

USEC (USU)

Price:	\$29.02
Market Cap:	\$143,939,200
Cash:	\$71,900,000
Debt:	\$633,700,000
Net Cash:	-\$561,800,000
Enterprise Value:	\$705,739,200
Shares Outstanding:	4,960,000

Net Tang. Bk Value Incl. Cash, Excl.	-\$478,700,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	-\$781,755,000.00
Goodwill (NTBVIC):		Avg. Year Op. Cash:	-\$23,111,000.00
NTBVIC/Market Downside Recovery:	-332.57%	Year 5 Disposition FCF Multiple:	3.0
Op. Cash Flow:	-\$23,111,000	Year 5 Disposition Price:	-\$851,088,000.00
Implied Years to Fill Gap:	-26.94		
Today's Equity if 5x Op. CF:	-\$548,033,000		
Net Tang. Book+ Gain Disposition:		-\$851,088,000.00	
IRR:		-242.68%	

Price:	-\$171.59
Target Market Cap:	-\$851,088,000
Target Enterprise Value:	-\$289,288,000

\* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

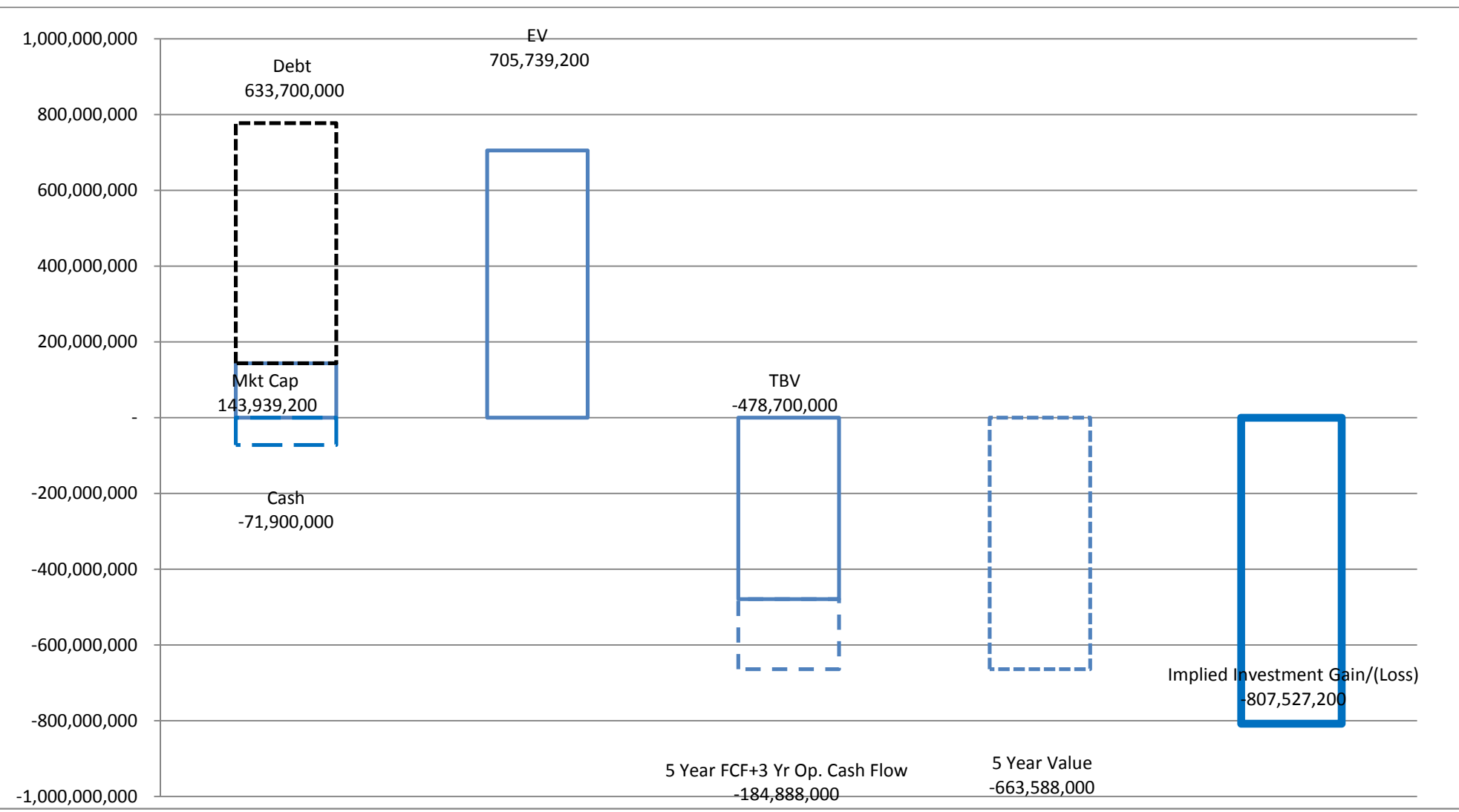
A supplier of uranium used in nuclear reactors. From a valuation basis, this Co. 's equity should be wiped out.

This stock has surged from \$4.00 in the past couple weeks to the current \$29.02, not because of operational improvement, but rather a short squeeze. A lot of short interest associated with this stock (24% short float), but due to the low volume, some fast money were buying up the stock, thereby forcing the short interests to unwind their position by buying the stock, pushing prices higher to today's irrational market price.



This stock should be zero. After the short squeeze rally, we anticipate prices to reverse to \$4.00, and can go below \$1.00 in our opinion.

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SN VALUATION

LBO Pro Forma Income Statement

Name:

USEC

Ticker:

USU

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	2,036.80	2,035.40	1,671.80	1,918.10	1,918.10	1,918.10	1,918.10	1,918.10	1,918.10
COGS	1,832.10	1,877.00	1,587.60	1,780.10	1,783.83	1,783.83	1,783.83	1,783.83	1,783.83
Gross margin	204.70	158.40	84.20	138.00	134.27	134.27	134.27	134.27	134.27
SG&A	58.80	58.80	62.10	56.10	57.54	57.54	57.54	57.54	57.54
R&D	118.40	110.20	273.20	1,314.00	95.91	95.91	95.91	95.91	95.91
Unusual expense	4.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	-70.70	-44.40	-3.70	-92.10	0.00	0.00	0.00	0.00	0.00
Depreciation is: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	94.10	33.70	-247.40	-1,152.30	-19.18	-19.18	-19.18	-19.18	-19.18
Interest income/(expense)	0.10	-0.20	-11.10	-48.50	-41.43	-41.43	-41.43	-41.43	-41.43
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	-6.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	94.20	26.90	-258.50	-1,200.80	-60.61	-60.61	-60.61	-60.61	-60.61
Tax	35.70	19.40	232.60	-0.20	0.00	0.00	0.00	0.00	0.00
Income after tax	58.50	7.50	-491.10	-1,200.60	-60.61	-60.61	-60.61	-60.61	-60.61
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	58.50	7.50	-491.10	-1,200.60	-60.61	-60.61	-60.61	-60.61	-60.61
* Figures are in millions (\$)									
EPS (based off today's share count)	\$11.79	\$1.51	-\$99.01	-\$242.06	-\$12.22	-\$12.22	-\$12.22	-\$12.22	-\$12.22
P/E (historical today's price; forecasted intrinsic price)	2.46	19.19	-0.29	-0.12	3.39	-4.83	6.90	-9.84	14.04
Revenue Growth	N/A	-0.07%	-17.86%	14.73%	0.00%	0.00%	0.00%	0.00%	0.00%
Tax Rate	37.90%	72.12%	89.98%	0.02%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.02%	-0.03%	-1.58%	-6.80%	-7.82%	-7.82%	-7.82%	-7.82%	-7.82%
Margins									
COGS	89.95%	92.22%	94.96%	92.81%	93.00%	93.00%	93.00%	93.00%	93.00%
Gross margin	10.05%	7.78%	5.04%	7.19%	7.00%	7.00%	7.00%	7.00%	7.00%
SG&A	2.89%	2.89%	3.71%	2.92%	3.00%	3.00%	3.00%	3.00%	3.00%
R&D	5.81%	5.41%	16.34%	68.51%	5.00%	5.00%	5.00%	5.00%	5.00%
Unusual expense	0.20%	0.00%	0.00%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	-3.47%	-2.18%	-0.22%	-4.80%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	4.62%	1.66%	-14.80%	-60.08%	-1.00%	-1.00%	-1.00%	-1.00%	-1.00%
Interest income/(expense)	0.00%	-0.01%	-0.66%	-2.53%	-2.16%	-2.16%	-2.16%	-2.16%	-2.16%
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%	-0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	4.62%	1.32%	-15.46%	-62.60%	-3.16%	-3.16%	-3.16%	-3.16%	-3.16%
Tax	1.75%	0.95%	13.91%	-0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Income after tax	2.87%	0.37%	-29.38%	-62.59%	-3.16%	-3.16%	-3.16%	-3.16%	-3.16%
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	2.87%	0.37%	-29.38%	-62.59%	-3.16%	-3.16%	-3.16%	-3.16%	-3.16%

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	+	-						
Cash	131.30	151.00	37.60	292.90	71.90			71.90	43.79	15.68	-12.43	-40.54	-68.66
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>131.30</b>	<b>151.00</b>	<b>37.60</b>	<b>292.90</b>	<b>71.90</b>			<b>71.90</b>	<b>43.79</b>	<b>15.68</b>	<b>-12.43</b>	<b>-40.54</b>	<b>-68.66</b>
Accounts Receivable	191.40	308.60	162.00	134.80	153.00			153.00	153.00	153.00	153.00	153.00	153.00
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>191.40</b>	<b>308.60</b>	<b>162.00</b>	<b>134.80</b>	<b>153.00</b>			<b>153.00</b>	<b>153.00</b>	<b>153.00</b>	<b>153.00</b>	<b>153.00</b>	<b>153.00</b>
Total Inventory	1,301.20	1,522.50	1,752.00	1,593.20	1,060.80			1,060.80	1,060.80	1,060.80	1,060.80	1,060.80	1,060.80
Prepaid Expenses	0.00	34.40	50.50	4.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	345.70	237.60	189.80	132.00	143.50			143.50	143.50	143.50	143.50	143.50	143.50
<b>Current Assets</b>	<b>1,969.60</b>	<b>2,254.10</b>	<b>2,191.90</b>	<b>2,156.90</b>	<b>1,429.20</b>	<b>0.00</b>	<b>0.00</b>	<b>1,429.20</b>	<b>1,401.09</b>	<b>1,372.98</b>	<b>1,344.87</b>	<b>1,316.76</b>	<b>1,288.65</b>
PP&E, Gross	1,434.10	1,582.70	1,545.30	0.00	1,550.00			1,550.00	1,555.00	1,560.00	1,565.00	1,570.00	1,575.00
Change in Depreciation	31.90	43.30	50.10	37.50	37.50			37.50	37.50	37.50	37.50	37.50	37.50
Accumulated Depreciation	319.00	351.30	358.20	0.00	1,500.00			1,500.00	1,537.50	1,575.00	1,612.50	1,650.00	1,687.50
<b>PP&amp;E, Net</b>	<b>1,115.10</b>	<b>1,231.40</b>	<b>1,187.10</b>	<b>0.00</b>	<b>50.00</b>			<b>50.00</b>	<b>17.50</b>	<b>-15.00</b>	<b>-47.50</b>	<b>-80.00</b>	<b>-112.50</b>
Goodwill	6.80	6.80	6.80	6.80	6.80	0.00		6.80	6.80	6.80	6.80	6.80	6.80
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	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	440.60	355.90	163.50	25.90	51.50			51.50	51.50	51.50	51.50	51.50	51.50
<b>Long Term Assets</b>	<b>1,562.50</b>	<b>1,594.10</b>	<b>1,357.40</b>	<b>32.70</b>	<b>108.30</b>			<b>108.30</b>	<b>43.30</b>	<b>10.80</b>	<b>-21.70</b>	<b>-54.20</b>	<b>-92.50</b>
<b>Total Assets</b>	<b>3,532.10</b>	<b>3,848.20</b>	<b>3,549.30</b>	<b>2,189.60</b>	<b>1,537.50</b>	<b>0.00</b>	<b>0.00</b>	<b>1,537.50</b>	<b>1,476.89</b>	<b>1,416.28</b>	<b>1,355.67</b>	<b>1,295.06</b>	<b>1,234.45</b>
Accounts Payable	27.40	36.30	20.20	21.10	22.00			22.00	22.00	22.00	22.00	22.00	22.00
Accrued Expense	103.00	125.00	99.90	124.70	125.00			125.00	125.00	125.00	125.00	125.00	125.00
Other current Liabilities	952.20	1,107.20	1,282.20	1,285.30	631.50			631.50	631.50	631.50	631.50	631.50	631.50
<b>Total Current Liabilities</b>	<b>1,082.60</b>	<b>1,268.50</b>	<b>1,402.30</b>	<b>1,431.10</b>	<b>778.50</b>	<b>0.00</b>	<b>0.00</b>	<b>778.50</b>	<b>778.50</b>	<b>778.50</b>	<b>778.50</b>	<b>778.50</b>	<b>778.50</b>
Notes Payables/Short Term Debt	0.00	0.00	85.00	83.20	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.00	0.00	88.60	100.50	103.70			103.70	103.70	103.70	103.70	103.70	103.70
Long term Debt	575.00	738.20	530.00	530.00	530.00	0.00	0.00	530.00	530.00	530.00	530.00	530.00	530.00
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>575.00</b>	<b>738.20</b>	<b>703.60</b>	<b>713.70</b>	<b>633.70</b>	<b>0.00</b>	<b>0.00</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</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	598.90	527.70	691.00	594.50	582.20			582.20	582.20	582.20	582.20	582.20	582.20
<b>Total Liabilities</b>	<b>2,256.50</b>	<b>2,534.40</b>	<b>2,796.90</b>	<b>2,739.30</b>	<b>1,994.40</b>	<b>0.00</b>	<b>0.00</b>	<b>1,994.40</b>	<b>1,994.40</b>	<b>1,994.40</b>	<b>1,994.40</b>	<b>1,994.40</b>	<b>1,994.40</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	12.30	12.30	13.00	13.00	13.00		0.00	13.00	13.00	13.00	13.00	13.00	13.00
Additional Paid-in capital	1,179.60	1,172.80	1,212.50	1,200.80	1,200.00	0.00	0.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
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	322.40	329.90	-161.20	-1,361.80	-1,360.00		0.00	-1,360.00	-1,420.61	-1,481.22	-1,541.83	-1,602.44	-1,663.06
Treasury Stock	-71.30	-57.10	-49.40	-33.00	-33.00		0.00	-33.00	-33.00	-33.00	-33.00	-33.00	-33.00
Other Equity	-167.40	-144.10	-262.50	-291.90	-291.90		0.00	-291.90	-291.90	-291.90	-291.90	-291.90	-291.90
<b>Total Equity</b>	<b>1,275.60</b>	<b>1,313.80</b>	<b>752.40</b>	<b>-472.90</b>	<b>-471.90</b>	<b>0.00</b>	<b>0.00</b>	<b>-471.90</b>	<b>-532.51</b>	<b>-593.12</b>	<b>-653.73</b>	<b>-714.34</b>	<b>-774.96</b>
<b>Liability + Equity</b>	<b>3,532.10</b>	<b>3,848.20</b>	<b>3,549.30</b>	<b>2,266.40</b>	<b>1,522.50</b>	<b>0.00</b>	<b>0.00</b>	<b>1,522.50</b>	<b>1,461.89</b>	<b>1,401.28</b>	<b>1,340.67</b>	<b>1,280.06</b>	<b>1,219.45</b>
<b>Variance</b>	0.00	0.00	0.00	-76.80	15.00			15.00	15.00	15.00	15.00	15.00	15.00
<b>Debt/Equity</b>	0.45	0.56	0.94	-1.51	-1.34			-1.34	-1.19	-1.07	-0.97	-0.89	-0.82
Inventory Turnover	1.57	1.34	0.95	1.20	1.81			1.81	1.81	1.81	1.81	1.81	1.81
Inventory Turnover Days	233.18	273.02	382.51	303.17	201.86			201.86	201.86	201.86	201.86	201.86	201.86
Days Inventory Outstanding	259.23	296.06	402.80	326.68	217.06			217.51	217.06	217.06	217.06	217.06	217.06
Accounts Receivable Turnover	10.64	6.60	10.32	14.23	12.54			12.54	12.54	12.54	12.54	12.54	12.54
Accounts Receivable Turnover Days	34.30	55.34	35.37	25.65	29.11			29.11	29.11	29.11	29.11	29.11	29.11
Days Payable Outstanding	5.46	7.06	4.64	4.33	4.50			4.51	4.50	4.50	4.50	4.50	4.50
Days Sales Outstanding	34.30	55.34	35.37	25.65	29.11			25.65	29.11	29.11	29.11	29.11	29.11
Cash Conversion Cycle	288.07	344.35	433.52	348.00	241.67			238.65	241.67	241.67	241.67	241.67	241.67
Net tangible assets/share	\$255.81	\$263.51	\$150.32	(\$96.71)	(\$96.51)			(\$108.73)	(\$120.95)	(\$133.17)	(\$145.39)	(\$157.61)	(\$170.00)

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	58.50	7.50	-491.10	-1,200.60	-60.61	-60.61	-60.61	-60.61	-60.61
Depreciation	31.90	43.30	50.10	37.50	37.50	37.50	37.50	37.50	37.50
<b>Net Income + Depreciation</b>	<b>90.40</b>	<b>50.80</b>	<b>-441.00</b>	<b>-1,163.10</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>
Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Taxes	-1.60	44.30	252.00	0.00	0.00	0.00	0.00	0.00	0.00
Non Cash Items	0.00	-35.90	153.30	1,059.50	0.00	0.00	0.00	0.00	0.00
Change in Working capital	354.60	-36.70	92.00	246.50	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-117.20	146.60	27.20	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	-221.30	-229.50	158.80	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-34.40	-16.10	46.50	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	8.90	-16.10	0.90	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>443.40</b>	<b>22.50</b>	<b>56.30</b>	<b>142.90</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>	<b>-23.11</b>
Capital Expenditures Expenditures	-441.30	-162.20	-152.80	-4.30	-5.00	-5.00	-5.00	-5.00	-5.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-22.50	17.60	-10.40	129.10	0.00	0.00	0.00	0.00	0.00
<b>Cash from Investing Activities</b>	<b>-463.80</b>	<b>-144.60</b>	<b>-163.20</b>	<b>124.80</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>	<b>-5.00</b>
Financing Cash flow items	-0.70	58.60	-5.00	-10.10	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-0.40	-1.80	-1.50	-0.50	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	-95.70	85.00	0.00	-1.80	0.00	0.00	0.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>-96.80</b>	<b>141.80</b>	<b>-6.50</b>	<b>-12.40</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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	248.50	131.30	151.00	37.60	71.90	43.79	15.68	-12.43	-40.54
<b>Net Change in Cash</b>	<b>-117.20</b>	<b>19.70</b>	<b>-113.40</b>	<b>255.30</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>
Ending Cash Balance	131.30	151.00	37.60	292.90	43.79	15.68	-12.43	-40.54	-68.66
Capex to Revenue	21.67%	7.97%	9.14%	0.22%	0.26%	0.26%	0.26%	0.26%	0.26%
Depreciation to Sales	1.57%	2.13%	3.00%	1.96%	1.96%	1.96%	1.96%	1.96%	1.96%
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	9.40%	15.16%	9.69%	7.03%	7.03%	7.03%	7.03%	7.03%	7.03%
Distributable FCF/EV Yield	-2.89%	-17.30%	-15.15%	37.93%	-3.98%	-3.98%	-3.98%	-3.98%	-3.98%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	<b>2.10</b>	<b>-139.70</b>	<b>-96.50</b>	<b>138.60</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>

# SN VALUATION

# LBO Debt Schedule

Ticker:

USU

	Proforma	2013	2014	2015	2016	2017
<b>Net Change in Cash</b>	<b>255.30</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>	<b>-28.11</b>
Current Portion Debt Repayment						
Long Term Debt Repayment						
<b>Outstanding Debt</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>	<b>633.70</b>
Current Portion Debt Balance	103.70	103.70	103.70	103.70	103.70	103.70
Long Term Debt Balance	530.00	530.00	530.00	530.00	530.00	530.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
<b>Interest Rate</b>		<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>7.00%</b>
<b>Interest Expense</b>		<b>44.36</b>	<b>44.36</b>	<b>44.36</b>	<b>44.36</b>	<b>44.36</b>
Cash Balance		292.90				
Interest @ 1.0%		2.93	2.93	2.93	2.93	2.93
<b>Net Interest Expense/(Income)</b>		<b>41.43</b>	<b>41.43</b>	<b>41.43</b>	<b>41.43</b>	<b>41.43</b>
<b>Net Interest Rate</b>		<b>7.82%</b>	<b>7.82%</b>	<b>7.82%</b>	<b>7.82%</b>	<b>7.82%</b>
EBITDA		(19.18)	(19.18)	(19.18)	(19.18)	(19.18)
<b>EBITDA/Interest Expense Coverage</b>		<b>(0.43)</b>	<b>(0.43)</b>	<b>(0.43)</b>	<b>(0.43)</b>	<b>(0.43)</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran

## Altman Z Score

Company Name:

USEC

Ticker:

USU

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	887.00	985.60	789.60	650.70	622.59	594.48	566.37	538.26	510.14
Total Assets	3,532.10	3,848.20	3,549.30	1,537.50	1,476.89	1,416.28	1,355.67	1,295.06	1,234.45
<b>X1</b>	<b>0.25</b>	<b>0.26</b>	<b>0.22</b>	<b>0.42</b>	<b>0.42</b>	<b>0.42</b>	<b>0.42</b>	<b>0.42</b>	<b>0.41</b>
Retained Earnings	322.40	329.90	-161.20	-1,360.00	-1,420.61	-1,481.22	-1,541.83	-1,602.44	-1,663.06
Total Assets	3,532.10	3,848.20	3,549.30	1,537.50	1,476.89	1,416.28	1,355.67	1,295.06	1,234.45
<b>X2</b>	<b>0.09</b>	<b>0.09</b>	<b>-0.05</b>	<b>-0.88</b>	<b>-0.96</b>	<b>-1.05</b>	<b>-1.14</b>	<b>-1.24</b>	<b>-1.35</b>
EBITDA	94.10	33.70	-247.40	-1,152.30	-19.18	-19.18	-19.18	-19.18	-19.18
Total Assets	3,532.10	3,848.20	3,549.30	1,537.50	1,476.89	1,416.28	1,355.67	1,295.06	1,234.45
<b>X3</b>	<b>0.03</b>	<b>0.01</b>	<b>-0.07</b>	<b>-0.75</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.02</b>
Market Value of Equity	143.94	143.94	143.94	143.94	-205.37	293.02	-418.08	596.51	-851.09
Total Liabilities	2,256.50	2,534.40	2,796.90	1,994.40	1,994.40	1,994.40	1,994.40	1,994.40	1,994.40
<b>X4</b>	<b>0.06</b>	<b>0.06</b>	<b>0.05</b>	<b>0.07</b>	<b>-0.10</b>	<b>0.15</b>	<b>-0.21</b>	<b>0.30</b>	<b>-0.43</b>
Net Sales	2,036.80	2,035.40	1,671.80	1,918.10	1,918.10	1,918.10	1,918.10	1,918.10	1,918.10
Total Assets	3,532.10	3,848.20	3,549.30	1,537.50	1,476.89	1,416.28	1,355.67	1,295.06	1,234.45
<b>X5</b>	<b>0.58</b>	<b>0.53</b>	<b>0.47</b>	<b>1.25</b>	<b>1.30</b>	<b>1.35</b>	<b>1.41</b>	<b>1.48</b>	<b>1.55</b>
<b>Altman Z Score</b>	<b>1.13</b>	<b>1.02</b>	<b>0.48</b>	<b>-1.91</b>	<b>0.35</b>	<b>0.44</b>	<b>0.15</b>	<b>0.38</b>	<b>-0.14</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



Year	Present Value	Holding Period					Terminal Value			Sale Price
	0	1	2	3	4	5	6	7	8	TBV at Year 5 + 3 Years FCF
<b>Tangible Book Value</b>	(478.70)	(539.31)	(599.92)	(660.53)	(721.14)	(781.76)				(781.76)
Annual Change		(60.61)	(60.61)	(60.61)	(60.61)	(60.61)				
<b>Annual FCF</b>	138.60	(28.11)	(28.11)	(28.11)	(28.11)	(28.11)	(28.11)	(28.11)	(28.11)	(84.33)
Annual Op. Cash Flow	142.90	(23.11)	(23.11)	(23.11)	(23.11)	(23.11)	(23.11)	(23.11)	(23.11)	
Annual PP&E Investment	(4.30)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	
<b>Today's Tangible Book Value</b>	(478.70)	-528.04	-582.46	-642.49	-708.71	-781.76				(858.09)
Intrinsic Value IRR	10.31%									
<b>Market Price</b>	143.94	-206.09	295.07	-422.48	604.90	-866.09				(858.09)
Market Price IRR	-243.18%									

Debt	50.00%	71.97
Equity	50.00%	71.97
<b>Total</b>	<b>100.00%</b>	<b>143.94</b>

	Present Value	Holding Period					Terminal Value			Sale Price
	Historic	ProForma	1	2	3	4	5			
Book Equity	-471.9	71.97	10.65	(50.67)	(111.99)	(173.31)	(234.62)			
Goodwill	6.8	622.64	622.64	622.64	622.64	622.64	622.64			
Debt	530	601.97	601.97	601.97	601.97	601.97	601.97			
Debt Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%	7.00%			
Additional Interest Expense		0.71	0.71	0.71	0.71	0.71	0.71			
<b>Tangible Book Value</b>	-478.7	-550.67	-611.99	-673.31	-734.63	-795.95	-857.26			-857.26
Annual Change			-61.32	-61.32	-61.32	-61.32	-61.32			
<b>Annual FCF</b>	138.60		(28.82)	(28.82)	(28.82)	(28.82)	(28.82)	(28.82)	(28.82)	(86.46)
Annual Net Income	(1,200.60)		(61.32)	(61.32)	(61.32)	(61.32)	(61.32)	(61.32)	(61.32)	
<b>Annual Op. Cash Flow</b>	142.90		(23.82)	(23.82)	(23.82)	(23.82)	(23.82)	(23.82)	(23.82)	
Dividend Payments										
<b>Annual PP&amp;E Investment</b>	(4.30)		(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	(5.00)	
<b>Debt Paydown</b>	0.00							0.00	0.00	0.00

Sale Price in Year 5 (843.79)

Capital Left for Equity Investor We assume the debt taken on by the investor is now on the Co's books, so the investor has no more liability from the deal. (943.79)

Dividend Payments 0.00

Total Cash In Flow (943.79)

Invested Equity 71.97

IRR -267.32%

-120.42 201.48 -337.11 564.03 -943.72

Value Creation

TBV Growth (equals sum of NI Year 1-5) -306.59

Cash Flow (Year 6-8) -86.46

-393.05

Value Dilution

Debt 71.97

Goodwill 615.84

Additional Interest 3.54

691.35