

### Business Description

Richardson Electronics, Ltd. is a global provider of engineered solutions, serving the RF, Wireless, & 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: \$3.95  
 January 9, 2009

### Stock Data

Price	\$3.95
52Wk High	\$7.00
52Wk Low	\$2.56
3mo. Daily Volume	39,000
Market Capitalization	\$71 Mil.
Shares Outstanding	19.1 Mil.
Dividend Yield	2.10%
Book Value	\$7.13
Net Debt-to-Total Capital	11%
EV-to-Sales-TTM	0.21

### Financial Data

	OLD	NEW	OLD	NEW
EPS	FY-09E	FY-09E	FY-10E	FY-10E
Q1-Aug	.20A	\$.20A		
Q2-Nov	\$0.17	\$.31A*		
Q3-Feb	\$0.15	\$0.15		
Q4-May	\$0.25	\$0.23		
FY-May	\$0.78	\$0.90	\$0.95	\$1.00
P/E		4.9		4.0

\*includes one-time gains of \$.12

Revenue	\$578	\$549	\$601	\$557
% Chg	2%	-3.5%	4%	1.5%
ROIC	11%	11%	13%	14%
Cash	\$40	\$35	\$40	\$36
Assets	\$310	\$292	\$325	\$303
Debt	\$60	\$52	\$55	\$49
Equity	\$150	\$144	\$168	\$163

Note: Figures in \$millions except per share data

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**Q2 EPS of \$.31 Beat Our Estimate of \$.17 due to one-time gains of 1) \$.08 foreign exchange gain 2) \$.04 gain on retirement of long-term debt. Additionally, a lower than expected tax rate contributed \$.04 while a higher than expected share count trimmed \$.02.**

**Q2 Sales declined 8.6% yoy vs. our estimate of a 1.7% decline. Sales for largest business unit, RF & Wireless (70% of sales) decreased 2.1% yoy while smaller units declined more than expected.**

**Gross Margin improved 180 basis points yoy to 25.1% due to better cost control and demand shaping. We had forecasted 23.7%. Operating expenses as % of sales decreased yoy from 21.6% to 21.3%.**

**Trend of efficient working capital management continued as company paid down \$3.3 million in debt from internal cash flow**

**Company announced stock buyback of \$12.6 million and dividend of \$.02/share**

**Stock trades at 60% of Book Value.**

**We have adjusted our FY09 EPS estimate to \$.90 from \$.78 and raised our FY10 EPS estimate from \$.95 to \$1.00.**



## Q2 EPS Better Than Expected Due to One-time Gains

Q2 EPS of \$.31 beat our estimate of \$.17 due to the following one-time gains: foreign exchange (\$.08), lower tax rate (\$.04), and gain on retirement of long-term debt (\$.04). Sales declined 8.6% yoy with the smaller business units (30% of sales) experiencing larger decreases vs. the RF Wireless division of 2.1%. Gross margin improved 180 basis points yoy as demand shaping efforts and cost control strategies continued to be effective. The company incurred \$.5 million in severance expense for the quarter related to headcount reductions. Similar levels of severance expenses are possible going forward based on business conditions. The company's strict attention to working capital continued as the company was able to pay down \$3.3 million in long-term debt for the quarter. The company announced a stock buyback of \$12.6 million and a dividend of \$.02/share.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q2FY09	Q2FY08	% Change	Q2FY09	% of Sales	Q2FY08	% of Sales
RF, Wireless & Power Division	\$93,445	\$95,486	-2.1%	\$21,263	22.8%	\$21,095	22.1%
Electron Device Group	\$22,210	\$28,765	-22.8%	\$7,811	35.2%	\$9,290	32.3%
Canvys	\$16,820	\$19,487	-13.7%	\$4,156	24.7%	\$3,895	20.0%
Corporate	\$76	\$1,247		-\$52		-\$480	
<b>Total</b>	<b>\$132,551</b>	<b>\$144,985</b>	<b>-8.6%</b>	<b>\$33,178</b>		<b>\$33,800</b>	<b>23.3%</b>

### RF Wireless & Power Net Sales (in millions)

	Q2FY09	Q2FY08	% Change
Network	\$33.2	\$37.8	-12.2%
Infrastructure	\$25.9	\$24.0	7.9%
Power conversion	\$15.5	\$13.9	11.5%
Passive Interconnect & other	\$18.8	\$19.8	-5.1%
	<u>\$93.4</u>	<u>\$95.5</u>	<u>-2.2%</u>

## Outlook

The company has not issued formal guidance due to limited visibility at this time. Generally speaking, we believe the growth of the company's telecommunications infrastructure products coupled with growth in its power conversion products applied to alternative energy should continue to buttress the rest of the business from the negative impact of the credit crisis. The company should benefit from China's recently announced plans to invest \$41 billion<sup>1</sup> in its 3G mobile telecommunications network over the next two years. The company maintains there is still room for both gross and operating margin improvement. The company may sustain near term foreign currency losses due to the recent weakening of the U.S. dollar. We have reduced our sales estimates but raised our margin forecasts based on Q2 performance. The company has guided for tax expense of under \$3 million for FY09 and capital expenditures of \$2-\$3 million. We have raised our FY09 EPS estimate to \$.90 based on Q2 one-time gains. We are bumping our FY10 EPS estimate from \$.95 to \$1.00 based on margin performance. The company's flexible business model allows fluid responses to changing macro conditions. The stock trades at 60% of Book Value. A December acquisition within the industry is speculated to have been priced at approximately \$50 million on annual sales of \$170 million, translating to an EV/Sales ratio of near .30. Richardson Electronics currently trades at an EV/Sales ratio of .21.

<sup>1</sup> Chinaview.cn, January 3, 2009

## Peer Group Comparison (in thousands)

Ticker	Name	Price	Sales	Sales Per Employee	GM%	OM%	NM%	ROE	ROA	Net Debt Ratio	A/R Turns	Inv Turns	A/P Turns	Days in Sales	Days in Inv	Days in Pur	Cash Conv Cycle	EV / Sales	EV / EBITDA	P/BV	P/E	P/E-CY09E
ARW	Arrow Electronics	\$19.02	\$17,090,264	\$1,356	13.9%	3.7%	2.2%	10.9%	4.9%	20.9%	5.5	8.6	5.7	66.0	44.1	71.5	38.6	0.19	4.5	0.6	6.3	8.6
AVT	Avret	\$17.99	\$14,348,439	\$1,121	16.5%	4.9%	3.4%	13.6%	6.0%	16.3%	4.5	6.4	5.1	83.5	58.2	80.9	60.8	0.24	4.6	0.7	5.6	6.9
WCC	Wesco International Inc.	\$20.36	\$6,170,228	\$845	5.1%	6.0%	3.8%	40.5%	8.1%	43.3%	6.7	9.0	8.2	55.5	40.8	46.3	50.0	0.23	3.5	1.2	3.9	4.9
NUHC	NuHorizons Electronics	\$1.85	\$763,232	\$1,090	15.9%	0.7%	0.2%	0.9%	0.5%	27.1%	5.4	4.8	8.3	70.2	77.5	50.8	96.9	0.12	13.3	0.2	23.1	4.9
	<b>Median</b>		<b>\$10,259,334</b>	<b>\$1,106</b>	<b>14.9%</b>	<b>4.3%</b>	<b>2.8%</b>	<b>12.2%</b>	<b>5.7%</b>	<b>24.0%</b>	<b>5.5</b>	<b>7.5</b>	<b>7.0</b>	<b>68.1</b>	<b>51.1</b>	<b>61.2</b>	<b>55.4</b>	<b>0.21</b>	<b>4.5</b>	<b>0.6</b>	<b>5.9</b>	<b>5.9</b>
RELL	Richardson Electronics	\$3.95	\$433,033	\$481	31.2%	3.4%	0.5%	1.7%	0.8%	11.0%	4.2	2.8	4.6	84.4	122.1	76.4	130.1	0.21	4.7	0.6	43.9	4.4

Note: All figures based on trailing 12-months, except P/E-08 and P/E-09 based on consensus estimates  
Prices as of 1/8/09

## Disclaimers & Disclosures

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Income Statement (in millions)	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09	Q2-09	Q3-09E	Q4-09E	2009E	2010E
Sales	\$557.3	\$129.5	\$145.0	\$138.9	\$155.1	\$568.4	\$138.9	\$132.5	\$131.0	\$146.4	\$548.8	\$557.2
COGS	\$424.9	\$96.8	\$111.2	\$107.6	\$117.2	\$432.8	\$106.2	\$99.3	\$98.9	\$110.4	\$414.8	\$419.0
Gross Profit	\$132.4	\$32.6	\$33.8	\$31.2	\$37.9	\$135.6	\$32.7	\$33.2	\$32.1	\$36.0	\$134.0	\$138.2
Operating Expenses	\$124.6	\$30.0	\$31.3	\$31.9	\$32.1	\$125.4	\$28.3	\$28.2	\$27.6	\$30.0	\$114.1	\$111.4
EBIT	\$7.8	\$2.7	\$2.5	(\$0.7)	\$5.8	\$10.2	\$4.5	\$5.0	\$4.5	\$6.0	\$19.9	\$26.7
Interest Expense, Net	\$5.3	\$2.7	\$1.6	\$1.4	\$1.2	\$6.9	\$1.2	\$1.2	\$1.2	\$1.2	\$4.8	\$4.6
Other Expense, Net	\$0.4	\$0.1	\$1.1	(\$0.2)	\$11.1	\$12.0	(\$1.3)	(\$2.6)	(\$0.3)	(\$0.3)	(\$4.5)	(\$1.2)
Pretax Income	\$2.2	(\$0.1)	(\$0.2)	(\$1.9)	(\$6.5)	(\$8.7)	\$4.6	\$6.4	\$3.6	\$5.1	\$19.6	\$23.3
Income Tax	\$0.6	\$0.3	\$0.5	\$0.3	(\$1.3)	(\$0.2)	\$0.9	\$0.4	\$0.6	\$0.8	\$2.7	\$4.0
Net Income	\$1.5	(\$0.4)	(\$0.7)	(\$2.2)	(\$5.2)	(\$8.5)	\$3.7	\$6.0	\$2.9	\$4.3	\$16.9	\$19.4
Shares Outstanding-Diluted	17.7	17.9	17.8	17.9	17.7	17.8	18.1	19.1	19.1	19.1	18.9	19.3
EPS - Diluted	\$0.09	(\$0.02)	(\$0.04)	(\$0.12)	(\$0.30)	(\$0.48)	\$0.20	\$0.31	\$0.15	\$0.23	\$0.90	\$1.00
Dividend per Share	\$0.16	\$0.04	\$0.04	\$0.02	\$0.02	\$0.12	\$0.02	\$0.02	\$0.02	\$0.02	\$0.08	\$0.08
<b>% of Sales</b>												
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%
COGS	76.2%	74.8%	76.7%	77.5%	75.6%	76.1%	76.5%	74.9%	75.5%	75.4%	75.6%	75.2%
Gross Profit	23.8%	25.2%	23.3%	22.5%	24.4%	23.9%	23.5%	25.1%	24.5%	24.6%	24.4%	24.8%
Operating Expenses	22.4%	23.1%	21.6%	23.0%	20.7%	22.1%	20.3%	21.3%	21.1%	20.5%	20.8%	20.0%
EBIT	1.4%	2.1%	1.7%	-0.5%	3.7%	1.8%	3.2%	3.8%	3.4%	4.1%	3.6%	4.8%
Interest Expense, Net	0.9%	2.1%	1.1%	1.0%	0.8%	1.2%	0.8%	0.9%	0.9%	0.8%	0.9%	0.8%
Other Expense, Net	0.1%	0.1%	0.7%	-0.1%	7.1%	2.1%	-0.9%	-2.0%	-0.2%	-0.2%	-0.8%	-0.2%
Pretax Income	0.4%	-0.1%	-0.1%	-1.4%	-4.2%	-1.5%	3.3%	4.8%	2.7%	3.5%	3.6%	4.2%
Income Tax Rate	29.1%	-413.2%	-214.8%	-14.1%	19.4%	2.5%	19.1%	6.3%	18.0%	15.0%	13.6%	17.0%
Net Income	0.3%	-0.3%	-0.5%	-1.6%	-3.4%	-1.5%	2.7%	4.5%	2.2%	3.0%	3.1%	3.5%
<b>Revenue by Segment</b>												
RF, Wireless & Power Division	\$369.9	\$84.3	\$95.5	\$93.4	\$103.0	\$376.2	\$96.9	\$93.4	\$92.5	\$102.0	\$384.7	\$404.0
Electron Device Group	\$101.2	\$24.6	\$27.4	\$24.8	\$26.5	\$103.3	\$25.1	\$22.2	\$21.1	\$22.5	\$90.9	\$79.9
Display Systems Group	\$82.1	\$19.4	\$20.9	\$19.6	\$24.8	\$84.7	\$17.1	\$16.8	\$16.7	\$21.1	\$71.7	\$71.7
Corporate	\$4.1	\$1.2	\$1.2	\$1.0	\$0.8	\$4.3	(\$0.1)	\$0.1	\$0.7	\$0.8	\$1.5	\$1.6
Total	\$557.3	\$129.5	\$145.0	\$138.9	\$155.1	\$568.4	\$138.9	\$132.5	\$131.0	\$146.4	\$548.8	\$557.2
<b>Revenue Growth (Year / Year)</b>												
Total	-12.6%	-21.9%	-12.6%	-13.3%	6.1%	2.0%	7.3%	-8.6%	-5.7%	-5.6%	-3.5%	1.5%
Fiscal Year End - May												

(\$ in millions, except per share data)



# 21<sup>st</sup> Century Equity Research

Balance Sheet	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09	Q2-09	Q3-09E	Q4-09E	2009E	2010E
<b>Assets</b>												
Cash	\$79.3	\$21.8	\$20.2	\$30.5	\$40.0	\$40.0	\$37.1	\$35.5	\$36.7	\$35.1	\$35.1	\$36.2
Accounts Receivable	\$105.7	\$97.3	\$104.3	\$104.5	\$109.5	\$109.5	\$105.8	\$100.2	\$97.9	\$106.2	\$106.2	\$109.9
Inventories	\$110.2	\$118.1	\$115.8	\$107.4	\$93.9	\$93.9	\$100.1	\$99.7	\$94.5	\$98.2	\$98.2	\$102.2
Other Current Assets	\$7.5	\$7.2	\$7.5	\$7.1	\$6.4	\$6.4	\$7.9	\$7.4	\$8.0	\$8.0	\$8.0	\$8.5
Current Assets	\$302.7	\$244.5	\$247.8	\$249.6	\$249.8	\$249.8	\$250.9	\$242.8	\$237.1	\$247.5	\$247.5	\$256.8
Net Property, Plant, and Equipment	\$29.7	\$30.1	\$30.9	\$29.9	\$28.6	\$28.6	\$27.5	\$26.5	\$29.9	\$28.6	\$28.6	\$30.9
Goodwill & Other Assets	\$16.6	\$16.2	\$17.3	\$16.2	\$7.8	\$7.8	\$7.3	\$7.0	\$16.0	\$16.0	\$16.0	\$15.5
Total Assets	\$349.1	\$290.8	\$295.9	\$295.7	\$286.2	\$286.2	\$285.7	\$276.3	\$283.0	\$292.2	\$292.2	\$303.2
<b>Liabilities and Stockholders' Equity</b>												
Current Debt	\$65.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Payable	\$55.5	\$64.3	\$67.8	\$58.0	\$58.9	\$58.9	\$62.0	\$62.4	\$57.6	\$61.9	\$61.9	\$65.4
Accrued Expenses	\$34.1	\$20.9	\$20.4	\$19.2	\$21.8	\$21.8	\$20.1	\$18.8	\$21.5	\$22.5	\$22.5	\$24.0
Current Liabilities	\$155.3	\$85.2	\$88.2	\$77.1	\$80.7	\$80.7	\$82.1	\$81.2	\$79.1	\$84.4	\$84.4	\$89.4
Long-term Debt	\$55.7	\$59.9	\$55.7	\$65.7	\$55.7	\$55.7	\$55.7	\$52.4	\$63.3	\$62.9	\$62.9	\$49.4
Deferred Taxes & Other Long-term Liabilities	\$1.5	\$8.5	\$8.5	\$8.3	\$8.4	\$8.4	\$7.8	\$6.5	\$1.5	\$1.5	\$1.5	\$1.5
Total Liabilities	\$212.5	\$153.6	\$152.4	\$151.2	\$144.8	\$144.8	\$145.7	\$140.1	\$143.8	\$148.7	\$148.7	\$140.3
Shareholder Equity	\$136.5	\$137.2	\$143.5	\$144.5	\$141.4	\$141.4	\$140.0	\$136.2	\$139.1	\$143.4	\$143.4	\$162.8
Total Liabilities and Equity	\$349.1	\$290.8	\$295.9	\$295.7	\$286.2	\$286.2	\$285.7	\$276.3	\$283.0	\$292.2	\$292.2	\$303.2
Book Value Per Share	\$7.73	\$7.67	\$8.04	\$8.10	\$7.98	\$7.97	\$7.73	\$7.13	\$7.28	\$7.51	\$7.61	\$8.44
<b>Asset Utilization and Efficiency</b>												
Accounts Receivable Turnover	5.0	4.8	5.2	5.1	6.4	5.3	5.5	5.2	5.2	5.4	5.1	2.9
Days' Sales in Receivables Outstanding	69.2	68.6	65.6	68.6	64.4	70.3	69.5	69.0	68.0	66.0	70.6	72.0
Inventory Turnover	3.5	3.4	3.8	3.9	4.7	4.3	4.4	3.7	3.9	4.6	4.3	3.8
Days' Sales in Inventory Outstanding	94.6	111.3	95.0	91.1	73.1	79.2	86.0	91.6	87.0	81.0	86.4	89.0
Accounts Payable Turnover	7.6	6.5	6.7	6.8	8.0	7.4	7.0	6.1	6.8	7.3	6.9	6.3
Days' Purchases in Payables Outstanding	47.7	60.6	55.6	49.2	45.8	49.6	53.3	57.3	53.0	51.0	54.4	57.0
Cash Conversion Cycle (Days)	116.2	119.3	105.0	110.6	91.7	99.8	102.2	103.3	102.0	96.0	102.6	104.0
<b>Capital Structure</b>												
Total Debt-to-Total Capital Ratio	47.1%	30.4%	28.0%	31.2%	28.2%	28.2%	28.5%	27.8%	31.3%	30.5%	30.5%	23.3%
Total Debt-to-Equity Ratio	88.9%	43.7%	38.8%	45.4%	39.4%	39.4%	39.8%	38.5%	45.5%	43.8%	43.8%	30.3%
Fiscal Year End - May												
(\$ in millions, except per share data)												

ROIC and Free Cash Flow	2007	Q1-08	Q2-08	Q3-08	Q4-08	2008	Q1-09	Q2-09	Q3-09E	Q4-09E	2009E	2010E
<b>NOPAT</b>												
EBIT	\$7.8	\$2.7	\$2.5	(\$0.7)	\$5.8	\$10.2	\$4.5	\$5.0	\$4.5	\$6.0	\$19.9	\$26.7
Cash Taxes on EBIT	(\$0.9)	\$11.4	\$3.9	\$0.5	(\$1.5)	(\$0.4)	\$0.6	\$0.3	\$0.4	\$0.6	\$2.0	\$3.2
<b>NOPAT</b>	<b>\$8.7</b>	<b>(\$8.7)</b>	<b>(\$1.5)</b>	<b>(\$1.2)</b>	<b>\$7.3</b>	<b>\$10.6</b>	<b>\$3.8</b>	<b>\$4.7</b>	<b>\$4.0</b>	<b>\$5.4</b>	<b>\$17.9</b>	<b>\$23.6</b>
<b>Cash Taxes on EBIT</b>												
Income Tax Provision	\$0.6	\$0.3	\$0.5	\$0.3	(\$1.3)	(\$0.2)	\$0.9	\$0.4	\$0.6	\$0.8	\$2.7	\$4.0
Tax Deduction on Interest Expense	\$1.5	(\$11.1)	(\$3.5)	(\$0.2)	\$0.2	\$0.2	\$0.2	\$0.1	\$0.2	\$0.2	\$0.7	\$0.8
<b>Cash Taxes on EBIT</b>	<b>(\$0.9)</b>	<b>\$11.4</b>	<b>\$3.9</b>	<b>\$0.5</b>	<b>(\$1.5)</b>	<b>(\$0.4)</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$0.4</b>	<b>\$0.6</b>	<b>\$2.0</b>	<b>\$3.2</b>
<b>Invested Capital</b>												
Total Debt	\$121.4	\$59.9	\$55.7	\$65.7	\$55.7	\$55.7	\$55.7	\$52.4	\$63.3	\$62.9	\$62.9	\$49.4
Stockholders' Equity	\$136.5	\$137.2	\$143.5	\$144.5	\$141.4	\$141.4	\$140.0	\$136.2	\$139.1	\$143.4	\$143.4	\$162.8
Total Cash & Short-term Investments	\$79.3	\$21.8	\$20.2	\$30.5	\$40.0	\$40.0	\$37.1	\$35.5	\$36.7	\$35.1	\$35.1	\$36.2
<b>Invested Capital</b>	<b>\$178.6</b>	<b>\$175.3</b>	<b>\$179.0</b>	<b>\$179.7</b>	<b>\$157.1</b>	<b>\$157.1</b>	<b>\$158.6</b>	<b>\$153.1</b>	<b>\$165.7</b>	<b>\$171.2</b>	<b>\$171.2</b>	<b>\$176.0</b>
<b>Return on Invested Capital</b>												
Return on Invested Capital (Average)	4.5%	-19.7%	-3.3%	-2.6%	17.4%	6.3%	9.7%	12.0%	10.1%	12.9%	10.9%	14.1%
Note: Quarterly Figures Have Been Annualized												
<b>Free Cash Flow</b>												
Net Income (Loss)	\$1.5	(\$0.4)	(\$0.7)	(\$2.2)	(\$5.2)	(\$8.5)	\$3.7	\$6.0	\$2.9	\$4.3	\$16.9	\$19.4
Adjustments:												
Depreciation	\$6.0	\$1.3	\$1.3	\$1.3	\$1.3	\$5.5	\$1.3	\$1.2	\$1.1	\$1.3	\$5.3	\$4.9
Amortization of Intangibles and Financing Costs	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$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	\$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	\$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	\$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	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Goodwill and Other Intangible Assets Impairment, Net	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$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	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Adjustments</b>	<b>\$6.0</b>	<b>\$1.3</b>	<b>\$1.3</b>	<b>\$1.3</b>	<b>\$1.3</b>	<b>\$5.5</b>	<b>\$1.3</b>	<b>\$1.2</b>	<b>\$1.1</b>	<b>\$1.3</b>	<b>\$5.3</b>	<b>\$4.9</b>
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:												
Decrease (Increase) in Accounts Receivable	\$10.0	\$8.4	(\$7.0)	(\$0.2)	(\$5.1)	(\$3.8)	\$3.7	\$5.6	\$2.3	(\$8.3)	\$3.4	(\$3.7)
Decrease (Increase) in Inventories	\$7.1	(\$8.0)	\$2.4	\$8.3	\$13.6	\$16.3	(\$6.2)	\$0.4	\$5.2	(\$3.7)	(\$4.4)	(\$3.9)
Decrease (Increase) in Other Current Assets	(\$2.2)	\$0.3	(\$0.3)	\$0.4	\$0.7	\$1.1	(\$1.5)	\$0.5	(\$0.6)	\$0.0	(\$1.6)	(\$0.5)
(Decrease) Increase in Accounts Payable	\$3.0	\$8.8	\$3.5	(\$9.8)	\$0.9	\$3.3	\$3.2	\$0.4	(\$4.8)	\$4.3	\$3.0	\$3.6
(Decrease) Increase in Other Current Liabilities	\$3.5	(\$13.2)	(\$0.5)	(\$1.3)	\$2.6	(\$12.2)	(\$1.7)	(\$1.3)	\$2.7	\$1.0	\$0.7	\$1.5
<b>Total Changes in Operating Assets and Liabilities</b>	<b>\$21.4</b>	<b>(\$3.7)</b>	<b>(\$1.9)</b>	<b>(\$2.5)</b>	<b>\$12.8</b>	<b>\$4.7</b>	<b>(\$2.5)</b>	<b>\$5.5</b>	<b>\$4.8</b>	<b>(\$6.7)</b>	<b>\$1.1</b>	<b>(\$3.1)</b>
<b>Net Cash Flow from Operations</b>	<b>\$29.0</b>	<b>(\$2.7)</b>	<b>(\$1.2)</b>	<b>(\$3.4)</b>	<b>\$8.9</b>	<b>\$1.7</b>	<b>\$2.5</b>	<b>\$12.7</b>	<b>\$8.8</b>	<b>(\$1.1)</b>	<b>\$23.3</b>	<b>\$21.2</b>
Capital Expenditures	(\$6.8)	(\$1.9)	(\$1.9)	(\$0.3)	(\$1.0)	(\$4.5)	(\$0.1)	(\$0.4)	(\$0.8)	(\$0.8)	(\$2.0)	(\$3.0)
<b>Free Cash Flow</b>	<b>\$22.2</b>	<b>(\$4.6)</b>	<b>(\$3.1)</b>	<b>(\$3.7)</b>	<b>\$7.9</b>	<b>(\$2.8)</b>	<b>\$2.3</b>	<b>\$12.3</b>	<b>\$8.0</b>	<b>(\$1.9)</b>	<b>\$21.3</b>	<b>\$18.2</b>
<b>Free Cash Flow per Share</b>	<b>\$1.26</b>	<b>(\$0.26)</b>	<b>(\$0.18)</b>	<b>(\$0.21)</b>	<b>\$0.44</b>	<b>(\$0.16)</b>	<b>\$0.13</b>	<b>\$0.65</b>	<b>\$0.42</b>	<b>(\$0.10)</b>	<b>\$1.13</b>	<b>\$0.94</b>

Fiscal Year End - May

\* (\$ in millions, except per share data)

