

## SuperValu (SVU)

|                   |                  |
|-------------------|------------------|
| Price:            | \$2.69           |
| Market Cap:       | \$570,979,400    |
| Cash:             | \$157,000,000    |
| Debt:             | \$6,256,000,000  |
| Net Cash:         | -\$6,099,000,000 |
| Enterprise Value: | \$6,669,979,400  |

|                               |                |
|-------------------------------|----------------|
| Price/Book:                   | 27.19          |
| EV/FCF:                       | 11.66          |
| <b>Net Tang. Asset/Share:</b> | <b>-\$3.24</b> |
| Avg. Year 1-5 FCF/Share:      | \$1.97         |
| <b>5 Years of FCF:</b>        | <b>\$9.85</b>  |
| Net Tang. Asset+5 FCF:        | \$6.61         |

|                                  |               |
|----------------------------------|---------------|
| Net Tang. Asset Yr. 5/Share:     | -\$2.05       |
| Avg. Year FCF/Share:             | \$1.97        |
| Year 5 Disposition FCF Multipl:  | 3.0           |
| <b>Year 5 Disposition Price:</b> | <b>\$3.86</b> |
| <b>Gain Year 5:</b>              | <b>\$3.86</b> |

|   |                |
|---|----------------|
| <b>Net Tang. Asset+5 FCF+ Gain Disposition:</b> | <b>\$10.47</b> |
| <b>IRR:</b>                                     | <b>31.23%</b>  |

Operator of Albertson's grocery stores fell 50% today. The company has been struggling with sluggish, decreasing sales. They have a \$6 BB debt balance, with little FCF to pay down debt, although they have been paying down \$2.5 BB in the past 4 years. Debt rated at CCC, in-line with our estimates. They are planning to sell \$850 MM in bonds, and lock \$1.65 in revolving credit. The co. will use the proceeds to repay existing debt. The company announced quarterly dividend suspension, which caused the stock price to fall.

For dividend investors, the dividend suspension was a blow, but the company should be paying down debt with the cash. Only \$500 MM in debt up for maturity in the next 2 years. \$580 MM equity for a \$40 BB annual rev, \$1 BB op cash flow business is cheap. Granted, the company has a high likelihood of defaulting, but the company has been implementing a turnaround for the past few years, which will require more time, especially under today's consumption patterns. The co. has negative tangible asset value, so the full value is from cash flow generation.



# SN VALUATION

# LBO Analysis

|   |          |                                    |          |                             |          |                          |          |
|---|----------|------------------------------------|----------|-----------------------------|----------|--------------------------|----------|
| WACC Terminal Value:                            | N/A      | <b>Intrinsic Price in 5 Years:</b> | -0.81    | <b>Non-LBO Forecast</b>     |          | <b>Non-LBO Forecast</b>  |          |
| EV/EBITDA with 3X Multiple Terminal Value:      | \$0.00   | Market Price:                      | 2.69     | Year 1 Target               | -2.11    | Desired Return Rate      | 20.00%   |
| Net Tangible Asset Terminal Value:              | \$0.73   | LBO Price:                         | 2.69     | Year 2 Target               | 1.66     | Implied Today's Price    | -0.32    |
| EV/EBITDA with Today's Multiple Terminal Value: | (\$6.94) | Premium to Market Price:           | 0.00%    | Year 3 Target               | -1.31    | Overvalued/(Undervalued) | -930.56% |
| EVA Enterprise Value:                           | \$2.98   | LBO Price/Intrinsic Price Target:  | -178.58% | Year 4 Target               | 1.03     |                          |          |
| Dividend Discount Model:                        | N/A      | LBO Price/EV/EBIT Exit Price:      | -173.58% | Year 5 Target               | -0.81    |                          |          |
| Average (Excluding Dividend Discount):          | (\$0.81) | Implied IRR at today's EV/EBITDA:  | -220.86% | Implied IRR (Market Price): | -178.58% |                          |          |
|   |          | 5 Year Return:                     | -129.96% |                             |          |                          |          |

| Current Evaluation            |                      |                               |                      | Exit Evaluation               |                      |                               |                       |
|-------------------------------|----------------------|-------------------------------|----------------------|-------------------------------|----------------------|-------------------------------|-----------------------|
| Current Market Price:         | 2.69                 | LBO Price:                    | 2.69                 | Exit Price:                   | -0.81                | Exit Price:                   | -6.94                 |
| Outstanding Shares:           | 212,260,000          | Outstanding Shares:           | 212,260,000          | Outstanding Shares:           | 212,260,000          | Outstanding Shares:           | 212,260,000           |
| <b>Market Capitalization:</b> | <b>570,979,400</b>   | <b>Market Capitalization:</b> | <b>570,979,400</b>   | <b>Market Capitalization:</b> | <b>-171,063,006</b>  | <b>Market Capitalization:</b> | <b>-1,472,497,739</b> |
| Available Cash:               | 157,000,000          | Available Cash:               | 157,000,000          | Available Cash:               | 609,990,810          | Available Cash:               | 609,990,810           |
| Debt:                         | 6,256,000,000        | Debt:                         | 6,256,000,000        | Debt:                         | 5,056,000,000        | Debt:                         | 5,056,000,000         |
| Net Cash:                     | -6,099,000,000       | Net Cash:                     | -6,099,000,000       | Net Cash:                     | -4,446,009,190       | Net Cash:                     | -4,446,009,190        |
| <b>Enterprise Value:</b>      | <b>6,669,979,400</b> | <b>Enterprise Value:</b>      | <b>6,669,979,400</b> | <b>Enterprise Value:</b>      | <b>4,274,946,184</b> | <b>Enterprise Value:</b>      | <b>2,973,511,451</b>  |
| Original EV/EBITDA:           | -12.85               | EV/EBITDA:                    | -12.85               | EV/EBITDA at 5 Years:         | 7.19                 | EV/EBITDA at 5 Years:         | 5.00                  |
| Original EV/EBITDA:           | 18.27                | EV/EBITDA:                    | 18.27                | EV/EBITDA at 5 Years:         | 4.90                 | EV/EBITDA at 5 Years:         | 2.25                  |
| 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:          | 2.69                 | 2.69                 | -2.11                | 1.66                 | -1.31                | 1.03                 | -0.81                |
| Shares Outstanding:                                    | 212,260,000          | 212,260,000          | 212,260,000          | 212,260,000          | 212,260,000          | 212,260,000          | 212,260,000          |
| <b>Market Capitalization:</b>                          | <b>570,979,400</b>   | <b>570,979,400</b>   | <b>-448,670,558</b>  | <b>352,561,352</b>   | <b>-277,039,590</b>  | <b>217,695,257</b>   | <b>-171,063,006</b>  |
| Available Cash:  | 157,000,000          | 157,000,000          | 240,519,500          | 363,357,250          | 465,154,402          | 547,010,175          | 609,990,810          |
| Debt:  | 6,256,000,000        | 6,256,000,000        | 6,256,000,000        | 5,956,000,000        | 5,656,000,000        | 5,356,000,000        | 5,056,000,000        |
| Net Cash:  | -6,099,000,000       | -6,099,000,000       | -6,015,480,500       | -5,592,642,750       | -5,190,845,598       | -4,808,989,825       | -4,446,009,190       |
| <b>Enterprise Value:</b>                               | <b>6,669,979,400</b> | <b>6,669,979,400</b> | <b>5,566,809,942</b> | <b>5,945,204,102</b> | <b>4,913,806,008</b> | <b>5,026,685,082</b> | <b>4,274,946,184</b> |
| EBIT   | -519,000,000         | -519,000,000         | 685,900,000          | 651,605,000          | 632,056,850          | 613,095,144          | 594,702,290          |
| EV/EBIT:   | -12.85               | -12.85               | 8.12                 | 9.12                 | 7.77                 | 8.20                 | 7.19                 |
| EBITDA   | 365,000,000          | 365,000,000          | 1,525,700,000        | 1,449,415,000        | 1,405,932,550        | 1,363,754,574        | 1,322,841,936        |
| EV/EBITDA:   | 18.27                | 18.27                | 3.65                 | 4.10                 | 3.50                 | 3.69                 | 3.23                 |

| Enterprise Valuation Calculation During Holding Period |                      |                      |                        |                        |                        |                        |                        |
|--|----------------------|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Time Period  | 0                    | Adjusted for LBO     | 1                      | 2                      | 3                      | 4                      | 5                      |
| Annualized Price Targets based off LBO Price:          | 2.69                 | 2.69                 | -69.87                 | -65.80                 | -62.72                 | -59.78                 | -56.95                 |
| Shares Outstanding:                                    | 212,260,000          | 212,260,000          | 212,260,000            | 212,260,000            | 212,260,000            | 212,260,000            | 212,260,000            |
| <b>Market Capitalization:</b>                          | <b>570,979,400</b>   | <b>570,979,400</b>   | <b>-14,830,391,618</b> | <b>-13,966,808,312</b> | <b>-13,313,786,193</b> | <b>-12,688,242,202</b> | <b>-12,088,883,996</b> |
| Available Cash:  | 157,000,000          | 157,000,000          | 240,519,500            | 363,357,250            | 465,154,402            | 547,010,175            | 609,990,810            |
| Debt:  | 6,256,000,000        | 6,256,000,000        | 6,256,000,000          | 5,956,000,000          | 5,656,000,000          | 5,356,000,000          | 5,056,000,000          |
| Net Cash:  | -6,099,000,000       | -6,099,000,000       | -6,015,480,500         | -5,592,642,750         | -5,190,845,598         | -4,808,989,825         | -4,446,009,190         |
| <b>Enterprise Value:</b>                               | <b>6,669,979,400</b> | <b>6,669,979,400</b> | <b>-8,814,911,118</b>  | <b>-8,374,165,562</b>  | <b>-8,122,940,596</b>  | <b>-7,879,252,378</b>  | <b>-7,642,874,806</b>  |
| EBIT   | -519,000,000         | -519,000,000         | 685,900,000            | 651,605,000            | 632,056,850            | 613,095,144            | 594,702,290            |
| EV/EBIT:   | -12.85               | -12.85               | -12.85                 | -12.85                 | -12.85                 | -12.85                 | -12.85                 |
| EBITDA   | 365,000,000          | 365,000,000          | 1,525,700,000          | 1,449,415,000          | 1,405,932,550          | 1,363,754,574          | 1,322,841,936          |
| EV/EBITDA:   | 18.27                | 18.27                | -5.78                  | -5.78                  | -5.78                  | -5.78                  | -5.78                  |

|                              |                      |                             |                      |           |         |  |
|------------------------------|----------------------|-----------------------------|----------------------|-----------|---------|--|
| LBO Price                    | 2.69                 | Equity Partners:            | 6,826,979,400        | Weighting | 100.00% | <b>Annualized Return for Equity Partners: -173.58%</b> |
| Shares Outstanding           | 212,260,000          | Debt Partners:              | 0                    | 0.00%     |         |  |
| <b>Market Capitalization</b> | <b>570,979,400</b>   | <b>Total Funds for LBO:</b> | <b>6,826,979,400</b> | 100.00%   |         |  |
| Debt                         | 6,256,000,000        |                             |                      |           |         |  |
| Cash                         | 157,000,000          |                             |                      |           |         |  |
| <b>Enterprise Value</b>      | <b>6,669,979,400</b> |                             |                      |           |         |  |
| <b>Capital Investment</b>    | <b>6,826,979,400</b> |                             |                      |           |         |  |

|                          |                |                            |                |                          |                 |                           |               |
|--------------------------|----------------|----------------------------|----------------|--------------------------|-----------------|---------------------------|---------------|
| <b>Book Value</b>        |                | <b>Enterprise Value</b>    |                | <b>Stock Valuation</b>   |                 | <b>Debt Reduction</b>     |               |
| Beginning Book Value     | 21.00          | Beginning Enterprise Value | 6,669.98       | Current Market Price     | \$2.69          | Starting Debt             | 5,868.00      |
| Year 5 Book Value        | 721.71         | Year 5 Enterprise Value    | 2,973.51       | Year 5 Market Price      | -\$6.94         | Debt Repayment            | 388.00        |
| <b>Annualized Return</b> | <b>102.87%</b> | <b>Annualized Return</b>   | <b>-14.92%</b> | <b>Annualized Return</b> | <b>-220.86%</b> | Year 5 Ending Debt        | 4,668.00      |
|                          |                |                            |                |                          |                 | <b>% of Starting Debt</b> | <b>79.55%</b> |

SN VALUATION

LBO Pro Forma Income Statement

Name:

SuperValu

Ticker:

SVU

|  | Historical                 |                            |                            |                            | Forecasted      |                 |                 |                 |                 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|  | 53 weeks ending 2009-02-28 | 52 weeks ending 2010-02-27 | 52 weeks ending 2011-02-26 | 52 weeks ending 2012-02-25 | 2011            | 2012            | 2013            | 2014            | 2015            |
| Revenue  | 44,564.00                  | 40,597.00                  | 37,534.00                  | 36,100.00                  | 34,295.00       | 32,580.25       | 31,602.84       | 30,654.76       | 29,735.11       |
| COGS   | 34,451.00                  | 31,444.00                  | 29,124.00                  | 28,081.00                  | 26,750.10       | 25,412.60       | 24,650.22       | 23,910.71       | 23,193.39       |
| <b>Gross margin</b>  | <b>10,113.00</b>           | <b>9,153.00</b>            | <b>8,410.00</b>            | <b>8,019.00</b>            | <b>7,544.90</b> | <b>7,167.66</b> | <b>6,952.63</b> | <b>6,744.05</b> | <b>6,541.73</b> |
| SG&A   | 8,746.00                   | 7,900.00                   | 7,477.00                   | 7,096.00                   | 6,859.00        | 6,516.05        | 6,320.57        | 6,130.95        | 5,947.02        |
| R&D  | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00            | 0.00            | 0.00            | 0.00            | 0.00            |
| Unusual expense  | 3,524.00                   | 52.00                      | 1,909.00                   | 1,442.00                   | 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            |
| <b>Operating Income (EBITA)</b>                            | <b>-2,157.00</b>           | <b>1,201.00</b>            | <b>-976.00</b>             | <b>-519.00</b>             | <b>685.90</b>   | <b>651.60</b>   | <b>632.06</b>   | <b>613.10</b>   | <b>594.70</b>   |
| Interest income/(expense)                                  | -622.00                    | -569.00                    | -547.00                    | -509.00                    | -467.87         | -443.87         | -419.87         | -395.87         | -371.87         |
| 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            |
| <b>Income before tax</b>                                   | <b>-2,779.00</b>           | <b>632.00</b>              | <b>-1,523.00</b>           | <b>-1,028.00</b>           | <b>218.03</b>   | <b>207.73</b>   | <b>212.19</b>   | <b>217.23</b>   | <b>222.83</b>   |
| Tax  | 76.00                      | 239.00                     | -13.00                     | 12.00                      | 76.31           | 72.71           | 74.27           | 76.03           | 77.99           |
| <b>Income after tax</b>                                    | <b>-2,855.00</b>           | <b>393.00</b>              | <b>-1,510.00</b>           | <b>-1,040.00</b>           | <b>141.72</b>   | <b>135.03</b>   | <b>137.92</b>   | <b>141.20</b>   | <b>144.84</b>   |
| 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            |
| <b>Net income</b>  | <b>-2,855.00</b>           | <b>393.00</b>              | <b>-1,510.00</b>           | <b>-1,040.00</b>           | <b>141.72</b>   | <b>135.03</b>   | <b>137.92</b>   | <b>141.20</b>   | <b>144.84</b>   |
| *Figures are in millions (\$)                              |                            |                            |                            |                            |                 |                 |                 |                 |                 |
| EPS (based off today's share count)                        | -\$13.45                   | \$1.85                     | -\$7.11                    | -\$4.90                    | \$0.67          | \$0.64          | \$0.65          | \$0.67          | \$0.68          |
| P/E (historical today's price; forecasted intrinsic price) | -0.20                      | 1.45                       | -0.38                      | -0.55                      | -3.17           | 2.61            | -2.01           | 1.54            | -1.18           |
| <b>Revenue Growth</b>                                      | <b>N/A</b>                 | <b>-8.90%</b>              | <b>-7.54%</b>              | <b>-3.82%</b>              | <b>-5.00%</b>   | <b>-5.00%</b>   | <b>-3.00%</b>   | <b>-3.00%</b>   | <b>-3.00%</b>   |
| Tax Rate   | -2.73%                     | 37.82%                     | 0.85%                      | -1.17%                     | 35.00%          | 35.00%          | 35.00%          | 35.00%          | 35.00%          |
| Implied Debt Interest Rate                                 | -7.33%                     | -7.45%                     | -8.10%                     | -8.14%                     | -7.97%          | -7.56%          | -7.54%          | -7.51%          | -7.49%          |
| <b>Margins</b>   |                            |                            |                            |                            |                 |                 |                 |                 |                 |
| COGS   | 77.31%                     | 77.45%                     | 77.59%                     | 77.79%                     | 78.00%          | 78.00%          | 78.00%          | 78.00%          | 78.00%          |
| <b>Gross margin</b>  | <b>22.69%</b>              | <b>22.55%</b>              | <b>22.41%</b>              | <b>22.21%</b>              | <b>22.00%</b>   | <b>22.00%</b>   | <b>22.00%</b>   | <b>22.00%</b>   | <b>22.00%</b>   |
| SG&A   | 19.63%                     | 19.46%                     | 19.92%                     | 19.66%                     | 20.00%          | 20.00%          | 20.00%          | 20.00%          | 20.00%          |
| R&D  | 0.00%                      | 0.00%                      | 0.00%                      | 0.00%                      | 0.00%           | 0.00%           | 0.00%           | 0.00%           | 0.00%           |
| Unusual expense  | 7.91%                      | 0.13%                      | 5.09%                      | 3.99%                      | 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%           |
| <b>Operating Income (EBITA)</b>                            | <b>-4.84%</b>              | <b>2.96%</b>               | <b>-2.60%</b>              | <b>-1.44%</b>              | <b>2.00%</b>    | <b>2.00%</b>    | <b>2.00%</b>    | <b>2.00%</b>    | <b>2.00%</b>    |
| Interest income/(expense)                                  | -1.40%                     | -1.40%                     | -1.46%                     | -1.41%                     | -1.36%          | -1.36%          | -1.33%          | -1.29%          | -1.25%          |
| 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%           |
| <b>Income before tax</b>                                   | <b>-6.24%</b>              | <b>1.56%</b>               | <b>-4.06%</b>              | <b>-2.85%</b>              | <b>0.64%</b>    | <b>0.64%</b>    | <b>0.67%</b>    | <b>0.71%</b>    | <b>0.75%</b>    |
| Tax  | 0.17%                      | 0.59%                      | -0.03%                     | 0.03%                      | 0.22%           | 0.22%           | 0.23%           | 0.25%           | 0.26%           |
| <b>Income after tax</b>                                    | <b>-6.41%</b>              | <b>0.97%</b>               | <b>-4.02%</b>              | <b>-2.88%</b>              | <b>0.41%</b>    | <b>0.39%</b>    | <b>0.40%</b>    | <b>0.41%</b>    | <b>0.42%</b>    |
| 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%           |
| <b>Net income</b>  | <b>-6.41%</b>              | <b>0.97%</b>               | <b>-4.02%</b>              | <b>-2.88%</b>              | <b>0.41%</b>    | <b>0.41%</b>    | <b>0.44%</b>    | <b>0.46%</b>    | <b>0.49%</b>    |

SN VALUATION

LBO Adjusted Proforma Balance Sheet

|   | As of 2009-02-28 | As of 2010-02-27 | As of 2011-02-26 | As of 2012-02-25 | As of 2012-02-25 | Adjustment  |             | Adjusted Proforma | 2011             | 2012             | 2013             | 2014             | 2015             |
|---|------------------|------------------|------------------|------------------|------------------|-------------|-------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|   |                  |                  |                  |                  |                  | +           | -           |                   |                  |                  |                  |                  |                  |
| Cash                                    | 240.00           | 211.00           | 172.00           | 157.00           | 157.00           |             |             | 157.00            | 240.52           | 363.36           | 465.15           | 547.01           | 609.99           |
| Short term investment                   | 0.00             | 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>240.00</b>    | <b>211.00</b>    | <b>172.00</b>    | <b>157.00</b>    | <b>157.00</b>    |             |             | <b>157.00</b>     | <b>240.52</b>    | <b>363.36</b>    | <b>465.15</b>    | <b>547.01</b>    | <b>609.99</b>    |
| Accounts Receivable                     | 874.00           | 814.00           | 743.00           | 730.00           | 730.00           |             |             | 730.00            | 730.00           | 730.00           | 730.00           | 730.00           | 730.00           |
| 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>874.00</b>    | <b>814.00</b>    | <b>743.00</b>    | <b>730.00</b>    | <b>730.00</b>    |             |             | <b>730.00</b>     | <b>730.00</b>    | <b>730.00</b>    | <b>730.00</b>    | <b>730.00</b>    | <b>730.00</b>    |
| Total Inventory                         | 2,709.00         | 2,342.00         | 2,270.00         | 2,150.00         | 2,150.00         |             |             | 2,150.00          | 2,150.00         | 2,150.00         | 2,150.00         | 2,150.00         | 2,150.00         |
| Prepaid Expenses                        | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |             |             | 0.00              | 0.00             | 0.00             | 0.00             | 0.00             | 0.00             |
| Other Current Assets                    | 282.00           | 344.00           | 235.00           | 188.00           | 188.00           |             |             | 188.00            | 188.00           | 188.00           | 188.00           | 188.00           | 188.00           |
| <b>Current Assets</b>                   | <b>4,105.00</b>  | <b>3,711.00</b>  | <b>3,420.00</b>  | <b>3,225.00</b>  | <b>3,225.00</b>  | <b>0.00</b> | <b>0.00</b> | <b>3,225.00</b>   | <b>3,308.52</b>  | <b>3,431.36</b>  | <b>3,533.15</b>  | <b>3,615.01</b>  | <b>3,677.99</b>  |
| PP&E, Gross                             | 11,915.00        | 12,084.00        | 12,238.00        | 12,500.00        | 12,500.00        |             |             | 12,500.00         | 13,000.00        | 13,500.00        | 14,000.00        | 14,500.00        | 15,000.00        |
| Change in Depreciation                  |                  | 957.00           | 925.00           | 884.00           | 884.00           |             |             | 884.00            | 839.80           | 797.81           | 773.88           | 750.66           | 728.14           |
| Accumulated Depreciation                | 4,387.00         | 5,058.00         | 5,634.00         | 6,000.00         | 6,000.00         |             |             | 6,000.00          | 6,839.80         | 7,637.61         | 8,411.49         | 9,162.15         | 9,890.28         |
| <b>PP&amp;E, Net</b>                    | <b>7,528.00</b>  | <b>7,026.00</b>  | <b>6,604.00</b>  | <b>6,500.00</b>  | <b>6,500.00</b>  |             |             | <b>6,500.00</b>   | <b>6,160.20</b>  | <b>5,862.39</b>  | <b>5,588.51</b>  | <b>5,337.85</b>  | <b>5,109.72</b>  |
| Goodwill                                | 3,748.00         | 3,698.00         | 1,984.00         | 847.00           | 847.00           | 0.00        |             | 847.00            | 847.00           | 847.00           | 847.00           | 847.00           | 847.00           |
| Intangibles                             | 1,584.00         | 1,493.00         | 1,170.00         | 809.00           | 809.00           |             |             | 809.00            | 809.00           | 809.00           | 809.00           | 809.00           | 809.00           |
| 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                  | 639.00           | 508.00           | 580.00           | 810.00           | 810.00           |             |             | 810.00            | 810.00           | 810.00           | 810.00           | 810.00           | 810.00           |
| <b>Long Term Assets</b>                 | <b>13,499.00</b> | <b>12,725.00</b> | <b>10,338.00</b> | <b>8,966.00</b>  | <b>8,966.00</b>  |             |             | <b>8,966.00</b>   | <b>8,626.20</b>  | <b>8,328.39</b>  | <b>8,054.51</b>  | <b>7,803.85</b>  | <b>7,575.72</b>  |
| <b>Total Assets</b>                     | <b>17,604.00</b> | <b>16,436.00</b> | <b>13,758.00</b> | <b>12,191.00</b> | <b>12,191.00</b> | <b>0.00</b> | <b>0.00</b> | <b>12,191.00</b>  | <b>11,934.72</b> | <b>11,759.75</b> | <b>11,587.67</b> | <b>11,418.87</b> | <b>11,253.71</b> |
| Accounts Payable                        | 2,441.00         | 2,199.00         | 2,107.00         | 1,965.00         | 1,965.00         |             |             | 1,965.00          | 1,965.00         | 1,965.00         | 1,965.00         | 1,965.00         | 1,965.00         |
| Accrued Expense                         | 626.00           | 576.00           | 554.00           | 554.00           | 554.00           |             |             | 554.00            | 554.00           | 554.00           | 554.00           | 554.00           | 554.00           |
| Other current Liabilities               | 889.00           | 779.00           | 722.00           | 683.00           | 683.00           |             |             | 683.00            | 683.00           | 683.00           | 683.00           | 683.00           | 683.00           |
| <b>Total Current Liabilities</b>        | <b>3,956.00</b>  | <b>3,554.00</b>  | <b>3,383.00</b>  | <b>3,202.00</b>  | <b>3,202.00</b>  | <b>0.00</b> | <b>0.00</b> | <b>3,202.00</b>   | <b>3,202.00</b>  | <b>3,202.00</b>  | <b>3,202.00</b>  | <b>3,202.00</b>  | <b>3,202.00</b>  |
| 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 | 516.00           | 613.00           | 403.00           | 388.00           | 388.00           |             |             | 388.00            | 388.00           | 388.00           | 388.00           | 388.00           | 388.00           |
| Long term Debt                          | 6,634.00         | 7,022.00         | 6,348.00         | 5,868.00         | 5,868.00         | 0.00        | 0.00        | 5,868.00          | 5,868.00         | 5,568.00         | 5,268.00         | 4,968.00         | 4,668.00         |
| Capital Lease Obligations               | 1,334.00         | 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>8,484.00</b>  | <b>7,635.00</b>  | <b>6,751.00</b>  | <b>6,256.00</b>  | <b>6,256.00</b>  | <b>0.00</b> | <b>0.00</b> | <b>6,256.00</b>   | <b>6,256.00</b>  | <b>5,956.00</b>  | <b>5,656.00</b>  | <b>5,356.00</b>  | <b>5,056.00</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              | 10.00            | 10.00            | 10.00            | 10.00            | 10.00            |
| Other liabilities                       | 2,583.00         | 2,360.00         | 2,284.00         | 2,574.00         | 2,574.00         |             |             | 2,574.00          | 2,574.00         | 2,574.00         | 2,574.00         | 2,574.00         | 2,574.00         |
| <b>Total Liabilities</b>                | <b>15,023.00</b> | <b>13,549.00</b> | <b>12,418.00</b> | <b>12,032.00</b> | <b>12,032.00</b> | <b>0.00</b> | <b>0.00</b> | <b>12,032.00</b>  | <b>12,042.00</b> | <b>11,742.00</b> | <b>11,442.00</b> | <b>11,142.00</b> | <b>10,842.00</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                            | 230.00           | 230.00           | 230.00           | 230.00           | 230.00           |             | 0.00        | 230.00            | 230.00           | 230.00           | 230.00           | 230.00           | 230.00           |
| Additional Paid-in capital              | 2,853.00         | 2,857.00         | 2,855.00         | 2,855.00         | 2,855.00         | 0.00        | 0.00        | 2,855.00          | 2,855.00         | 2,855.00         | 2,855.00         | 2,855.00         | 2,855.00         |
| 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                       | 542.00           | 806.00           | -778.00          | -1,892.00        | -1,892.00        |             | 0.00        | -1,892.00         | -1,750.28        | -1,615.25        | -1,477.33        | -1,336.13        | -1,191.29        |
| Treasury Stock                          | -541.00          | -528.00          | -521.00          | -515.00          | -515.00          |             |             | -515.00           | -515.00          | -515.00          | -515.00          | -515.00          | -515.00          |
| Other Equity                            | -503.00          | -478.00          | -446.00          | -657.00          | -657.00          |             | 0.00        | -657.00           | -657.00          | -657.00          | -657.00          | -657.00          | -657.00          |
| <b>Total Equity</b>                     | <b>2,581.00</b>  | <b>2,887.00</b>  | <b>1,340.00</b>  | <b>21.00</b>     | <b>21.00</b>     | <b>0.00</b> | <b>0.00</b> | <b>21.00</b>      | <b>162.72</b>    | <b>297.75</b>    | <b>435.67</b>    | <b>576.87</b>    | <b>721.71</b>    |
| <b>Liability + Equity</b>               | <b>17,604.00</b> | <b>16,436.00</b> | <b>13,758.00</b> | <b>12,053.00</b> | <b>12,053.00</b> | <b>0.00</b> | <b>0.00</b> | <b>12,053.00</b>  | <b>12,204.72</b> | <b>12,039.75</b> | <b>11,877.67</b> | <b>11,718.87</b> | <b>11,563.71</b> |
| <b>Variance</b>                         | 0.00             | 0.00             | 0.00             | 138.00           | 138.00           |             |             | 138.00            | -270.00          | -280.00          | -290.00          | -300.00          | -310.00          |
| <b>Debt/Equity</b>                      | 3.29             | 2.64             | 5.04             | 297.90           | 297.90           |             |             | 297.90            | 38.45            | 20.00            | 12.98            | 9.28             | 7.01             |
| Inventory Turnover                      | 16.45            | 17.33            | 16.53            | 16.79            | 15.95            |             |             | 16.79             | 15.95            | 15.15            | 14.70            | 14.26            | 13.83            |
| Inventory Turnover Days                 | 22.19            | 21.06            | 22.07            | 21.74            | 22.88            |             |             | 21.74             | 22.88            | 24.09            | 24.83            | 25.60            | 26.39            |
| Days Inventory Outstanding              | 28.70            | 27.19            | 28.45            | 27.95            | 29.34            |             |             | 27.95             | 29.34            | 30.88            | 31.84            | 32.82            | 33.84            |
| Accounts Receivable Turnover            | 50.99            | 49.87            | 50.52            | 49.45            | 46.98            |             |             | 49.45             | 46.98            | 44.63            | 43.29            | 41.99            | 40.73            |
| Accounts Receivable Turnover Days       | 7.16             | 7.32             | 7.23             | 7.38             | 7.77             |             |             | 7.38              | 7.77             | 8.18             | 8.43             | 8.69             | 8.96             |
| Days Payable Outstanding                | 25.86            | 25.53            | 26.41            | 25.54            | 26.81            |             |             | 25.54             | 26.81            | 28.22            | 29.10            | 30.00            | 30.92            |
| Days Sales Outstanding                  | 7.16             | 7.32             | 7.23             | 7.38             | 7.77             |             |             | 7.38              | 7.38             | 7.77             | 8.18             | 8.43             | 8.69             |
| Cash Conversion Cycle                   | 10.00            | 8.98             | 9.27             | 9.79             | 10.29            |             |             | 9.79              | 9.91             | 10.43            | 10.92            | 11.26            | 11.60            |
| Net tangible assets/share               |                  |                  |                  |                  | -7.05            |             |             |                   | -8.31            | -7.72            | -7.12            | -6.50            | -5.86            |

SN VALUATION

LBO Adjusted Proforma Cash Flow

|   | 53 weeks ending 2009-02-28 | 52 weeks ending 2010-02-27 | 52 weeks ending 2011-02-26 | 52 weeks ending 2012-02-25 | 2011           | 2012           | 2013           | 2014           | 2015           |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Net Income                                    | -2,855.00                  | 393.00                     | -1,510.00                  | -1,040.00                  | 141.72         | 135.03         | 137.92         | 141.20         | 144.84         |
| Depreciation                                  | 1,057.00                   | 957.00                     | 925.00                     | 884.00                     | 839.80         | 797.81         | 773.88         | 750.66         | 728.14         |
| <b>Net Income + Depreciation</b>              | <b>-1,798.00</b>           | <b>1,350.00</b>            | <b>-585.00</b>             | <b>-156.00</b>             | <b>981.52</b>  | <b>932.84</b>  | <b>911.80</b>  | <b>891.86</b>  | <b>872.98</b>  |
| Amortization                                  | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Deferred Taxes                                | -118.00                    | 151.00                     | -94.00                     | -112.00                    | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Non Cash Items                                | 3,781.00                   | 107.00                     | 2,008.00                   | 1,530.00                   | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Change in Working capital                     | -331.00                    | -134.00                    | -166.00                    | -206.00                    | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Accounts Receivable                           | 0.00                       | 60.00                      | 71.00                      | -13.00                     | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Other Receivables                             | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Inventory                                     | 0.00                       | 367.00                     | 72.00                      | 120.00                     | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Prepaid Expenses                              | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Accounts Payable                              | 0.00                       | -242.00                    | -92.00                     | -142.00                    | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Cash from Operating Activities</b>         | <b>1,534.00</b>            | <b>1,474.00</b>            | <b>1,163.00</b>            | <b>1,056.00</b>            | <b>981.52</b>  | <b>932.84</b>  | <b>911.80</b>  | <b>891.86</b>  | <b>872.98</b>  |
| Capital Expenditures Expenditures             | -1,186.00                  | -681.00                    | -597.00                    | -661.00                    | -500.00        | -500.00        | -500.00        | -500.00        | -500.00        |
| Long term investment                          | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Other Investing Activities                    | 172.00                     | 222.00                     | 370.00                     | 177.00                     | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| <b>Cash from Investing Activities</b>         | <b>-1,014.00</b>           | <b>-459.00</b>             | <b>-227.00</b>             | <b>-484.00</b>             | <b>-500.00</b> | <b>-500.00</b> | <b>-500.00</b> | <b>-500.00</b> | <b>-500.00</b> |
| Financing Cash flow items                     | 0.00                       | -10.00                     | -15.00                     | -10.00                     | -10.00         | -10.00         | -10.00         | -10.00         | -10.00         |
| Total Cash Dividends Paid                     | -145.00                    | -147.00                    | -74.00                     | -74.00                     | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Issuance (Retirement) of Stock                | -12.00                     | 0.00                       | -1.00                      | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Issuance (Retirement) of Current Portion Debt | -                          | -                          | -                          | -                          | -388.00        | 0.00           | 0.00           | 0.00           | 0.00           |
| Issuance (Retirement) of Long Term Debt       | -366.00                    | -887.00                    | -885.00                    | -503.00                    | 0.00           | -300.00        | -300.00        | -300.00        | -300.00        |
| <b>Cash from Financing Activities</b>         | <b>-523.00</b>             | <b>-1,044.00</b>           | <b>-975.00</b>             | <b>-587.00</b>             | <b>-398.00</b> | <b>-310.00</b> | <b>-310.00</b> | <b>-310.00</b> | <b>-310.00</b> |
| Foreign Exchange effect                       | 0.00                       | 0.00                       | 0.00                       | 0.00                       | 0.00           | 0.00           | 0.00           | 0.00           | 0.00           |
| Beginning Cash Balance                        | 243.00                     | 240.00                     | 211.00                     | 172.00                     | 157.00         | 240.52         | 363.36         | 465.15         | 547.01         |
| <b>Net Change in Cash</b>                     | <b>-3.00</b>               | <b>-29.00</b>              | <b>-39.00</b>              | <b>-15.00</b>              | <b>83.52</b>   | <b>122.84</b>  | <b>101.80</b>  | <b>81.86</b>   | <b>62.98</b>   |
| Ending Cash Balance                           | 240.00                     | 211.00                     | 172.00                     | 157.00                     | 240.52         | 363.36         | 465.15         | 547.01         | 609.99         |
| Capex to Revenue                              | 2.66%                      | 1.68%                      | 1.59%                      | 1.83%                      | 1.46%          | 1.53%          | 1.58%          | 1.63%          | 1.68%          |
| Depreciation to Sales                         | 2.37%                      | 2.36%                      | 2.46%                      | 2.45%                      | 2.45%          | 2.45%          | 2.45%          | 2.45%          | 2.45%          |
| 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                                  | 1.96%                      | 2.01%                      | 1.98%                      | 2.02%                      | 2.13%          | 2.24%          | 2.31%          | 2.38%          | 2.46%          |
| Distributable FCF Yield                       | 7.80%                      | 15.22%                     | 14.03%                     | 8.58%                      | 7.22%          | 6.49%          | 6.17%          | 5.87%          | 5.59%          |
| Dividend Yield                                | -25.39%                    | -25.75%                    | -12.96%                    | -12.96%                    | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          |
| <b>FCF (Ops-Investing-Dividends)</b>          | <b>665.00</b>              | <b>1,162.00</b>            | <b>1,010.00</b>            | <b>646.00</b>              | <b>481.52</b>  | <b>432.84</b>  | <b>411.80</b>  | <b>391.86</b>  | <b>372.98</b>  |

# 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                      | -15.00          | 83.52         | 122.84        | 101.80        | 81.86         | 62.98         |
| Current Portion Debt Repayment          |                 | 388.00        | 0.00          | 0.00          |               |               |
| Long Term Debt Repayment                |                 | 0.00          | 300.00        | 300.00        | 300.00        | 300.00        |
| <b>Outstanding Debt</b>                 | 6256.00         | 5868.00       | 5568.00       | 5268.00       | 4968.00       | 4668.00       |
| Current Portion Debt Balance            | 388.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Long Term Debt Balance                  | 5868.00         | 5868.00       | 5568.00       | 5268.00       | 4968.00       | 4668.00       |
| 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>469.44</b> | <b>445.44</b> | <b>421.44</b> | <b>397.44</b> | <b>373.44</b> |
| Cash Balance                            |                 | 157.00        |               |               |               |               |
| Interest @ 1.0%                         |                 | 1.57          | 1.57          | 1.57          | 1.57          | 1.57          |
| <b>Net Interest Expense/(Income)</b>    |                 | <b>467.87</b> | <b>443.87</b> | <b>419.87</b> | <b>395.87</b> | <b>371.87</b> |
| <b>Net Interest Rate</b>                |                 | <b>7.97%</b>  | <b>7.56%</b>  | <b>7.54%</b>  | <b>7.51%</b>  | <b>7.49%</b>  |
| EBITDA                                  |                 | 685.90        | 651.60        | 632.06        | 613.10        | 594.70        |
| <b>EBITDA/Interest Expense Coverage</b> |                 | <b>1.46</b>   | <b>1.46</b>   | <b>1.50</b>   | <b>1.54</b>   | <b>1.59</b>   |

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran

# Altman Z Score

Company Name:

SuperValu

Ticker:

SVU

| Period                 | 2007         | 2008        | 2009         | 2010         | 2011         | 2012         | 2013         | 2014         | 2015         |
|------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Working Capital        | 149.00       | 157.00      | 37.00        | 23.00        | 106.52       | 229.36       | 331.15       | 413.01       | 475.99       |
| Total Assets           | 17,604.00    | 16,436.00   | 13,758.00    | 12,191.00    | 11,934.72    | 11,759.75    | 11,587.67    | 11,418.87    | 11,253.71    |
| <b>X1</b>              | <b>0.01</b>  | <b>0.01</b> | <b>0.00</b>  | <b>0.00</b>  | <b>0.01</b>  | <b>0.02</b>  | <b>0.03</b>  | <b>0.04</b>  | <b>0.04</b>  |
| Retained Earnings      | 542.00       | 806.00      | -778.00      | -1,892.00    | -1,750.28    | -1,615.25    | -1,477.33    | -1,336.13    | -1,191.29    |
| Total Assets           | 17,604.00    | 16,436.00   | 13,758.00    | 12,191.00    | 11,934.72    | 11,759.75    | 11,587.67    | 11,418.87    | 11,253.71    |
| <b>X2</b>              | <b>0.03</b>  | <b>0.05</b> | <b>-0.06</b> | <b>-0.16</b> | <b>-0.15</b> | <b>-0.14</b> | <b>-0.13</b> | <b>-0.12</b> | <b>-0.11</b> |
| EBITDA                 | -2,157.00    | 1,201.00    | -976.00      | -519.00      | 685.90       | 651.60       | 632.06       | 613.10       | 594.70       |
| Total Assets           | 17,604.00    | 16,436.00   | 13,758.00    | 12,191.00    | 11,934.72    | 11,759.75    | 11,587.67    | 11,418.87    | 11,253.71    |
| <b>X3</b>              | <b>-0.12</b> | <b>0.07</b> | <b>-0.07</b> | <b>-0.04</b> | <b>0.06</b>  | <b>0.06</b>  | <b>0.05</b>  | <b>0.05</b>  | <b>0.05</b>  |
| Market Value of Equity | 570.98       | 570.98      | 570.98       | 570.98       | -448.67      | 352.56       | -277.04      | 217.70       | -171.06      |
| Total Liabilities      | 15,023.00    | 13,549.00   | 12,418.00    | 12,032.00    | 12,042.00    | 11,742.00    | 11,442.00    | 11,142.00    | 10,842.00    |
| <b>X4</b>              | <b>0.04</b>  | <b>0.04</b> | <b>0.05</b>  | <b>0.05</b>  | <b>-0.04</b> | <b>0.03</b>  | <b>-0.02</b> | <b>0.02</b>  | <b>-0.02</b> |
| Net Sales              | 44,564.00    | 40,597.00   | 37,534.00    | 36,100.00    | 34,295.00    | 32,580.25    | 31,602.84    | 30,654.76    | 29,735.11    |
| Total Assets           | 17,604.00    | 16,436.00   | 13,758.00    | 12,191.00    | 11,934.72    | 11,759.75    | 11,587.67    | 11,418.87    | 11,253.71    |
| <b>X5</b>              | <b>2.53</b>  | <b>2.47</b> | <b>2.73</b>  | <b>2.96</b>  | <b>2.87</b>  | <b>2.77</b>  | <b>2.73</b>  | <b>2.68</b>  | <b>2.64</b>  |
| <b>Altman Z Score</b>  | <b>2.20</b>  | <b>2.82</b> | <b>2.45</b>  | <b>2.63</b>  | <b>2.85</b>  | <b>2.80</b>  | <b>2.75</b>  | <b>2.75</b>  | <b>2.71</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