

## UMH (UMH)

Price:	\$12.02	Price/Book:	1.84	Net Tang. Asset Yr. 5/Share:	\$4.12
Market Cap:	\$191,959,400	EV/FCF:	-9.47	Avg. Year FCF/Share:	-\$0.48
Cash:	\$8,830,000	<b>Net Tang. Asset/Share:</b>	<b>\$6.56</b>	Year 5 Disposition FCF Multipl:	3.0
Debt:	\$113,920,000	Avg. Year 1-5 FCF/Share:	-\$0.48	<b>Year 5 Disposition Price:</b>	<b>\$2.69</b>
Net Cash:	-\$105,090,000	<b>5 Years of FCF:</b>	<b>-\$2.40</b>	<b>Gain Year 5:</b>	<b>-\$3.88</b>
Enterprise Value:	\$297,049,400	Net Tang. Asset+5 FCF:	\$4.17		
		<b>Net Tang. Asset+5 FCF+ Gain Disposition:</b>			<b>\$0.29</b>
Target Market Cap:	\$4,615,110		<b>IRR:</b>		<b>-52.55%</b>
Target Enterprise Value:	\$109,705,110				

UMH is a REIT that focuses on manufactured home communities. The dividend yield is 6.2%. UMH recently purchased 11 communities for \$28 MM, financed by a \$13.9MM mortgage, \$8 MM in cash and the balance from a margin line at LIBOR+3% due Aug. 2017. Initially, we were concerned about the economics of UMH's underlying business, which has been in business for 44 years. The co. continues to dilute the outstanding shares with more equity issuance, since AFFO, or adjusted funds from operations, can barely support cap ex, and most definitely can't support the new acquisitions, although it may be accretive in the not too distant future. The shareholding dilution may be contributed by the DRIP (Dividend reinvestment program) where current shareholders can reinvest the cash dividend into stocks at a 5% discount from the current NAV. So the co. may not be diluting the stocks on purpose, or to fund the acquisitions. Rather, the co. takes out mortgages and occasionally issues shares, such as preferred shares, which yields an 8% return, to fund the portfolio growth. Too pricey, but if they are anticipating IRR greater than 8%, then it's not a bad idea, especially with the levered deals.

Issued preferred shares to purchase communities with potential for appreciation, in light of a soft RE market. We thought these communities were trailer parks, but they are actually non-wood, fabricated houses. Some look like regular homes, but sell at a discount relative to the typical house. The co. actually sells these houses and generated \$6 MM in revenue, but its margin is very low. We wondered whether this business provides value to the co., but it does serve to fill up vacant lots, which on a consolidated basis is 23% vacancy rate. Another item that is concerning is management's use of cash to purchase RE related securities to generate extra income. The RE related securities generate roughly 7-8% in dividends, which tend to offset the interest expense on the mortgages. They should focus on core competency. The co. generates around \$4-5MM in net income, but remits \$7-\$10 MM in dividends.

We think the co. is growing their portfolio because it is economically sound. The AFFO is +\$5MM annually and covers additional capital investments within the community, which will give it more bang for the buck. Co. has been aggressively purchasing more communities in the recent couple years, with home prices recovering from a trough. We believe the co. will be able to reap the benefits from the recovery with capital gain appreciation. At the same time, we wonder if there really is a stock dilution. The numbers point to a bear story, while the management's acquisition strategy points to a bull. Qualitative analysis says bull, our model says bear. You decide.

<b>Company Name:</b>	<b>UMH</b>
Ticker Symbol:	UMH
<b>Last Price:</b>	<b>\$12.02</b>
Net Cash/Share:	-\$6.58
Net Cash to Last Price:	-54.75%
Shares Outstanding:	15,970,000
Industry:	REIT - Residential
Sector:	Real Estate
Institutional Ownership:	#VALUE!
Mutual Fund Ownership:	#VALUE!
Insider Ownership:	#VALUE!
Retail Ownership:	#VALUE!
Float:	#VALUE!

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

<b>Analyst/Consensus</b>	
Analyst Sales Growth FY1:	N/A
Analyst Sales Growth FY2:	N/A
SN Valuation Estimate FY1:	1.00%
SN Valuation Estimate FY2:	1.00%

Analyst Earnings Estimate FY1:	N/A
Analyst Earnings Estimate FY2:	N/A
SN Valuation Earnings Est. FY1:	\$0.13
SN Valuation Earnings Est. FY2:	\$0.13

<b>Multiples</b>	
Market Value to Book:	1.84
EV to Book:	2.85
Market Value to Tangible Net Assets:	2.11
P/E Ratio:	#VALUE!
Trailing P/E Ratio:	179.23
Forward P/E Ratio:	N/A
Beta:	Error
Dividend:	0.72
Dividend Yield:	6.18%
Dividend Date:	Sep 16, 2012
Ex-Dividend Date:	Aug 13, 2012

<b>Competitors</b>	
Average EV to EBITDA:	N/A
Company EV to EBITDA:	20.59
Average EV to EBIT:	N/A
Company EV to EBITA:	138.81

Market Capitalization:	\$191,959,400.00
Total Debt:	\$113,920,000.00
Total Cash:	\$8,830,000.00
Net Cash/(Debt):	-\$105,090,000.00
Enterprise Value:	\$297,049,400.00
Current EV/Share:	\$18.60
EBITDA:	\$14,430,000.00
EV/EBITDA Multiple:	20.59
EV/EBITDA Multiple Average Year 1-5:	19.22
EV/FCF Multiple:	-9.47
EV/FCF Multiple Average Year 1-5:	126.65

**Upper Range**  
DCF: EV/EBITDA Terminal Value

Implied TV from 3 X EV/EBITDA Multiple	\$28,507,491.50
Enterprise Value	\$28,507,491.50
Cash at Year 5:	-\$29,442,646.30
Debt at Year 5:	\$113,920,000.00
Equity Value Year 5:	-\$114,855,154.80
<b>Equity/Share at Year 5:</b>	<b>-\$7.19</b>
Annualized Return:	-190.24%

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

Year 5 Net Tangible Assets excluding cash and debt	\$205,280,000.00
Enterprise Value	\$205,280,000.00
Cash at Year 5:	-\$29,442,646.30
Debt at Year 5:	\$113,920,000.00
Equity Value Year 5:	\$61,917,353.70
<b>Equity/Share at Year 5:</b>	<b>\$3.88</b>
Annualized Return:	-20.25%

**EVA**

EVA today:	\$94,347,535.39
EVA in 5 Years:	\$159,458,211.57
EVA/Share:	\$9.98
Cash at Year 5:	-\$29,442,646.30
Debt at Year 5:	\$113,920,000.00
Equity Value Year 5:	\$16,095,565.27
<b>Equity/Share at Year 5:</b>	<b>\$1.01</b>
<b>Annualized return</b>	<b>11.07%</b>

**Current Net Tangible Asset**

<b>Net Tangible Asset/Share:</b>	<b>\$6.56</b>
<b>Net Tangible Asset/Share in Year 5:</b>	<b>\$4.12</b>
Annualized return	-8.88%

Current Equity Price:	\$12.02
Selling at Discount?	Premium
Appreciation Potential:	-45.39%

**Dividend Model**

<b>Next Year Dividend</b>	<b>#VALUE!</b>
<b>WACC:</b>	<b>8.46%</b>
Dividend:	\$11,498,400.00
Net Income:	#VALUE!

**Income Statement**

Revenue:	\$41,190,000.00	100.0%
Cost of Goods Sold:	\$25,380,000.00	61.6%
Gross Profit:	\$15,810,000.00	38.4%
EBITDA:	\$9,720,000.00	23.6%
Net Income:	#VALUE!	#VALUE!

**Balance Sheet**

Cash:	\$8,830,000.00
Short Term Investment:	\$0.00
A/R:	\$0.00
PP&E:	\$155,000,000.00
Assets:	\$222,070,000.00
A/P:	\$220,000.00
Deferred Tax:	\$0.00
Other Liabilities:	\$3,100,000.00
Short term Debt:	\$17,610,000.00
Long Term Debt:	\$96,310,000.00
Liabilities:	\$117,240,000.00
Retained Earnings:	-\$670,000.00
Paid-In Capital:	\$69,090,000.00
Treasury Stock:	\$0.00
Stockholder's Equity:	\$104,350,000.00

**Cash Flow**

Net Income:	3,700,000.00
Depreciation/Amortization:	5,960,000.00
Change in Working capital:	340,000.00
Cash from Operating Activities:	8,410,000.00
Capital Expenditures:	-7,140,000.00
Cash from Investing Activities:	-39,770,000.00
Total Cash Dividends Paid:	-10,290,000.00
Issuance (Retirement) of Stock:	44,240,000.00
Issuance (Retirement) of Debt:	1,180,000.00
Cash from Financing Activities:	34,490,000.00

**Profitability Margins**

Debt to Equity:	109.17%
Return on Assets:	1.67%
Return on Capital:	1.70%
Return on Equity:	3.55%

# SN VALUATION

# LBO Analysis

WACC Terminal Value:	N/A	<b>Intrinsic Price in 5 Years:</b>	-0.28	<b>Non-LBO Forecast</b>		<b>Non-LBO Forecast</b>	
EV/EBITDA with 3X Multiple Terminal Value:	\$0.00	Market Price:	12.02	Year 1 Target	-5.66	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$3.88	LBO Price:	12.02	Year 2 Target	2.67	Implied Today's Price	-0.11
EV/EBITDA with Today's Multiple Terminal Value:	(\$6.00)	Premium to Market Price:	0.00%	Year 3 Target	-1.26	Overvalued/(Undervalued)	-10811.44%
EVA Enterprise Value:	\$1.01	LBO Price/Intrinsic Price Target:	-147.12%	Year 4 Target	0.59		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-179.27%	Year 5 Target	-0.28		
Average (Excluding Dividend Discount):	(\$0.28)	Implied IRR at today's EV/EBITDA:	-187.03%	Implied IRR (Market Price):	-147.12%		
		5 Year Return:	-102.32%				

Current Evaluation				Exit Evaluation			
Current Market Price:	12.02	LBO Price:	12.02	Exit Price:	-0.28	Exit Price:	-6.00
Outstanding Shares:	15,970,000	Outstanding Shares:	15,970,000	Outstanding Shares:	15,970,000	Outstanding Shares:	15,970,000
<b>Market Capitalization:</b>	<b>191,959,400</b>	<b>Market Capitalization:</b>	<b>191,959,400</b>	<b>Market Capitalization:</b>	<b>-4,459,310</b>	<b>Market Capitalization:</b>	<b>-95,850,160</b>
Available Cash:	8,830,000	Available Cash:	8,830,000	Available Cash:	-29,442,646	Available Cash:	-29,442,646
Debt:	113,920,000	Debt:	113,920,000	Debt:	113,920,000	Debt:	113,920,000
Net Cash:	-105,090,000	Net Cash:	-105,090,000	Net Cash:	-143,362,646	Net Cash:	-143,362,646
<b>Enterprise Value:</b>	<b>297,049,400</b>	<b>Enterprise Value:</b>	<b>297,049,400</b>	<b>Enterprise Value:</b>	<b>138,903,336</b>	<b>Enterprise Value:</b>	<b>47,512,486</b>
Original EV/EBITDA:	138.81	EV/EBITDA:	138.81	EV/EBITDA at 5 Years:	14.62	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	20.59	EV/EBITDA:	20.59	EV/EBITDA at 5 Years:	16.17	EV/EBITDA at 5 Years:	3.01
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:	12.02	67.04	-31.59	14.89	-7.01	3.31	-1.56
Shares Outstanding:	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000
<b>Market Capitalization:</b>	<b>191,959,400</b>	<b>1,070,614,868</b>	<b>-504,481,139</b>	<b>237,715,006</b>	<b>-112,012,957</b>	<b>52,781,281</b>	<b>-24,870,905</b>
Available Cash:	8,830,000	8,830,000	933,963	-6,842,521	-14,498,258	-22,032,039	-29,442,646
Debt:	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000
Net Cash:	-105,090,000	-105,090,000	-112,986,037	-120,762,521	-128,418,258	-135,952,039	-143,362,646
<b>Enterprise Value:</b>	<b>297,049,400</b>	<b>1,175,704,868</b>	<b>-391,495,102</b>	<b>358,477,527</b>	<b>16,405,301</b>	<b>188,733,320</b>	<b>118,491,741</b>
EBIT	8,470,000	8,470,000	9,131,713	9,223,030	9,315,260	9,408,413	9,502,497
EV/EBIT:	35.07	138.81	-42.87	38.87	1.76	20.06	12.47
EBITDA	14,430,000	14,430,000	15,151,313	15,302,826	15,455,854	15,610,413	15,766,517
EV/EBITDA:	20.59	20.59	-25.84	23.43	1.06	12.09	7.52

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	12.02	67.04	72.30	72.60	72.93	73.26	73.62
Shares Outstanding:	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000	15,970,000
<b>Market Capitalization:</b>	<b>191,959,400</b>	<b>1,070,614,868</b>	<b>1,154,569,976</b>	<b>1,159,469,052</b>	<b>1,164,615,631</b>	<b>1,170,012,188</b>	<b>1,175,661,224</b>
Available Cash:	8,830,000	8,830,000	933,963	-6,842,521	-14,498,258	-22,032,039	-29,442,646
Debt:	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000	113,920,000
Net Cash:	-105,090,000	-105,090,000	-112,986,037	-120,762,521	-128,418,258	-135,952,039	-143,362,646
<b>Enterprise Value:</b>	<b>297,049,400</b>	<b>1,175,704,868</b>	<b>1,267,556,013</b>	<b>1,280,231,573</b>	<b>1,293,033,889</b>	<b>1,305,964,228</b>	<b>1,319,023,870</b>
EBIT	8,470,000	8,470,000	9,131,713	9,223,030	9,315,260	9,408,413	9,502,497
EV/EBIT:	35.07	138.81	138.81	138.81	138.81	138.81	138.81
EBITDA	14,430,000	14,430,000	15,151,313	15,302,826	15,455,854	15,610,413	15,766,517
EV/EBITDA:	20.59	20.59	83.66	83.66	83.66	83.66	83.66

LBO Price	12.02	Equity Partners:	306,189,400	Weighting	100.00%	<b>Annualized Return for Equity Partners: -179.27%</b>
Shares Outstanding	15,970,000	Debt Partners:	0		0.00%	
<b>Market Capitalization</b>	<b>191,959,400</b>	<b>Total Funds for LBO:</b>	<b>306,189,400</b>		100.00%	
Debt	114,230,000					
Cash	8,830,000					
<b>Enterprise Value</b>	<b>297,359,400</b>					
<b>Capital Investment</b>	<b>306,189,400</b>					

<b>Book Value</b>		<b>Enterprise Value</b>		<b>Stock Valuation</b>		<b>Debt Reduction</b>	
Beginning Book Value	104.35	Beginning Enterprise Value	297.05	Current Market Price	\$12.02	Starting Debt	96.31
Year 5 Book Value	65.37	Year 5 Enterprise Value	47.51	Year 5 Market Price	-\$6.00	Debt Repayment	0.00
<b>Annualized Return</b>	<b>-8.93%</b>	<b>Annualized Return</b>	<b>-30.69%</b>	<b>Annualized Return</b>	<b>-187.03%</b>	Year 5 Ending Debt	96.31
						<b>% of Starting Debt</b>	<b>100.00%</b>

SN VALUATION

LBO Pro Forma Income Statement

Name:

UMH

Ticker:

UMH

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2013	2014	2015	2016	2017
Revenue	35.10	32.02	34.01	39.31	39.70	40.10	40.50	40.91	41.32
COGS	21.31	18.26	20.59	23.51	24.22	24.46	24.71	24.95	25.20
Gross margin	13.79	13.76	13.42	15.80	15.48	15.64	15.80	15.95	16.11
SG&A	4.62	4.31	4.96	6.08	6.35	6.42	6.48	6.54	6.61
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.00	0.00	0.45	1.25	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: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	9.17	9.45	8.01	8.47	9.13	9.22	9.32	9.41	9.50
Interest income/(expense)	-3.50	-1.68	3.33	1.45	-5.93	-5.93	-5.93	-5.93	-5.93
Gain (loss) on sale of asset	0.01	0.18	-0.01	0.03	0.00	0.00	0.00	0.00	0.00
Other	0.10	0.08	0.07	0.08	0.00	0.00	0.00	0.00	0.00
Income before tax	1.53	3.69	6.67	3.70	3.21	3.30	3.39	3.48	3.58
Tax	0.00	0.00	0.00	0.00	1.12	1.15	1.19	1.22	1.25
Income after tax	1.53	3.69	6.67	3.70	2.08	2.14	2.20	2.26	2.33
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	1.53	3.69	6.67	3.70	2.08	2.14	2.20	2.26	2.33
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.10	\$0.23	\$0.42	\$0.23	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15
P/E (historical today's price; forecasted intrinsic price)	125.46	52.02	28.78	51.88	-43.40	19.88	-9.11	4.18	-1.92
Revenue Growth	N/A	-8.77%	6.21%	15.58%	1.00%	1.00%	1.00%	1.00%	1.00%
Tax Rate	0.00%	0.00%	0.00%	0.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	-3.91%	-1.89%	2.95%	1.27%	-6.15%	-6.15%	-6.15%	-6.15%	-6.15%
Margins									
COGS	60.71%	57.03%	60.54%	59.81%	61.00%	61.00%	61.00%	61.00%	61.00%
Gross margin	39.29%	42.97%	39.46%	40.19%	39.00%	39.00%	39.00%	39.00%	39.00%
SG&A	13.16%	13.46%	14.58%	15.47%	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	0.00%	0.00%	1.32%	3.18%	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: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	26.13%	29.51%	23.55%	21.55%	23.00%	23.00%	23.00%	23.00%	23.00%
Interest income/(expense)	-9.97%	-5.25%	9.79%	3.69%	-14.92%	-14.78%	-14.63%	-14.48%	-14.34%
Gain (loss) on sale of asset	0.03%	0.56%	-0.03%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.28%	0.25%	0.21%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	4.36%	11.52%	19.61%	9.41%	8.08%	8.22%	8.37%	8.52%	8.66%
Tax	0.00%	0.00%	0.00%	0.00%	2.83%	2.88%	2.93%	2.98%	3.03%
Income after tax	4.36%	11.52%	19.61%	9.41%	5.25%	5.40%	5.55%	5.70%	5.86%
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	4.36%	11.52%	19.61%	9.41%	5.25%	5.39%	5.44%	5.54%	5.63%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-03-31	+	-						
Cash	2.78	4.52	5.66	8.80	8.83			8.83	0.93	-6.84	-14.50	-22.03	-29.44
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>2.78</b>	<b>4.52</b>	<b>5.66</b>	<b>8.80</b>	<b>8.83</b>			<b>8.83</b>	<b>0.93</b>	<b>-6.84</b>	<b>-14.50</b>	<b>-22.03</b>	<b>-29.44</b>
Accounts Receivable	0.00	0.00	0.00	0.00	0.00			0.00	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	0.00	0.00
<b>Total Receivables</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Total Inventory	9.46	8.02	10.57	10.19	9.54			9.54	9.54	9.54	9.54	9.54	9.54
Prepaid Expenses	0.48	0.65	0.74	0.63	1.04			1.04	1.04	1.04	1.04	1.04	1.04
Other Current Assets	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Current Assets</b>	<b>12.72</b>	<b>13.19</b>	<b>16.97</b>	<b>19.62</b>	<b>19.41</b>	<b>0.00</b>	<b>0.00</b>	<b>19.41</b>	<b>11.51</b>	<b>3.74</b>	<b>-3.92</b>	<b>-11.45</b>	<b>-18.86</b>
PP&E, Gross	133.49	137.53	181.53	220.00	220.00			220.00	226.00	232.00	238.00	244.00	250.00
Change in Depreciation		4.08	4.52	5.96	5.96			5.96	6.02	6.08	6.14	6.20	6.26
Accumulated Depreciation	53.11	56.94	61.14	65.00	65.00			65.00	71.02	77.10	83.24	89.44	95.71
<b>PP&amp;E, Net</b>	<b>80.38</b>	<b>80.59</b>	<b>120.39</b>	<b>155.00</b>	<b>155.00</b>			<b>155.00</b>	<b>154.98</b>	<b>154.90</b>	<b>154.76</b>	<b>154.56</b>	<b>154.29</b>
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term investments	21.58	31.82	28.76	43.30	47.66			47.66	47.66	47.66	47.66	47.66	47.66
Other long term assets	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Long Term Assets</b>	<b>101.96</b>	<b>112.41</b>	<b>149.15</b>	<b>198.30</b>	<b>202.66</b>			<b>202.66</b>	<b>202.64</b>	<b>202.56</b>	<b>202.42</b>	<b>202.22</b>	<b>201.95</b>
<b>Total Assets</b>	<b>114.68</b>	<b>125.60</b>	<b>166.12</b>	<b>217.92</b>	<b>222.07</b>	<b>0.00</b>	<b>0.00</b>	<b>222.07</b>	<b>214.15</b>	<b>206.30</b>	<b>198.50</b>	<b>190.77</b>	<b>183.09</b>
Accounts Payable	0.61	0.31	0.75	0.69	0.22			0.22	0.22	0.22	0.22	0.22	0.22
Accrued Expense	2.51	2.17	2.27	2.14	2.14			2.14	2.14	2.14	2.14	2.14	2.14
Other current Liabilities	0.53	0.53	0.78	0.90	0.96			0.96	0.96	0.96	0.96	0.96	0.96
<b>Total Current Liabilities</b>	<b>3.65</b>	<b>3.01</b>	<b>3.80</b>	<b>3.84</b>	<b>3.32</b>	<b>0.00</b>	<b>0.00</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>	<b>3.32</b>
Notes Payables/Short Term Debt	23.61	18.67	22.24	23.95	17.61			17.61	17.61	17.61	17.61	17.61	17.61
Current port. Of LT Debt/Capital Leases	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	65.95	70.32	90.82	90.28	96.31	0.00	0.00	96.31	96.31	96.31	96.31	96.31	96.31
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>89.56</b>	<b>88.99</b>	<b>113.06</b>	<b>114.23</b>	<b>113.92</b>	<b>0.00</b>	<b>0.00</b>	<b>113.92</b>	<b>113.92</b>	<b>113.92</b>	<b>113.92</b>	<b>113.92</b>	<b>113.92</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	0.00	0.00	0.00	0.00	0.00
Other liabilities	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Liabilities</b>	<b>93.21</b>	<b>92.00</b>	<b>116.86</b>	<b>118.07</b>	<b>117.24</b>	<b>0.00</b>	<b>0.00</b>	<b>117.24</b>	<b>117.24</b>	<b>117.24</b>	<b>117.24</b>	<b>117.24</b>	<b>117.24</b>
Redeemable Preferred Stock	0.00	0.00	0.00	33.47	33.47			33.47	33.47	33.47	33.47	33.47	33.47
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	1.10	1.21	1.37	1.53	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additional Paid-in capital	49.96	53.22	64.78	69.09	69.09	0.00	0.00	69.09	69.09	69.09	69.09	69.09	69.09
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	-10.00	-20.00	-30.00	-40.00	-50.00
Retained Earnings	-0.67	-0.67	-0.67	-0.67	-0.67		0.00	-0.67	1.41	3.56	5.76	8.03	10.35
Treasury Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	-5.67	2.21	6.45	2.46	2.46		0.00	2.46	2.46	2.46	2.46	2.46	2.46
<b>Total Equity</b>	<b>44.72</b>	<b>55.97</b>	<b>71.93</b>	<b>105.88</b>	<b>104.35</b>	<b>0.00</b>	<b>0.00</b>	<b>104.35</b>	<b>96.43</b>	<b>88.58</b>	<b>80.78</b>	<b>73.05</b>	<b>65.37</b>
<b>Liability + Equity</b>	<b>137.93</b>	<b>147.97</b>	<b>188.79</b>	<b>223.95</b>	<b>221.59</b>	<b>0.00</b>	<b>0.00</b>	<b>221.59</b>	<b>213.67</b>	<b>205.82</b>	<b>198.02</b>	<b>190.29</b>	<b>182.61</b>
<b>Variance</b>	<b>-23.25</b>	<b>-22.37</b>	<b>-22.67</b>	<b>-6.03</b>	<b>0.48</b>			<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>
<b>Debt/Equity</b>	<b>2.00</b>	<b>1.59</b>	<b>1.57</b>	<b>1.08</b>	<b>1.09</b>			<b>1.09</b>	<b>1.18</b>	<b>1.29</b>	<b>1.41</b>	<b>1.56</b>	<b>1.74</b>
Inventory Turnover	3.71	3.99	3.22	3.86	4.16			4.12	4.16	4.20	4.25	4.29	4.33
Inventory Turnover Days	98.37	91.42	113.44	94.62	87.70			88.58	87.70	86.84	85.98	85.12	84.28
Days Inventory Outstanding	162.03	160.31	187.37	158.20	143.78			148.11	143.78	142.35	140.94	139.55	138.17
Accounts Receivable Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Accounts Receivable Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Payable Outstanding	10.45	6.20	13.30	10.71	3.32			3.42	3.32	3.28	3.25	3.22	3.19
Days Sales Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Cash Conversion Cycle	151.58	154.12	174.08	147.49	140.46			144.70	140.46	139.07	137.69	136.33	134.98
Net tangible assets/share					6.56				6.07	5.58	5.09	4.60	4.12

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	1.53	3.69	6.67	3.70	2.08	2.14	2.20	2.26	2.33
Depreciation	4.07	4.08	4.52	5.96	6.02	6.08	6.14	6.20	6.26
<b>Net Income + Depreciation</b>	<b>5.60</b>	<b>7.77</b>	<b>11.19</b>	<b>9.66</b>	<b>8.10</b>	<b>8.22</b>	<b>8.34</b>	<b>8.47</b>	<b>8.59</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	3.44	2.25	-3.14	-1.59	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-0.77	1.34	-1.56	0.34	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	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	1.44	-2.55	0.38	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-0.17	-0.09	0.11	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-0.30	0.44	-0.06	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>8.27</b>	<b>11.36</b>	<b>6.49</b>	<b>8.41</b>	<b>8.10</b>	<b>8.22</b>	<b>8.34</b>	<b>8.47</b>	<b>8.59</b>
Capital Expenditures Expenditures	-7.10	-4.76	-8.18	-7.14	-6.00	-6.00	-6.00	-6.00	-6.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-4.84	-3.53	-25.72	-32.63	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-11.94</b>	<b>-8.29</b>	<b>-33.90</b>	<b>-39.77</b>	<b>-6.00</b>	<b>-6.00</b>	<b>-6.00</b>	<b>-6.00</b>	<b>-6.00</b>
Financing Cash flow items	-0.31	-0.39	-0.46	-0.64	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-7.39	-7.06	-7.84	-10.29	10.00	10.00	10.00	10.00	10.00
Issuance (Retirement) of Stock	1.14	6.70	12.79	44.24	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	10.79	-0.58	24.07	1.18	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>4.23</b>	<b>-1.33</b>	<b>28.56</b>	<b>34.49</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</b>	<b>-10.00</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	2.22	2.78	4.52	5.66	8.83	0.93	-6.84	-14.50	-22.03
<b>Net Change in Cash</b>	<b>0.56</b>	<b>1.74</b>	<b>1.14</b>	<b>3.14</b>	<b>-7.90</b>	<b>-7.78</b>	<b>-7.66</b>	<b>-7.53</b>	<b>-7.41</b>
Ending Cash Balance	2.78	4.52	5.66	8.80	0.93	-6.84	-14.50	-22.03	-29.44
Capex to Revenue	20.23%	14.87%	24.05%	18.16%	15.11%	14.96%	14.81%	14.67%	14.52%
Depreciation to Sales	11.60%	12.74%	13.29%	15.16%	15.16%	15.16%	15.16%	15.16%	15.16%
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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Distributable FCF Yield	-1.24%	1.03%	-9.23%	-10.56%	0.71%	0.75%	0.79%	0.83%	0.87%
Dividend Yield	-3.85%	-3.68%	-4.08%	-5.36%	5.21%	5.21%	5.21%	5.21%	5.21%
FCF (Ops-Investing-Dividends)	<b>3.72</b>	<b>10.13</b>	<b>-19.57</b>	<b>-21.07</b>	<b>-7.90</b>	<b>-7.78</b>	<b>-7.66</b>	<b>-7.53</b>	<b>-7.41</b>

# SN VALUATION

# LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>3.14</b>	<b>-7.90</b>	<b>-7.78</b>	<b>-7.66</b>	<b>-7.53</b>	<b>-7.41</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>120.26</b>	<b>120.26</b>	<b>120.26</b>	<b>120.26</b>	<b>120.26</b>	<b>120.26</b>
Current Portion Debt Balance	23.95	23.95	23.95	23.95	23.95	23.95
Long Term Debt Balance	96.31	96.31	96.31	96.31	96.31	96.31
Forward Libor Curve		1.00%	1.00%	1.00%	1.00%	1.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Interest Expense</b>		<b>6.01</b>	<b>6.01</b>	<b>6.01</b>	<b>6.01</b>	<b>6.01</b>
Cash Balance		8.80				
Interest @ 1.0%		0.09	0.09	0.09	0.09	0.09
<b>Net Interest Expense/(Income)</b>		<b>5.93</b>	<b>5.93</b>	<b>5.93</b>	<b>5.93</b>	<b>5.93</b>
<b>Net Interest Rate</b>		<b>6.15%</b>	<b>6.15%</b>	<b>6.15%</b>	<b>6.15%</b>	<b>6.15%</b>
EBITDA		9.13	9.22	9.32	9.41	9.50
<b>EBITDA/Interest Expense Coverage</b>		<b>1.52</b>	<b>1.53</b>	<b>1.55</b>	<b>1.56</b>	<b>1.58</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran

# Altman Z Score

Company Name:

UMH

Ticker:

UMH

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	9.07	10.18	13.17	16.09	8.19	0.42	-7.24	-14.77	-22.18
Total Assets	114.68	125.60	166.12	222.07	214.15	206.30	198.50	190.77	183.09
<b>X1</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.07</b>	<b>0.04</b>	<b>0.00</b>	<b>-0.04</b>	<b>-0.08</b>	<b>-0.12</b>
Retained Earnings	-0.67	-0.67	-0.67	-0.67	1.41	3.56	5.76	8.03	10.35
Total Assets	114.68	125.60	166.12	222.07	214.15	206.30	198.50	190.77	183.09
<b>X2</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>0.06</b>
EBITDA	9.17	9.45	8.01	8.47	9.13	9.22	9.32	9.41	9.50
Total Assets	114.68	125.60	166.12	222.07	214.15	206.30	198.50	190.77	183.09
<b>X3</b>	<b>0.08</b>	<b>0.08</b>	<b>0.05</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>	<b>0.05</b>	<b>0.05</b>	<b>0.05</b>
Market Value of Equity	191.96	191.96	191.96	191.96	-90.45	42.62	-20.08	9.46	-4.46
Total Liabilities	93.21	92.00	116.86	117.24	117.24	117.24	117.24	117.24	117.24
<b>X4</b>	<b>2.06</b>	<b>2.09</b>	<b>1.64</b>	<b>1.64</b>	<b>-0.77</b>	<b>0.36</b>	<b>-0.17</b>	<b>0.08</b>	<b>-0.04</b>
Net Sales	35.10	32.02	34.01	39.31	39.70	40.10	40.50	40.91	41.32
Total Assets	114.68	125.60	166.12	222.07	214.15	206.30	198.50	190.77	183.09
<b>X5</b>	<b>0.31</b>	<b>0.25</b>	<b>0.20</b>	<b>0.18</b>	<b>0.19</b>	<b>0.19</b>	<b>0.20</b>	<b>0.21</b>	<b>0.23</b>
<b>Altman Z Score</b>	<b>1.89</b>	<b>1.84</b>	<b>1.44</b>	<b>1.37</b>	<b>-0.08</b>	<b>0.59</b>	<b>0.25</b>	<b>0.39</b>	<b>0.31</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