

Business Description

Richardson Electronics, Ltd. is a global provider of engineered solutions, serving the the Power Conversion, Electron Device, and Display Systems markets. The Company delivers engineered solutions for its customers' through product manufacturing, systems integration, prototype design and manufacture, testing and logistics.



NASDAQ: RELL
 PRICE: \$12.06
 DATE: January 11, 2013

Stock Data

Price	\$12.06
52Wk High	\$12.82
52Wk Low	\$10.61
3mo. Daily Volume	25,033
Market Capitalization	\$186
Shares Outstanding	15.3 Mil.
Dividend Yield	2.00%
Tangible Book Value Per Share	\$12.23
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.3x
EV-to-EBITDA TTM	9x

Financial Data

		OLD	NEW
EPS	FY-12	FY-13E	FY-13E
Q1-Aug	\$.06	\$.05A	\$.05A
Q2-Nov	\$.09	\$.05E	\$.04A
Q3-Feb	\$.09	\$.06E	\$.06E
Q4-May	\$.23	\$.08E	\$.08E
FY-May	\$.47	\$.24E	\$.23E
P/E	25.7		52.4
Revenue	\$158	\$152	\$149
% Chg	-1%	-4%	-6%

Cash	\$159	\$139	\$140
Assets	\$231	\$211	\$225
Debt	\$0	\$0	\$0
Equity	\$200	\$185	\$185

Note: Figures in \$millions except per share data

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Q2 EPS of \$.04 missed our estimate of \$.05 due to a FX loss stemming from appreciation in the Euro.

Q2 Sales declined 6.5% YOY to \$36.6 million and topped our estimate of \$36 million. Sales were negatively impacted by market softness in certain verticals as well as weakness in Asia. The company had guided for revenue of \$36-\$38 million.

Q2 Gross Margin of declined 70 basis points YOY to 29.2 due to unabsorbed manufacturing labor and overhead tied to the semiconductor vertical.

Q2 operating expenses increased slightly YOY from \$10 million to \$10.2 and included \$.4 million of atypical costs.

The balance sheet remains strong with cash and investments of \$147.3 million (\$9.63/share) and \$0 debt. The company continues to explore acquisitions.

The stock is currently trading below its tangible book value of \$12.27/share.

Nearly \$31 million of stock repurchases remain authorized suggesting a possible future share count reduction of 17%.

We are maintaining prior EPS estimates.



Analysis of Q2 Results

Q2 EPS of \$.04 missed our estimate of \$.05 due to the negative foreign currency impact of a stronger Euro. Q2 sales declined 6.5% YOY to \$36.6 million and exceeded our estimate of \$36 million. The company had guided for Q2 revenue of \$36-\$38 million. In terms of verticals, weakness in the plastic, wood, and semiconductor fabrication markets most negatively impacted sales while Asia continued to be a geographical area of weakness. The Canvys division was more acutely impacted by uncertainty in Europe. Q2 gross margin of 29.2% was less than our forecast of 29.9% due to unabsorbed manufacturing labor and overhead costs related to the semiconductor vertical. Operating expenses of \$10.2 million matched our estimate despite \$.4 million of atypical costs comprising severance, a preference claim, and product development costs. The company generated \$6.2 million of operating cash flow for the quarter due to less inventory purchases and higher payable balances. The balance sheet remains strong with \$147.3 million (\$9.63/share) in cash and investments and \$0 debt. The company repurchased .5 million shares in the quarter and has \$30.8 million of repurchases authorized. At the current stock price this equates to additional potential repurchases of 2.6 million shares, or 17% of the outstanding stock.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q2FY13	Q2FY12	% Change	Q2FY13	% of Sales	Q2FY12	% of Sales
Electron Device Group	\$26,166	\$28,022	-6.6%	\$7,930	30.3%	\$8,546	30.5%
Canvys	\$10,417	\$11,116	-6.3%	\$2,812	27.0%	\$3,144	28.3%
Total	\$36,583	\$39,138	-6.5%	\$10,742	29.4%	\$11,690	29.9%

Net Sales	Q2FY13	Q2FY12	% Increase
North America	\$16,436	\$16,850	-2.5%
Europe	\$12,305	\$12,564	-2.1%
Asia/Pacific	\$5,437	\$6,159	-11.7%
Latin America	\$2,320	\$2,282	1.7%
Other	\$105	\$1,283	-91.8%
	\$36,603	\$39,138	-6.5%

Outlook

The company is expecting Q3 sales to improve modestly on a sequential basis with significantly more improvement expected in Q4 predicated on a current strong backlog and historical seasonality. Capital expenditures are forecasted at \$1 million for FY13 while the expected full year tax rate for FY13 is now expected to be 20% vs. 25%. An appreciating Euro represents an ongoing foreign currency risk factor. Additionally, the newly enacted medical device excise tax of 2.3% represents a possible spending constraint factor for Canvys' healthcare customers. The company continues to evaluate acquisition opportunities. The company appears to be accelerating its search process as reflected in the early December hire of an Executive VP of Mergers and Acquisitions. We have maintained our prior EPS forecasts for Q3 and Q4 but have lowered our sales forecast slightly. The stock is presently trading below its tangible book value of \$12.27/share.

Peer Group Comparison		Price	EV / Sales	EV / EBITDA	P/BV	P/E	P/E-12	P/E-13
ARW	Arrow Electronics	\$38.57	0.28	6.0	1.1	8.6	9.2	8.8
AVT	Avnet	\$31.36	0.22	5.7	1.1	8.7	9.0	9.2
WCC	Wesco International Inc.	\$67.43	0.57	9.3	2.0	14.8	14.9	11.1
	Median		0.28	6.0	1.1	8.7	9.2	9.2
RELL	Richardson Electronics	\$12.06	0.31	9.0	1.0	29.4	29.4	NA

Note: All figures based on trailing 12-months, except P/E-12 and P/E-13 based on consensus estimates.

Prices as of 1/10/13

Income Statement (in millions)	2008	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13	Q3-13E	Q4-13E	2013E
Sales	\$568.4	\$496.3	\$491.8	\$137.1	\$41.0	\$39.7	\$40.7	\$258.5	\$41.5	\$39.1	\$38.4	\$38.9	\$157.9	\$35.6	\$36.6	\$37.5	\$39.0	\$148.7
COGS	\$432.8	\$386.7	\$373.8	\$104.5	\$29.2	\$28.1	\$29.3	\$191.1	\$28.8	\$27.4	\$27.1	\$27.8	\$111.1	\$25.0	\$25.9	\$26.4	\$27.4	\$104.7
Gross Profit	\$135.6	\$109.6	\$118.0	\$32.6	\$11.8	\$11.6	\$11.4	\$67.4	\$12.7	\$11.7	\$11.3	\$11.1	\$46.8	\$10.6	\$10.7	\$11.1	\$11.6	\$44.0
Operating Expenses	\$125.4	\$117.9	\$95.7	\$23.3	\$11.2	\$10.7	\$10.8	\$56.0	\$10.7	\$10.0	\$9.5	\$10.4	\$40.6	\$10.1	\$10.2	\$10.3	\$10.5	\$41.1
Operating Income	\$10.2	(\$8.2)	\$22.3	\$9.3	\$0.6	\$0.9	\$0.6	\$11.4	\$2.0	\$1.7	\$1.8	\$0.7	\$6.2	\$0.5	\$0.5	\$0.8	\$1.1	\$2.9
Add back D&A	\$5.3	\$4.1	\$3.9	\$0.9	\$0.5	\$0.3	\$0.3	\$1.9	\$0.3	\$0.3	\$0.3	\$0.2	\$1.1	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2
Add back stock compensation	\$0.7	\$0.7	\$0.7	\$0.1	\$0.2	\$0.1	\$0.2	\$0.6	\$0.2	\$0.1	\$0.1	\$0.1	\$0.5	\$0.1	\$0.2	\$0.1	\$0.1	\$0.5
EBITDA	\$16.2	(\$3.4)	\$26.9	\$10.3	\$1.3	\$1.3	\$1.1	\$13.9	\$2.5	\$2.1	\$2.2	\$1.0	\$7.8	\$0.9	\$1.0	\$1.2	\$1.5	\$4.6
Interest Expense, Net	\$6.9	\$4.6	\$3.9	\$0.2	\$0.1	\$0.0	(\$0.4)	(\$0.1)	(\$0.4)	(\$0.2)	(\$0.4)	(\$0.4)	(\$1.4)	(\$0.4)	(\$0.4)	(\$0.4)	(\$0.4)	(\$1.6)
Other Expense, Net	\$12.0	(\$2.4)	\$1.4	\$0.2	\$0.1	\$0.1	\$0.3	\$0.7	\$0.7	(\$0.5)	\$0.0	(\$0.3)	(\$0.1)	\$0.0	\$0.3	\$0.0	\$0.0	\$0.3
Pretax Income	(\$8.7)	(\$10.4)	\$17.1	\$8.9	\$0.4	\$0.8	\$0.7	\$10.8	\$1.7	\$2.4	\$2.2	\$1.4	\$7.7	\$0.9	\$0.6	\$1.2	\$1.5	\$4.2
Income Tax	(\$0.2)	\$1.8	(\$0.2)	\$0.5	\$0.3	\$0.5	(\$0.4)	\$0.9	\$0.6	\$0.8	\$0.6	(\$2.4)	(\$0.4)	\$0.2	\$0.0	\$0.2	\$0.3	\$0.7
Net Income	(\$8.9)	(\$12.2)	\$17.3	\$8.4	\$0.1	\$0.3	\$1.1	\$9.9	\$1.1	\$1.6	\$1.6	\$3.8	\$8.0	\$0.7	\$0.6	\$0.9	\$1.2	\$3.4
Shares Outstanding-Diluted	17.8	17.8	18.9	17.9	18.1	18.5	18.4	18.2	17.5	17.2	17.0	16.7	17.1	15.8	15.3	15.0	14.8	15.2
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.91	\$0.47	\$0.01	\$0.02	\$0.06	\$0.54	\$0.06	\$0.09	\$0.09	\$0.23	\$0.47	\$0.05	\$0.04	\$0.06	\$0.08	\$0.23
Dividend per Share	\$0.12	\$0.08	\$0.08	\$0.02	\$0.02	\$0.02	\$0.03	\$0.11	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20	\$0.06	\$0.06			
% of Sales																		
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COGS	76.1%	77.9%	76.0%	76.2%	71.2%	70.8%	72.0%	73.9%	69.4%	70.1%	70.6%	71.5%	70.4%	70.2%	70.8%	70.5%	70.2%	70.4%
Gross Profit	23.9%	22.1%	24.0%	23.8%	28.8%	29.2%	28.0%	26.1%	30.6%	29.9%	29.4%	28.5%	29.6%	29.8%	29.2%	29.5%	29.8%	29.6%
Operating Expenses	22.1%	23.7%	19.5%	17.0%	27.3%	27.0%	26.5%	21.7%	25.8%	25.6%	24.7%	26.7%	25.7%	28.4%	27.9%	27.5%	26.9%	27.6%
Operating Income	1.8%	-1.7%	4.5%	6.8%	1.5%	2.3%	1.5%	4.4%	4.8%	4.3%	4.7%	1.8%	3.9%	1.4%	1.4%	2.0%	2.9%	1.9%
Interest Expense, Net	1.2%	0.9%	0.8%	0.1%	0.2%	0.0%	-1.0%	0.0%	-1.0%	-0.5%	-1.0%	-1.0%	-0.9%	-1.1%	-1.1%	-1.1%	-1.0%	-1.1%
Other Expense, Net	2.1%	-0.5%	0.3%	0.1%	0.2%	0.3%	0.7%	0.3%	1.7%	-1.3%	0.0%	-0.8%	-0.1%	0.0%	0.8%	0.0%	0.0%	0.2%
Pretax Income	-1.5%	-2.1%	3.5%	6.5%	1.0%	2.0%	1.7%	4.2%	4.1%	6.1%	5.7%	3.6%	4.9%	2.5%	1.8%	3.1%	3.9%	2.8%
Income Tax Rate	2.5%	-17.0%	-1.2%	5.6%	75.0%	62.5%	-57.1%	8.3%	35.3%	33.3%	27.3%	-171.4%	-5.2%	22.2%	0.0%	20.0%	20.0%	17.6%
Net Income	-1.5%	-2.5%	3.5%	6.1%	0.2%	0.8%	2.7%	3.8%	2.7%	4.1%	4.2%	9.8%	5.1%	2.1%	1.8%	2.8%	3.1%	2.3%
Revenue by Segment																		
RF, Wireless & Power Division	\$376.2	\$355.1	\$356.5	\$99.6				\$99.6										
Electron Device Group	\$103.3	\$82.2	\$86.5	\$27.5	\$28.7	\$28.0	\$29.6	\$113.8	\$30.7	\$28.0	\$26.9	\$27.0	\$112.6	\$25.6	\$26.2	\$26.8	\$28.0	\$106.6
Canvus	\$84.7	\$58.9	\$48.8	\$10.0	\$12.3	\$11.7	\$11.1	\$45.1	\$10.8	\$11.1	\$11.5	\$11.9	\$45.3	\$10.0	\$10.4	\$10.7	\$11.0	\$42.1
Corporate	\$4.3	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0					\$0.0					
Total	\$568.4	\$496.3	\$491.8	\$137.1	\$41.0	\$39.7	\$40.7	\$258.5	\$41.5	\$39.1	\$38.4	\$38.9	\$157.9	\$35.6	\$36.6	\$37.5	\$39.0	\$148.7
Revenue % by Segment																		
RF, Wireless & Power Division	66.2%	71.5%	72.5%	72.6%	0.0%	0.0%	0.0%	38.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Electron Device Group	18.2%	16.6%	17.6%	20.1%	70.0%	70.5%	72.7%	44.0%	74.0%	71.6%	70.1%	69.4%	71.3%	71.9%	71.6%	71.5%	71.8%	71.7%
Security Systems Division	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Canvus	14.9%	11.9%	9.9%	7.3%	30.0%	29.5%	27.3%	17.4%	26.0%	28.4%	29.9%	30.6%	28.7%	28.1%	28.4%	28.5%	28.2%	28.3%
Corporate	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Revenue Growth (Year / Year)																		
RF, Wireless & Power Division	1.7%	-5.6%	0.4%	25.3%	-100.0%	-100.0%	-100.0%											
Electron Device Group	2.0%	-20.4%	5.3%	46.3%	42.8%	32.1%	12.1%	31.6%	11.6%	-2.4%	-3.9%	-8.8%	-1.1%	-16.6%	-6.4%	-0.4%	3.7%	-5.3%
Canvus	3.1%	-30.4%	-17.2%	-10.7%	-5.4%	-4.1%	-10.5%	-7.6%	8.0%	-9.8%	-1.7%	7.2%	0.4%	-7.4%	-6.3%	-7.0%	-7.6%	-7.1%
Corporate	5.6%	-95.1%	-100.0%															
Total	2.0%	-12.7%	-0.9%	25.2%	-64.6%	-67.3%	-72.0%	-47.4%	-69.7%	-4.6%	-3.3%	-4.4%	-38.9%	-14.2%	-6.4%	-2.3%	0.3%	-5.8%
Fiscal Year End - May																		
(\$ in millions, except per share data)																		

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Balance Sheet	2009	2010	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13	Q2-13
Assets										
Cash	\$43.9	\$29.0	\$171.0	\$37.2	\$25.2	\$24.4	\$43.9	\$43.9	\$41.2	\$53.5
Accounts Receivable	\$92.4	\$98.7	\$22.4	\$22.8	\$22.3	\$22.9	\$19.7	\$19.7	\$20.5	\$21.7
Inventories	\$81.2	\$78.7	\$30.9	\$33.8	\$35.3	\$38.3	\$34.7	\$34.7	\$35.4	\$35.3
Other Current Assets	\$7.8	\$7.0	\$64.0	\$129.1	\$145.1	\$138.1	\$115.0	\$115.0	\$109.1	\$96.3
Discontinued ops-assets				\$2.1	\$1.7	\$0.6	\$0.0	\$0.0		
Current Assets	\$225.3	\$213.4	\$288.3	\$225.0	\$229.6	\$224.3	\$213.3	\$213.3	\$206.2	\$206.8
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$5.0	\$5.1	\$4.7	\$4.5	\$5.4	\$5.4	\$4.2	\$4.4
Goodwill & Other Assets	\$4.1	\$4.7	\$4.0	\$33.9	\$18.9	\$18.4	\$12.7	\$12.7	\$14.0	\$11.4
Total Assets	\$248.8	\$234.8	\$297.3	\$264.0	\$253.2	\$247.2	\$231.4	\$231.4	\$224.4	\$222.6
Liabilities and Stockholders' Equity										
Current Debt	\$0.0	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Payable	\$53.0	\$61.6	\$17.8	\$15.3	\$14.6	\$14.4	\$12.6	\$12.6	\$11.2	\$14.0
Accrued Expenses	\$18.4	\$18.8	\$43.7	\$16.8	\$11.5	\$9.6	\$8.5	\$8.5	\$8.5	\$8.3
Discontinued ops-liabilities			\$13.8	\$7.1	\$4.9	\$0.1	\$0.2	\$0.2	\$0.2	\$0.4
Current Liabilities	\$71.4	\$99.9	\$75.3	\$39.2	\$31.0	\$24.1	\$21.3	\$21.1	\$19.9	\$22.7
Long-term Debt	\$52.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Deferred Taxes & Other Long-term Liabilities	\$6.3	\$5.0	\$13.0	\$2.4	\$8.3	\$9.8	\$8.5	\$8.5	\$8.2	\$6.9
Discontinued ops-non-current liabilities			\$1.6	\$1.6	\$1.6	\$1.2	\$1.4	\$1.4	\$1.4	\$2.7
Total Liabilities	\$130.1	\$104.9	\$89.9	\$43.2	\$40.9	\$35.1	\$31.2	\$29.6	\$29.5	\$32.3
Shareholder Equity	\$118.7	\$129.9	\$224.2	\$220.8	\$212.3	\$212.1	\$200.2	\$200.2	\$194.9	\$190.3
Total Liabilities and Equity	\$248.8	\$234.8	\$314.1	\$264.0	\$253.2	\$247.2	\$231.4	\$229.8	\$224.4	\$222.6
Book Value Per Share	\$6.67	\$6.87	\$12.32	\$12.62	\$12.34	\$12.48	\$11.99	\$11.71	\$12.34	\$12.44
Asset Utilization and Efficiency										
Accounts Receivable Turnover	4.9	5.1	4.3	2.7	7.0	6.4	7.4	7.5	6.6	6.7
Days' Sales in Receivables Outstanding	67.9	73.3	31.6	50.1	52.0	54.4	46.2	45.5	52.5	54.1
Inventory Turnover	4.4	3.8	2.9	1.9	3.5	3.3	3.4	3.4	2.9	2.9
Days' Sales in Inventory Outstanding	76.6	76.8	59.0	107.1	117.6	129.0	113.9	114.0	129.2	124.4
Accounts Payable Turnover	7.3	5.8	5.0	3.0	6.6	6.7	7.3	7.3	7.5	7.2
Days' Purchases in Payables Outstanding	50.0	60.1	34.0	48.5	48.6	48.5	41.4	41.4	40.9	49.3
Cash Conversion Cycle (Days)	94.6	89.9	56.6	108.7	121.0	134.9	118.8	118.1	140.9	129.1
Capital Structure										
Total Debt-to-Total Capital Ratio	30.6%	13.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Debt-to-Equity Ratio	44.1%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fiscal Year End - May										
(\$ in millions, except per share data)										

ROIC and Free Cash Flow	2008	2009	2010	2011	2012	Q1-13	Q2-13
NOPAT							
EBIT	\$10.2	(\$8.2)	\$22.3	\$11.4	\$6.2	\$0.5	\$0.5
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.9	(\$0.5)	\$0.3	\$0.0
NOPAT	\$10.6	(\$10.8)	\$22.5	\$10.5	\$6.7	\$0.2	\$0.5

Cash Taxes on EBIT

Income Tax Provision	(\$0.2)	\$1.8	(\$0.2)	\$0.9	(\$0.4)	\$0.2	\$0.0
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.0)	(\$0.0)	\$0.1	(\$0.1)	\$0.0
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.9	(\$0.5)	\$0.3	\$0.0

Invested Capital

Total Debt	\$55.7	\$52.4	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0
Stockholders' Equity	\$141.4	\$118.7	\$129.9	\$224.2	\$200.2	\$194.9	\$190.3
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$171.0	\$158.9	\$150.3	\$149.8
Invested Capital	\$157.1	\$127.2	\$120.4	\$53.2	\$41.3	\$44.6	\$40.5

Return on Invested Capital

Return on Invested Capital (Average)	6.3%	-7.6%	18.1%	12.1%	14.1%	0.4%	1.2%
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Note: Quarterly Figures Have Been Annualized

Free Cash Flow

Net Income (Loss)	(\$8.5)	(\$12.2)	\$17.3	\$9.9	\$8.0	\$0.7	\$0.6
Adjustments:							
Depreciation	\$5.5	\$5.3	\$4.3	\$1.8	\$1.2	\$0.3	\$0.3
Amortization of Intangibles and Financing Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Deferred Income Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Loss from Disposition of a Business	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Provision for Inventory Obsolescence	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Charges	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Divestitures				\$180.0	\$0.0	\$0.0	\$0.0
Goodwill and Other Intangible Assets Impairment, Net of Tax	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Non-cash Items in Net Income	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Adjustments	\$5.5	\$5.3	\$4.3	\$181.8	\$1.2	\$0.3	\$0.3
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:							
Decrease (Increase) in Accounts Receivable	(\$3.8)	\$17.1	(\$6.3)	\$76.3	\$2.7	(\$0.8)	(\$1.2)
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	\$47.8	\$3.8	(\$0.7)	\$0.1
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	(\$57.0)	\$51.0	\$0.0	\$0.0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$43.8)	(\$5.2)	(\$1.4)	\$2.8
Decrease (Increase) Assets Held for sale							
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.4	\$24.9	\$0.0	\$0.0	\$0.2
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	\$6.0	\$48.2	\$52.3	(\$2.9)	\$1.9
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.6	\$239.9	\$61.5	(\$1.9)	\$2.8
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.5)	(\$0.2)	(\$0.1)	(\$0.1)
Time Deposit Purchases					(\$82.8)		
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	\$239.4	(\$21.5)	(\$2.0)	\$2.7
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	\$13.15	(\$1.26)	(\$0.12)	\$0.18

Fiscal Year End - May

(\$ in millions, except per share data)