

Salesforce.com (CRM)

Price:	\$137.11
Market Cap:	\$18,921,180,000
Cash:	\$710,390,000
Debt:	\$502,330,000
Net Cash:	\$208,060,000
Enterprise Value:	\$18,713,120,000

Price/Book:	10.45
EV/FCF:	183.79
Net Tang. Asset/Share:	\$7.31
Avg. Year 1-5 FCF/Share:	\$2.21
5 Years of FCF:	\$11.05
Net Tang. Asset+5 FCF:	\$18.36

Net Tang. Asset Yr. 5/Share:	\$15.43
Avg. Year FCF/Share:	\$2.21
Year 5 Disposition FCF Multipl:	3.0
Year 5 Disposition Price:	\$22.05
Gain Year 5:	\$14.74

Net Tang. Asset+5 FCF+ Gain Disposition:	\$33.10
IRR:	-24.74%

Salesforce.com, Mark Benioff. Cloud computing company that provides software without the need for an OS, revolutionary when the service was initially launched. Internet based cloud computing. Cloud computing sounds like a new techie service, but Gmail is cloud computing, Twitter is cloud. Essentially, a service provided online where data can be saved and accessed online.

The products are used primarily by enterprise customers who can view sales figures, account history and etc. online.

Current stock is on the pricey end with 10 x P/B. Growth is phenomenal at 20%. SG&A is horrible.

Growth is capitalized by equity dilution. Most of the capital is going to fund the company's acquisitions, with a goodwill balance at \$800 MM. Company could easily payoff current debt balance with existing cash.

We would short the stock. Too much fluff for a company that doesn't have the clout to demand such a valuation. The company has been around for 10 years and revenue is \$2.3 BB. Relative to other truly revolutionary services that appeals to the masses such as Google, Apple, Salesforce.com doesn't have the brand premium for such a pricey valuation, both on a tangible asset and FCF generation basis.

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Company Name:	Salesforce.com
Ticker Symbol:	CRM
Last Price:	\$137.11
Net Cash/Share:	\$1.51
Net Cash to Last Price:	1.10%
Shares Outstanding:	138,000,000
Industry:	Software - Application
Sector:	Technology
Institutional Ownership:	#VALUE!
Mutual Fund Ownership:	#VALUE!
Insider Ownership:	#VALUE!
Retail Ownership:	#VALUE!
Float:	#VALUE!

Technicals	
52 week low:	Error
Today from 52 week low:	#VALUE!
52 week high:	Error
Today from 52 week high:	#VALUE!
50 day Moving Average:	Error
200 day Moving Average:	Error

Analyst/Consensus	
Analyst Sales Growth FY1:	33.40%
Analyst Sales Growth FY2:	25.70%
SN Valuation Estimate FY1:	20.00%
SN Valuation Estimate FY2:	20.00%

Analyst Earnings Estimate FY1:	\$1.49
Analyst Earnings Estimate FY2:	\$1.99
SN Valuation Earnings Est. FY1:	\$0.05
SN Valuation Earnings Est. FY2:	\$0.15

Multiples	
Market Value to Book:	10.45
EV to Book:	10.34
Market Value to Tangible Net Assets:	-109.14
P/E Ratio:	-599.15
Trailing P/E Ratio:	N/A
Forward P/E Ratio:	68.90
Beta:	Error
Dividend:	0
Dividend Yield:	0.00%
Dividend Date:	N/A
Ex-Dividend Date:	N/A

Competitors	
Average EV to EBITDA:	N/A
Company EV to EBITDA:	153.14
Average EV to EBIT:	N/A
Company EV to EBITA:	-533.29

Market Capitalization:	\$18,921,180,000.00
Total Debt:	\$502,330,000.00
Total Cash:	\$710,390,000.00
Net Cash/(Debt):	\$208,060,000.00
Enterprise Value:	\$18,713,120,000.00
Current EV/Share:	\$135.60
EBITDA:	\$122,200,000.00
EV/EBITDA Multiple:	153.14
EV/EBITDA Multiple Average Year 1-5:	58.22
EV/FCF Multiple:	183.79
EV/FCF Multiple Average Year 1-5:	61.38

Upper Range
DCF: EV/EBITDA Terminal Value

Implied TV from 3 X EV/EBITDA Multiple	\$169,196,304.38
Enterprise Value	\$169,196,304.38
Cash at Year 5:	\$1,834,812,227.50
Debt at Year 5:	\$102,330,000.00
Equity Value Year 5:	\$1,901,678,531.88
Equity/Share at Year 5:	\$13.78
Annualized Return:	-36.84%

Lower Range
DCF: Net Tangible Asset excluding Cash/Debt Terminal Value

Year 5 Net Tangible Assets excluding cash and debt	\$322,790,000.00
Enterprise Value	\$322,790,000.00
Cash at Year 5:	\$1,834,812,227.50
Debt at Year 5:	\$102,330,000.00
Equity Value Year 5:	\$2,055,272,227.50
Equity/Share at Year 5:	\$14.89
Annualized Return:	-35.85%

EVA

EVA today:	\$1,547,280,648.43
EVA in 5 Years:	\$1,026,855,391.19
EVA/Share:	\$7.44
Cash at Year 5:	\$1,834,812,227.50
Debt at Year 5:	\$102,330,000.00
Equity Value Year 5:	\$2,759,337,618.69
Equity/Share at Year 5:	\$20.00
Annualized return	-7.87%

Current Net Tangible Asset

Net Tangible Asset/Share:	\$5.54
Net Tangible Asset/Share in Year 5:	\$13.66
Annualized return	19.76%

Current Equity Price:	\$137.11
Selling at Discount?	Premium
Appreciation Potential:	-95.96%

Dividend Model

Next Year Dividend	\$0.00
WACC:	10.83%
Dividend:	\$0.00
Net Income:	-\$31,580,000.00

Income Statement

Revenue:	\$2,460,000,000.00	100.0%
Cost of Goods Sold:	\$680,000,000.00	27.6%
Gross Profit:	\$1,780,000,000.00	72.4%
EBITDA:	\$105,900,000.00	4.3%
Net Income:	-\$31,580,000.00	-1.3%

Balance Sheet

Cash:	\$607,290,000.00
Short Term Investment:	\$269,600,000.00
A/R:	\$371,390,000.00
PP&E:	\$580,000,000.00
Assets:	\$4,186,350,000.00
A/P:	\$19,750,000.00
Deferred Tax:	\$0.00
Other Liabilities:	\$1,824,250,000.00
Short term Debt:	\$0.00
Long Term Debt:	\$502,330,000.00
Liabilities:	\$2,346,330,000.00
Retained Earnings:	\$139,990,000.00
Paid-In Capital:	\$1,659,590,000.00
Treasury Stock:	\$0.00
Stockholder's Equity:	\$1,809,780,000.00

Cash Flow

Net Income:	-11,570,000.00
Depreciation/Amortization:	157,290,000.00
Change in Working capital:	105,010,000.00
Cash from Operating Activities:	591,510,000.00
Capital Expenditures:	-171,300,000.00
Cash from Investing Activities:	-489,690,000.00
Total Cash Dividends Paid:	0.00
Issuance (Retirement) of Stock:	116,560,000.00
Issuance (Retirement) of Debt:	-30,530,000.00
Cash from Financing Activities:	75,850,000.00

Profitability Margins

Debt to Equity:	27.76%
Return on Assets:	-0.28%
Return on Capital:	-0.50%
Return on Equity:	-0.64%

2012-06-25

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	15.82	Non-LBO Forecast		Non-LBO Forecast	
EV/EBITDA with 3X Multiple Terminal Value:	\$13.78	Market Price:	137.11	Year 1 Target	89.02	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$14.89	LBO Price:	137.11	Year 2 Target	57.79	Implied Today's Price	6.36
EV/EBITDA with Today's Multiple Terminal Value:	\$14.60	Premium to Market Price:	0.00%	Year 3 Target	37.52	Overvalued/(Undervalued)	2057.06%
EVA Enterprise Value:	\$20.00	LBO Price/Intrinsic Price Target:	-35.08%	Year 4 Target	24.36		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-36.44%	Year 5 Target	15.82		
Average (Excluding Dividend Discount):	\$15.82	Implied IRR at today's EV/EBITDA:	-36.11%	Implied IRR (Market Price):	-35.08%		
		5 Year Return:	-88.46%				

Current Evaluation				Exit Evaluation			
Current Market Price:	137.11	LBO Price:	137.11	Exit Price:	15.82	Exit Price:	14.60
Outstanding Shares:	138,000,000	Outstanding Shares:	138,000,000	Outstanding Shares:	138,000,000	Outstanding Shares:	138,000,000
Market Capitalization:	18,921,180,000	Market Capitalization:	18,921,180,000	Market Capitalization:	2,182,691,112	Market Capitalization:	2,014,476,068
Available Cash:	710,390,000	Available Cash:	710,390,000	Available Cash:	1,834,812,227	Available Cash:	1,834,812,227
Debt:	502,330,000	Debt:	502,330,000	Debt:	102,330,000	Debt:	102,330,000
Net Cash:	208,060,000	Net Cash:	208,060,000	Net Cash:	1,732,482,227	Net Cash:	1,732,482,227
Enterprise Value:	18,713,120,000	Enterprise Value:	18,713,120,000	Enterprise Value:	450,208,884	Enterprise Value:	281,993,841
Original EV/EBITDA:	-533.29	EV/EBITDA:	-533.29	EV/EBITDA at 5 Years:	7.98	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	153.14	EV/EBITDA:	153.14	EV/EBITDA at 5 Years:	1.05	EV/EBITDA at 5 Years:	0.63
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:	137.11	137.11	89.02	57.79	37.52	24.36	15.82
Shares Outstanding:	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000
Market Capitalization:	18,921,180,000	18,921,180,000	12,284,487,133	7,975,645,500	5,178,150,333	3,361,889,752	2,182,691,112
Available Cash:	710,390,000	710,390,000	706,152,007	753,599,416	1,050,589,309	1,407,030,180	1,834,812,227
Debt:	502,330,000	502,330,000	302,330,000	102,330,000	102,330,000	102,330,000	102,330,000
Net Cash:	208,060,000	208,060,000	403,822,007	651,269,416	948,259,309	1,304,700,180	1,732,482,227
Enterprise Value:	18,713,120,000	18,713,120,000	11,880,665,126	7,324,376,084	4,229,891,025	2,057,189,572	450,208,884
EBIT	-35,090,000	-35,090,000	27,198,480	32,638,176	39,165,811	46,998,973	56,398,768
EV/EBIT:	-533.29	-533.29	436.81	224.41	108.00	43.77	7.98
EBITDA	122,200,000	122,200,000	215,946,480	259,135,776	310,962,931	373,155,517	447,786,621
EV/EBITDA:	153.14	153.14	55.02	28.26	13.60	5.51	1.01

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	137.11	137.11	-102.18	-121.41	-144.48	-172.17	-205.39
Shares Outstanding:	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000	138,000,000
Market Capitalization:	18,921,180,000	18,921,180,000	-14,100,835,162	-16,754,319,186	-19,938,447,015	-23,759,347,407	-28,344,374,878
Available Cash:	710,390,000	710,390,000	706,152,007	753,599,416	1,050,589,309	1,407,030,180	1,834,812,227
Debt:	502,330,000	502,330,000	302,330,000	102,330,000	102,330,000	102,330,000	102,330,000
Net Cash:	208,060,000	208,060,000	403,822,007	651,269,416	948,259,309	1,304,700,180	1,732,482,227
Enterprise Value:	18,713,120,000	18,713,120,000	-14,504,657,169	-17,405,588,603	-20,886,706,323	-25,064,047,588	-30,076,857,105
EBIT	-35,090,000	-35,090,000	27,198,480	32,638,176	39,165,811	46,998,973	56,398,768
EV/EBIT:	-533.29	-533.29	-533.29	-533.29	-533.29	-533.29	-533.29
EBITDA	122,200,000	122,200,000	215,946,480	259,135,776	310,962,931	373,155,517	447,786,621
EV/EBITDA:	153.14	153.14	-67.17	-67.17	-67.17	-67.17	-67.17

LBO Price	137.11	Equity Partners:	19,417,330,000	Weighting	100.00%	Annualized Return for Equity Partners: -36.44%
Shares Outstanding	138,000,000	Debt Partners:	0	0.00%		
Market Capitalization	18,921,180,000	Total Funds for LBO:	19,417,330,000	100.00%		
Debt	496,150,000					
Cash	710,390,000					
Enterprise Value	18,706,940,000					
Capital Investment	19,417,330,000					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	1,809.78	Current Market Price	Starting Debt
Year 5 Book Value	1,929.62	Year 5 Market Price	Debt Repayment
Annualized Return	1.29%	Annualized Return	Year 5 Ending Debt
			% of Starting Debt
			20.37%

SN VALUATION

LBO Pro Forma Income Statement

Name:

Salesforce.com

Ticker:

CRM

	Historical				Forecasted				
	12 months ending 2009-01-31	12 months ending 2010-01-31	12 months ending 2011-01-31	12 months ending 2012-01-31	2011	2012	2013	2014	2015
Revenue	1,076.77	1,305.58	1,657.14	2,266.54	2,719.85	3,263.82	3,916.58	4,699.90	5,639.88
COGS	220.47	257.93	323.81	488.89	598.37	718.04	861.65	1,033.98	1,240.77
Gross margin	856.30	1,047.65	1,333.33	1,777.65	2,121.48	2,545.78	3,054.93	3,665.92	4,399.10
SG&A	693.03	800.49	1,047.94	1,517.39	1,822.90	2,186.76	2,624.11	3,148.93	3,778.72
R&D	99.53	131.90	187.89	295.35	271.98	326.38	391.66	489.99	583.99
Unusual expense	0.00	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	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	63.74	115.26	97.50	-35.09	27.20	32.64	39.17	47.00	56.40
Interest income/(expense)	22.67	28.41	12.83	6.23	-16.41	-0.41	-0.41	-0.41	-0.41
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	-0.82	-1.30	-6.03	-4.46	0.00	0.00	0.00	0.00	0.00
Income before tax	85.59	142.38	104.30	-33.32	10.79	32.23	38.76	46.59	55.99
Tax	37.56	57.69	34.60	-21.75	3.78	11.28	13.57	16.31	19.60
Income after tax	48.03	84.69	69.70	-11.57	7.01	20.95	25.19	30.28	36.39
Minority Interest	-4.61	-3.97	-5.22	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	43.43	80.72	64.47	-11.57	7.01	20.95	25.19	30.28	36.39
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.31	\$0.58	\$0.47	-\$0.08	\$0.05	\$0.15	\$0.18	\$0.22	\$0.26
P/E (historical today's price; forecasted intrinsic price)	435.67	234.41	293.49	-1,635.37	1,751.42	380.70	205.54	111.01	59.97
Revenue Growth	N/A	21.25%	26.93%	36.77%	20.00%	20.00%	20.00%	20.00%	20.00%
Tax Rate	43.88%	40.52%	33.17%	65.28%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.00%	6.31%	2.72%	1.26%	-3.27%	-0.13%	-0.40%	-0.40%	-0.40%
Margins									
COGS	20.48%	19.76%	19.54%	21.57%	22.00%	22.00%	22.00%	22.00%	22.00%
Gross margin	79.52%	80.24%	80.46%	78.43%	78.00%	78.00%	78.00%	78.00%	78.00%
SG&A	64.36%	61.31%	63.24%	66.95%	67.00%	67.00%	67.00%	67.00%	67.00%
R&D	9.24%	10.10%	11.34%	13.03%	10.00%	10.00%	10.00%	10.00%	10.00%
Unusual expense	0.00%	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%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	5.92%	8.83%	5.88%	-1.55%	1.00%	1.00%	1.00%	1.00%	1.00%
Interest income/(expense)	2.11%	2.18%	0.77%	0.27%	-0.60%	-0.01%	-0.01%	-0.01%	-0.01%
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	-0.08%	-0.10%	-0.36%	-0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	7.95%	10.91%	6.29%	-1.47%	0.40%	0.99%	0.99%	0.99%	0.99%
Tax	3.49%	4.42%	2.09%	-0.96%	0.14%	0.35%	0.35%	0.35%	0.35%
Income after tax	4.46%	6.49%	4.21%	-0.51%	0.26%	0.77%	0.93%	1.11%	1.34%
Minority Interest	-0.43%	-0.30%	-0.32%	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	4.03%	6.16%	3.89%	-0.51%	0.26%	0.64%	0.64%	0.64%	0.65%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-01-31	As of 2010-01-31	As of 2011-01-31	As of 2012-01-31	As of 2012-04-30	+	-						
Cash	483.83	1,011.30	424.29	607.29	607.29			440.79	436.55	484.00	780.99	1,137.43	1,565.21
Short term investment	213.77	230.66	72.68	170.58	269.60			269.60	269.60	269.60	269.60	269.60	269.60
Cash and Short term	697.60	1,241.96	496.97	777.87	710.39			710.39	706.15	753.60	1,050.59	1,407.03	1,834.81
Accounts Receivable	266.56	320.96	426.94	683.75	371.39			371.39	371.39	371.39	371.39	371.39	371.39
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	266.56	320.96	426.94	683.75	371.39			371.39	371.39	371.39	371.39	371.39	371.39
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	20.05	42.31	37.81	69.92	91.20			91.20	91.20	91.20	91.20	91.20	91.20
Other Current Assets	84.35	100.92	113.20	140.69	150.05			150.05	150.05	150.05	150.05	150.05	150.05
Current Assets	1,068.56	1,706.15	1,074.92	1,672.23	1,323.03	0.00	0.00	1,323.03	1,318.79	1,366.24	1,663.23	2,019.67	2,447.45
PP&E, Gross	132.99	176.81	687.43	700.00	700.00			700.00	900.00	1,100.00	1,300.00	1,500.00	1,700.00
Change in Depreciation		53.18	75.75	157.29	157.29			157.29	188.75	226.50	271.80	326.16	391.39
Accumulated Depreciation	55.97	87.10	107.78	120.00	120.00			120.00	308.75	535.25	807.04	1,133.20	1,524.59
PP&E, Net	77.02	89.71	579.65	580.00	580.00			580.00	591.25	564.75	492.96	366.80	175.41
Goodwill	44.87	48.95	396.08	785.38	831.00	0.00		831.00	831.00	831.00	831.00	831.00	831.00
Intangibles	39.67	41.55	165.52	249.54	244.05			244.05	244.05	244.05	244.05	244.05	244.05
Long term investments	184.96	491.37	937.65	723.26	998.65			998.65	998.65	998.65	998.65	998.65	998.65
Other long term assets	64.74	82.45	129.81	205.81	209.62			209.62	209.62	209.62	209.62	209.62	209.62
Long Term Assets	411.26	754.03	2,208.71	2,543.99	2,863.32			2,863.32	2,874.57	2,848.07	2,776.28	2,650.12	2,458.73
Total Assets	1,479.82	2,460.18	3,283.63	4,216.22	4,186.35	0.00	0.00	4,186.35	4,193.36	4,214.31	4,439.51	4,669.79	4,906.19
Accounts Payable	16.38	14.79	18.11	33.26	19.75			19.75	19.75	19.75	19.75	19.75	19.75
Accrued Expense	163.21	194.74	295.99	401.97	338.52			338.52	338.52	338.52	338.52	338.52	338.52
Other current Liabilities	587.38	698.60	962.37	1,392.09	1,318.58			1,318.58	1,318.58	1,318.58	1,318.58	1,318.58	1,318.58
Total Current Liabilities	766.97	908.13	1,276.47	1,827.32	1,676.85	0.00	0.00	1,676.85	1,676.85	1,676.85	1,676.85	1,676.85	1,676.85
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	0.00
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	496.15	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	450.20	472.54	0.00	502.33	0.00	0.00	502.33	302.33	102.33	102.33	102.33	102.33
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.00	450.20	472.54	496.15	502.33	0.00	0.00	502.33	302.33	102.33	102.33	102.33	102.33
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	10.70	12.86	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	30.37	45.21	65.67	253.32	167.15			167.15	167.15	167.15	167.15	167.15	167.15
Total Liabilities	808.04	1,416.40	1,814.68	2,576.79	2,346.33	0.00	0.00	2,346.33	2,146.33	1,946.33	1,946.33	1,946.33	1,946.33
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	0.13	0.13	0.14	0.14		0.00	0.14	0.14	0.14	0.14	0.14	0.14
Additional Paid-in capital	648.72	938.54	1,098.60	1,415.08	1,659.45	0.00	0.00	1,659.45	1,659.45	1,659.45	1,659.45	1,659.45	1,659.45
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	25.84	106.56	171.03	159.46	139.99		0.00	139.99	147.00	167.95	193.15	223.43	259.83
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	-2.90	-1.43	6.72	12.68	10.20		0.00	10.20	10.20	10.20	10.20	10.20	10.20
Total Equity	671.78	1,043.80	1,276.48	1,587.36	1,809.78	0.00	0.00	1,809.78	1,816.79	1,837.74	1,862.94	1,893.22	1,929.62
Liability + Equity	1,479.82	2,460.20	3,091.16	4,164.15	4,156.11	0.00	0.00	4,156.11	3,963.12	3,784.07	3,809.27	3,839.55	3,875.95
Variance	0.00	-0.02	192.47	52.07	30.24			30.24	230.24	430.24	630.24	830.24	1,030.24
Debt/Equity	0.00	0.43	0.37	0.31	0.28			0.28	0.17	0.06	0.05	0.05	0.05
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	4.04	4.07	3.88	3.31	7.32			6.10	7.32	8.79	10.55	12.65	15.19
Accounts Receivable Turnover Days	90.36	89.73	94.04	110.11	49.84			59.81	49.84	41.53	34.61	28.84	24.04
Days Payable Outstanding	27.12	20.93	20.41	24.83	12.05			14.75	12.05	10.04	8.37	6.97	5.81
Days Sales Outstanding	90.36	89.73	94.04	110.11	49.84			110.11	59.81	49.84	41.53	34.61	28.84
Cash Conversion Cycle	63.24	68.80	73.62	85.28	37.79			95.36	47.76	39.80	33.17	27.64	23.03
Net tangible assets/share					5.54				7.04	8.64	10.28	11.95	13.66

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2009-01-31	12 months ending 2010-01-31	12 months ending 2011-01-31	12 months ending 2012-01-31	2011	2012	2013	2014	2015
Net Income	48.03	84.69	69.70	-11.57	7.01	20.95	25.19	30.28	36.39
Depreciation	35.97	53.18	75.75	157.29	188.75	226.50	271.80	326.16	391.39
Net Income + Depreciation	84.00	137.87	145.45	145.72	195.76	247.45	296.99	356.44	427.78
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	83.28	101.97	184.22	340.78	200.00	200.00	200.00	200.00	200.00
Change in Working capital	62.27	31.07	129.42	105.01	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-54.40	-105.98	-256.81	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-22.26	4.50	-32.11	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-1.59	3.32	15.15	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	229.55	270.91	459.09	591.51	395.76	447.45	496.99	556.44	627.78
Capital Expenditures Expenditures	-61.06	-53.90	-368.83	-171.30	-200.00	-200.00	-200.00	-200.00	-200.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-38.32	-324.71	-693.72	-318.39	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-99.38	-378.61	-1,062.55	-489.69	-200.00	-200.00	-200.00	-200.00	-200.00
Financing Cash flow items	32.98	-74.96	-135.97	-10.18	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	43.31	153.14	160.40	116.56	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	-1.00	558.98	-10.36	-30.53	-200.00	-200.00	0.00	0.00	0.00
Cash from Financing Activities	75.29	637.16	14.07	75.85	-200.00	-200.00	0.00	0.00	0.00
Foreign Exchange effect	-0.73	-1.98	2.38	5.33	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	279.09	483.83	1,011.31	424.29	440.79	436.55	484.00	780.99	1,137.43
Net Change in Cash	204.74	527.47	-587.01	182.99	-4.24	47.45	296.99	356.44	427.78
Ending Cash Balance	483.83	1,011.31	424.30	607.28	436.55	484.00	780.99	1,137.43	1,565.21
Capex to Revenue	5.67%	4.13%	22.26%	7.56%	7.35%	6.13%	5.11%	4.26%	3.55%
Depreciation to Sales	3.34%	4.07%	4.57%	6.94%	6.94%	6.94%	6.94%	6.94%	6.94%
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	24.76%	24.58%	25.76%	30.17%	25.14%	20.95%	17.46%	14.55%	12.12%
Distributable FCF Yield	0.70%	-0.58%	-3.22%	0.54%	1.05%	1.32%	1.59%	1.90%	2.29%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	130.17	-107.70	-603.46	101.82	195.76	247.45	296.99	356.44	427.78

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	182.99	-4.24	47.45	296.99	356.44	427.78
Current Portion Debt Repayment						
Long Term Debt Repayment		200.00	200.00			
Outstanding Debt	502.33	302.33	102.33	102.33	102.33	102.33
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	502.33	302.33	102.33	102.33	102.33	102.33
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		24.19	8.19	8.19	8.19	8.19
Cash Balance		777.87				
Interest @ 1.0%		7.78	7.78	7.78	7.78	7.78
Net Interest Expense/(Income)		16.41	0.41	0.41	0.41	0.41
Net Interest Rate		3.27%	0.13%	0.40%	0.40%	0.40%
EBITDA		27.20	32.64	39.17	47.00	56.40
EBITDA/Interest Expense Coverage		1.12	3.99	4.78	5.74	6.89

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Salesforce.com

Ticker:

CRM

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	301.59	798.02	-201.55	-353.82	-358.06	-310.61	-13.62	342.82	770.60
Total Assets	1,479.82	2,460.18	3,283.63	4,186.35	4,193.36	4,214.31	4,439.51	4,669.79	4,906.19
X1	0.20	0.32	-0.06	-0.08	-0.09	-0.07	0.00	0.07	0.16
Retained Earnings	25.84	106.56	171.03	139.99	147.00	167.95	193.15	223.43	259.83
Total Assets	1,479.82	2,460.18	3,283.63	4,186.35	4,193.36	4,214.31	4,439.51	4,669.79	4,906.19
X2	0.02	0.04	0.05	0.03	0.04	0.04	0.04	0.05	0.05
EBITDA	63.74	115.26	97.50	-35.09	27.20	32.64	39.17	47.00	56.40
Total Assets	1,479.82	2,460.18	3,283.63	4,186.35	4,193.36	4,214.31	4,439.51	4,669.79	4,906.19
X3	0.04	0.05	0.03	-0.01	0.01	0.01	0.01	0.01	0.01
Market Value of Equity	18,921.18	18,921.18	18,921.18	18,921.18	12,284.49	7,975.65	5,178.15	3,361.89	2,182.69
Total Liabilities	808.04	1,416.40	1,814.68	2,346.33	2,146.33	1,946.33	1,946.33	1,946.33	1,946.33
X4	23.42	13.36	10.43	8.06	5.72	4.10	2.66	1.73	1.12
Net Sales	1,076.77	1,305.58	1,657.14	2,266.54	2,719.85	3,263.82	3,916.58	4,699.90	5,639.88
Total Assets	1,479.82	2,460.18	3,283.63	4,186.35	4,193.36	4,214.31	4,439.51	4,669.79	4,906.19
X5	0.73	0.53	0.50	0.54	0.65	0.77	0.88	1.01	1.15
Altman Z Score	15.19	9.15	6.86	5.30	4.05	3.23	2.56	2.23	2.12

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

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