

Analyst: Sung Nam

TRW Automotive Holdings Corp (TRW)

Market Price:	\$34.81	EBITDA/Share:	\$9.54	Net Asset/Share:	-\$0.02
DCF: EV/EBITDA Terminal Value	13.691%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		-3.221%	
EBITDA-Cap Ex/Share	\$7.12	EVA Analysis:		5.795%	

Overview**Dividend?**

Dividend yield is 0.0%.

Price to Book

Price to book is 2.05. Price to book excluding goodwill is N/A.

Cashflow Generation

Cashflows are \$1130MM from operating cashflow.

Capex is \$300 MM, minority interest payment is \$0 MM, intangibles are \$0 MM and dividend is \$0 MM.

Free cash flow is about \$800 MM.

8.1% EBITA margin and FCF yield is 16.5%.

The company has \$1,078 MM in cash/short term investment and \$1,846 MM in debt.

We are projecting a \$0 MM paydown annually.

Profitability

ROA is 8.9%, and ROC is 40.4%.

Bankruptcy Risk

Altman Z is above 3. Risk is low.

LBO?

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

Price

We are forecasting a \$48.40/share in Year 5, or a 38.9% holding return, or 6.8% annual return. Thus, the 1 year forecasted price is \$37.20.

Financial Times is showing 4 Buys, 4 Outperform, 1 Hold, 0 Underperform. High of \$77.50, median \$56, low \$40.

Altman Z Score

Company Name:

TRW Automotive Holdings Corp

Ticker:

TRW

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	-1,629.00	-2,459.00	-2,362.00	-1,832.00	-1,696.99	-1,483.04	-1,231.78	-753.06	37.02
Total Assets	12,290.00	9,272.00	8,732.00	9,288.00	9,249.32	9,284.85	9,352.89	9,643.57	10,240.73
X1	-0.13	-0.27	-0.27	-0.20	-0.18	-0.16	-0.13	-0.08	0.00
Retained Earnings	398.00	-378.00	-323.00	511.00	1,108.37	1,738.75	2,402.25	3,088.49	3,781.64
Total Assets	12,290.00	9,272.00	8,732.00	9,288.00	9,249.32	9,284.85	9,352.89	9,643.57	10,240.73
X2	0.03	-0.04	-0.04	0.06	0.12	0.19	0.26	0.32	0.37
EBITDA	522.00	-400.00	347.00	1,181.00	1,016.88	1,027.05	1,037.32	1,047.69	1,058.17
Total Assets	12,290.00	9,272.00	8,732.00	9,288.00	9,249.32	9,284.85	9,352.89	9,643.57	10,240.73
X3	0.04	-0.04	0.04	0.13	0.11	0.11	0.11	0.11	0.10
Market Value of Equity	4,307.39	4,307.39	4,307.39	4,307.39	4,599.95	4,912.39	5,246.05	5,602.37	5,982.89
Total Liabilities	9,098.00	8,141.00	7,572.00	7,225.00	6,768.05	6,268.05	5,768.05	5,468.05	5,468.05
X4	0.47	0.53	0.57	0.60	0.68	0.78	0.91	1.02	1.09
Net Sales	14,702.00	14,995.00	11,614.00	14,383.00	14,526.83	14,672.10	14,818.82	14,967.01	15,116.68
Total Assets	12,290.00	9,272.00	8,732.00	9,288.00	9,249.32	9,284.85	9,352.89	9,643.57	10,240.73
X5	1.20	1.62	1.33	1.55	1.57	1.58	1.58	1.55	1.48
Altman Z Score	1.51	1.42	1.43	2.17	2.29	2.49	2.70	2.88	2.99

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

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

SN VALUATION

LBO Analysis

WACC Terminal Value:		Intrinsic Price in 5 Years:	48.35	Non-LBO Forecast	Non-LBO Forecast	Desired Return Rate	20.00%
EV/EBITDA with 5X Multiple Terminal Value:	\$66.12	Market Price:	34.81	Year 1 Target	37.17	Implied Today's Price	19.43
Net Tangible Asset Terminal Value:	\$29.55	LBO Price:	34.81	Year 2 Target	39.70	Overvalued/(Undervalued)	79.15%
EV/EBITDA with Today's Multiple Terminal Value:	\$49.02	Premium to Market Price:	0.00%	Year 3 Target	42.40		
EVA Enterprise Value:	\$48.71	LBO Price/Intrinsic Price Target:	6.79%	Year 4 Target	45.28		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-0.29%	Year 5 Target	48.35		
Average (Excluding Dividend Discount):	\$48.35	Implied IRR at today's EV/EBITDA:	7.09%	Implied IRR (Market Price):	6.79%		
		5 Year Return:	38.90%				

Current Evaluation				Exit Evaluation			
Current Market Price:	34.81	LBO Price:	34.81	Exit Price:	48.35	Exit Price:	49.02
Outstanding Shares:	123,740,000	Outstanding Shares:	123,740,000	Outstanding Shares:	123,740,000	Outstanding Shares:	123,740,000
Market Capitalization:	4,307,389,400	Market Capitalization:	4,307,389,400	Market Capitalization:	5,982,893,285	Market Capitalization:	6,065,522,614
Available Cash:	1,078,000,000	Available Cash:	1,078,000,000	Available Cash:	2,947,020,328	Available Cash:	2,947,020,328
Debt:	1,846,000,000	Debt:	1,846,000,000	Debt:	56,000,000	Debt:	56,000,000
Net Cash:	-768,000,000	Net Cash:	-768,000,000	Net Cash:	2,891,020,328	Net Cash:	2,891,020,328
Enterprise Value:	5,075,389,400	Enterprise Value:	5,075,389,400	Enterprise Value:	3,091,872,957	Enterprise Value:	3,174,502,286
Original EV/EBITDA:	4.34	EV/EBITDA:	4.34	EV/EBITDA at 5 Years:	2.98	EV/EBITDA at 5 Years:	3.00
Original EV/EBITDA:	4.30	EV/EBITDA:	3.10	EV/EBITDA at 5 Years:	2.61	EV/EBITDA at 5 Years:	2.07
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:	34.81	34.81	37.17	39.70	42.40	45.28	48.35
Shares Outstanding:	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000
Market Capitalization:	4,307,389,400	4,307,389,400	4,599,954,747	4,912,391,640	5,246,049,787	5,602,370,574	5,982,893,285
Available Cash:	1,078,000,000	1,078,000,000	1,213,010,956	1,426,964,917	1,678,217,427	2,156,936,714	2,947,020,328
Debt:	1,846,000,000	1,846,000,000	1,356,000,000	856,000,000	356,000,000	56,000,000	56,000,000
Net Cash:	-768,000,000	-768,000,000	-142,989,044	570,964,917	1,322,217,427	2,100,936,714	2,891,020,328
Enterprise Value:	5,075,389,400	5,075,389,400	4,742,943,792	4,341,426,724	3,923,832,360	3,501,433,860	3,091,872,957
EBIT	1,169,000,000	1,169,000,000	996,878,100	1,007,046,881	1,017,317,350	1,027,690,523	1,038,167,429
EV/EBIT:	4.34	4.34	4.76	4.31	3.86	3.41	2.98
EBITDA	1,638,000,000	1,638,000,000	1,470,568,100	1,485,473,781	1,500,528,519	1,515,733,804	1,531,091,142
EV/EBITDA:	3.10	3.10	3.23	2.92	2.61	2.31	2.02

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	34.81	34.81	33.82	39.95	46.38	53.04	59.79
Shares Outstanding:	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000	123,740,000
Market Capitalization:	4,307,389,400	4,307,389,400	4,185,107,227	4,943,210,481	5,739,053,778	6,562,809,758	7,398,380,433
Available Cash:	1,078,000,000	1,078,000,000	1,213,010,956	1,426,964,917	1,678,217,427	2,156,936,714	2,947,020,328
Debt:	1,846,000,000	1,846,000,000	1,356,000,000	856,000,000	356,000,000	56,000,000	56,000,000
Net Cash:	-768,000,000	-768,000,000	-142,989,044	570,964,917	1,322,217,427	2,100,936,714	2,891,020,328
Enterprise Value:	5,075,389,400	5,075,389,400	4,328,096,272	4,372,245,565	4,416,836,350	4,461,873,044	4,507,360,105
EBIT	1,169,000,000	1,169,000,000	996,878,100	1,007,046,881	1,017,317,350	1,027,690,523	1,038,167,429
EV/EBIT:	4.34	4.34	4.34	4.34	4.34	4.34	4.34
EBITDA	1,638,000,000	1,638,000,000	1,470,568,100	1,485,473,781	1,500,528,519	1,515,733,804	1,531,091,142
EV/EBITDA:	3.10	3.10	2.94	2.94	2.94	2.94	2.94

LBO Price	34.81	Equity Partners:	6,153,389,400	Weighting	100.00%	Annualized Return for Equity Partners:	-0.29%
Shares Outstanding	123,740,000	Debt Partners:	0		0.00%		
Market Capitalization	4,307,389,400	Total Funds for LBO:	6,153,389,400		100.00%		
Debt	1,846,000,000						
Cash	1,078,000,000						
Enterprise Value	5,075,389,400						
Capital Investment	6,153,389,400						

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	2,055.00	Current Market Price	Starting Debt
Year 5 Book Value	5,025.64	Year 5 Market Price	Debt Repayment
Annualized Return	19.58%	Annualized Return	7.09%
			Year 5 Ending Debt
			% of Starting Debt
			0.17%

SN VALUATION

LBO Pro Forma Income Statement

Name:

TRW Automotive Holdings Corp

Ticker:

TRW

	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	14,702.00	14,995.00	11,614.00	14,383.00	14,526.83	14,672.10	14,818.82	14,967.01	15,116.68
COGS	13,494.00	13,977.00	10,708.00	12,661.00	12,783.61	12,911.45	13,040.56	13,170.97	13,302.68
Gross margin	1,208.00	1,018.00	906.00	1,722.00	1,743.22	1,760.65	1,796.04	1,796.04	1,814.00
SG&A	537.00	531.00	495.00	511.00	581.07	586.88	592.75	598.68	604.67
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	186.00	927.00	100.00	65.00	145.27	146.72	148.19	149.67	151.17
Other operating expense	-37.00	-40.00	-36.00	-35.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS	53.00	68.00	32.00	12.00	20.00	20.00	20.00	20.00	20.00
Operating Income (EBITA)	469.00	-468.00	315.00	1,169.00	996.88	1,007.05	1,017.32	1,027.69	1,038.17
Interest income/(expense)	-200.00	-168.00	-171.00	-128.00	-93.46	-53.46	-13.46	10.54	10.54
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	-5.00	-2.00	-4.00	0.00	-1.69	-1.53	-1.45	-1.52	-1.52
Income before tax	264.00	-638.00	140.00	1,041.00	905.11	955.12	1,005.30	1,039.75	1,050.23
Tax	155.00	126.00	67.00	166.00	307.74	324.74	341.80	353.52	357.08
Income after tax	109.00	-764.00	73.00	875.00	597.37	630.38	663.50	686.24	693.15
Minority Interest	-19.00	-15.00	-18.00	-41.00	-33.05	-34.85	-35.46	-35.56	-35.99
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	90.00	-779.00	55.00	834.00	564.32	595.53	628.04	650.68	657.16
*Figures are in millions (\$)									
Revenue Growth	N/A	1.99%	-22.55%	23.84%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	58.71%	-19.75%	47.86%	15.95%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	-6.17%	-5.75%	-7.21%	-6.93%	-5.27%	-4.10%	-1.68%	3.48%	351.33%
Margins	91.78%	93.21%	92.20%	88.03%	88.00%	88.00%	88.00%	88.00%	88.00%
COGS	91.78%	93.21%	92.20%	88.03%	88.00%	88.00%	88.00%	88.00%	88.00%
Gross margin	8.22%	6.79%	7.80%	11.97%	12.00%	12.00%	12.00%	12.00%	12.00%
SG&A	3.65%	3.54%	4.26%	3.55%	4.00%	4.00%	4.00%	4.00%	4.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	1.27%	6.18%	0.86%	0.45%	1.00%	1.00%	1.00%	1.00%	1.00%
Other operating expense	-0.25%	-0.27%	-0.31%	-0.24%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.36%	0.45%	0.28%	0.08%	0.14%	0.14%	0.13%	0.13%	0.13%
Operating Income (EBITA)	3.19%	-3.12%	2.71%	8.13%	6.86%	6.86%	6.87%	6.87%	6.87%
Interest income/(expense)	-1.36%	-1.12%	-1.47%	-0.89%	-0.64%	-0.36%	-0.09%	0.07%	0.07%
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	-0.03%	-0.01%	-0.03%	0.00%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
Income before tax	1.80%	-4.25%	1.21%	7.24%	6.23%	6.51%	6.78%	6.95%	6.95%
Tax	1.05%	0.84%	0.58%	1.15%	2.12%	2.21%	2.31%	2.36%	2.36%
Income after tax	0.74%	-5.10%	0.63%	6.08%	4.11%	4.34%	4.57%	4.72%	4.77%
Minority Interest	-0.13%	-0.10%	-0.15%	-0.29%	-0.23%	-0.24%	-0.24%	-0.24%	-0.24%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	0.61%	-5.20%	0.47%	5.80%	3.88%	4.06%	4.24%	4.35%	4.35%

					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	895.00	756.00	788.00	1,078.00			1,078.00	1,213.01	1,426.96	1,678.22	2,156.94	2,947.02
Short term investment	4.00	10.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash and Short term	899.00	766.00	788.00	1,078.00			1,078.00	1,213.01	1,426.96	1,678.22	2,156.94	2,947.02
Accounts Receivable	2,313.00	1,570.00	1,943.00	2,087.00			2,087.00	2,087.00	2,087.00	2,087.00	2,087.00	2,087.00
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	2,313.00	1,570.00	1,943.00	2,087.00			2,087.00	2,087.00	2,087.00	2,087.00	2,087.00	2,087.00
Deferred Income Tax	-2,334.00	-2,653.00	-2,692.00	-2,496.00			-2,496.00	-2,496.00	-2,496.00	-2,496.00	-2,496.00	-2,496.00
Total Inventory	822.00	694.00	660.00	760.00			760.00	760.00	760.00	760.00	760.00	760.00
Prepaid Expenses	65.00	127.00	135.00	126.00			126.00	126.00	126.00	126.00	126.00	126.00
Other Current Assets	227.00	82.00	66.00	89.00			89.00	89.00	89.00	89.00	89.00	89.00
Current Assets	1,992.00	586.00	900.00	1,644.00	0.00	0.00	1,644.00	1,779.01	1,992.96	2,244.22	2,722.94	3,513.02
PP&E, Gross	5,244.00	5,171.00	5,521.00	5,560.00			5,560.00	5,860.00	6,160.00	6,460.00	6,760.00	7,060.00
Change in Depreciation	557.00	576.00	495.00	469.00			469.00	473.69	478.43	483.21	488.04	492.92
Accumulated Depreciation	0.00	0.00	495.00	964.00			964.00	1,437.69	1,916.12	2,399.33	2,887.37	3,380.30
PP&E, Net	5,244.00	5,171.00	5,026.00	4,596.00			4,596.00	4,422.31	4,243.88	4,060.67	3,872.63	3,679.70
Goodwill	2,243.00	1,765.00	1,768.00	1,761.00	0.00		1,761.00	1,761.00	1,761.00	1,761.00	1,761.00	1,761.00
Intangibles	710.00	373.00	324.00	304.00			304.00	304.00	304.00	304.00	304.00	304.00
Long term investments	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	2,101.00	1,377.00	714.00	983.00			983.00	983.00	983.00	983.00	983.00	983.00
Long Term Assets	10,298.00	8,686.00	7,832.00	7,644.00	0.00	0.00	7,644.00	7,470.31	7,291.88	7,108.67	6,920.63	6,727.70
Total Assets	12,290.00	9,272.00	8,732.00	9,288.00	0.00	0.00	9,288.00	9,249.32	9,284.85	9,352.89	9,643.57	10,240.73
Accounts Payable	2,406.00	1,793.00	1,912.00	2,079.00			2,079.00	2,079.00	2,079.00	2,079.00	2,079.00	2,079.00
Accrued Expense	1,152.00	1,229.00	256.00	251.00			251.00	251.00	251.00	251.00	251.00	251.00
Other current Liabilities	63.00	23.00	1,094.00	1,146.00			1,146.00	1,146.00	1,146.00	1,146.00	1,146.00	1,146.00
Total Current Liabilities	3,621.00	3,045.00	3,262.00	3,476.00	0.00	0.00	3,476.00	3,476.00	3,476.00	3,476.00	3,476.00	3,476.00
Notes Payables/Short Term Debt	64.00	66.00	18.00	23.00			23.00	23.00	23.00	23.00	23.00	23.00
Current port. Of LT Debt/Capital Leases	30.00	53.00	28.00	20.00			20.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	3,150.00	2,803.00	2,284.00	1,773.00	0.00	0.00	1,773.00	1,303.00	803.00	303.00	3.00	3.00
Capital Lease Obligations	0.00	0.00	41.00	30.00			30.00	30.00	30.00	30.00	30.00	30.00
Total Interest Earning Debt	3,244.00	2,922.00	2,371.00	1,846.00	0.00	0.00	1,846.00	1,356.00	856.00	356.00	56.00	56.00
Deferred Income tax	552.00	232.00	34.00	95.00			95.00	95.00	95.00	95.00	95.00	95.00
Minority Interest	134.00	137.00	149.00	175.00			175.00	208.05	208.05	208.05	208.05	208.05
Other liabilities	1,547.00	1,805.00	1,756.00	1,633.00			1,633.00	1,633.00	1,633.00	1,633.00	1,633.00	1,633.00
Total Liabilities	9,098.00	8,141.00	7,572.00	7,225.00	0.00	0.00	7,225.00	6,768.05	6,268.05	5,768.05	5,468.05	5,468.05
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	1.00	1.00	1.00	1.00		0.00	1.00	1.00	1.00	1.00	1.00	1.00
Additional Paid-in capital	1,176.00	1,199.00	1,553.00	1,638.00	0.00	0.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00	1,638.00
Dividends Paid	0.00	0.00	0.00	0.00			0.00	-60.00	-120.00	-180.00	-240.00	-300.00
Retained Earnings	398.00	-378.00	-323.00	511.00		0.00	511.00	1,108.37	1,738.75	2,402.25	3,088.49	3,781.64
Treasury Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	1,617.00	309.00	-72.00	-95.00		0.00	-95.00	-95.00	-95.00	-95.00	-95.00	-95.00
Total Equity	3,192.00	1,131.00	1,159.00	2,055.00	0.00	0.00	2,055.00	2,592.37	3,162.75	3,766.25	4,392.49	5,025.64
Liability + Equity	12,290.00	9,272.00	8,731.00	9,280.00	0.00	0.00	9,280.00	9,360.43	9,430.81	9,534.31	9,860.54	10,493.69
Variance	0.00	0.00	1.00	8.00			8.00	-111.11	-145.96	-181.42	-216.98	-252.97
Debt/Equity	1.02	2.58	2.05	0.90			0.90	0.52	0.27	0.09	0.01	0.01
Inventory Turnover	17.89	21.61	17.60	18.93			18.93	19.11	19.31	19.50	19.69	19.89
Inventory Turnover Days	20.41	16.89	20.74	19.29			19.29	19.10	18.91	18.72	18.53	18.35
Days Inventory Outstanding	22.23	18.12	22.50	21.91			21.91	21.70	21.48	21.27	21.06	20.85
Accounts Receivable Turnover	6.36	9.55	5.98	6.89			6.89	6.96	7.03	7.10	7.17	7.24
Accounts Receivable Turnover Days	57.42	38.22	61.06	52.96			52.96	52.44	51.92	51.40	50.90	50.39
Days Payable Outstanding	65.08	46.82	65.17	59.93			59.93	59.36	58.77	58.19	57.61	57.04
Days Sales Outstanding	57.42	38.22	61.06	52.96			52.96	52.96	52.44	51.92	51.40	50.90
Cash Conversion Cycle	14.58	9.52	18.39	14.94			14.94	15.30	15.15	15.00	14.85	14.70

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	109.00	-764.00	73.00	875.00	597.37	630.38	663.50	686.24	693.15
Depreciation	557.00	576.00	495.00	469.00	473.69	478.43	483.21	488.04	492.92
Net Income + Depreciation	666.00	-188.00	568.00	1,344.00	1,071.06	1,108.81	1,146.71	1,174.28	1,186.08
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	1.00	12.00	-4.00	56.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	-46.00	693.00	-189.00	-384.00	0.00	0.00	0.00	0.00	0.00
Change in Working capital	116.00	256.00	80.00	36.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	743.00	-373.00	-144.00	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	128.00	34.00	-100.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-62.00	-8.00	9.00	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-613.00	119.00	167.00	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	737.00	773.00	455.00	1,052.00	1,071.06	1,108.81	1,146.71	1,174.28	1,186.08
Capital Expenditures	-513.00	-482.00	-201.00	-294.00	-300.00	-300.00	-300.00	-300.00	-300.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	45.00	-25.00	4.00	5.00	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-468.00	-507.00	-197.00	-289.00	-300.00	-300.00	-300.00	-300.00	-300.00
Financing Cash flow items	0.00	-6.00	-9.00	-15.00	-33.05	-34.85	-35.46	-35.56	-35.99
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	60.00	60.00	60.00	60.00	60.00
Issuance (Retirement) of Stock	29.00	4.00	275.00	76.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-43.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-18.00	-285.00	-516.00	-524.00	-500.00	-500.00	-500.00	-300.00	0.00
Cash from Financing Activities	11.00	-287.00	-250.00	-463.00	-636.05	-594.85	-595.46	-395.56	-95.99
Foreign Exchange effect	37.00	-118.00	24.00	-10.00	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	578.00	895.00	756.00	788.00	1,078.00	1,213.01	1,426.96	1,678.22	2,156.94
Net Change in Cash	317.00	-139.00	32.00	290.00	135.01	213.95	251.25	478.72	790.08
Ending Cash Balance	895.00	756.00	788.00	1,078.00	1,213.01	1,426.96	1,678.22	2,156.94	2,947.02

Depreciation to Sales	3.79%	3.84%	4.26%	3.26%	3.26%	3.26%	3.26%	3.26%	3.26%
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	15.73%	10.47%	16.73%	14.51%	14.37%	14.22%	14.08%	13.94%	13.81%
Distributable FCF Yield	5.30%	5.24%	5.08%	15.03%	15.19%	15.94%	16.68%	17.23%	17.46%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	1.39%	1.39%	1.39%	1.39%	1.39%

SN VALUATION

LBO Debt Schedule

	Proforma	2011	2012	2013	2014	2015
Net Change in Cash	290.00	135.01	213.95	251.25	478.72	790.08
Current Portion Debt Repayment		43.00				
Long Term Debt Repayment		500.00	500.00	500.00	300.00	
Outstanding Debt	1846.00	1303.00	803.00	303.00	3.00	3.00
Current Portion Debt Balance	43.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	1803.00	1303.00	803.00	303.00	3.00	3.00
Forward Libor Curve		4.00%	4.00%	4.00%	4.00%	4.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		8.00%	8.00%	8.00%	8.00%	8.00%
Interest Expense		104.24	64.24	24.24	0.24	0.24
Cash Balance		1078.00				
Interest @ 1.0%		10.78	10.78	10.78	10.78	10.78
Net Interest Expense/(Income)		93.46	53.46	13.46	(10.54)	(10.54)
Net Interest Rate		5.27%	4.10%	1.68%	-3.48%	-351.33%
EBITDA		996.88	1007.05	1017.32	1027.69	1038.17
EBITDA/Interest Expense Coverage		9.56	15.68	41.97	4282.04	4325.70

Interest Rate Coverage Table

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

*Source: NYU; Professor Damodaran