

Analyst: Sung Nam

**Sealed Air Corp (SEE)**

<b>Market Price:</b>	<b>\$17.61</b>	<b>EBITDA/Share:</b>	<b>\$3.42</b>	<b>Net Asset/Share:</b>	<b>\$1.98</b>
<b>DCF: EV/EBITDA Terminal Value</b>	<b>7.244%</b>	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>		<b>-2.653%</b>	
<b>EBITDA-Cap Ex/Share</b>	<b>\$2.14</b>	<b>EVA Analysis:</b>		<b>3.305%</b>	

Overview**Dividend?**

Dividend yield is 2.95%.

**Price to Book**

Price to book is 1.41. Price to book excluding goodwill is 8.88.

**Cashflow Generation**

Cashflows are \$530 MM from operating cashflow.

Capex is \$90 MM, minority interest payment is \$0 MM, intangibles are \$0 MM and dividend is \$80 MM.

Free cash flow is about \$360 MM.

11.2% EBITA margin and FCF yield is 10.6%.

The company has \$675 MM in cash/short term investment and \$1429 MM in debt.

We are projecting a \$400 MM paydown annually.

**Profitability**

ROA is 4.7%, and ROC is 10.6%.

**Bankruptcy Risk**

Altman Z is above 1.97, but we forecast an improvement over the next couple years to above 3.0.

**LBO?**

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

**Price**

# Altman Z Score

Company Name:

Sealed Air Corp

Ticker:

SEE

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	-1,483.80	-1,752.80	-1,313.10	-1,269.00	-1,251.45	-1,158.74	-1,029.01	-671.40	-97.92
Total Assets	5,438.30	4,986.00	5,420.10	5,399.40	5,344.52	5,356.67	5,400.72	5,667.39	6,144.50
<b>X1</b>	<b>-0.27</b>	<b>-0.35</b>	<b>-0.24</b>	<b>-0.24</b>	<b>-0.23</b>	<b>-0.22</b>	<b>-0.19</b>	<b>-0.12</b>	<b>-0.02</b>
Retained Earnings	1,260.80	1,364.30	1,531.10	1,706.10	2,000.02	2,332.17	2,696.22	3,081.89	3,479.00
Total Assets	5,438.30	4,986.00	5,420.10	5,399.40	5,344.52	5,356.67	5,400.72	5,667.39	6,144.50
<b>X2</b>	<b>0.23</b>	<b>0.27</b>	<b>0.28</b>	<b>0.32</b>	<b>0.37</b>	<b>0.44</b>	<b>0.50</b>	<b>0.54</b>	<b>0.57</b>
EBITDA	548.60	361.00	483.10	501.80	518.61	544.54	560.87	577.70	595.03
Total Assets	5,438.30	4,986.00	5,420.10	5,399.40	5,344.52	5,356.67	5,400.72	5,667.39	6,144.50
<b>X3</b>	<b>0.10</b>	<b>0.07</b>	<b>0.09</b>	<b>0.09</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>	<b>0.10</b>
Market Value of Equity	3,381.47	3,381.47	3,381.47	3,381.47	3,496.63	3,615.70	3,738.84	3,866.16	3,997.82
Total Liabilities	3,418.70	3,061.40	3,220.50	2,994.80	2,589.50	2,189.50	1,789.50	1,590.50	1,590.50
<b>X4</b>	<b>0.99</b>	<b>1.10</b>	<b>1.05</b>	<b>1.13</b>	<b>1.35</b>	<b>1.65</b>	<b>2.09</b>	<b>2.43</b>	<b>2.51</b>
Net Sales	4,651.20	4,843.50	4,242.80	4,490.10	4,714.61	4,950.34	5,098.85	5,251.81	5,409.36
Total Assets	5,438.30	4,986.00	5,420.10	5,399.40	5,344.52	5,356.67	5,400.72	5,667.39	6,144.50
<b>X5</b>	<b>0.86</b>	<b>0.97</b>	<b>0.78</b>	<b>0.83</b>	<b>0.88</b>	<b>0.92</b>	<b>0.94</b>	<b>0.93</b>	<b>0.88</b>
<b>Altman Z Score</b>	<b>1.78</b>	<b>1.83</b>	<b>1.81</b>	<b>1.98</b>	<b>2.26</b>	<b>2.60</b>	<b>3.01</b>	<b>3.34</b>	<b>3.48</b>

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

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

Sealed Air Corporation (Sealed Air) is a manufacturer of a range of packaging and performance-based materials and equipment systems, which serves a range of food, industrial, medical and consumer applications. The Company operates in three segments and an Other category. The Company's segments are Food Packaging; Food Solutions; and Protective Packaging, which includes Shrink Packaging. Its Other category includes specialty materials, medical applications and new ventures. In October 2011, Sealed Air acquired Diversey Holdings, Inc.

<b>Company Name:</b> Sealed Air Corp		Market Capitalization:	\$3,381,472,317.20	<b>Income Statement</b>	
Ticker Symbol:	SEE	Total Debt:	\$1,429,200,000.00	Revenue:	\$4,800,000,000.00 100.0%
<b>Last Price:</b>	<b>\$17.61</b>	Total Cash:	\$675,600,000.00	Cost of Goods Sold:	\$3,550,000,000.00 74.0%
Net Cash/Share:	-\$3.92	Net Cash/(Debt):	-\$753,600,000.00	Gross Profit:	\$1,250,000,000.00 26.0%
Net Cash to Last Price:	-22.29%	Enterprise Value:	\$4,135,072,317.20	EBITDA:	\$708,500,000.00 14.8%
Shares Outstanding:	192,020,000	Current EV/Share:	\$21.53	Net Income:	\$248,200,000.00 5.2%
Industry:	Packaging & Containers	EBITDA:	\$656,500,000.00	<b>Balance Sheet</b>	
Sector:	Consumer Cyclical	EV/EBITDA Multiple:	6.30	Cash:	\$675,600,000.00
Institutional Ownership:	55.16%	EV/EBITDA Multiple Average Year 1-5:	5.63	Short Term Investment:	\$0.00
Mutual Fund Ownership:	1.17%	EV/FCF Multiple:	10.71	A/R:	\$697,100,000.00
Insider Ownership:	2.02%	EV/FCF Multiple Average Year 1-5:	9.40	PP&E:	\$3,148,800,000.00
Retail Ownership:	39.63%	<b>Upper Range</b>		Assets:	\$5,399,400,000.00
Float:	97.98%	<b>DCF: EV/EBITDA Terminal Value</b>		A/P:	\$232,000,000.00
<b>Technicals</b>		Implied TV from 5 X EV/EBITDA Multiple	\$2,975,150,742.70	Deferred Tax:	\$8,000,000.00
52 week low:	\$15.05	Enterprise Value	\$2,975,150,742.70	Other Liabilities:	\$1,325,600,000.00
Today from 52 week low:	17.01%	Cash at Year 5:	\$1,846,676,608.25	Short term Debt:	\$30,000,000.00
52 week high:	\$28.77	Debt at Year 5:	\$24,900,000.00	Long Term Debt:	\$1,399,200,000.00
Today from 52 week high:	63.37%	Equity Value Year 5:	\$4,796,927,350.95	Liabilities:	\$2,994,800,000.00
50 day Moving Average:	\$17.43	<b>Equity/Share at Year 5:</b>	<b>\$24.98</b>	Retained Earnings:	\$1,706,100,000.00
200 day Moving Average:	\$20.67	Annualized Return:	7.24%	Paid-In Capital:	\$1,152,700,000.00
<b>Analyst/Consensus</b>		<b>Lower Range</b>		Treasury Stock:	-\$362,700,000.00
Analyst Sales Growth FY1:	13.50%	<b>DCF: Net Tangible Asset excluding Cash/Debt Terminal Value</b>		Stockholder's Equity:	\$2,404,600,000.00
Analyst Sales Growth FY2:	62.10%	Year 5 Net Tangible Assets excluding cash and debt	\$1,134,300,000.00	<b>Cash Flow</b>	
SN Valuation Estimate FY1:	5.00%	Enterprise Value	\$1,134,300,000.00	Net Income:	255,900,000.00
SN Valuation Estimate FY2:	5.00%	Cash at Year 5:	\$1,846,676,608.25	Depreciation/Amortization:	154,700,000.00
Analyst Earnings Estimate FY1:	\$1.73	Debt at Year 5:	\$24,900,000.00	Change in Working capital:	3,200,000.00
Analyst Earnings Estimate FY2:	\$1.77	Equity Value Year 5:	\$2,956,076,608.25	Cash from Operating Activities:	483,100,000.00
SN Valuation Earnings Est. FY1:	\$1.53	<b>Equity/Share at Year 5:</b>	<b>\$15.39</b>	Capital Expenditures:	-87,600,000.00
SN Valuation Earnings Est. FY2:	\$1.73	Annualized Return:	-2.65%	Cash from Investing Activities:	-96,900,000.00
<b>Multiples</b>		<b>EVA</b>		Total Cash Dividends Paid:	-79,700,000.00
Market Value to Book:	1.41	EVA today:	\$2,388,008,210.05	Issuance (Retirement) of Stock:	-9,800,000.00
EV to Book:	1.72	EVA in 5 Years:	\$2,809,647,146.28	Issuance (Retirement) of Debt:	-280,500,000.00
Market Value to Tangible Net Assets:	-11.47	EVA/Share:	\$14.63	Cash from Financing Activities:	-373,000,000.00
P/E Ratio:	13.62	Cash at Year 5:	\$1,846,676,608.25	<b>Profitability Margins</b>	
Trailing P/E Ratio:	12.59	Debt at Year 5:	\$24,900,000.00	Debt to Equity:	59.44%
Forward P/E Ratio:	9.95	Equity Value Year 5:	\$4,631,423,754.53	Return on Assets:	4.74%
Beta:	1.32	<b>Equity/Share at Year 5:</b>	<b>\$24.12</b>	Return on Capital:	6.67%
Dividend:	0.52	<b>Annualized return</b>	<b>3.31%</b>	Return on Equity:	10.64%
Dividend Yield:	2.95%	<b>Current Net Tangible Asset</b>			
Dividend Date:	Dec 15, 2011	<b>Net Tangible Asset/Share:</b>	<b>\$1.98</b>		
Ex-Dividend Date:	Nov 30, 2011	<b>Net Tangible Asset/Share in Year 5:</b>	<b>\$13.18</b>		
<b>Competitors</b>		Annualized return	46.05%		
Average EV to EBITDA:	N/A	Current Equity Price:	\$17.61		
Company EV to EBITDA:	6.30	Selling at Discount?	Premium		
Average EV to EBIT:	N/A	Appreciation Potential:	-88.74%		
Company EV to EBITA:	8.24	<b>Dividend Model</b>			
		<b>Next Year Dividend</b>	<b>\$106,201,688.71</b>		
		<b>WACC:</b>	<b>10.10%</b>		
		Dividend:	\$99,850,400.00		
		Net Income:	\$248,200,000.00		

# SN VALUATION

# LBO Analysis

WACC Terminal Value:		<b>Intrinsic Price in 5 Years:</b>	<b>20.82</b>	<b>Non-LBO Forecast</b>	<b>Non-LBO Forecast</b>	<b>Desired Return Rate</b>	<b>20.00%</b>
EV/EBITDA with 5X Multiple Terminal Value:	\$24.98	Market Price:	17.61	Year 1 Target	18.21	<b>Implied Today's Price</b>	8.37
Net Tangible Asset Terminal Value:	\$15.39	LBO Price:	<b>17.61</b>	Year 2 Target	18.83	Overvalued/(Undervalued)	110.47%
EV/EBITDA with Today's Multiple Terminal Value:	\$18.78	Premium to Market Price:	0.00%	Year 3 Target	19.47		
EVA Enterprise Value:	\$24.12	LBO Price/Intrinsic Price Target:	3.41%	Year 4 Target	20.13		
Dividend Discount Model:	\$14.77	LBO Price/EV/EBIT Exit Price:	-5.60%	Year 5 Target	20.82		
Average (Excluding Dividend Discount):	<b>\$20.82</b>	Implied IRR at today's EV/EBITDA:	1.30%	<b>Implied IRR (Market Price):</b>	3.41%		
		5 Year Return:	18.23%				

Current Evaluation				Exit Evaluation			
Current Market Price:	17.61	LBO Price:	17.61	Exit Price:	20.82	Exit Price:	18.78
Outstanding Shares:	192,020,000	Outstanding Shares:	192,020,000	Outstanding Shares:	192,020,000	Outstanding Shares:	192,020,000
<b>Market Capitalization:</b>	<b>3,381,472,317</b>	<b>Market Capitalization:</b>	<b>3,381,472,200</b>	<b>Market Capitalization:</b>	<b>3,997,823,692</b>	<b>Market Capitalization:</b>	<b>3,606,867,054</b>
Available Cash:	675,600,000	Available Cash:	675,600,000	Available Cash:	1,846,676,608	Available Cash:	1,846,676,608
Debt:	1,429,200,000	Debt:	1,429,200,000	Debt:	24,900,000	Debt:	24,900,000
Net Cash:	<b>-753,600,000</b>	Net Cash:	<b>-753,600,000</b>	Net Cash:	1,821,776,608	Net Cash:	1,821,776,608
<b>Enterprise Value:</b>	<b>4,135,072,317</b>	<b>Enterprise Value:</b>	<b>4,135,072,200</b>	<b>Enterprise Value:</b>	<b>2,176,047,084</b>	<b>Enterprise Value:</b>	<b>1,785,090,446</b>
Original EV/EBITDA:	8.24	EV/EBITDA:	8.24	EV/EBITDA at 5 Years:	3.66	EV/EBITDA at 5 Years:	<b>3.00</b>
Original EV/EBITDA:	6.30	EV/EBITDA:	6.30	EV/EBITDA at 5 Years:	3.73	EV/EBITDA at 5 Years:	2.28
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:	17.61	17.61	18.21	18.83	19.47	20.13	20.82
Shares Outstanding:	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000
<b>Market Capitalization:</b>	<b>3,381,472,200</b>	<b>3,381,472,200</b>	<b>3,496,627,626</b>	<b>3,615,704,650</b>	<b>3,738,836,820</b>	<b>3,866,162,234</b>	<b>3,997,823,692</b>
Available Cash:	675,600,000	675,600,000	693,153,163	785,862,092	915,589,554	1,273,199,704	1,846,676,608
Debt:	1,429,200,000	1,429,200,000	1,023,900,000	623,900,000	223,900,000	24,900,000	24,900,000
Net Cash:	-753,600,000	-753,600,000	-330,746,837	161,962,092	691,689,554	1,248,299,704	1,821,776,608
<b>Enterprise Value:</b>	<b>4,135,072,200</b>	<b>4,135,072,200</b>	<b>3,827,374,463</b>	<b>3,453,742,558</b>	<b>3,047,147,266</b>	<b>2,617,862,529</b>	<b>2,176,047,084</b>
EBIT	501,800,000	501,800,000	518,606,550	544,536,878	560,872,984	577,699,173	595,030,149
EV/EBIT:	8.24	8.24	7.38	6.34	5.43	4.53	3.66
EBITDA	656,500,000	656,500,000	681,041,550	715,093,628	736,546,436	758,642,829	781,402,114
EV/EBITDA:	6.30	6.30	5.62	4.83	4.14	3.45	2.78

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	17.61	17.61	20.53	24.21	27.67	31.29	35.02
Shares Outstanding:	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000	192,020,000
<b>Market Capitalization:</b>	<b>3,381,472,200</b>	<b>3,381,472,200</b>	<b>3,942,819,380</b>	<b>4,649,206,620</b>	<b>5,313,551,418</b>	<b>6,008,817,424</b>	<b>6,725,109,859</b>
Available Cash:	675,600,000	675,600,000	693,153,163	785,862,092	915,589,554	1,273,199,704	1,846,676,608
Debt:	1,429,200,000	1,429,200,000	1,023,900,000	623,900,000	223,900,000	24,900,000	24,900,000
Net Cash:	-753,600,000	-753,600,000	-330,746,837	161,962,092	691,689,554	1,248,299,704	1,821,776,608
<b>Enterprise Value:</b>	<b>4,135,072,200</b>	<b>4,135,072,200</b>	<b>4,273,566,217</b>	<b>4,487,244,528</b>	<b>4,621,861,864</b>	<b>4,760,517,719</b>	<b>4,903,333,251</b>
EBIT	501,800,000	501,800,000	518,606,550	544,536,878	560,872,984	577,699,173	595,030,149
EV/EBIT:	8.24	8.24	8.24	8.24	8.24	8.24	8.24
EBITDA	656,500,000	656,500,000	681,041,550	715,093,628	736,546,436	758,642,829	781,402,114
EV/EBITDA:	6.30	6.30	6.28	6.28	6.28	6.28	6.28

LBO Price	17.61	Equity Partners:	4,810,672,200	Weighting	100.00%	<b>Annualized Return for Equity Partners: -5.60%</b>
Shares Outstanding	192,020,000	Debt Partners:	0		0.00%	
<b>Market Capitalization</b>	<b>3,381,472,200</b>	<b>Total Funds for LBO:</b>	<b>4,810,672,200</b>		100.00%	
Debt	1,429,200,000					
Cash	675,600,000					
<b>Enterprise Value</b>	<b>4,135,072,200</b>					
<b>Capital Investment</b>	<b>4,810,672,200</b>					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	2,401.10	Current Market Price	Starting Debt
Year 5 Book Value	4,574.00	Year 5 Market Price	Debt Repayment
<b>Annualized Return</b>	<b>13.76%</b>	<b>Annualized Return</b>	<b>1.30%</b>
			Year 5 Ending Debt
			<b>% of Starting Debt</b>
			<b>0.01%</b>

## SN VALUATION

## LBO Pro Forma Income Statement

Name:

Sealed Air Corp

Ticker:

SEE

	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	4,651.20	4,843.50	4,242.80	4,490.10	4,714.61	4,950.34	5,098.85	5,251.81	5,409.36
COGS	3,350.10	3,606.90	3,024.30	3,237.30	3,394.52	3,394.24	3,671.17	3,781.30	3,894.74
Gross margin	1,301.10	1,236.60	1,218.50	1,252.80	1,320.09	1,386.09	1,427.68	1,470.51	1,514.62
SG&A	750.20	755.00	719.20	710.20	754.34	732.05	815.32	840.29	865.50
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	2.30	120.60	16.20	40.80	47.15	49.50	50.99	52.52	54.09
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)	548.60	361.00	483.10	501.80	518.61	544.54	560.87	577.70	595.03
Interest income/(expense)	-88.10	-128.80	-147.10	-151.60	-73.28	-41.28	-9.28	6.64	6.64
Gain (loss) on sale of asset	-6.80	0.00	-0.20	-0.10	0.00	0.00	0.00	0.00	0.00
Other	2.30	-9.90	-6.70	-6.70	0.00	0.00	0.00	0.00	0.00
Income before tax	456.00	222.30	329.90	343.40	445.33	503.26	551.60	584.34	601.67
Tax	103.00	42.40	85.00	87.50	151.41	171.11	187.54	198.68	204.57
Income after tax	353.00	179.90	244.90	255.90	293.92	332.15	364.05	385.67	397.10
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	353.00	179.90	244.90	255.90	293.92	332.15	364.05	385.67	397.10
*Figures are in millions (\$)									
EPS (based off today's share count)	\$1.84	\$0.94	\$1.27	\$1.33	\$1.53	\$1.73	\$1.90	\$2.01	\$2.07
P/E (historical today's price; forecasted intrinsic price)	9.58	18.80	13.84	13.21	11.90	10.89	10.27	10.02	10.07
Revenue Growth	N/A	4.13%	-12.40%	5.83%	5.00%	5.00%	3.00%	3.00%	3.00%
Tax Rate	22.59%	19.07%	25.95%	25.48%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	-4.71%	-8.71%	-8.86%	-10.61%	-5.24%	-4.13%	-1.55%	3.34%	3322.00%
Margins									
COGS	72.03%	74.47%	71.28%	72.10%	72.00%	72.00%	72.00%	72.00%	72.00%
Gross margin	27.97%	28.53%	28.72%	27.90%	28.00%	28.00%	28.00%	28.00%	28.00%
SG&A	16.13%	15.59%	16.95%	15.82%	16.00%	16.00%	16.00%	16.00%	16.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.05%	2.49%	0.38%	0.91%	1.00%	1.00%	1.00%	1.00%	1.00%
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)	11.79%	7.45%	11.39%	11.18%	11.00%	11.00%	11.00%	11.00%	11.00%
Interest income/(expense)	-1.89%	-2.66%	-3.47%	-3.38%	-1.55%	-0.83%	-0.18%	0.13%	0.12%
Gain (loss) on sale of asset	-0.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.05%	-0.20%	-0.14%	-0.15%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	9.80%	4.59%	7.78%	7.65%	9.45%	10.17%	10.82%	11.13%	11.12%
Tax	2.21%	0.88%	2.02%	1.95%	3.21%	3.46%	3.68%	3.78%	3.78%
Income after tax	7.59%	3.71%	5.76%	5.70%	6.23%	7.05%	7.72%	8.18%	8.42%
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	7.59%	3.71%	5.76%	5.70%	6.23%	6.71%	7.14%	7.34%	7.34%

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2007-12-31	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	+	-						
Cash	430.30	128.90	694.50	675.60			675.60	693.15	785.86	915.59	1,273.20	1,846.68
Short term investment	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>430.30</b>	<b>128.90</b>	<b>694.50</b>	<b>675.60</b>			<b>675.60</b>	<b>693.15</b>	<b>785.86</b>	<b>915.59</b>	<b>1,273.20</b>	<b>1,846.68</b>
Accounts Receivable	789.80	682.80	666.70	697.10			697.10	697.10	697.10	697.10	697.10	697.10
Other receivables	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>789.80</b>	<b>682.80</b>	<b>666.70</b>	<b>697.10</b>			<b>697.10</b>	<b>697.10</b>	<b>697.10</b>	<b>697.10</b>	<b>697.10</b>	<b>697.10</b>
Deferred Income Tax	-2,018.50	-1,992.40	-1,997.40	-1,891.30			-1,891.30	-1,891.30	-1,891.30	-1,891.30	-1,891.30	-1,891.30
Total Inventory	581.70	564.30	469.40	495.80			495.80	495.80	495.80	495.80	495.80	495.80
Prepaid Expenses	21.90	66.20	66.70	25.30			25.30	25.30	25.30	25.30	25.30	25.30
Other Current Assets	112.40	230.50	176.10	146.20			146.20	146.20	146.20	146.20	146.20	146.20
<b>Current Assets</b>	<b>-82.40</b>	<b>-319.70</b>	<b>86.00</b>	<b>148.70</b>	<b>0.00</b>	<b>0.00</b>	<b>148.70</b>	<b>166.25</b>	<b>258.96</b>	<b>388.69</b>	<b>746.30</b>	<b>1,319.78</b>
PP&E, Gross	3,098.60	3,043.80	3,152.60	3,148.80			3,148.80	3,238.80	3,328.80	3,418.80	3,508.80	3,598.80
Change in Depreciation	150.40	155.00	154.50	154.70			154.70	162.44	170.56	175.67	180.94	186.37
Accumulated Depreciation	0.00	0.00	154.50	309.20			309.20	471.64	642.19	817.87	998.81	1,185.18
<b>PP&amp;E, Net</b>	<b>3,098.60</b>	<b>3,043.80</b>	<b>2,998.10</b>	<b>2,839.60</b>			<b>2,839.60</b>	<b>2,767.17</b>	<b>2,686.61</b>	<b>2,600.93</b>	<b>2,509.99</b>	<b>2,413.62</b>
Goodwill	1,969.70	1,938.10	1,948.70	1,945.90	0.00		1,945.90	1,945.90	1,945.90	1,945.90	1,945.90	1,945.90
Intangibles	70.40	64.20	58.40	78.00			78.00	78.00	78.00	78.00	78.00	78.00
Long term investments	40.80	0.00	0.00	207.60			207.60	207.60	207.60	207.60	207.60	207.60
Other long term assets	341.20	259.60	328.90	179.60			179.60	179.60	179.60	179.60	179.60	179.60
<b>Long Term Assets</b>	<b>5,520.70</b>	<b>5,305.70</b>	<b>5,334.10</b>	<b>5,250.70</b>	<b>0.00</b>	<b>0.00</b>	<b>5,250.70</b>	<b>5,178.27</b>	<b>5,097.71</b>	<b>5,012.03</b>	<b>4,921.09</b>	<b>4,824.72</b>
<b>Total Assets</b>	<b>5,438.30</b>	<b>4,986.00</b>	<b>5,420.10</b>	<b>5,399.40</b>	<b>0.00</b>	<b>0.00</b>	<b>5,399.40</b>	<b>5,344.52</b>	<b>5,356.67</b>	<b>5,400.72</b>	<b>5,667.39</b>	<b>6,144.50</b>
Accounts Payable	316.30	277.20	214.20	232.00			232.00	232.00	232.00	232.00	232.00	232.00
Accrued Expense	394.10	403.20	411.20	364.80			364.80	364.80	364.80	364.80	364.80	364.80
Other current Liabilities	691.00	752.70	773.70	820.90			820.90	820.90	820.90	820.90	820.90	820.90
<b>Total Current Liabilities</b>	<b>1,401.40</b>	<b>1,433.10</b>	<b>1,399.10</b>	<b>1,417.70</b>	<b>0.00</b>	<b>0.00</b>	<b>1,417.70</b>	<b>1,417.70</b>	<b>1,417.70</b>	<b>1,417.70</b>	<b>1,417.70</b>	<b>1,417.70</b>
Notes Payables/Short Term Debt	36.50	37.60	28.20	23.50			23.50	23.50	23.50	23.50	23.50	23.50
Current port. Of LT Debt/Capital Leases	303.70	151.50	6.50	6.50			6.50	1.20	1.20	1.20	1.20	1.20
Long term Debt	1,531.60	1,289.90	1,626.30	1,399.20	0.00	0.00	1,399.20	999.20	599.20	199.20	0.20	0.20
Capital Lease Obligations	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>1,871.80</b>	<b>1,479.00</b>	<b>1,661.00</b>	<b>1,429.20</b>	<b>0.00</b>	<b>0.00</b>	<b>1,429.20</b>	<b>1,023.90</b>	<b>623.90</b>	<b>223.90</b>	<b>24.90</b>	<b>24.90</b>
Deferred Income tax	9.90	5.80	6.40	8.00			8.00	8.00	8.00	8.00	8.00	8.00
Minority Interest	0.00	1.00	0.70	-3.00			-3.00	-3.00	-3.00	-3.00	-3.00	-3.00
Other liabilities	135.60	142.50	153.30	142.90			142.90	142.90	142.90	142.90	142.90	142.90
<b>Total Liabilities</b>	<b>3,418.70</b>	<b>3,061.40</b>	<b>3,220.50</b>	<b>2,994.80</b>	<b>0.00</b>	<b>0.00</b>	<b>2,994.80</b>	<b>2,589.50</b>	<b>2,189.50</b>	<b>1,789.50</b>	<b>1,590.50</b>	<b>1,590.50</b>
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	16.80	16.80	16.90	17.00		0.00	17.00	17.00	17.00	17.00	17.00	17.00
Additional Paid-in capital	1,086.10	1,102.50	1,127.10	1,152.70	0.00	0.00	1,152.70	1,152.70	1,152.70	1,152.70	1,152.70	1,152.70
Dividends Paid	0.00	0.00	0.00	0.00			0.00	80.00	160.00	240.00	320.00	400.00
Retained Earnings	1,260.80	1,364.30	1,531.10	1,706.10		0.00	1,706.10	2,000.02	2,332.17	2,696.22	3,081.89	3,479.00
Treasury Stock	-286.90	-383.20	-364.60	-362.70			-362.70	-362.70	-362.70	-362.70	-362.70	-362.70
Other Equity	-60.40	-180.80	-119.40	-112.00		0.00	-112.00	-112.00	-112.00	-112.00	-112.00	-112.00
<b>Total Equity</b>	<b>2,016.40</b>	<b>1,919.60</b>	<b>2,191.10</b>	<b>2,401.10</b>	<b>0.00</b>	<b>0.00</b>	<b>2,401.10</b>	<b>2,775.02</b>	<b>3,187.17</b>	<b>3,631.22</b>	<b>4,096.89</b>	<b>4,574.00</b>
<b>Liability + Equity</b>	<b>5,435.10</b>	<b>4,981.00</b>	<b>5,411.60</b>	<b>5,395.90</b>	<b>0.00</b>	<b>0.00</b>	<b>5,395.90</b>	<b>5,364.52</b>	<b>5,376.67</b>	<b>5,420.72</b>	<b>5,687.39</b>	<b>6,164.50</b>
<b>Variance</b>	<b>3.20</b>	<b>5.00</b>	<b>8.50</b>	<b>3.50</b>			<b>3.50</b>	<b>-20.00</b>	<b>-20.00</b>	<b>-20.00</b>	<b>-20.00</b>	<b>-20.00</b>
<b>Debt/Equity</b>	<b>0.93</b>	<b>0.77</b>	<b>0.76</b>	<b>0.60</b>			<b>0.60</b>	<b>0.37</b>	<b>0.20</b>	<b>0.06</b>	<b>0.01</b>	<b>0.01</b>
Inventory Turnover	8.00	8.58	9.04	9.06			9.06	9.51	9.98	10.28	10.59	10.91
Inventory Turnover Days	45.65	42.52	40.38	40.30			40.30	38.38	36.56	35.49	34.46	33.45
Days Inventory Outstanding	63.38	57.10	56.65	55.90			55.90	53.31	50.77	49.29	47.86	46.46
Accounts Receivable Turnover	5.89	7.09	6.36	6.44			6.44	6.76	7.10	7.31	7.53	7.76
Accounts Receivable Turnover Days	61.98	51.45	57.35	56.67			56.67	53.97	51.40	49.90	48.45	47.04
Days Payable Outstanding	34.46	28.05	25.85	26.16			26.16	24.95	23.76	23.07	22.39	21.74
Days Sales Outstanding	61.98	51.45	57.35	56.67			56.67	56.67	53.97	51.40	49.90	48.45
Cash Conversion Cycle	90.89	80.51	88.15	86.41			86.41	85.03	80.98	77.63	75.37	73.17

SN VALUATION

LBO Adjusted Proforma Cash Flow

	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
Net Income	353.00	179.90	244.30	255.90	293.92	332.15	364.05	385.67	397.10
Depreciation	150.40	155.00	154.50	154.70	162.44	170.56	175.67	180.94	186.37
<b>Net Income + Depreciation</b>	<b>503.40</b>	<b>334.90</b>	<b>398.80</b>	<b>410.60</b>	<b>456.35</b>	<b>502.71</b>	<b>539.73</b>	<b>566.61</b>	<b>583.48</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-28.50	-39.50	-16.60	-3.30	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-0.30	68.00	57.80	72.60	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-96.50	41.00	112.00	3.20	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	107.00	16.10	-30.40	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	17.40	94.90	-26.40	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-44.30	-0.50	41.40	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-39.10	-63.00	17.80	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>378.10</b>	<b>404.40</b>	<b>552.00</b>	<b>483.10</b>	<b>456.35</b>	<b>502.71</b>	<b>539.73</b>	<b>566.61</b>	<b>583.48</b>
Capital Expenditures	-254.10	-180.70	-80.30	-87.60	-90.00	-90.00	-90.00	-90.00	-90.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-20.00	4.00	10.00	-9.30	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-274.10</b>	<b>-176.70</b>	<b>-70.30</b>	<b>-96.90</b>	<b>-90.00</b>	<b>-90.00</b>	<b>-90.00</b>	<b>-90.00</b>	<b>-90.00</b>
Financing Cash flow items	0.00	-0.90	-7.00	-3.00	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-64.60	-76.40	-75.70	-79.70	-80.00	-80.00	-80.00	-80.00	-80.00
Issuance (Retirement) of Stock	-6.10	-95.10	0.00	-9.80	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-28.80	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	11.20	-390.50	173.00	-280.50	-400.00	-400.00	-400.00	-199.00	0.00
<b>Cash from Financing Activities</b>	<b>-59.50</b>	<b>-562.90</b>	<b>90.30</b>	<b>-373.00</b>	<b>-348.80</b>	<b>-320.00</b>	<b>-320.00</b>	<b>-119.00</b>	<b>80.00</b>
Foreign Exchange effect	12.70	33.80	-6.40	-32.10	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	373.10	430.30	128.90	694.50	675.60	693.15	785.86	915.59	1,273.20
<b>Net Change in Cash</b>	<b>57.20</b>	<b>-301.40</b>	<b>565.60</b>	<b>-18.90</b>	<b>17.55</b>	<b>92.71</b>	<b>129.73</b>	<b>357.61</b>	<b>573.48</b>
Ending Cash Balance	430.30	128.90	694.50	675.60	693.15	785.86	915.59	1,273.20	1,846.68
Depreciation to Sales	3.23%	3.20%	3.64%	3.45%	3.45%	3.45%	3.45%	3.45%	3.45%
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	16.98%	14.10%	15.71%	15.53%	14.79%	14.08%	13.67%	13.27%	12.89%
Distributable FCF Yield	2.52%	5.51%	11.65%	9.34%	8.86%	9.98%	10.88%	11.53%	11.93%
Dividend Yield	-1.91%	-2.26%	-2.24%	-2.36%	-2.37%	-2.37%	-2.37%	-2.37%	-2.37%

# SN VALUATION

# LBO Debt Schedule

	<b>Proforma</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Net Change in Cash	-18.90	17.55	92.71	129.73	357.61	573.48
Current Portion Debt Repayment		28.80				
Long Term Debt Repayment		400.00	400.00	400.00	199.00	
<b>Outstanding Debt</b>	1429.20	1000.40	600.40	200.40	1.40	1.40
Current Portion Debt Balance	30.00	1.20	1.20	1.20	1.20	1.20
Long Term Debt Balance	1399.20	999.20	599.20	199.20	0.20	0.20
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>	<b>8.00%</b>
<b>Interest Expense</b>		<b>80.03</b>	<b>48.03</b>	<b>16.03</b>	<b>0.11</b>	<b>0.11</b>
Cash Balance		675.60				
Interest @ 1.0%		6.76	6.76	6.76	6.76	6.76
<b>Net Interest Expense/(Income)</b>		<b>73.28</b>	<b>41.28</b>	<b>9.28</b>	<b>(6.64)</b>	<b>(6.64)</b>
<b>Net Interest Rate</b>		<b>5.24%</b>	<b>4.13%</b>	<b>1.55%</b>	<b>-3.34%</b>	<b>-3322.00%</b>
EBITDA		518.61	544.54	560.87	577.70	595.03
<b>EBITDA/Interest Expense Coverage</b>		<b>6.48</b>	<b>11.34</b>	<b>34.98</b>	<b>5158.03</b>	<b>5312.77</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran