

Analyst: Sung Nam

Newmont Mining Corp (NEM)

Market Price:	\$64.21	EBITDA/Share:	\$10.77	Net Asset/Share:	\$26.41
DCF: EV/EBITDA Terminal Value	14.399%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		-1.194%	
Current Net Tangible Asset	19.234%	EVA Analysis:		16.988%	

Overview

Newmont mines for gold. Gold has been a growth story and will give the portfolio exposure to the commodity sector. With the uncertainty in the market, with German bonds and Europe in the news, it will be good to have gold in the mix, although intrinsic value wise, we are against gold. Newmont it has a low correlation (0.39) to the SPY index.

Dividend?

Dividend yield is 2%.

Cashflow Generation

Cashflows are phenomenal. 44% EBITA margin, or roughly \$4 BB. Capex is \$1.5 BB, and changes in NWC around \$500 MM, or combined \$2 BB, leaving \$1- \$2 BB, which can be used to pay down debt. We are assuming a \$700 MM paydown annually on the \$4.2 BB debt balance.

Profitability

ROA is a respectable 8%, and ROC is 13%.

LBO?

We don't believe a 80% debt/20% equity would be sustainable. Therefore, we are not going to project a LBO scenario. Rather, we will just include the shares in our portfolio.

Price

We are forecasting a \$97.50/share in Year 5, or a 51% holding return, or 8.71% annual return.

Thus, the 1 year forecasted price is \$70.00. Finviz is showing a \$75-\$80 price target. Median price on Financial Times is \$82, up to \$115, low \$64.

The main difference is probably the assumed growth rate. We took the conservative route and forecasted 7-10% growth rates, where as other firms are using double digit rates.

Newmont Mining Corporation (Newmont) is a gold producer. At December 31, 2010, Newmont had gold reserves of 93.5 million ounces and an aggregate land position of approximately 27,500 square miles (71,100 square kilometers). Newmont is also engaged in the production of copper, principally through its Batu Hijau operation in Indonesia and Boddington operation in Australia. The Company's operating segments include North America, South America, Asia Pacific and Africa. Its North America segment consists primarily of Nevada in the United States, La Herradura in Mexico and Hope Bay in Canada. Its South America segment consists primarily of Yanacocha and Conga in Peru. Its Asia Pacific segment consists primarily of Boddington in Australia, Batu Hijau in Indonesia and other smaller operations in Australia and New Zealand. Its Africa segment consists primarily of Ahafo and Akyem in Ghana. In April 2011, the Company acquired Fronteer Gold Inc.

Company Name:	Newmont Mining Corp	Market Capitalization:	\$31,770,000,000.00	Revenue:	\$10,140,000,000.00	100.0%
Ticker Symbol:	NEM	Total Debt:	\$4,441,000,000.00	Cost of Goods Sold:	\$4,080,000,000.00	40.2%
Last Price:	\$64.21	Total Cash:	\$4,169,000,000.00	Gross Profit:	\$6,060,000,000.00	59.8%
Net Cash/Share:	-\$0.55	Net Cash/(Debt):	-\$272,000,000.00	EBITDA:	\$5,330,000,000.00	52.6%
Net Cash to Last Price:	-0.86%	Enterprise Value:	\$32,042,000,000.00	Net Income:	\$2,370,000,000.00	23.4%
Shares Outstanding:	494,820,000	Current EV/Share:	\$64.75			
Industry:	Gold	EBITDA:	\$5,330,000,000.00			
Sector:	Basic Materials	EV/EBITDA Multiple:	6.01			
		Upper Range		Income Statement		
		DCF: EV/EBITDA Terminal Value				
Institutional Ownership:	81.37%	Implied TV from 5 X EV/EBITDA Multiple	\$45,287,973,674.16	Cash:	\$4,056,000,000.00	
Mutual Fund Ownership:	5.27%			Short Term Investment:	\$113,000,000.00	
Insider Ownership:	0.73%	Enterprise Value	\$45,287,973,674.16	A/R:	\$670,000,000.00	
Retail Ownership:	11.90%	Cash at Year 5:	\$21,406,759,391.02	PP&E:	\$20,717,000,000.00	
Float:	99.27%	Debt at Year 5:	\$4,441,000,000.00	Assets:	\$25,663,000,000.00	
		Equity Value Year 5:	\$62,253,733,065.18	A/P:	\$427,000,000.00	
		Equity/Share at Year 5:	\$125.81	Deferred Tax:	\$1,488,000,000.00	
		Annualized Return:	14.40%	Other Liabilities:	\$5,962,000,000.00	
		Lower Range		Short term Debt:	\$259,000,000.00	
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Long Term Debt:	\$4,182,000,000.00	
		Year 5 Net Tangible Assets excluding cash and debt	\$12,954,482,783.36	Liabilities:	\$12,318,000,000.00	
				Retained Earnings:	\$3,180,000,000.00	
		Enterprise Value	\$12,954,482,783.36	Paid-In Capital:	\$8,279,000,000.00	
		Cash at Year 5:	\$21,406,759,391.02	Treasury Stock:	\$0.00	
		Debt at Year 5:	\$4,441,000,000.00	Stockholder's Equity:	\$13,345,000,000.00	
		Equity Value Year 5:	\$29,920,242,174.37			
		Equity/Share at Year 5:	\$60.47	Cash Flow		
		Annualized Return:	-1.19%	Net Income:	3,116,000,000.00	
		EVA		Depreciation/Amortization:	945,000,000.00	
		EVA today:	\$17,965,864,055.96	Change in Working capital:	-754,000,000.00	
		EVA in 5 Years:	\$39,369,023,900.92	Cash from Operating Activities:	3,167,000,000.00	
		EVA/Share:	\$79.56	Capital Expenditures:	-1,402,000,000.00	
		Annualized return	16.99%	Cash from Investing Activities:	-1,419,000,000.00	
		Current Net Tangible Asset		Total Cash Dividends Paid:	-246,000,000.00	
		Net Tangible Asset/Share:	\$26.41	Issuance (Retirement) of Stock:	60,000,000.00	
		Net Tangible Asset/Share in Year 5:	\$63.64	Issuance (Retirement) of Debt:	-430,000,000.00	
		Annualized return	19.23%	Cash from Financing Activities:	-915,000,000.00	
		Current Equity Price:	\$64.21			
		Selling at Discount?	Premium	Profitability Margins		
		Appreciation Potential:	-58.88%	Debt to Equity:	33.28%	
				Return on Assets:	8.98%	
				Return on Capital:	12.96%	
				Return on Equity:	17.27%	
Competitors						
Average EV to EBITDA:	N/A					
Company EV to EBITDA:	6.01					
Average EV to EBIT:	N/A					
Company EV to EBIT:	7.69					

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LBO Analysis

WACC Terminal Value:	-	Intrinsic Price in 5 Years:	97.47	Non-LBO Forecast	Year 1 Target	69.80	Desired Return Rate	20.00%
EV/EBITDA with 5X Multiple Terminal Value:	\$125.81	Market Price:	64.21		Year 2 Target	75.88	Implied Today's Price	39.17
Net Tangible Asset Terminal Value:	\$60.47	LBO Price:	80.00		Year 3 Target	82.48	Overvalued/(Undervalued)	63.92%
EV/EBITDA with Today's Multiple Terminal Value:	\$96.73	Premium to Market Price:	24.59%		Year 4 Target	89.66		
EVA Growth Rate:	\$140.70	LBO Price/Intrinsic Price Target:	4.03%		Year 5 Target	97.47		
Net Tangible Asset/Market Price:	\$63.64	LBO Price/EV/EBIT Exit Price:	3.87%	Implied IRR (Market Price):	8.71%			
Average:	\$97.47	Implied IRR at today's EV/EBIT:	8.54%					

Current Evaluation				Exit Evaluation			
Current Market Price:	64.21	LBO Price:	80.00	Exit Price:	97.47	Exit Price:	96.73
Outstanding Shares:	494,820,000	Outstanding Shares:	494,820,000	Outstanding Shares:	494,820,000	Outstanding Shares:	494,820,000
Market Capitalization:	31,772,392,200	Market Capitalization:	39,585,600,000	Market Capitalization:	48,229,841,227	Market Capitalization:	47,863,392,327
Available Cash:	4,169,000,000	Available Cash:	4,169,000,000	Available Cash:	10,929,297,339	Available Cash:	10,929,297,339
Debt:	4,441,000,000	Debt:	4,441,000,000	Debt:	259,000,000	Debt:	259,000,000
Net Cash:	(272,000,000)	Net Cash:	(272,000,000)	Net Cash:	10,670,297,339	Net Cash:	10,670,297,339
Enterprise Value:	32,044,392,200	Enterprise Value:	39,857,600,000	Enterprise Value:	37,559,543,888	Enterprise Value:	37,193,094,987
Original EV/EBIT:	7.69	EV/EBIT:	9.57	EV/EBIT at 5 Years:	5.05	EV/EBIT at 5 Years:	5.00
Original EV/EBITDA:	6.01	EV/EBITDA:	7.80	EV/EBITDA at 5 Years:	7.01	EV/EBITDA at 5 Years:	4.11
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:	80.00	80.00	83.22	86.58	90.07	93.69	97.47
Shares Outstanding:	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000
Market Capitalization:	39,585,600,000	39,585,600,000	41,180,626,741	42,839,922,062	44,566,075,543	46,361,781,109	48,229,841,227
Available Cash:	4,169,000,000	4,169,000,000	4,504,807,865	5,381,802,558	6,831,033,759	8,749,953,356	10,929,297,339
Debt:	4,441,000,000	4,441,000,000	3,641,000,000	2,841,000,000	2,041,000,000	1,241,000,000	259,000,000
Net Cash:	-272,000,000	-272,000,000	863,807,865	2,540,802,558	4,790,033,759	7,508,953,356	10,670,297,339
Enterprise Value:	39,857,600,000	39,857,600,000	40,316,818,876	40,299,119,504	39,776,041,785	38,852,827,753	37,559,543,888
EBIT	4,166,000,000	4,166,000,000	4,844,505,759	5,550,445,647	6,333,702,469	6,929,741,499	7,438,618,997
EV/EBIT:	9.57	9.57	8.32	7.26	6.28	5.61	5.05
EBITDA	5,111,000,000	5,111,000,000	6,030,008,148	6,854,498,275	7,726,836,737	8,421,593,694	9,057,594,735
EV/EBITDA:	7.80	7.80	6.69	5.88	5.15	4.61	4.15

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	80.00	80.00	95.41	112.45	132.14	149.16	165.39
Shares Outstanding:	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000	494,820,000
Market Capitalization:	39,585,600,000	39,585,600,000	47,212,913,180	55,643,885,231	65,386,812,330	73,808,248,790	81,838,204,337
Available Cash:	4,169,000,000	4,169,000,000	4,504,807,865	5,381,802,558	6,831,033,759	8,749,953,356	10,929,297,339
Debt:	4,441,000,000	4,441,000,000	3,641,000,000	2,841,000,000	2,041,000,000	1,241,000,000	259,000,000
Net Cash:	-272,000,000	-272,000,000	863,807,865	2,540,802,558	4,790,033,759	7,508,953,356	10,670,297,339
Enterprise Value:	39,857,600,000	39,857,600,000	46,349,105,315	53,103,082,673	60,596,778,571	66,299,295,434	71,167,906,998
EBIT	4,166,000,000	4,166,000,000	4,844,505,759	5,550,445,647	6,333,702,469	6,929,741,499	7,438,618,997
EV/EBIT:	9.57	9.57	9.57	9.57	9.57	9.57	9.57
EBITDA	5,111,000,000	5,111,000,000	6,030,008,148	6,854,498,275	7,726,836,737	8,421,593,694	9,057,594,735
EV/EBITDA:	7.80	7.80	7.69	7.75	7.84	7.87	7.86

LBO Price	80.00	Equity Partners:	39,585,600,000	Weighting	100.00%	Annualized Return for Equity Partners: 3.87%
Shares Outstanding	494,820,000	Debt Partners:	0		0.00%	
Market Capitalization	39,585,600,000	Total Funds for LBO:	39,585,600,000		100.00%	

Book Value	Enterprise Value	Stock Valuation	Debt Reduction	
Beginning Book Value	39,585.60	Current Market Price	Starting Debt	4,182.00
Year 5 Book Value	53,534.38	Year 5 Market Price	Debt Repayment	4,182.00
Annualized Return	6.22%	Annualized Return	Year 5 Ending Debt	0.00
			% of Starting Debt	0.00%

	Historical				Forecasted				
	12 months ending 2007-12-31	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Revenue	5,465.00	6,124.00	7,705.00	9,540.00	10,971.00	12,068.10	13,274.91	14,204.15	15,198.44
COGS (excluding depreciation)	2,826.00	3,038.00	3,008.00	3,484.00	3,620.43	3,861.79	4,115.22	4,261.25	4,559.53
Gross margin	2,639.00	3,086.00	4,697.00	6,056.00	7,350.57	8,206.31	9,159.69	9,942.91	10,638.91
SG&A	143.00	144.00	159.00	178.00	219.42	217.23	225.67	227.27	227.98
R&D	250.00	379.00	322.00	434.00	438.84	422.38	424.80	454.53	455.95
Unusual expense	1,738.00	251.00	80.00	7.00	219.42	241.36	265.50	284.08	303.97
Other operating expense	240.00	382.00	350.00	326.00	442.88	470.84	516.88	555.43	593.42
Depreciation	685.00	738.00	806.00	945.00	1,185.50	1,304.05	1,393.13	1,491.85	1,618.98
Operating Income (EBITA)	-417.00	1,192.00	2,980.00	4,166.00	4844.51	5550.45	6333.70	6929.74	7438.62
Interest income/(expense)	8.00	22.00	-71.00	-261.00	-270.56	-206.56	-142.56	-78.56	0.00
Gain (loss) on sale of asset	10.00	42.00	16.00	48.00	-47.48	52.06	58.27	61.94	68.34
Other	10.00	29.00	29.00	44.00	49.56	53.95	59.72	63.80	68.27
Income before tax	-389.00	1,294.00	2,954.00	3,997.00	4,476.91	5,237.88	6,073.15	6,725.44	7,304.02
Tax	190.00	142.00	829.00	856.00	1,343.07	1,571.36	1,821.95	2,017.63	2,191.21
Income after tax	-579.00	1,152.00	2,125.00	3,141.00	3,133.84	3,666.52	4,251.21	4,707.81	5,112.81
Minority Interest	-408.00	-329.00	-796.00	-839.00	-977.87	-1,088.47	-1,190.11	-1,274.99	-1,364.39
Equity in affiliates	-1.00	-5.00	-16.00	3.00	-5.66	-5.10	-5.01	-5.75	-6.05
Net income	-988.00	818.00	1,313.00	2,305.00	2,150.31	2,572.94	3,056.10	3,427.07	3,742.37
*Figures are in millions (\$)									
Revenue Growth	N/A	12.06%	25.82%	23.82%	15.00%	10.00%	10.00%	7.00%	7.00%
Tax Rate	-48.84%	10.97%	28.06%	21.42%	30.00%	30.00%	30.00%	30.00%	30.00%
Implied Debt Interest Rate	0.27%	0.68%	-1.48%	-5.88%	-8.00%	-8.00%	-8.00%	-8.00%	-8.00%
Margins									
COGS (excluding depreciation)	51.71%	49.61%	39.04%	36.52%	33.00%	32.00%	31.00%	30.00%	30.00%
Gross margin	48.29%	50.39%	60.96%	63.48%	67.00%	68.00%	69.00%	70.00%	70.00%
Depreciation	12.53%	12.05%	10.46%	9.91%	10.81%	10.81%	10.49%	10.50%	10.65%
SG&A	2.62%	2.35%	2.06%	1.87%	2.00%	1.80%	1.70%	1.60%	1.50%
R&D	4.57%	6.19%	4.18%	4.55%	4.00%	3.50%	3.20%	3.20%	3.00%
Unusual expense	31.80%	4.10%	1.04%	0.07%	2.00%	2.00%	2.00%	2.00%	2.00%
Other operating expense	4.39%	6.24%	3.42%	3.42%	4.04%	3.90%	3.89%	3.91%	3.90%
Operating Income (EBITA)	-7.63%	19.46%	38.68%	43.67%	44.16%	45.99%	47.71%	48.79%	48.94%
Interest income/(expense)	0.15%	0.13%	-0.92%	-2.74%	-2.47%	-1.71%	-1.07%	-0.55%	0.00%
Gain (loss) on sale of asset	0.18%	0.69%	0.21%	0.43%	0.43%	0.43%	0.44%	0.44%	0.44%
Other	0.18%	0.62%	0.38%	0.46%	0.45%	0.45%	0.45%	0.45%	0.45%
Income before tax	-7.12%	21.13%	38.34%	41.90%	40.81%	43.40%	45.75%	47.35%	48.06%
Tax	3.48%	2.32%	10.76%	8.97%	8.84%	9.07%	8.99%	9.00%	9.01%
Income after tax	-10.59%	18.81%	27.58%	32.92%	28.56%	33.42%	38.75%	42.91%	46.60%
Minority Interest	-7.47%	-5.37%	-10.53%	-8.79%	-8.91%	-9.02%	-8.97%	-8.98%	-8.98%
Equity in affiliates	-0.02%	-0.08%	-0.21%	0.03%	-0.05%	-0.04%	-0.04%	-0.04%	-0.04%
Net income	-18.08%	13.36%	17.04%	24.16%	19.60%	21.32%	23.02%	24.13%	24.62%

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LBO Adjusted Proforma Balance Sheet

	As of 2010-12-31	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
		+	-						
Cash	4,056.00			4,056.00	4,391.81	5,268.80	6,718.03	8,636.95	10,816.30
Short term investment	113.00			113.00	113.00	113.00	113.00	113.00	113.00
Cash and Short term	4,169.00			4,169.00	4,504.81	5,381.80	6,831.03	8,749.95	10,929.30
Accounts Receivable	670.00			670.00	670.00	670.00	670.00	670.00	670.00
Other receivables	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	670.00			670.00	670.00	670.00	670.00	670.00	670.00
Deferred Income Tax	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Inventory	1,275.00			1,275.00	1,475.00	1,675.00	1,875.00	2,075.00	2,275.00
Prepaid Expenses	65.00			65.00	65.00	65.00	65.00	65.00	65.00
Other Current Assets	1,074.00			1,074.00	1,074.00	1,074.00	1,074.00	1,074.00	1,074.00
Current Assets	7,253.00	0.00	0.00	7,253.00	7,788.81	8,865.80	10,515.03	12,633.95	15,013.30
PP&E, Gross	20,717.00			20,717.00	22,217.00	23,717.00	25,217.00	26,717.00	28,217.00
Change in Depreciation	945.00			945.00	1,185.50	1,304.05	1,393.13	1,491.85	1,618.98
Accumulated Depreciation	7,713.00			7,713.00	8,898.50	10,202.56	11,595.69	13,087.54	14,706.52
PP&E, Net	13,004.00			13,004.00	13,318.50	13,514.44	13,621.31	13,629.46	13,510.48
Goodwill	188.00	26240.60		26,428.60	26,428.60	26,428.60	26,428.60	26,428.60	26,428.60
Intangibles	91.00			91.00	91.00	91.00	91.00	91.00	91.00
Long term investments	1,568.00			1,568.00	1,568.00	1,568.00	1,568.00	1,568.00	1,568.00
Other long term assets	3,637.00			3,637.00	3,637.00	3,637.00	3,637.00	3,637.00	3,637.00
Long Term Assets	18,488.00			44,728.60	45,043.10	45,239.04	45,345.91	45,354.06	45,235.08
Total Assets	25,663.00	26240.60	0.00	51,981.60	52,831.91	54,104.85	55,860.94	57,988.01	60,248.38
Accounts Payable	427.00			427.00	427.00	427.00	427.00	427.00	427.00
Accrued Expense	879.00			879.00	879.00	879.00	879.00	879.00	879.00
Other current Liabilities	1,182.00			1,182.00	1,182.00	1,182.00	1,182.00	1,182.00	1,182.00
Total Current Liabilities	2,488.00	0.00	0.00	2,488.00	2,488.00	2,488.00	2,488.00	2,488.00	2,488.00
Notes Payables/Short Term Debt	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	259.00			259.00	259.00	259.00	259.00	259.00	259.00
Long term Debt	4,182.00	0.00		4,182.00	3,382.00	2,582.00	1,782.00	982.00	0.00
Capital Lease Obligations	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	4,441.00	0.00	0.00	4,441.00	3,641.00	2,841.00	2,041.00	1,241.00	259.00
Deferred Income tax	1,488.00			1,488.00	1,188.00	888.00	588.00	288.00	-12.00
Minority Interest	2,371.00			2,371.00	2,371.00	2,371.00	2,371.00	2,371.00	2,371.00
Other liabilities	1,530.00			1,530.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00
Total Liabilities	12,318.00	0.00	0.00	12,318.00	11,218.00	10,118.00	9,018.00	7,918.00	6,636.00
Redeemable Preferred Stock	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
Common Stock	778.00		778.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	8,279.00	39585.60	8279.00	39,585.60	39,585.60	39,585.60	39,585.60	39,585.60	39,585.60
Dividends Paid	0.00		0.00	0.00	-200.00	-400.00	-800.00	-800.00	-1,000.00
Retained Earnings	3,180.00		3180.00	0.00	2,150.31	4,723.25	7,779.34	11,206.41	14,948.78
Treasury Stock	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	1,108.00		1108.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	13,345.00	39585.60	13345.00	39,585.60	41,535.91	43,908.85	46,764.94	49,992.01	53,534.38
Liability + Equity	25,663.00	39585.60	13345.00	51,903.60	52,753.91	54,026.85	55,782.94	57,910.01	60,170.38
Variance	0.00			78.00	78.00	78.00	78.00	78.00	78.00
Debt/Equity	0.33			0.11	0.09	0.06	0.04	0.02	0.00

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2010-12-31	2011	2012	2013	2014	2015
Net Income	3,116.00	2,150.31	2,572.94	3,056.10	3,427.07	3,742.37
Depreciation	945.00	1,185.50	1,304.05	1,393.13	1,491.85	1,618.98
Amortization	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-380.00	(300.00)	(300.00)	(300.00)	(300.00)	(300.00)
Non Cash Items	240.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-754.00	(200.00)	(200.00)	(200.00)	(200.00)	(200.00)
Accounts Receivable	-130.00	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	-111.00	(200.00)	(200.00)	(200.00)	(200.00)	(200.00)
Prepaid Expenses	5.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	31.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	3,167.00	2,835.81	3,376.99	3,949.23	4,418.92	4,861.34
Capital Expenditures	-1,402.00	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-17.00	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-1,419.00	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)	(1,500.00)
Financing Cash flow items	-299.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-246.00	200.00	200.00	200.00	200.00	200.00
Issuance (Retirement) of Stock	60.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Debt	-430.00	(800.00)	(800.00)	(800.00)	(800.00)	(982.00)
Cash from Financing Activities	-915.00	(1,000.00)	(1,000.00)	(1,000.00)	(1,000.00)	(1,182.00)
Foreign Exchange effect	8.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	3,215.00	4,056.00	4,391.81	5,268.80	6,718.03	8,636.95
Net Change in Cash	841.00	335.81	876.99	1,449.23	1,918.92	2,179.34
Ending Cash Balance	4,056.00	4,391.81	5,268.80	6,718.03	8,636.95	10,816.30
Depreciation to Sales	9.91%	10.81%	10.81%	10.49%	10.50%	10.65%
Amortization to Sales	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	7.02%	6.11%	5.55%	5.05%	4.72%	4.41%

Appreciation Potential:

#DIV/0!

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
CSS						
Net Change in Cash	841.00	335.81	876.99	1,449.23	1,918.92	2,179.34
Debt Repayment		800.00	800.00	800.00	800.00	982.00
Outstanding Debt	4182	4182.00	3382.00	2582.00	1782.00	982.00
Ending Debt	4182.00	3382.00	2582.00	1782.00	982.00	0.00
Forward Libor Curve		4.00%	4.50%	5.00%	5.50%	6.00%
Spread		4.00%	3.50%	3.00%	2.50%	2.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		270.56	206.56	142.56	78.56	0.00
EBITDA		4844.51	5550.45	6333.70	6929.74	7438.62
EBITDA/Interest Expense Coverage		17.91	26.87	44.43	88.21	#DIV/0!

Interest Rate Coverage Table

Debt Rating					
AAA	AAA	AAA	AAA	AAA	#DIV/0!
AA					#DIV/0!
A+					#DIV/0!
A					#DIV/0!
A-					#DIV/0!
BBB					#DIV/0!
BB+					#DIV/0!
BB					#DIV/0!
B+					#DIV/0!
B					#DIV/0!
B-					#DIV/0!
CCC					#DIV/0!
CC					#DIV/0!
C					#DIV/0!
D					#DIV/0!

*Source: NYU; Professor Damodaran