

January 5, 2012

# SN VALUATION [Stocks, Real Estate, Bonds]

Analyst: Sung Nam

## Unifirst Corp (UNF)

Market Price:	\$59.73	EBITDA/Share:	\$9.49	Net Asset/Share:	\$22.57
DCF: EV/EBITDA Terminal Value	2.290%	DCF: Net Tangible Asset excluding Cash/Debt Terminal Value	-8.611%		
EBITDA-Cap Ex/Share	\$5.97	EVA Analysis:	3.991%		

### Overview

#### Dividend?

Dividend yield is 0.25%.

#### Price to Book

Price to book is 1.5. Price to book excluding goodwill is 2.64.

#### Cashflow Generation

Cashflows are \$145MM from operating cashflow.

Capex is \$65 MM, minority interest payment is \$0 MM, intangibles are \$30 MM and dividend is \$3 MM.

Free cash flow is about \$45 MM.

10.9% EBITA margin and FCF yield is 4.6%.

The company has \$48 MM in cash/short term investment and \$120 MM in debt.

We are projecting a \$20 MM paydown annually.

#### Profitability

ROA is 6.7%, and ROC is 9.6%.

#### Bankruptcy Risk

Altman Z is above 3. Risk is low.

#### LBO?

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

#### Price

The information contained here reflects the views of SN Valuation or its affiliates and sources it believes are reliable as of the date of this publication. SN Valuation makes no representations or warranties concerning the accuracy of any data. There is no guarantee that any projection, forecast or opinion in this material will be realized. Past performance does not guarantee future results. The views expressed here may change at any time after the date of this publication. This document is for informational purposes only and does not constitute investment advice. SN Valuation does not provide tax, legal or accounting advice. It does not take an investor's personal investment objectives or financial situation into account; investors should discuss their individual circumstances with appropriate professionals before making any decisions. This information should not be construed as sales or marketing material or an offer on solicitation for the purchase or sale of any financial instrument, product or service sponsored by SN Valuation or its affiliates.

# Altman Z Score

Company Name:

Unifirst Corp

Ticker:

UNF

Period	2007	2008	2009	2010	2011	2012	2013	2014	2015
Working Capital	-238.87	-232.64	-134.77	-106.17	-98.78	-82.04	-59.00	8.96	82.00
Total Assets	981.67	1,002.10	1,092.30	1,141.52	1,181.48	1,227.19	1,277.00	1,369.57	1,465.02
<b>X1</b>	<b>-0.24</b>	<b>-0.23</b>	<b>-0.12</b>	<b>-0.09</b>	<b>-0.08</b>	<b>-0.07</b>	<b>-0.05</b>	<b>0.01</b>	<b>0.06</b>
Retained Earnings	532.16	605.26	678.88	752.53	829.49	912.20	999.01	1,088.58	1,181.03
Total Assets	981.67	1,002.10	1,092.30	1,141.52	1,181.48	1,227.19	1,277.00	1,369.57	1,465.02
<b>X2</b>	<b>0.54</b>	<b>0.60</b>	<b>0.62</b>	<b>0.66</b>	<b>0.70</b>	<b>0.74</b>	<b>0.78</b>	<b>0.79</b>	<b>0.81</b>
EBITDA	162.41	191.83	191.75	188.71	190.53	200.06	206.06	212.24	218.61
Total Assets	981.67	1,002.10	1,092.30	1,141.52	1,181.48	1,227.19	1,277.00	1,369.57	1,465.02
<b>X3</b>	<b>0.17</b>	<b>0.19</b>	<b>0.18</b>	<b>0.17</b>	<b>0.16</b>	<b>0.16</b>	<b>0.16</b>	<b>0.15</b>	<b>0.15</b>
Market Value of Equity	1,187.43	1,187.43	1,187.43	1,187.43	1,159.02	1,131.28	1,104.21	1,077.78	1,051.99
Total Liabilities	424.90	375.08	384.24	343.57	303.57	263.57	223.57	223.57	223.57
<b>X4</b>	<b>2.79</b>	<b>3.17</b>	<b>3.09</b>	<b>3.46</b>	<b>3.82</b>	<b>4.29</b>	<b>4.94</b>	<b>4.82</b>	<b>4.71</b>
Net Sales	1,023.17	1,013.42	1,025.94	1,134.13	1,190.84	1,250.38	1,287.89	1,326.53	1,366.32
Total Assets	981.67	1,002.10	1,092.30	1,141.52	1,181.48	1,227.19	1,277.00	1,369.57	1,465.02
<b>X5</b>	<b>1.04</b>	<b>1.01</b>	<b>0.94</b>	<b>0.99</b>	<b>1.01</b>	<b>1.02</b>	<b>1.01</b>	<b>0.97</b>	<b>0.93</b>
<b>Altman Z Score</b>	<b>3.73</b>	<b>4.11</b>	<b>4.09</b>	<b>4.42</b>	<b>4.71</b>	<b>5.09</b>	<b>5.54</b>	<b>5.49</b>	<b>5.44</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



# SN VALUATION

# LBO Analysis

WACC Terminal Value:		<b>Intrinsic Price in 5 Years:</b>	<b>52.92</b>	<b>Non-LBO Forecast</b>	<b>58.30</b>	<b>Non-LBO Forecast</b>	<b>Desired Return Rate</b>	<b>20.00%</b>	
EV/EBITDA with 5X Multiple Terminal Value:	\$66.89	Market Price:	59.73	Year 1 Target	58.30	Year 2 Target	56.91	Implied Today's Price	21.27
Net Tangible Asset Terminal Value:	\$38.08	LBO Price:	<b>59.73</b>	Year 3 Target	55.54	Year 4 Target	54.21	Overvalued/(Undervalued)	180.87%
EV/EBITDA with Today's Multiple Terminal Value:	\$44.90	Premium to Market Price:	0.00%	Year 5 Target	52.92				
EVA Enterprise Value:	\$61.81	LBO Price/Intrinsic Price Target:	-2.39%						
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-7.36%						
Average (Excluding Dividend Discount):	<b>\$52.92</b>	Implied IRR at today's EV/EBITDA:	-5.55%	Implied IRR (Market Price):	-2.39%				
		5 Year Return:	-11.41%						

Current Evaluation				Exit Evaluation			
Current Market Price:	59.73	LBO Price:	59.73	Exit Price:	52.92	Exit Price:	44.90
Outstanding Shares:	19,880,000	Outstanding Shares:	19,880,000	Outstanding Shares:	19,880,000	Outstanding Shares:	19,880,000
<b>Market Capitalization:</b>	<b>1,187,432,400</b>	<b>Market Capitalization:</b>	<b>1,187,432,400</b>	<b>Market Capitalization:</b>	<b>1,051,988,280</b>	<b>Market Capitalization:</b>	<b>892,523,214</b>
Available Cash:	48,810,000	Available Cash:	48,810,000	Available Cash:	236,978,579	Available Cash:	236,978,579
Debt:	120,300,000	Debt:	120,300,000	Debt:	290,000	Debt:	290,000
Net Cash:	<b>-71,490,000</b>	Net Cash:	<b>-71,490,000</b>	Net Cash:	236,688,579	Net Cash:	236,688,579
<b>Enterprise Value:</b>	<b>1,258,922,400</b>	<b>Enterprise Value:</b>	<b>1,258,922,400</b>	<b>Enterprise Value:</b>	<b>815,299,701</b>	<b>Enterprise Value:</b>	<b>655,834,635</b>
Original EV/EBITDA:	10.16	EV/EBITDA:	10.16	EV/EBITDA at 5 Years:	5.84	EV/EBITDA at 5 Years:	<b>3.00</b>
Original EV/EBITDA:	6.67	EV/EBITDA:	7.07	EV/EBITDA at 5 Years:	5.17	EV/EBITDA at 5 Years:	3.20
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:	59.73	59.73	58.30	56.91	55.54	54.21	52.92
Shares Outstanding:	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000
<b>Market Capitalization:</b>	<b>1,187,432,400</b>	<b>1,187,442,400</b>	<b>1,159,025,400</b>	<b>1,131,288,455</b>	<b>1,104,215,289</b>	<b>1,077,790,020</b>	<b>1,051,997,140</b>
Available Cash:	48,810,000	48,810,000	56,203,337	72,943,543	95,975,415	163,944,640	236,978,579
Debt:	120,290,000	120,290,000	80,290,000	40,290,000	290,000	290,000	290,000
Net Cash:	-71,480,000	-71,480,000	-24,086,663	32,653,543	95,685,415	163,654,640	236,688,579
<b>Enterprise Value:</b>	<b>1,258,912,400</b>	<b>1,258,922,400</b>	<b>1,183,112,063</b>	<b>1,098,634,911</b>	<b>1,008,529,875</b>	<b>914,135,380</b>	<b>815,308,560</b>
EBIT	123,970,000	123,970,000	122,533,840	128,060,532	131,062,348	135,244,218	139,611,545
EV/EBIT:	10.15	10.16	9.66	8.58	7.70	6.76	5.84
EBITDA	178,160,000	178,160,000	179,433,340	187,805,007	192,599,157	198,627,132	204,895,946
EV/EBITDA:	7.07	7.07	6.59	5.85	5.24	4.60	3.98

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	59.73	59.73	61.38	67.06	71.76	77.32	83.22
Shares Outstanding:	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000	19,880,000
<b>Market Capitalization:</b>	<b>1,187,432,400</b>	<b>1,187,442,400</b>	<b>1,220,251,451</b>	<b>1,333,115,528</b>	<b>1,426,631,012</b>	<b>1,537,067,369</b>	<b>1,654,451,758</b>
Available Cash:	48,810,000	48,810,000	56,203,337	72,943,543	95,975,415	163,944,640	236,978,579
Debt:	120,290,000	120,290,000	80,290,000	40,290,000	290,000	290,000	290,000
Net Cash:	-71,480,000	-71,480,000	-24,086,663	32,653,543	95,685,415	163,654,640	236,688,579
<b>Enterprise Value:</b>	<b>1,258,912,400</b>	<b>1,258,922,400</b>	<b>1,244,338,114</b>	<b>1,300,461,985</b>	<b>1,330,945,597</b>	<b>1,373,412,729</b>	<b>1,417,763,178</b>
EBIT	123,970,000	123,970,000	122,533,840	128,060,532	131,062,348	135,244,218	139,611,545
EV/EBIT:	10.15	10.16	10.16	10.16	10.16	10.16	10.16
EBITDA	178,160,000	178,160,000	179,433,340	187,805,007	192,599,157	198,627,132	204,895,946
EV/EBITDA:	7.07	7.07	6.93	6.92	6.91	6.91	6.92

LBO Price	59.73	Equity Partners:	1,307,722,400	Weighting	<b>100.00%</b>	<b>Annualized Return for Equity Partners:</b>	<b>-7.36%</b>
Shares Outstanding	19,880,000	Debt Partners:	0		0.00%		
<b>Market Capitalization</b>	<b>1,187,432,400</b>	<b>Total Funds for LBO:</b>	<b>1,307,722,400</b>		100.00%		
Debt	120,290,000						
Cash	48,810,000						
<b>Enterprise Value</b>	<b>1,258,912,400</b>						
<b>Capital Investment</b>	<b>1,307,722,400</b>						

Book Value	Enterprise Value	Stock Valuation	Debt Reduction
Beginning Book Value	797.95	Current Market Price	Starting Debt
Year 5 Book Value	1,241.45	Year 5 Market Price	Debt Repayment
<b>Annualized Return</b>	<b>9.24%</b>	<b>Annualized Return</b>	<b>-5.55%</b>
			Year 5 Ending Debt
			<b>% of Starting Debt</b>
			<b>0.16%</b>

## SN VALUATION

## LBO Pro Forma Income Statement

Name:

Unifirst Corp

Ticker:

UNF

	Historical				Forecasted				
	53 weeks ending 2008-08-30	52 weeks ending 2009-08-29	52 weeks ending 2010-08-28	52 weeks ending 2011-08-27	2011	2012	2013	2014	2015
Revenue	1,023.17	1,013.42	1,025.94	1,134.13	1,190.84	1,250.38	1,287.89	1,326.53	1,366.32
COGS	643.89	609.63	620.73	712.31	750.23	787.74	811.37	835.71	860.78
<b>Gross margin</b>	<b>379.28</b>	<b>403.79</b>	<b>405.21</b>	<b>421.82</b>	<b>440.61</b>	<b>462.64</b>	<b>476.52</b>	<b>490.81</b>	<b>505.54</b>
SG&A	216.87	211.96	213.46	233.11	250.08	262.58	270.46	278.57	286.93
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	0.00	0.00	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	53.77	57.79	61.48	64.74	68.00	72.00	75.00	77.00	79.00
<b>Operating Income (EBITA)</b>	<b>108.64</b>	<b>134.04</b>	<b>130.27</b>	<b>123.97</b>	<b>122.53</b>	<b>128.06</b>	<b>131.06</b>	<b>135.24</b>	<b>139.61</b>
Interest income/(expense)	-9.94	-7.57	-7.42	-3.40	-5.94	-2.74	0.46	0.46	0.46
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>98.70</b>	<b>126.47</b>	<b>122.85</b>	<b>120.57</b>	<b>116.60</b>	<b>125.33</b>	<b>131.53</b>	<b>135.71</b>	<b>140.08</b>
Tax	37.72	50.62	46.44	44.08	39.64	42.61	44.72	46.14	47.63
<b>Income after tax</b>	<b>60.98</b>	<b>75.85</b>	<b>76.41</b>	<b>76.49</b>	<b>76.96</b>	<b>82.71</b>	<b>86.81</b>	<b>89.57</b>	<b>92.45</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>60.98</b>	<b>75.85</b>	<b>76.41</b>	<b>76.49</b>	<b>76.96</b>	<b>82.71</b>	<b>86.81</b>	<b>89.57</b>	<b>92.45</b>
*Figures are in millions (\$)									
<b>Revenue Growth</b>	<b>N/A</b>	<b>-0.95%</b>	<b>1.24%</b>	<b>10.55%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>3.00%</b>	<b>3.00%</b>	<b>3.00%</b>
Tax Rate	38.22%	40.03%	37.80%	36.56%	34.00%	34.00%	34.00%	34.00%	34.00%
Implied Debt Interest Rate	-4.22%	-4.16%	-4.09%	-2.83%	-5.93%	-3.41%	1.16%	290.56%	290.56%
<b>Margins</b>									
COGS	62.93%	60.16%	60.50%	62.81%	63.00%	63.00%	63.00%	63.00%	63.00%
<b>Gross margin</b>	<b>37.07%</b>	<b>39.84%</b>	<b>39.50%</b>	<b>37.19%</b>	<b>37.00%</b>	<b>37.00%</b>	<b>37.00%</b>	<b>37.00%</b>	<b>37.00%</b>
SG&A	21.20%	20.92%	20.81%	20.55%	21.00%	21.00%	21.00%	21.00%	21.00%
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%	0.00%	0.00%	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	5.26%	5.70%	5.99%	5.71%	5.71%	5.76%	5.82%	5.80%	5.78%
<b>Operating Income (EBITA)</b>	<b>10.62%</b>	<b>13.23%</b>	<b>12.70%</b>	<b>10.93%</b>	<b>10.29%</b>	<b>10.24%</b>	<b>10.18%</b>	<b>10.20%</b>	<b>10.22%</b>
Interest income/(expense)	-0.97%	-0.75%	-0.72%	-0.30%	-0.50%	-0.22%	0.04%	0.04%	0.03%
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>9.65%</b>	<b>12.48%</b>	<b>11.97%</b>	<b>10.63%</b>	<b>9.79%</b>	<b>10.02%</b>	<b>10.21%</b>	<b>10.23%</b>	<b>10.25%</b>
Tax	3.69%	4.99%	4.53%	3.89%	3.33%	3.41%	3.47%	3.48%	3.49%
<b>Income after tax</b>	<b>5.96%</b>	<b>7.48%</b>	<b>7.45%</b>	<b>6.74%</b>	<b>6.46%</b>	<b>6.95%</b>	<b>7.29%</b>	<b>7.52%</b>	<b>7.76%</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>5.96%</b>	<b>7.48%</b>	<b>7.45%</b>	<b>6.74%</b>	<b>6.46%</b>	<b>6.62%</b>	<b>6.74%</b>	<b>6.75%</b>	<b>6.77%</b>

					Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2008-08-30	As of 2009-08-29	As of 2010-08-28	As of 2011-08-27	+	-						
Cash	25.66	60.15	121.26	48.81			48.81	56.20	72.94	95.98	163.94	236.98
Short term investment	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Cash and Short term</b>	<b>25.66</b>	<b>60.15</b>	<b>121.26</b>	<b>48.81</b>			<b>48.81</b>	<b>56.20</b>	<b>72.94</b>	<b>95.98</b>	<b>163.94</b>	<b>236.98</b>
Accounts Receivable	102.83	97.78	105.25	128.38			128.38	128.38	128.38	128.38	128.38	128.38
Other receivables	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Receivables</b>	<b>102.83</b>	<b>97.78</b>	<b>105.25</b>	<b>128.38</b>			<b>128.38</b>	<b>128.38</b>	<b>128.38</b>	<b>128.38</b>	<b>128.38</b>	<b>128.38</b>
Deferred Income Tax	-376.31	-407.81	-391.96	-368.68			-368.68	-368.68	-368.68	-368.68	-368.68	-368.68
Total Inventory	46.15	43.59	47.63	76.46			76.46	76.46	76.46	76.46	76.46	76.46
Prepaid Expenses	17.15	21.10	17.26	15.01			15.01	15.01	15.01	15.01	15.01	15.01
Other Current Assets	92.31	73.06	86.63	126.54			126.54	126.54	126.54	126.54	126.54	126.54
<b>Current Assets</b>	<b>-92.21</b>	<b>-112.13</b>	<b>-13.93</b>	<b>26.52</b>	<b>0.00</b>	<b>0.00</b>	<b>26.52</b>	<b>33.91</b>	<b>50.65</b>	<b>73.69</b>	<b>141.65</b>	<b>214.69</b>
PP&E, Gross	744.88	790.59	825.26	870.03			870.03	940.03	1,010.03	1,080.03	1,150.03	1,220.03
Change in Depreciation	45.43	48.85	52.11	54.19			54.19	56.90	59.74	61.54	63.38	65.28
Accumulated Depreciation	0.00	0.00	52.11	106.30			106.30	163.20	222.94	284.48	347.86	413.15
PP&E, Net	744.88	790.59	773.15	763.73			763.73	776.83	787.09	795.55	802.17	806.88
Goodwill	258.84	261.17	271.86	288.25	0.00		288.25	288.25	288.25	288.25	288.25	288.25
Intangibles	67.45	60.05	59.04	60.91			60.91	80.37	99.09	117.40	135.39	153.09
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	2.71	2.42	2.18	2.11			2.11	2.11	2.11	2.11	2.11	2.11
<b>Long Term Assets</b>	<b>1,073.88</b>	<b>1,114.23</b>	<b>1,106.23</b>	<b>1,115.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,115.00</b>	<b>1,147.56</b>	<b>1,176.54</b>	<b>1,203.31</b>	<b>1,227.91</b>	<b>1,250.33</b>
<b>Total Assets</b>	<b>981.67</b>	<b>1,002.10</b>	<b>1,092.30</b>	<b>1,141.52</b>	<b>0.00</b>	<b>0.00</b>	<b>1,141.52</b>	<b>1,181.48</b>	<b>1,227.19</b>	<b>1,277.00</b>	<b>1,369.57</b>	<b>1,465.02</b>
Accounts Payable	54.82	41.18	45.93	56.06			56.06	56.06	56.06	56.06	56.06	56.06
Accrued Expense	91.84	76.89	74.91	76.63			76.63	76.63	76.63	76.63	76.63	76.63
Other current Liabilities	0.00	2.44	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Current Liabilities</b>	<b>146.66</b>	<b>120.51</b>	<b>120.84</b>	<b>132.69</b>	<b>0.00</b>	<b>0.00</b>	<b>132.69</b>	<b>132.69</b>	<b>132.69</b>	<b>132.69</b>	<b>132.69</b>	<b>132.69</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
Current port. Of LT Debt/Capital Leases	4.22	6.45	81.16	20.13			20.13	0.13	0.13	0.13	0.13	0.13
Long term Debt	231.32	175.57	100.30	100.16	0.00	0.00	100.16	80.16	40.16	0.16	0.16	0.16
Capital Lease Obligations	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Interest Earning Debt</b>	<b>235.54</b>	<b>182.02</b>	<b>181.46</b>	<b>120.29</b>	<b>0.00</b>	<b>0.00</b>	<b>120.29</b>	<b>80.29</b>	<b>40.29</b>	<b>0.29</b>	<b>0.29</b>	<b>0.29</b>
Deferred Income tax	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
Other liabilities	42.70	72.55	81.94	90.59			90.59	90.59	90.59	90.59	90.59	90.59
<b>Total Liabilities</b>	<b>424.90</b>	<b>375.08</b>	<b>384.24</b>	<b>343.57</b>	<b>0.00</b>	<b>0.00</b>	<b>343.57</b>	<b>303.57</b>	<b>263.57</b>	<b>223.57</b>	<b>223.57</b>	<b>223.57</b>
Redeemable Preferred Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	1.93	1.94	1.98	1.99		0.00	1.99	1.99	1.99	1.99	1.99	1.99
Additional Paid-in capital	18.24	20.14	25.33	33.59	0.00	0.00	33.59	33.59	33.59	33.59	33.59	33.59
Dividends Paid	0.00	0.00	0.00	0.00			0.00	3.00	6.00	9.00	12.00	15.00
Retained Earnings	532.16	605.26	678.88	752.53		0.00	752.53	829.49	912.20	999.01	1,088.58	1,181.03
Treasury Stock	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Equity	4.43	-0.30	1.86	9.84		0.00	9.84	9.84	9.84	9.84	9.84	9.84
<b>Total Equity</b>	<b>556.76</b>	<b>627.04</b>	<b>708.05</b>	<b>797.95</b>	<b>0.00</b>	<b>0.00</b>	<b>797.95</b>	<b>877.91</b>	<b>963.62</b>	<b>1,053.43</b>	<b>1,146.00</b>	<b>1,241.45</b>
<b>Liability + Equity</b>	<b>981.66</b>	<b>1,002.12</b>	<b>1,092.29</b>	<b>1,141.52</b>	<b>0.00</b>	<b>0.00</b>	<b>1,141.52</b>	<b>1,181.48</b>	<b>1,227.19</b>	<b>1,277.00</b>	<b>1,369.57</b>	<b>1,465.02</b>
<b>Variance</b>	0.01	-0.02	0.01	0.00			0.00	0.00	0.00	0.00	0.00	0.00
<b>Debt/Equity</b>	0.42	0.29	0.26	0.15			0.15	0.09	0.04	0.00	0.00	0.00
Inventory Turnover	22.17	23.25	21.54	14.83			14.83	15.57	16.35	16.84	17.35	17.87
Inventory Turnover Days	16.46	15.70	16.95	24.61			24.61	23.44	22.32	21.67	21.04	20.43
Days Inventory Outstanding	26.16	26.10	28.01	39.18			39.18	37.20	35.43	34.40	33.39	32.42
Accounts Receivable Turnover	9.95	10.36	9.75	8.83			8.83	9.28	9.74	10.03	10.33	10.64
Accounts Receivable Turnover Days	36.68	35.22	37.44	41.32			41.32	39.35	37.48	36.38	35.32	34.30
Days Payable Outstanding	31.08	24.66	27.01	28.73			28.73	27.27	25.98	25.22	24.48	23.77
Days Sales Outstanding	36.68	35.22	37.44	41.32			41.32	41.32	39.35	37.48	36.38	35.32
Cash Conversion Cycle	31.77	36.66	38.44	51.77			51.77	51.24	48.80	46.65	45.29	43.97

SN VALUATION

LBO Adjusted Proforma Cash Flow

	53 weeks ending 2008-08-30	52 weeks ending 2009-08-29	52 weeks ending 2010-08-28	52 weeks ending 2011-08-27	2011	2012	2013	2014	2015
Net Income	60.98	75.85	76.41	76.49	76.96	82.71	86.81	89.57	92.45
Depreciation	45.43	48.85	52.11	54.19	56.90	59.74	61.54	63.38	65.28
<b>Net Income + Depreciation</b>	<b>106.41</b>	<b>124.70</b>	<b>128.52</b>	<b>130.68</b>	<b>133.85</b>	<b>142.46</b>	<b>148.34</b>	<b>152.95</b>	<b>157.73</b>
Amortization	8.35	8.93	9.37	10.54	10.54	11.28	11.69	12.02	12.30
Deferred Taxes	1.21	1.33	0.70	13.32	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.87	1.81	5.29	8.26	0.00	0.00	0.00	0.00	0.00
Change in Working capital	1.63	22.42	-9.91	-76.61	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	5.05	-7.47	-23.13	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	2.56	-4.04	-28.83	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-3.95	3.84	2.25	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-13.64	4.75	10.13	0.00	0.00	0.00	0.00	0.00
<b>Cash from Operating Activities</b>	<b>119.47</b>	<b>159.19</b>	<b>133.97</b>	<b>86.19</b>	<b>144.39</b>	<b>153.74</b>	<b>160.03</b>	<b>164.97</b>	<b>170.03</b>
Capital Expenditures	-73.80	-65.32	-50.02	-63.85	-70.00	-70.00	-70.00	-70.00	-70.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	-59.84	-4.43	-22.70	-32.95	-30.00	-30.00	-30.00	-30.00	-30.00
<b>Cash from Investing Activities</b>	<b>-133.64</b>	<b>-69.75</b>	<b>-72.72</b>	<b>-96.80</b>	<b>-100.00</b>	<b>-100.00</b>	<b>-100.00</b>	<b>-100.00</b>	<b>-100.00</b>
Financing Cash flow items	0.00	0.00	0.00	-0.97	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	-2.75	-2.75	-2.78	-2.83	-3.00	-3.00	-3.00	-3.00	-3.00
Issuance (Retirement) of Stock	0.52	0.69	1.18	1.36	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	-20.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	29.84	-53.13	-0.26	-61.46	-20.00	-40.00	-40.00	0.00	0.00
<b>Cash from Financing Activities</b>	<b>27.61</b>	<b>-55.19</b>	<b>-1.86</b>	<b>-63.90</b>	<b>-37.00</b>	<b>-37.00</b>	<b>-37.00</b>	<b>3.00</b>	<b>3.00</b>
Foreign Exchange effect	-0.48	0.25	1.71	2.07	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	12.70	25.66	60.15	121.26	48.81	56.20	72.94	95.98	163.94
<b>Net Change in Cash</b>	<b>12.96</b>	<b>34.50</b>	<b>61.11</b>	<b>-72.45</b>	<b>7.39</b>	<b>16.74</b>	<b>23.03</b>	<b>67.97</b>	<b>73.03</b>
Ending Cash Balance	25.66	60.15	121.26	48.81	56.20	72.94	95.98	163.94	236.98

Depreciation to Sales	4.44%	4.82%	5.08%	4.78%	4.78%	4.78%	4.78%	4.78%	4.78%
Amortization to Sales	0.82%	0.88%	0.91%	0.93%	0.88%	0.90%	0.91%	0.88%	0.90%
A/R to Sales	10.05%	9.65%	10.26%	11.32%	10.78%	10.27%	9.97%	9.68%	9.40%
Distributable FCF Yield	-1.13%	7.10%	4.87%	-0.84%	3.53%	4.27%	4.77%	5.16%	5.56%
Dividend Yield	-0.23%	-0.23%	-0.23%	-0.24%	-0.25%	-0.25%	-0.25%	-0.25%	-0.25%

# 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	-72.45	7.39	16.74	23.03	67.97	73.03
Current Portion Debt Repayment		20.00				
Long Term Debt Repayment		20.00	40.00	40.00		
<b>Outstanding Debt</b>	120.29	80.29	40.29	0.29	0.29	0.29
Current Portion Debt Balance	20.13	0.13	0.13	0.13	0.13	0.13
Long Term Debt Balance	100.16	80.16	40.16	0.16	0.16	0.16
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>6.42</b>	<b>3.22</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>
Cash Balance		48.81				
Interest @ 1.0%		0.49	0.49	0.49	0.49	0.49
<b>Net Interest Expense/(Income)</b>		<b>5.94</b>	<b>2.74</b>	<b>(0.46)</b>	<b>(0.46)</b>	<b>(0.46)</b>
<b>Net Interest Rate</b>		<b>5.93%</b>	<b>3.41%</b>	<b>-1.16%</b>	<b>-290.56%</b>	<b>-290.56%</b>
EBITDA		122.53	128.06	131.06	135.24	139.61
<b>EBITDA/Interest Expense Coverage</b>		<b>19.08</b>	<b>39.73</b>	<b>5649.24</b>	<b>5829.49</b>	<b>6017.74</b>

Interest Rate Coverage Table

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

\*Source: NYU; Professor Damodaran