

### 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.

### Stock Data

Price	\$9.37
52Wk High	\$10.08
52Wk Low	\$2.84
3mo. Daily Volume	90,800
Market Capitalization	\$168 Mil.
Shares Outstanding	18 Mil.
Dividend Yield	0.90%
Book Value Per Share	\$7.04
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.35x
EV-to-EBITDA TTM	7.1x*

### Financial Data

		OLD	NEW	NEW
EPS	FY-09	FY-10E	FY-10E	FY-11E
Q1-Aug	\$0.20	\$0.11A	\$0.11A	
Q2-Nov	\$0.31	\$0.24A	\$0.24A	
Q3-Feb	(\$0.65)	\$0.17	\$0.25A	
Q4-May	(\$0.59)	\$0.18	\$0.25	
FY-May	(\$0.69)	\$0.70	\$0.85	\$0.93
P/E				11.0
*excludes one-time charges				
Revenue	\$496	\$462	\$477	\$504
% Chg	-13%	-7%	-4%	6%
ROIC	-8%	12%	15%	15%
Cash	\$44	\$45	\$45	\$36
Assets	\$249	\$255	\$261	\$254
Debt	\$52	\$44	\$34	\$20
Equity	\$119	\$135	\$132	\$148

Note: Figures in \$millions except per share data

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NASDAQ: RELL  
PRICE: \$9.37  
April 12, 2010

**Q3 EPS of \$0.25 beat our estimate of \$0.17 due to higher than expected sales (\$0.04), FX gains (\$0.03), and lower than expected taxes (\$0.01).**

**Sales grew 10% YOY to \$121.3 million and exceeded our forecast of \$117.1 million. All three business units reported YOY sales growth with increases as follows: RF Wireless and Power (+9.2%), EDG (+17.8%), and Canvys (+4.3%).**

**Gross margin of 24.2% was slightly below our estimate of 24.5% due to product and geography mix.**

**Operating expenses as a % of sales dipped below 20% to 19.5%, exceeding our forecast of 20.2%.**

**The company generated \$16 million in operating cash flow for the quarter. Cash increased sequentially from \$49.9 million to \$51.6 million.**

**Long-term debt declined sequentially to \$43.8 million from \$52.4 million due to redemptions. An additional \$10 million was redeemed in March lowering the current long-term debt balance to \$33.8 million.**

**The company is guiding for Q4 revenue growth of 13-17% and FY11 revenue growth of 3-4%. We are raising our Q4 and FY11 estimates respectively based on management guidance.**

Richardson Electronics, Ltd.



### Q3 Results Better Than Expected

Q3 EPS of \$.25 exceeded our estimate of \$.17 due to higher than expected sales (\$.04), Foreign exchange gains (\$.03), and lower than expected income tax expense (\$.01). Total sales increased 10% YOY to \$121.3 million vs. our estimate of \$117.1 million. Management had previously guided for a revenue range of \$115-\$120 million. Specifically, the EDG unit recovered significantly more than expected by growing 17.8%, buoyed by a recovery in the semiconductor and industrial sectors. The RF, Wireless and Power unit grew 9.2% as the next generation cellular infrastructure build-out in Asia continues. Bookings growth of double digits in Asia compared to high single digit growth for North America and Europe. The Canvys unit grew 4.3% accompanied by a stable backlog. The retail sector's interest in digital signage is demonstrating some signs of revitalization. Gross margin of 24.2% was slightly below our estimate of 24.5%. Product and geographical mix can cause mild fluctuations in gross margin. The company continued to effectively manage expenses as operating expenses as a percentage of sales declined to 19.5%. This metric has steadily improved over the last four quarters. The company recorded an FX gain of \$.2 million for the quarter due to a stronger U.S. dollar. The company generated \$16 million in operating cash flow for the quarter due to effective working capital management. Cash increased sequentially from \$49.9 million to \$51.6 million. Long-term debt declined sequentially from \$52.4 million to \$43.8 million due to convertible debt redemptions. An additional \$10 million of long-term debt has been redeemed in March resulting in a current long-term debt balance of \$33 million. In January of 2010 the Board of Directors authorized a stock and convertible notes repurchase program for \$15.75 million. The company thus far has utilized \$9.9 million in repurchasing debt and stock.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q3FY10	Q3FY09	% Change	Q3FY10	% of Sales	Q3FY09	% of Sales
RF, Wireless & Power Division	\$87,922	\$80,565	9.1%	\$19,032	21.6%	\$17,786	22.1%
Electron Device Group	\$21,229	\$17,993	18.0%	\$7,061	33.3%	\$5,383	29.9%
Canvys	\$12,179	\$11,743	3.7%	\$3,314	27.2%	\$636	5.4%
Corporate		\$76		\$1		(\$79)	
Total	\$121,330	\$110,377	9.9%	\$29,408	24.2%	\$23,726	21.5%

### Outlook

The company is guiding for Q4 revenue in the range of \$130-\$135 million. Severance expense of \$.8 million is expected for Q4 while the tax expense should be \$.5-\$1 million. Operating expenses for FY10 are projected to be \$95 million. Foreign exchange exposure remains an ongoing factor. A stronger U.S. dollar generally benefits the company. Interest expense should decline as long-term debt has been reduced. The company's guidance for FY11 includes topline growth of 3-4% with a gross margin of 24%. Operating expenses as a percentage of sales are expected to hover near 20%. The tax expense for FY11 is forecasted to be \$2.5-\$3 million. Cap ex expense is forecasted at \$2.5-\$3 million while D&A should be below \$4 million for FY11. We are raising our Q4 and FY11 estimates based upon management guidance. The company appears intent on reducing long-term debt further in FY11. Free cash flow of \$15-\$20 million for FY11 appears feasible. The company's most macro-sensitive business units appear to be recovering while the RF, Wireless & Power division should continue to benefit from cellular infrastructure build-outs. The company continues to execute on effective working capital management and cost control.

**Peer Group Comparison  
(in thousands)**

Ticker	Name	Price	EV/ Sales	EV/ EBITDA	P/BV	P/E	P/E- CY10E	P/E- CY11E
ARW	Arrow Electronics	\$30.00	0.26	8.7	1.1	NA	11.5	10.2
AVT	Avnet	\$31.07	0.29	9.7	1.6	NA	11.8	NA
WCC	Wesco International Inc.	\$35.84	0.46	10.6	1.5	8.0	17.6	13.0
NUHC	NuHorizons Electronics	\$3.38	0.13	18.0	0.4	NA	NA	NA
	<b>Median</b>		<b>0.28</b>	<b>10.1</b>	<b>1.3</b>	<b>8.0</b>	<b>11.8</b>	<b>11.6</b>
<b>RELL</b>	<b>Richardson Electronics</b>	<b>\$9.37</b>	<b>0.35</b>	<b>7.1</b>	<b>1.3</b>	<b>NA</b>	<b>10.5</b>	<b>NA</b>

Note: All figures based on trailing 12-months, except P/E-10 and PE/-11 based on consensus estimates  
RELL EBITDA excludes one-time charges

Prices as of 4/09/10

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

Income Statement (in millions)	2007	2008	Q1-09	Q2-09	Q3-09	Q4-09	2009	Q1-10	Q2-10	Q3-10	Q4-10E	2010E	2011E
Sales	\$557.3	\$568.4	\$138.9	\$132.5	\$110.3	\$114.6	\$496.3	\$109.4	\$115.9	\$121.3	\$130.5	\$477.1	\$503.9
COGS	\$424.9	\$432.8	\$106.2	\$99.3	\$86.6	\$94.6	\$386.7	\$82.9	\$86.9	\$91.9	\$99.1	\$360.8	\$382.0
Gross Profit	\$132.4	\$135.6	\$32.7	\$33.2	\$23.7	\$20.0	\$109.6	\$26.5	\$29.0	\$29.4	\$31.3	\$116.2	\$121.9
Operating Expenses	\$124.6	\$125.4	\$28.3	\$28.2	\$33.5	\$27.9	\$117.9	\$22.9	\$23.6	\$23.7	\$25.0	\$95.2	\$100.0
EBIT	\$7.8	\$10.2	\$4.5	\$5.0	(\$9.8)	(\$7.9)	(\$8.2)	\$3.6	\$5.4	\$5.7	\$6.3	\$21.0	\$22.0
Interest Expense, Net	\$5.3	\$6.9	\$1.2	\$1.2	\$1.1	\$1.1	\$4.6	\$1.2	\$1.0	\$1.0	\$0.7	\$3.9	\$1.3
Other Expense, Net	\$0.4	\$12.0	(\$1.3)	(\$2.6)	(\$0.1)	\$1.6	(\$2.4)	\$0.8	\$0.7	(\$0.1)	\$0.2	\$1.6	\$1.0
Pretax Income	\$2.2	(\$8.7)	\$4.6	\$6.4	(\$10.8)	(\$10.6)	(\$10.4)	\$1.6	\$3.7	\$4.8	\$5.4	\$15.5	\$19.7
Income Tax	\$0.6	(\$0.2)	\$0.9	\$0.4	\$0.6	(\$0.1)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.7	\$0.1	\$2.7
Net Income	\$1.5	(\$8.5)	\$3.7	\$6.0	(\$11.4)	(\$10.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$4.7	\$15.4	\$17.0
Shares Outstanding-Diluted	17.7	17.8	18.1	19.1	17.6	17.9	17.8	17.9	18.0	18.0	19.0	18.2	18.2
EPS - Diluted	\$0.09	(\$0.48)	\$0.20	\$0.31	(\$0.65)	(\$0.59)	(\$0.69)	\$0.11	\$0.24	\$0.25	\$0.25	\$0.85	\$0.93
Dividend per Share	\$0.16	\$0.12	\$0.02	\$0.02	\$0.02	\$0.02	\$0.08	\$0.02	\$0.02	\$0.02			
<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%	100.0%
COGS	76.2%	76.1%	76.5%	74.9%	78.5%	82.5%	77.9%	75.8%	75.0%	75.8%	76.0%	75.6%	75.8%
Gross Profit	23.8%	23.9%	23.5%	25.1%	21.5%	17.5%	22.1%	24.2%	25.0%	24.2%	24.0%	24.4%	24.2%
Operating Expenses	22.4%	22.1%	20.3%	21.3%	30.4%	24.3%	23.7%	20.9%	20.4%	19.5%	19.2%	20.0%	19.8%
EBIT	1.4%	1.8%	3.2%	3.8%	-8.9%	-6.9%	-1.7%	3.3%	4.7%	-4.7%	4.8%	4.4%	4.4%
Interest Expense, Net	0.9%	1.2%	0.8%	0.9%	1.0%	1.0%	0.9%	1.1%	0.9%	0.8%	0.5%	0.8%	0.3%
Other Expense, Net	0.1%	2.1%	-0.9%	-2.0%	-0.1%	1.4%	-0.5%	0.7%	0.6%	-0.1%	0.2%	0.3%	0.2%
Pretax Income	0.4%	-1.5%	3.3%	4.8%	-9.8%	-9.2%	-2.1%	1.5%	3.2%	4.0%	4.1%	3.3%	3.9%
Income Tax Rate	29.1%	2.5%	19.1%	6.3%	-5.6%	0.9%	-17.0%	-18.8%	-16.2%	6.3%	12.9%	0.6%	13.7%
Net Income	0.3%	-1.5%	2.7%	4.5%	-10.3%	-9.2%	-2.5%	1.7%	3.7%	3.7%	3.6%	3.2%	3.4%
<b>Revenue by Segment</b>													
RF, Wireless & Power Division	\$369.9	\$376.2	\$96.9	\$93.4	\$80.5	\$84.3	\$355.1	\$79.5	\$82.8	\$87.9	\$94.4	\$344.6	\$368.7
Electron Device Group	\$101.2	\$103.3	\$25.1	\$22.2	\$18.0	\$16.9	\$82.2	\$18.8	\$22.1	\$21.2	\$22.0	\$82.1	\$83.7
Canvys	\$82.1	\$84.7	\$17.1	\$16.8	\$11.7	\$13.3	\$58.9	\$11.2	\$13.0	\$12.2	\$14.0	\$50.4	\$51.4
Corporate	\$4.1	\$4.3	(\$0.1)	\$0.1	\$0.1	\$0.1	\$0.2	(\$0.1)	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1
Total	\$557.3	\$568.4	\$138.9	\$132.5	\$110.3	\$114.6	\$496.3	\$109.4	\$115.9	\$121.3	\$130.5	\$477.1	\$503.9
<b>Revenue % by Segment</b>													
RF, Wireless & Power Division	66.4%	66.2%	69.7%	70.5%	73.0%	73.6%	71.5%	72.7%	71.4%	72.5%	72.4%	72.2%	73.2%
Electron Device Group	18.2%	18.2%	18.0%	16.8%	16.3%	14.7%	16.6%	17.2%	17.3%	17.5%	16.8%	17.2%	16.6%
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%
Canvys	14.7%	14.9%	12.3%	12.7%	10.6%	11.6%	11.9%	10.2%	11.2%	10.1%	10.7%	10.6%	10.2%
Corporate	0.7%	0.8%	-0.1%	0.1%	0.1%	0.1%	0.0%	-0.1%	0.0%	0.0%	0.1%	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%
<b>Revenue Growth (Year / Year)</b>													
RF, Wireless & Power Division	10.7%	1.7%	14.9%	-2.2%	-13.8%	-18.2%	-5.6%	-17.9%	-11.3%	9.2%	12.0%	-2.9%	7.0%
Electron Device Group	7.1%	2.0%	1.9%	-18.9%	-27.5%	-36.2%	-20.4%	-25.0%	-9.5%	17.8%	30.0%	-0.1%	2.0%
Canvys	-13.6%	3.1%	-11.7%	-19.5%	-40.3%	-46.4%	-30.4%	-34.6%	-22.6%	4.3%	5.0%	-14.5%	2.0%
Corporate	-26.5%	5.6%	-107.5%	-92.0%	-90.3%	-87.7%	-95.1%	5.0%	-100.0%	-100.0%	0.0%	-96.9%	1426.7%
Total	NA	2.0%	7.3%	-8.6%	-20.6%	-26.1%	-12.7%	-21.3%	-12.5%	10.0%	13.8%	-3.9%	5.6%

Fiscal Year End - May  
(\$ in millions, except per share data)

Balance Sheet	2008	Q1-09	Q2-09	Q3-09	Q4-09	2009	Q1-10	Q2-10	Q3-10	Q4-10E	2010E	2011E
<b>Assets</b>												
Cash	\$40.0	\$37.1	\$35.5	\$32.6	\$43.9	\$43.9	\$41.8	\$49.9	\$51.5	\$45.0	\$45.0	\$36.0
Accounts Receivable	\$109.5	\$105.8	\$100.2	\$92.5	\$92.4	\$92.4	\$87.6	\$94.1	\$93.1	\$100.3	\$100.3	\$99.4
Inventories	\$93.9	\$100.1	\$99.7	\$94.4	\$81.2	\$81.2	\$83.6	\$77.1	\$79.5	\$85.0	\$85.0	\$89.0
Other Current Assets	\$6.4	\$7.9	\$7.4	\$6.5	\$7.8	\$7.8	\$10.0	\$9.4	\$9.2	\$10.7	\$10.7	\$11.6
Current Assets	\$249.8	\$250.9	\$242.8	\$226.0	\$225.3	\$225.3	\$223.0	\$230.5	\$233.3	\$241.0	\$241.0	\$236.0
Net Property, Plant, and Equipment	\$28.6	\$27.5	\$26.5	\$20.0	\$19.4	\$19.4	\$18.7	\$17.8	\$17.0	\$15.9	\$15.9	\$13.5
Goodwill & Other Assets	\$7.8	\$7.3	\$7.0	\$5.7	\$4.1	\$4.1	\$4.3	\$4.5	\$3.9	\$4.0	\$4.0	\$4.0
Total Assets	\$286.2	\$285.7	\$276.3	\$251.7	\$248.8	\$248.8	\$246.0	\$252.8	\$254.2	\$260.9	\$260.9	\$253.5
<b>Liabilities and Stockholders' Equity</b>												
Current Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Payable	\$58.9	\$62.0	\$62.4	\$53.2	\$53.0	\$53.0	\$45.4	\$44.7	\$60.0	\$65.4	\$65.4	\$54.4
Accrued Expenses	\$21.8	\$20.1	\$18.8	\$17.4	\$18.4	\$18.4	\$19.3	\$21.0	\$18.7	\$24.0	\$24.0	\$24.7
Current Liabilities	\$80.7	\$82.1	\$81.2	\$70.6	\$71.4	\$71.4	\$64.7	\$65.7	\$78.7	\$89.4	\$89.4	\$79.1
Long-term Debt	\$55.7	\$55.7	\$52.4	\$52.4	\$52.4	\$52.4	\$52.4	\$52.4	\$44.0	\$34.0	\$34.0	\$20.0
Deferred Taxes & Other Long-term Liabilities	\$8.4	\$7.8	\$6.5	\$6.3	\$6.3	\$6.3	\$6.1	\$5.2	\$4.9	\$6.0	\$6.0	\$6.0
Total Liabilities	\$144.8	\$145.7	\$140.1	\$129.3	\$130.1	\$130.1	\$123.2	\$123.3	\$127.6	\$129.4	\$129.4	\$105.1
Shareholder Equity	\$141.4	\$140.0	\$136.2	\$122.4	\$118.7	\$118.7	\$122.8	\$129.5	\$126.7	\$131.4	\$131.4	\$148.4
Total Liabilities and Equity	\$286.2	\$285.7	\$276.3	\$251.7	\$248.8	\$248.8	\$246.0	\$252.8	\$254.3	\$260.8	\$260.8	\$253.5
Book Value Per Share	\$7.97	\$7.73	\$7.13	\$6.95	\$6.63	\$6.67	\$6.86	\$7.19	\$7.04	\$6.92	\$7.21	\$8.15
<b>Asset Utilization and Efficiency</b>												
Accounts Receivable Turnover	5.3	5.5	5.2	4.5	4.5	4.9	4.5	4.8	5.2	5.4	5.0	5.4
Days' Sales in Receivables Outstanding	70.3	69.5	69.0	76.5	73.6	67.9	73.1	74.1	70.0	70.0	76.8	72.0
Inventory Turnover	4.3	4.4	3.7	3.4	4.3	4.4	3.6	3.9	4.2	4.8	3.6	4.0
Days' Sales in Inventory Outstanding	79.2	86.0	91.6	99.5	78.3	76.6	92.0	81.0	78.9	78.0	86.0	85.0
Accounts Payable Turnover	7.4	7.0	6.1	6.2	6.8	7.3	6.2	6.5	6.5	6.7	5.4	6.8
Days' Purchases in Payables Outstanding	49.6	53.3	57.3	56.1	51.1	50.0	50.0	46.9	59.6	60.0	66.1	52.0
Cash Conversion Cycle (Days)	99.8	102.2	103.3	119.9	100.8	94.6	115.1	108.1	89.4	88.0	96.6	105.0
<b>Capital Structure</b>												
Total Debt-to-Total Capital Ratio	28.2%	28.5%	27.8%	30.0%	30.6%	30.6%	29.9%	28.8%	25.8%	20.6%	20.6%	11.9%
Total Debt-to-Equity Ratio	39.4%	39.8%	38.5%	42.8%	44.1%	44.1%	42.7%	40.5%	34.7%	25.9%	25.9%	13.5%
Fiscal Year End - May												
(\$ in millions, except per share data)												

ROIC and Free Cash Flow	2007	2008	Q1-09	Q2-09	Q3-09	Q4-09	2009	Q1-10	Q2-10	Q3-10	Q4-10E	2010E	2011E
<b>NOPAT</b>													
EBIT	\$7.8	\$10.2	\$4.5	\$5.0	(\$9.8)	(\$7.9)	(\$8.2)	\$3.6	\$5.4	\$5.7	\$6.3	\$21.0	\$22.0
Cash Taxes on EBIT	(\$0.9)	(\$0.4)	\$0.6	\$0.3	\$0.7	(\$0.1)	\$2.5	(\$0.1)	(\$0.4)	\$0.2	\$0.6	\$0.1	\$2.5
<b>NOPAT</b>	<b>\$8.7</b>	<b>\$10.6</b>	<b>\$3.8</b>	<b>\$4.7</b>	<b>(\$10.5)</b>	<b>(\$7.8)</b>	<b>(\$10.8)</b>	<b>\$3.7</b>	<b>\$5.8</b>	<b>\$5.5</b>	<b>\$5.7</b>	<b>\$20.9</b>	<b>\$19.5</b>

**Cash Taxes on EBIT**

Income Tax Provision	\$0.6	(\$0.2)	\$0.9	\$0.4	\$0.6	(\$0.1)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.7	\$0.1	\$2.7
Tax Deduction on Interest Expense	\$1.5	\$0.2	\$0.2	\$0.1	(\$0.1)	\$0.0	(\$0.8)	(\$0.2)	(\$0.2)	\$0.1	\$0.1	\$0.0	\$0.2
<b>Cash Taxes on EBIT</b>	<b>(\$0.9)</b>	<b>(\$0.4)</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$0.7</b>	<b>(\$0.1)</b>	<b>\$2.5</b>	<b>(\$0.1)</b>	<b>(\$0.4)</b>	<b>\$0.2</b>	<b>\$0.6</b>	<b>\$0.1</b>	<b>\$2.5</b>

**Invested Capital**

Total Debt	\$121.4	\$55.7	\$55.7	\$52.4	\$52.4	\$52.4	\$52.4	\$52.4	\$52.4	\$44.0	\$34.0	\$34.0	\$20.0
Stockholders' Equity	\$136.5	\$141.4	\$140.0	\$136.2	\$122.4	\$118.7	\$118.7	\$122.8	\$129.5	\$126.7	\$131.4	\$131.4	\$148.4
Total Cash & Short-term Investments	\$79.3	\$40.0	\$37.1	\$35.5	\$32.6	\$43.9	\$43.9	\$41.8	\$49.9	\$51.5	\$45.0	\$45.0	\$36.0
<b>Invested Capital</b>	<b>\$178.6</b>	<b>\$157.1</b>	<b>\$158.6</b>	<b>\$153.1</b>	<b>\$142.2</b>	<b>\$127.2</b>	<b>\$127.2</b>	<b>\$133.4</b>	<b>\$132.0</b>	<b>\$119.2</b>	<b>\$120.4</b>	<b>\$120.4</b>	<b>\$132.4</b>

**Return on Invested Capital**

Return on Invested Capital (Average)	4.5%	6.3%	9.7%	12.0%	-28.3%	-23.1%	-7.6%	2.5%	4.1%	4.2%	4.6%	15.0%	15.0%
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Note: Quarterly Figures Have Been Annualized

**Free Cash Flow**

Net Income (Loss)	\$1.5	(\$8.5)	\$3.7	\$6.0	(\$11.4)	(\$10.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$4.7	\$15.4	\$17.0
Adjustments:													
Depreciation	\$6.0	\$5.5	\$1.3	\$1.2	\$1.1	\$1.1	\$5.3	\$1.1	\$1.1	\$1.0	\$1.1	\$4.3	\$3.8
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	\$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	\$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	\$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	\$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	\$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	\$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	\$0.0
<b>Total Adjustments</b>	<b>\$6.0</b>	<b>\$5.5</b>	<b>\$1.3</b>	<b>\$1.2</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$5.3</b>	<b>\$1.1</b>	<b>\$1.1</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$4.3</b>	<b>\$3.8</b>
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:													
Decrease (Increase) in Accounts Receivable	\$10.0	(\$3.8)	\$3.7	\$5.6	\$7.7	\$0.1	\$17.1	\$4.8	(\$6.5)	\$1.0	(\$7.2)	(\$7.9)	(\$11.8)
Decrease (Increase) in Inventories	\$7.1	\$16.3	(\$6.2)	\$0.4	\$5.3	\$13.2	\$12.7	(\$2.4)	\$6.5	(\$2.4)	(\$5.5)	(\$3.8)	(\$5.4)
Decrease (Increase) in Other Current Assets	(\$2.2)	\$1.1	(\$1.5)	\$0.5	\$0.9	(\$1.3)	(\$1.4)	(\$2.2)	\$0.6	\$0.2	(\$1.5)	(\$2.9)	(\$1.6)
(Decrease) Increase in Accounts Payable	\$3.0	\$3.3	\$3.2	\$0.4	(\$9.2)	(\$0.2)	(\$5.9)	(\$7.6)	(\$0.7)	\$15.3	\$5.4	\$12.4	\$9.0
(Decrease) Increase in Other Current Liabilities	\$3.5	(\$12.2)	(\$1.7)	(\$1.3)	(\$1.4)	\$1.0	(\$3.4)	\$0.9	\$1.7	(\$2.3)	\$5.3	\$5.6	\$5.4
<b>Total Changes in Operating Assets and Liabilities</b>	<b>\$21.4</b>	<b>\$4.7</b>	<b>(\$2.5)</b>	<b>\$5.5</b>	<b>\$3.3</b>	<b>\$12.8</b>	<b>\$19.1</b>	<b>(\$6.5)</b>	<b>\$1.6</b>	<b>\$11.8</b>	<b>(\$3.6)</b>	<b>\$3.3</b>	<b>(\$4.3)</b>
<b>Net Cash Flow from Operations</b>	<b>\$29.0</b>	<b>\$1.7</b>	<b>\$2.5</b>	<b>\$12.7</b>	<b>(\$7.0)</b>	<b>\$3.4</b>	<b>\$12.2</b>	<b>(\$3.5)</b>	<b>\$7.0</b>	<b>\$17.3</b>	<b>\$2.3</b>	<b>\$23.1</b>	<b>\$16.5</b>
Capital Expenditures	(\$6.8)	(\$4.5)	(\$0.1)	(\$0.4)	(\$0.8)	(\$0.8)	(\$1.6)	(\$0.3)	(\$0.2)	(\$0.2)	(\$0.7)	(\$1.4)	(\$2.7)
<b>Free Cash Flow</b>	<b>\$22.2</b>	<b>(\$2.8)</b>	<b>\$2.3</b>	<b>\$12.3</b>	<b>(\$7.8)</b>	<b>\$2.6</b>	<b>\$10.6</b>	<b>(\$3.8)</b>	<b>\$6.8</b>	<b>\$17.1</b>	<b>\$1.6</b>	<b>\$21.7</b>	<b>\$13.8</b>
<b>Free Cash Flow per Share</b>	<b>\$1.26</b>	<b>(\$0.16)</b>	<b>\$0.13</b>	<b>\$0.65</b>	<b>(\$0.44)</b>	<b>\$0.15</b>	<b>\$0.59</b>	<b>(\$0.21)</b>	<b>\$0.38</b>	<b>\$0.95</b>	<b>\$0.08</b>	<b>\$1.19</b>	<b>\$0.76</b>

Fiscal Year End - May

(\$ in millions, except per share data)