16.48	41.07	41.07			41.07	41.07	41.07	41.07	41.07	41.07
Other current Liabilities	2.78	1.38	0.92	2.33	4.83			4.83	4.83	4.83	4.83	4.83	4.83
<b>Total Current Liabilities</b>	<b>33.80</b>	<b>47.46</b>	<b>56.37</b>	<b>169.50</b>	<b>172.00</b>	<b>0.00</b>	<b>0.00</b>	<b>172.00</b>	<b>172.00</b>	<b>172.00</b>	<b>172.00</b>	<b>172.00</b>	<b>172.00</b>
Notes Payables/Short Term Debt	22.32	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	1.62	2.95	2.37	0.91	2.01			2.01	2.01	2.01	2.01	2.01	2.01
Long term Debt	0.00	7.50	5.50	133.38	133.00	0.00	0.00	133.00	133.00	133.00	133.00	133.00	133.00
Capital Lease Obligations	1.40	0.45	0.46	0.25	0.12			0.12	0.12	0.12	0.12	0.12	0.12
<b>Total Interest Earning Debt</b>	<b>25.34</b>	<b>10.90</b>	<b>8.33</b>	<b>134.54</b>	<b>135.13</b>	<b>0.00</b>	<b>0.00</b>	<b>135.13</b>	<b>135.13</b>	<b>135.13</b>	<b>135.13</b>	<b>135.13</b>	<b>135.13</b>
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	7.36	7.06	9.98	124.23	113.34			113.34	113.34	113.34	113.34	113.34	113.34
<b>Total Liabilities</b>	<b>66.50</b>	<b>65.42</b>	<b>74.68</b>	<b>428.27</b>	<b>420.47</b>	<b>0.00</b>	<b>0.00</b>	<b>420.47</b>	<b>420.47</b>	<b>420.47</b>	<b>420.47</b>	<b>420.47</b>	<b>420.47</b>
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	0.12	0.12	0.12	0.12	0.12		0.00	0.12	0.12	0.12	0.12	0.12	0.12
Additional Paid-in capital	94.34	94.67	95.02	100.51	114.49	0.00	0.00	114.49	114.49	114.49	114.49	114.49	114.49
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	0.61	10.26	22.48	-26.04	-44.83		0.00	-44.83	-33.38	-21.07	-7.84	6.34	21.54
Treasury Stock	0.00	0.00	-0.09	-0.09	-0.09			-0.09	-0.09	-0.09	-0.09	-0.09	-0.09
Other Equity	-1.98	-1.43	-0.35	-0.88	-0.88		0.00	-0.88	-0.88	-0.88	-0.88	-0.88	-0.88
<b>Total Equity</b>	<b>93.09</b>	<b>103.62</b>	<b>117.18</b>	<b>73.62</b>	<b>68.81</b>	<b>0.00</b>	<b>0.00</b>	<b>68.81</b>	<b>80.26</b>	<b>92.57</b>	<b>105.80</b>	<b>119.98</b>	<b>135.18</b>
<b>Liability + Equity</b>	<b>159.59</b>	<b>169.04</b>	<b>191.86</b>	<b>501.89</b>	<b>489.28</b>	<b>0.00</b>	<b>0.00</b>	<b>489.28</b>	<b>500.73</b>	<b>513.04</b>	<b>526.27</b>	<b>540.45</b>	<b>555.65</b>
<b>Variance</b>	-0.01	-0.02	-4.87	-2.73	-3.20			-3.20	-3.20	-3.20	-3.20	-3.20	-3.20
<b>Debt/Equity</b>	0.27	0.11	0.07	1.83	1.96			1.96	1.68	1.46	1.28	1.13	1.00
Inventory Turnover	4.13	4.15	4.64	3.47	4.15			3.95	4.15	4.36	4.57	4.80	5.04
Inventory Turnover Days	88.31	87.94	78.67	105.27	87.98			92.38	87.98	83.79	79.80	76.00	72.38
Days Inventory Outstanding	124.95	122.25	115.44	113.95	117.31			100.00	117.31	111.72	106.40	101.34	96.51
Accounts Receivable Turnover	12.13	26.53	15.17	18.15	17.49			16.66	17.49	18.37	19.29	20.25	21.26
Accounts Receivable Turnover Days	30.09	13.76	24.06	20.11	20.87			21.91	20.87	19.87	18.93	18.02	17.17
Days Payable Outstanding	93.85	108.91	129.43	136.99	160.70			136.99	160.70	153.05	145.76	138.82	132.21
Days Sales Outstanding	30.09	13.76	24.06	20.11	20.87			20.11	21.91	20.87	19.87	18.93	18.02
Cash Conversion Cycle	61.19	27.10	10.07	-2.93	-22.53			-16.88	-21.49	-20.46	-19.49	-18.56	-17.68
Net tangible assets/share	\$6.44	\$7.16	\$7.77	\$0.17	(\$0.19)			\$0.60	\$1.45	\$2.37	\$3.35	\$3.35	\$4.40

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2009-03-31	12 months ending 2010-03-31	12 months ending 2011-03-31	12 months ending 2012-03-31	2011	2012	2013	2014	2015
Net Income	3.86	9.65	12.22	-48.51	11.45	12.32	13.23	14.19	15.19
Depreciation	3.14	3.24	3.13	5.32	5.59	5.87	6.16	6.47	6.79
<b>Net Income + Depreciation</b>	<b>7.00</b>	<b>12.89</b>	<b>15.35</b>	<b>-43.19</b>	<b>17.03</b>	<b>18.18</b>	<b>19.39</b>	<b>20.65</b>	<b>21.98</b>
Amortization	0.33	0.64	0.77	2.03	1.64	1.90	2.04	2.15	2.18
Deferred Taxes	-2.25	-0.07	2.36	1.33	0.00	0.00	0.00	0.00	0.00
Non Cash Items	3.36	0.32	2.50	8.77	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-19.50	4.57	-10.24	-7.42	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	5.57	-5.05	-9.41	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	-2.84	0.71	-70.13	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-1.38	-3.57	-0.25	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	7.09	7.37	87.13	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>-11.06</b>	<b>18.35</b>	<b>10.74</b>	<b>-38.48</b>	<b>18.67</b>	<b>20.08</b>	<b>21.43</b>	<b>22.80</b>	<b>24.16</b>
Capital Expenditures Expenditures	-2.32	-1.05	-1.57	-1.55	-1.00	-1.00	-1.00	-1.00	-1.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-7.53	-2.61	-5.16	-0.04	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-9.85</b>	<b>-3.66</b>	<b>-6.73</b>	<b>-1.59</b>	<b>-1.00</b>	<b>-1.00</b>	<b>-1.00</b>	<b>-1.00</b>	<b>-1.00</b>
Financing Cash flow items	0.00	-0.37	0.07	-6.39	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	0.00	0.15	0.11	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	19.73	-13.73	-2.98	76.25	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>19.73</b>	<b>-13.95</b>	<b>-2.80</b>	<b>70.18</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Foreign Exchange effect	-0.29	0.02	0.04	0.04	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	1.93	0.45	0.00	0.00	32.33	50.00	69.08	89.51	111.31
<b>Net Change in Cash</b>	<b>-1.48</b>	<b>0.76</b>	<b>1.27</b>	<b>30.14</b>	<b>17.67</b>	<b>19.08</b>	<b>20.43</b>	<b>21.80</b>	<b>23.16</b>
Ending Cash Balance	0.45	0.00	1.27	30.14	50.00	69.08	89.51	111.31	134.47
Capex to Revenue	1.72%	0.71%	0.97%	0.43%	0.26%	0.25%	0.24%	0.23%	0.22%
Depreciation to Sales	2.33%	2.20%	1.94%	1.46%	1.46%	1.46%	1.46%	1.46%	1.46%
Amortization to Sales	0.24%	0.43%	0.48%	0.56%	0.43%	0.47%	0.48%	0.49%	0.47%
A/R to Sales	8.24%	3.77%	6.59%	5.51%	5.25%	5.00%	4.76%	4.53%	4.32%
Distributable FCF Yield	-10.49%	7.37%	2.01%	-20.10%	8.87%	9.58%	10.25%	10.94%	11.62%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>FCF (Ops-Investing-Dividends)</b>	<b>-13.38</b>	<b>17.30</b>	<b>9.17</b>	<b>-40.03</b>	<b>17.67</b>	<b>19.08</b>	<b>20.43</b>	<b>21.80</b>	<b>23.16</b>

# SN VALUATION

# LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>30.14</b>	<b>17.67</b>	<b>19.08</b>	<b>20.43</b>	<b>21.80</b>	<b>23.16</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>135.01</b>	<b>135.01</b>	<b>135.01</b>	<b>135.01</b>	<b>135.01</b>	<b>135.01</b>
Current Portion Debt Balance	2.01	2.01	2.01	2.01	2.01	2.01
Long Term Debt Balance	133.00	133.00	133.00	133.00	133.00	133.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Interest Expense</b>		<b>9.45</b>	<b>9.45</b>	<b>9.45</b>	<b>9.45</b>	<b>9.45</b>
Cash Balance		32.96				
Interest @ 1.0%		0.33	0.33	0.33	0.33	0.33
<b>Net Interest Expense/(Income)</b>		<b>9.12</b>	<b>9.12</b>	<b>9.12</b>	<b>9.12</b>	<b>9.12</b>
<b>Net Interest Rate</b>		<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>	<b>6.86%</b>
EBITDA		26.73	28.07	29.47	30.94	32.49
<b>EBITDA/Interest Expense Coverage</b>		<b>2.83</b>	<b>2.97</b>	<b>3.12</b>	<b>3.27</b>	<b>3.44</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran