

December 14, 2012

SN VALUATION [Stocks, Real Estate, Bonds]

MultiBand (MBND)

Price:	\$1.68
Market Cap:	\$36,355,200
Cash:	\$10,130,000
Debt:	\$42,940,000
Net Cash:	-\$32,810,000
Enterprise Value:	\$69,165,200
Target Market Cap:	\$61,945,177
Target Enterprise Value:	\$94,755,177

Price/Book:	0.83
EV/FCF:	4.83
Net Tang. Asset/Share:	\$0.02
Avg. Year 1-5 FCF/Share:	\$0.29
5 Years of FCF:	\$1.44
Net Tang. Asset+5 FCF:	\$1.45

Net Tang. Asset Yr. 5/Share:	\$0.57
Avg. Year FCF/Share:	\$0.29
Year 5 Disposition FCF Multipl:	3.0
Year 5 Disposition Price:	\$1.43
Gain Year 5:	\$1.41

Net Tang. Asset+5 FCF+ Gain Disposition:	\$2.86
IRR:	11.25%

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LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	2.67	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 3X Multiple Terminal Value:	\$2.00	Market Price:	1.68	Year 1 Target	1.84	Implied Today's Price	1.07
Net Tangible Asset Terminal Value:	\$0.49	LBO Price:	1.68	Year 2 Target	2.02	Overvalued/(Undervalued)	56.46%
EV/EBITDA with Today's Multiple Terminal Value:	\$3.39	Premium to Market Price:	0.00%	Year 3 Target	2.22		
EVA Enterprise Value:	\$4.81	LBO Price/Intrinsic Price Target:	9.72%	Year 4 Target	2.44		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-0.96%	Year 5 Target	2.67		
Average (Excluding Dividend Discount):	\$2.67	Implied IRR at today's EV/EBITDA:	15.06%	Implied IRR (Market Price):	9.72%		
		5 Year Return:	59.04%				

Current Evaluation				Exit Evaluation			
Current Market Price:	1.68	LBO Price:	1.68	Exit Price:	2.67	Exit Price:	3.39
Outstanding Shares:	21,640,000	Outstanding Shares:	21,640,000	Outstanding Shares:	21,640,000	Outstanding Shares:	21,640,000
Market Capitalization:	36,355,200	Market Capitalization:	36,355,200	Market Capitalization:	57,820,311	Market Capitalization:	73,309,517
Available Cash:	10,130,000	Available Cash:	10,130,000	Available Cash:	41,202,017	Available Cash:	41,202,017
Debt:	42,940,000	Debt:	42,940,000	Debt:	42,940,000	Debt:	42,940,000
Net Cash:	-32,810,000	Net Cash:	-32,810,000	Net Cash:	-1,737,983	Net Cash:	-1,737,983
Enterprise Value:	69,165,200	Enterprise Value:	69,165,200	Enterprise Value:	59,558,294	Enterprise Value:	75,047,500
Original EV/EBITDA:	5.08	EV/EBITDA:	5.08	EV/EBITDA at 5 Years:	8.50	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	2.54	EV/EBITDA:	3.40	EV/EBITDA at 5 Years:	5.88	EV/EBITDA at 5 Years:	5.45
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:	1.68	1.68	1.84	2.02	2.22	2.44	2.67
Shares Outstanding:	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000
Market Capitalization:	36,355,200	36,355,200	39,890,485	43,769,551	48,025,829	52,696,000	57,820,311
Available Cash:	10,130,000	10,130,000	16,329,987	22,547,473	28,770,093	34,987,613	41,202,017
Debt:	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000
Net Cash:	-32,810,000	-32,810,000	-26,610,013	-20,392,527	-14,169,907	-7,952,387	-1,737,983
Enterprise Value:	69,165,200	69,165,200	66,500,498	64,162,078	62,195,736	60,648,386	59,558,294
EBIT	13,610,000	13,610,000	7,009,500	7,009,500	5	7,009,500	7,009,500
EV/EBIT:	5.08	5.08	9.49	9.15	12,439,147.25	8.65	8.50
EBITDA	20,370,000	20,370,000	13,769,500	13,769,500	13,769,500	13,769,500	13,769,500
EV/EBITDA:	3.40	3.40	4.83	4.66	4.52	4.40	4.33

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	1.68	1.68	0.42	0.70	-0.65	1.28	1.57
Shares Outstanding:	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000	21,640,000
Market Capitalization:	36,355,200	36,355,200	9,011,843	15,229,329	-14,169,882	27,669,470	33,883,873
Available Cash:	10,130,000	10,130,000	16,329,987	22,547,473	28,770,093	34,987,613	41,202,017
Debt:	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000	42,940,000
Net Cash:	-32,810,000	-32,810,000	-26,610,013	-20,392,527	-14,169,907	-7,952,387	-1,737,983
Enterprise Value:	69,165,200	69,165,200	35,621,857	35,621,857	25	35,621,857	35,621,857
EBIT	13,610,000	13,610,000	7,009,500	7,009,500	5	7,009,500	7,009,500
EV/EBIT:	5.08	5.08	5.08	5.08	5.08	5.08	5.08
EBITDA	20,370,000	20,370,000	13,769,500	13,769,500	13,769,500	13,769,500	13,769,500
EV/EBITDA:	3.40	3.40	2.59	2.59	0.00	2.59	2.59

LBO Price	1.68	Equity Partners:	76,925,200	Weighting	100.00%	Annualized Return for Equity Partners:	-0.96%
Shares Outstanding	21,640,000	Debt Partners:	0		0.00%		
Market Capitalization	36,355,200	Total Funds for LBO:	76,925,200		100.00%		
Debt	40,570,000						
Cash	10,130,000						
Enterprise Value	66,795,200						
Capital Investment	76,925,200						

Book Value		Enterprise Value		Stock Valuation		Debt Reduction	
Beginning Book Value	43.63	Beginning Enterprise Value	69.17	Current Market Price	\$1.68	Starting Debt	5.00
Year 5 Book Value	55.48	Year 5 Enterprise Value	75.05	Year 5 Market Price	\$3.39	Debt Repayment	0.00
Annualized Return	4.92%	Annualized Return	1.65%	Annualized Return	15.06%	Year 5 Ending Debt	5.00
						% of Starting Debt	100.00%

SN VALUATION

LBO Pro Forma Income Statement

Name:

MultiBand

Ticker:

MBND

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2013	2014	2015	2016	2017
Revenue	42.99	268.99	265.59	300.19	300.19	300.19	300.19	300.19	300.19
COGS	28.43	207.53	186.29	214.56	219.14	219.14	219.14	219.14	219.14
Gross margin	14.56	61.46	79.30	85.63	81.05	81.05	81.05	81.05	81.05
SG&A	13.70	57.78	57.17	63.94	66.04	66.04	66.04	66.04	66.04
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.13	0.00	0.16	1.32	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: Included within COGS	3.03	10.90	8.30	6.76	8.00	8.00	8.00	8.00	8.00
Operating Income (EBITA)	0.90	-7.22	13.67	13.61	7.01	7.01	7.01	7.01	7.01
Interest income/(expense)	-0.59	-4.09	-4.19	-3.82	-1.82	-1.82	-1.82	-1.82	-1.82
Gain (loss) on sale of asset	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.00
Other	2.42	0.34	0.10	0.69	0.00	0.00	0.00	0.00	0.00
Income before tax	2.73	-10.97	9.58	10.65	5.18	5.18	5.18	5.18	5.18
Tax	1.13	0.41	-5.11	3.61	1.81	1.81	1.81	1.81	1.81
Income after tax	1.60	-11.38	14.69	7.04	3.37	3.37	3.37	3.37	3.37
Minority Interest	-0.65	1.73	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	0.95	-9.65	14.69	7.04	3.37	3.37	3.37	3.37	3.37
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.04	-\$0.45	\$0.68	\$0.33	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16
P/E (historical today's price; forecasted intrinsic price)	38.27	-3.77	2.47	5.16	11.84	12.99	14.25	15.64	17.16
Revenue Growth	N/A	525.70%	-1.26%	13.03%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	41.39%	-3.74%	-53.34%	33.90%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-21.53%	-9.79%	-10.57%	-9.42%	-36.50%	-36.50%	-36.50%	-36.50%	-36.50%
Margins									
COGS	66.13%	77.15%	70.14%	71.47%	73.00%	73.00%	73.00%	73.00%	73.00%
Gross margin	33.87%	22.85%	29.86%	28.53%	500.00%	27.00%	27.00%	27.00%	27.00%
SG&A	24.42%	21.48%	21.53%	21.30%	22.00%	22.00%	22.00%	22.00%	22.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.30%	0.00%	0.06%	0.44%	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: Included within COGS	7.05%	4.05%	3.13%	2.25%	2.66%	2.66%	2.66%	2.66%	2.66%
Operating Income (EBITA)	2.09%	-2.66%	5.15%	4.53%	2.34%	2.34%	2.34%	2.34%	2.34%
Interest income/(expense)	-1.37%	-1.52%	-1.27%	-1.27%	-0.61%	-0.61%	-0.61%	-0.61%	-0.61%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	5.63%	0.13%	0.04%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	6.35%	-4.08%	3.61%	3.55%	1.73%	1.73%	1.73%	1.73%	1.73%
Tax	2.63%	0.15%	-1.92%	1.20%	0.60%	0.60%	0.60%	0.60%	0.60%
Income after tax	3.72%	-4.23%	5.53%	2.35%	1.12%	1.12%	1.12%	1.12%	1.12%
Minority Interest	-1.51%	0.64%	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	2.21%	-3.59%	5.53%	2.35%	1.12%	1.12%	1.12%	1.12%	1.12%

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LBO Adjusted Proforma Balance Sheet

	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-09-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	4.34	2.24	1.21	18.17	10.13			10.13	16.33	22.55	28.77	34.99	41.20
Short term investment	0.05	0.01	0.00	1.19	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	4.39	2.25	1.21	19.36	10.13			10.13	16.33	22.55	28.77	34.99	41.20
Accounts Receivable	3.44	14.34	17.22	28.36	31.73			31.73	31.73	31.73	31.73	31.73	31.73
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	3.44	14.34	17.22	28.36	31.73			31.73	31.73	31.73	31.73	31.73	31.73
Total Inventory	1.90	8.56	11.07	14.28	11.06			11.06	11.06	11.06	11.06	11.06	11.06
Prepaid Expenses	1.27	0.55	1.94	1.35	2.45			2.45	2.45	2.45	2.45	2.45	2.45
Other Current Assets	0.00	0.00	7.53	7.86	8.45			8.45	8.45	8.45	8.45	8.45	8.45
Current Assets	11.00	25.70	38.97	71.21	63.82	0.00	0.00	63.82	70.02	76.24	82.46	88.68	94.89
PP&E, Gross	9.39	20.60	21.89	22.00	22.00			22.00	25.00	28.00	31.00	34.00	37.00
Change in Depreciation		10.91	8.30	6.76	6.76			6.76	6.76	6.76	6.76	6.76	6.76
Accumulated Depreciation	7.36	12.05	14.72	15.00	15.00			15.00	21.76	28.52	35.28	42.04	48.80
PP&E, Net	2.03	8.55	7.17	7.00	7.00			7.00	3.24	-0.52	-4.28	-8.04	-11.80
Goodwill	1.09	38.07	38.04	37.80	37.80	0.00		37.80	37.80	37.80	37.80	37.80	37.80
Intangibles	3.67	22.68	17.43	14.60	12.45			12.45	12.38	12.29	12.20	12.11	12.03
Long term investments	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.48	2.99	6.05	11.62	15.00			15.00	15.00	15.00	15.00	15.00	15.00
Long Term Assets	7.27	72.29	68.69	71.02	72.25			68.42	64.57	60.72	56.87	53.03	53.03
Total Assets	18.27	97.99	107.66	142.23	136.07	0.00	0.00	136.07	138.44	140.81	143.18	145.55	147.92
Accounts Payable	8.27	28.01	27.00	32.35	32.35			32.35	32.35	32.35	32.35	32.35	32.35
Accrued Expense	4.43	22.03	22.97	24.11	24.11			24.11	24.11	24.11	24.11	24.11	24.11
Other current Liabilities	1.49	2.60	1.82	1.61	0.53			0.53	0.53	0.53	0.53	0.53	0.53
Total Current Liabilities	14.19	52.64	51.79	58.07	56.99	0.00	0.00	56.99	56.99	56.99	56.99	56.99	56.99
Notes Payables/Short Term Debt	0.25	1.46	0.76	0.46	2.15			2.15	2.15	2.15	2.15	2.15	2.15
Current port. Of LT Debt/Capital Leases	1.83	0.72	0.44	5.26	34.91			34.91	34.91	34.91	34.91	34.91	34.91
Long term Debt	0.34	39.12	38.08	34.58	5.00	0.00	0.00	5.00	5.00	5.00	5.00	5.00	5.00
Capital Lease Obligations	0.32	0.49	0.36	0.27	0.88			0.88	0.88	0.88	0.88	0.88	0.88
Total Interest Earning Debt	2.74	41.79	39.64	40.57	42.94	0.00	0.00	42.94	42.94	42.94	42.94	42.94	42.94
Deferred Income tax	0.00	0.00	0.03	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	3.47	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.00	0.00	0.00	0.00	-2.04			-2.04	-2.04	-2.04	-2.04	-2.04	-2.04
Total Liabilities	20.40	94.43	91.46	98.64	97.89	0.00	0.00	97.89	97.89	97.89	97.89	97.89	97.89
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	3.27	15.44	15.16	3.14	3.14			3.14	3.14	3.14	3.14	3.14	3.14
Common Stock	37.69	38.05	39.31	66.29	66.29		0.00	66.29	66.29	66.29	66.29	66.29	66.29
Additional Paid-in capital	45.95	46.55	47.50	49.00	49.86	0.00	0.00	49.86	49.86	49.86	49.86	49.86	49.86
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	-1.00	-2.00	-3.00	-4.00	-5.00
Retained Earnings	-81.31	-94.94	-81.74	-75.48	-75.66		0.00	-75.66	-72.29	-68.92	-65.55	-62.18	-58.81
Treasury Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	0.05	0.01	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	5.65	5.11	20.23	42.95	43.63	0.00	0.00	43.63	46.00	48.37	50.74	53.11	55.48
Liability + Equity	26.05	99.54	111.69	141.59	141.52	0.00	0.00	141.52	143.89	146.26	148.63	151.00	153.37
Variance	-7.78	-1.55	-4.03	0.64	-5.45			-5.45	-5.45	-5.45	-5.45	-5.45	-5.45
Debt/Equity	0.48	8.18	1.96	0.94	0.98			0.98	0.93	0.89	0.85	0.81	0.77
Inventory Turnover	22.63	31.42	23.99	21.02	27.14			27.14	27.14	27.14	27.14	27.14	27.14
Inventory Turnover Days	16.13	11.62	15.21	17.36	13.45			13.45	13.45	13.45	13.45	13.45	13.45
Days Inventory Outstanding	24.39	15.06	21.69	24.29	18.42			18.42	18.42	18.42	18.42	18.42	18.42
Accounts Receivable Turnover	12.50	18.76	15.42	10.58	9.46			9.46	9.46	9.46	9.46	9.46	9.46
Accounts Receivable Turnover Days	29.21	19.46	23.67	34.48	38.58			38.58	38.58	38.58	38.58	38.58	38.58
Days Payable Outstanding	106.17	49.26	52.90	55.03	53.88			53.88	53.88	53.88	53.88	53.88	53.88
Days Sales Outstanding	29.21	19.46	23.67	34.48	38.58			38.58	38.58	38.58	38.58	38.58	38.58
Cash Conversion Cycle	-52.57	-14.75	-7.55	3.74	3.12			-1.73	3.12	3.12	3.12	3.12	3.12
Net tangible assets/share	(\$0.15)	(\$1.59)	(\$1.01)	\$0.27	\$0.02			\$0.13	\$0.24	\$0.35	\$0.46	\$0.57	\$0.57

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	1.60	-11.38	14.69	7.04	3.37	3.37	3.37	3.37	3.37
Depreciation	3.02	10.91	8.30	6.76	6.76	6.76	6.76	6.76	6.76
Net Income + Depreciation	4.62	-0.47	22.99	13.80	10.13	10.13	10.13	10.13	10.13
Amortization	0.00	0.00	0.10	0.10	0.07	0.09	0.09	0.09	0.08
Deferred Taxes	0.00	0.00	-7.50	-0.06	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-1.24	1.13	0.42	3.06	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-0.08	-4.64	-4.27	4.18	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-10.90	-2.88	-11.14	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	-6.66	-2.51	-3.21	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	0.72	-1.39	0.59	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	19.74	-1.01	5.35	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	3.30	-3.92	11.74	21.08	10.20	10.22	10.22	10.22	10.21
Capital Expenditures Expenditures	-0.17	-3.13	-1.34	-2.50	-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
Other Investing Activities	0.96	-0.32	0.00	-4.27	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	0.79	-3.45	-1.34	-6.77	-3.00	-3.00	-3.00	-3.00	-3.00
Financing Cash flow items	-0.03	-0.14	-0.01	-0.22	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-0.16	-0.10	-0.42	-0.61	1.00	1.00	1.00	1.00	1.00
Issuance (Retirement) of Stock	-0.25	0.47	-0.27	14.26	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	-0.26	5.05	-10.73	-10.78	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-0.70	5.28	-11.43	2.65	-1.00	-1.00	-1.00	-1.00	-1.00
Foreign Exchange effect	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	0.95	4.35	2.24	1.20	10.13	16.33	22.55	28.77	34.99
Net Change in Cash	3.40	-2.11	-1.04	16.96	6.20	6.22	6.22	6.22	6.21
Ending Cash Balance	4.35	2.24	1.20	18.16	16.33	22.55	28.77	34.99	41.20
Capex to Revenue	0.40%	1.16%	0.50%	0.83%	1.00%	1.00%	1.00%	1.00%	1.00%
Depreciation to Sales	7.02%	4.06%	3.13%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Amortization to Sales	0.00%	0.02%	0.04%	0.03%	0.02%	0.03%	0.03%	0.03%	0.03%
A/R to Sales	8.00%	5.33%	6.48%	9.45%	9.45%	9.45%	9.45%	9.45%	9.45%
Distributable FCF Yield	5.91%	-10.66%	15.04%	20.69%	10.41%	10.44%	10.44%	10.44%	10.43%
Dividend Yield	-0.44%	-0.28%	-1.16%	-1.68%	2.75%	2.75%	2.75%	2.75%	2.75%
FCF (Ops-Investing-Dividends)	4.25	-7.27	10.82	14.92	6.20	6.22	6.22	6.22	6.21

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	16.96	6.20	6.22	6.22	6.22	6.21
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	40.37	40.37	40.37	40.37	40.37	40.37
Current Portion Debt Balance	35.37	35.37	35.37	35.37	35.37	35.37
Long Term Debt Balance	5.00	5.00	5.00	5.00	5.00	5.00
Forward Libor Curve		1.00%	1.00%	1.00%	1.00%	1.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		5.00%	5.00%	5.00%	5.00%	5.00%
Interest Expense		2.02	2.02	2.02	2.02	2.02
Cash Balance		19.36				
Interest @ 1.0%		0.19	0.19	0.19	0.19	0.19
Net Interest Expense/(Income)		1.82	1.82	1.82	1.82	1.82
Net Interest Rate		36.50%	36.50%	36.50%	36.50%	36.50%
EBITDA		7.01	7.01	7.01	7.01	7.01
EBITDA/Interest Expense Coverage		3.47	3.47	3.47	3.47	3.47

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

MultiBand

Ticker:

MBND

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	-3.19	-26.94	-12.82	6.83	13.03	19.25	25.47	31.69	37.90
Total Assets	18.27	97.99	107.66	136.07	138.44	140.81	143.18	145.55	147.92
X1	-0.17	-0.27	-0.12	0.05	0.09	0.14	0.18	0.22	0.26
Retained Earnings	-81.31	-94.94	-81.74	-75.66	-72.29	-68.92	-65.55	-62.18	-58.81
Total Assets	18.27	97.99	107.66	136.07	138.44	140.81	143.18	145.55	147.92
X2	-4.45	-0.97	-0.76	-0.56	-0.52	-0.49	-0.46	-0.43	-0.40
EBITDA	3.93	3.68	21.97	20.37	15.01	15.01	15.01	15.01	15.01
Total Assets	18.27	97.99	107.66	136.07	138.44	140.81	143.18	145.55	147.92
X3	0.22	0.04	0.20	0.15	0.11	0.11	0.10	0.10	0.10
Market Value of Equity	36.36	36.36	36.36	36.36	39.89	43.77	48.03	52.70	57.82
Total Liabilities	20.40	94.43	91.46	97.89	97.89	97.89	97.89	97.89	97.89
X4	1.78	0.38	0.40	0.37	0.41	0.45	0.49	0.54	0.59
Net Sales	42.99	268.99	265.59	300.19	300.19	300.19	300.19	300.19	300.19
Total Assets	18.27	97.99	107.66	136.07	138.44	140.81	143.18	145.55	147.92
X5	2.35	2.75	2.47	2.21	2.17	2.13	2.10	2.06	2.03
Altman Z Score	-2.31	1.41	2.17	2.20	2.15	2.23	2.31	2.39	2.47

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

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