

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	\$13.66
52Wk High	\$13.82
52Wk Low	\$7.51
3mo. Daily Volume	112,000
Market Capitalization	\$246
Shares Outstanding	18.3 Mil.
Dividend Yield	0.60%
Book Value Per Share	\$8.84
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.7x
EV-to-EBITDA TTM	11x

Financial Data

	OLD	NEW	OLD	NEW
EPS	FY-11E	FY-11E	FY-12E	FY-12E
Q1-Aug	\$0.47A	\$0.47A		
Q2-Nov	\$0.01A	\$0.01A		
Q3-Feb	\$0.02E	\$0.01A		
Q4-May	\$0.03E	\$0.03E		
FY-May	\$0.53E	\$0.52E	\$0.30E	\$0.30E
P/E			25.8	45.5
Revenue	\$260	\$258	\$177	\$171
ROIC	12%	11%	6%	6%
Cash	\$218	\$230	\$225	\$220
Assets	\$278	\$291	\$289	\$282
Debt	\$20	\$20	\$20	\$20
Equity	\$225	\$220	\$230	\$225

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$13.66
DATE: April 8th, 2011

Q3 EPS of \$.01 was below our estimate of \$.02 due to a higher than expected tax rate.

Total sales grew 18.7% YOY to \$39.7 million vs. our estimate of \$40 million. EDG revenue grew 32% YOY while Canvys declined 4%.

Gross margin declined 200 basis points YOY to 29.1% as short-term costs related to the new distribution agreement for EDG continued.

SG&A declined sequentially from \$11.2 million to \$10.7 million as the company continues to right-size the smaller business.

The company announced a stock buy-back of \$25 million and a dividend of \$.05/share.

The stock remains undervalued relative to its peer group.

The RFPD divestiture closed in early March and proceeds will be reflected in Q4.

The company's pro forma net cash position is approximately \$12/share.

We are forecasting EPS of \$.30 for FY12.



Analysis of Q3 Results

Q3 EPS of \$.01 was below our estimate of \$.02 due to a higher than expected tax rate. Total sales grew 18.7% YOY to \$39.7 million vs. our estimate of \$40 million and within management's previous guidance. The EDG business unit grew 32% YOY while the Canvys unit declined 4%. The company announced in January that the Canvys unit is exiting the digital signage segment to focus on display systems for OEM's by leveraging OEM relationships from the EDG business and prior RFPD business. EDG sales continue to benefit from both the new distribution agreement as well as a sustained recovery in the semiconductor manufacturing and industrial verticals. Gross margin declined 200 basis points YOY to 29.1%. The decline was expected as the company's new distribution agreement is negatively impacting gross margin in the short-term in exchange for higher sales volumes. This negative impact of roughly \$.4 million will continue in Q4. Operating expenses declined sequentially from \$11.2 million to \$10.7 million as the company continues to right-size the new business. The sale of the RFPD division to Arrow closed in early March. The cash proceeds of roughly \$200 million and the capital gain will be reflected in next quarter's financials. The company announced a share buy-back program of \$25 million in addition to a quarterly dividend of \$.05/share. The company continues to consider deployment options for its recent cash windfall from the RFPD sale. A significant foray into the alternative energy space which had previously been mentioned seems unlikely at this point as due diligence suggests the acquisition multiples are unfavorably high. Small bolt-on acquisitions related to the EDG business remain possible. The company is focusing on developing its microwave business within the EDG unit. The company intends to form 6-8 technical service centers in various geographies to accommodate this growth with an investment of approximately \$2-\$3 million.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q3FY11	Q3FY10	% Change	Q3FY11	% of Sales	Q3FY10	% of Sales
Electron Device Group	\$28,002	\$21,229	31.9%	\$8,412	30.0%	\$7,062	33.3%
Canvys	\$11,651	\$12,179	-4.3%	\$3,145	27.0%	\$3,314	27.2%
Total	\$39,653	\$33,408	18.7%	\$11,557	29.1%	\$10,376	31.1%

Outlook

The company continues to target an operating margin of 5% for FY12. This includes expenses related to the development of the technical service centers. The company is conservatively forecasting total topline growth of 10-12% for FY12 driven by continued strong growth in the EDG division. Visibility for the EDG business remains fairly expansive. Performance within the Canvys division will most likely be flattish YOY as the new strategy to focus on OEM's unfolds. Gross margin should slowly begin to recover in 2012 as short-term costs related to the new EDG distribution agreement wane. If the proposed stock buy-back of \$25 million is fully promulgated in FY12 EPS could potentially increase by 10%. Additional stock-buy backs remain possible. The company continues to trade at a discount to peers. The peer group trades at a 1.5 multiple of book value. Richardson is currently trading at a 1.2x multiple of pro forma book value for Q4. Additionally, the stock is trading at approximately 3.5x our FY12 EBITDA estimate based on pro forma EV of \$38 million. Richardson's projected pro forma net cash balance for Q4 is approximately \$11.75/share.

**Peer Group Comparison
(in thousands)**

Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	TTM P/E	P/E- CY11E	P/E- CY12E
ARW	Arrow Electronics	\$43.86	0.31	6.7	1.5	10.9	9.0	8.4
AVT	Avnet	\$34.73	0.28	6.9	1.5	10.0	8.3	NA
WCC	Wesco International Inc.	\$61.41	0.68	13.6	2.4	24.6	17.4	14.4
NUHC*	NuHorizons Electronics	\$6.97	0.19	9.8	0.9	NA	46.5	NA
	Median		0.30	8.3	1.5	10.9	13.2	11.4

RELL	Richardson Electronics	\$13.66	0.69	11.0	1.6	22.0	91.1	NA
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Note: All figures based on trailing 12-months, except P/E-10 and PE/-11 based on consensus estimates

Prices as of 4/7/11

RELL data excludes discontinued ops

RELL pro forma net cash for Q4 is approximately \$11.75/share

*Buy-out by Arrow Electronics for \$7/share

Disclaimers & Disclosures

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Income Statement (in millions)	2008	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11	Q3-11	Q4-11E	2011E	2012E
Sales	\$568.4	\$496.3	\$109.5	\$115.9	\$121.3	\$145.1	\$491.8	\$137.1	\$41.0	\$39.7	\$40.0	\$257.8	\$171.2
COGS	\$432.8	\$386.7	\$83.0	\$86.9	\$91.9	\$112.0	\$373.8	\$104.5	\$29.2	\$28.2	\$28.3	\$190.2	\$119.1
Gross Profit	\$135.6	\$109.6	\$26.5	\$29.0	\$29.4	\$33.1	\$118.0	\$32.6	\$11.8	\$11.6	\$11.7	\$67.6	\$52.1
Operating Expenses	\$125.4	\$117.9	\$22.9	\$23.6	\$23.7	\$25.5	\$95.7	\$23.3	\$11.2	\$10.7	\$10.2	\$55.4	\$43.0
Operating Income	\$10.2	(\$8.2)	\$3.6	\$5.4	\$5.7	\$7.6	\$22.3	\$9.3	\$0.6	\$0.9	\$1.5	\$12.2	\$9.1
Add back D&A	\$5.3	\$4.1	\$1.0	\$1.1	\$0.9	\$0.9	\$3.9	\$0.9	\$0.5	\$0.3	\$0.3	\$1.9	\$1.2
Add back stock compensation	\$0.7	\$0.7	\$0.1	\$0.2	\$0.2	\$0.2	\$0.7	\$0.1	\$0.2	\$0.1	\$0.2	\$0.6	\$0.8
EBITDA	\$16.2	(\$3.4)	\$4.7	\$6.7	\$6.8	\$8.7	\$26.9	\$10.3	\$1.3	\$1.2	\$1.9	\$14.7	\$11.1
Interest Expense, Net	\$6.9	\$4.6	\$1.2	\$1.0	\$1.0	\$0.7	\$3.9	\$0.2	\$0.1	\$0.0	\$0.0	\$0.3	\$0.3
Other Expense, Net	\$12.0	(\$2.4)	\$0.8	\$0.7	(\$0.1)	\$0.0	\$1.4	\$0.2	\$0.1	\$0.0	\$0.0	\$0.3	\$0.3
Pretax Income	(\$8.7)	(\$10.4)	\$1.6	\$3.7	\$4.8	\$7.0	\$17.1	\$8.9	\$0.4	\$0.7	\$1.5	\$11.6	\$8.5
Income Tax	(\$0.2)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.4	(\$0.2)	\$0.5	\$0.3	\$0.5	\$1.0	\$2.3	\$3.1
Net Income	(\$8.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$6.6	\$17.3	\$8.4	\$0.1	\$0.2	\$0.5	\$9.3	\$5.3
Shares Outstanding-Diluted	17.8	17.8	17.9	18.0	18.0	19.0	18.9	17.9	18.1	18.5	18.5	18.3	18.0
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.11	\$0.24	\$0.25	\$0.35	\$0.91	\$0.47	\$0.01	\$0.01	\$0.03	\$0.51	\$0.30
Dividend per Share	\$0.12	\$0.08	\$0.02	\$0.02	\$0.02	\$0.02	\$0.08	\$0.02	\$0.02	\$0.02			
% 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%
COGS	76.1%	77.9%	75.8%	75.0%	75.8%	77.2%	76.0%	76.2%	71.2%	70.9%	70.8%	73.8%	69.6%
Gross Profit	23.9%	22.1%	24.2%	25.0%	24.2%	22.8%	24.0%	23.8%	28.8%	29.1%	29.2%	26.2%	30.4%
Operating Expenses	22.1%	23.7%	20.9%	20.4%	19.5%	17.6%	19.5%	17.0%	27.3%	27.0%	25.5%	21.5%	25.1%
Operating Income	1.8%	-1.7%	3.3%	4.7%	4.7%	5.2%	4.5%	6.8%	1.5%	2.1%	3.7%	4.7%	5.3%
Interest Expense, Net	1.2%	0.9%	1.1%	0.9%	0.8%	0.4%	0.8%	0.1%	0.2%	0.1%	0.0%	0.1%	0.2%
Other Expense, Net	2.1%	-0.5%	0.7%	0.6%	-0.1%	0.0%	0.3%	0.1%	0.2%	0.1%	0.0%	0.1%	0.2%
Pretax Income	-1.5%	-2.1%	1.5%	3.2%	4.0%	4.8%	3.5%	6.5%	1.0%	1.8%	3.7%	4.5%	5.0%
Income Tax Rate	2.5%	-17.0%	-18.8%	-16.2%	6.3%	5.8%	-1.2%	5.6%	75.0%	68.5%	67.6%	19.9%	37.0%
Net Income	-1.5%	-2.5%	1.7%	3.7%	3.7%	4.5%	3.5%	6.1%	0.2%	0.6%	1.2%	3.6%	3.1%
Revenue by Segment													
RF, Wireless & Power Division	\$376.2	\$355.1	\$79.5	\$82.8	\$87.9	\$106.3	\$356.5	\$99.6				\$99.6	
Electron Device Group	\$103.3	\$82.2	\$18.8	\$20.1	\$21.2	\$26.4	\$86.5	\$27.5	\$28.7	\$28.0	\$28.5	\$112.7	\$126.2
Canvys	\$84.7	\$58.9	\$11.2	\$13.0	\$12.2	\$12.4	\$48.8	\$10.0	\$12.3	\$11.7	\$11.5	\$45.5	\$45.0
Corporate	\$4.3	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$568.4	\$496.3	\$109.5	\$115.9	\$121.3	\$145.1	\$491.8	\$137.1	\$41.0	\$39.7	\$40.0	\$257.8	\$171.2
Revenue % by Segment													
RF, Wireless & Power Division	66.2%	71.5%	72.6%	71.4%	72.5%	73.3%	72.5%	72.6%	0.0%	0.0%	0.0%	38.6%	0.0%
Electron Device Group	18.2%	16.6%	17.2%	17.3%	17.5%	18.2%	17.6%	20.1%	70.0%	70.5%	71.3%	43.7%	73.7%
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%
Canvys	14.9%	11.9%	10.2%	11.2%	10.1%	8.5%	9.9%	7.3%	30.0%	29.5%	28.8%	17.6%	26.3%
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%
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%
Revenue Growth (Year / Year)													
RF, Wireless & Power Division	1.7%	-5.6%	-17.9%	-11.3%	9.2%	26.1%	0.4%	25.3%	-100.0%	-100.0%	-100.0%	-72.1%	
Electron Device Group	2.0%	-20.4%	-25.0%	-9.5%	17.8%	56.2%	5.3%	46.3%	42.8%	32.1%	8.0%	30.3%	12.0%
Canvys	3.1%	-30.4%	-34.6%	-22.6%	4.3%	-6.8%	-17.2%	-10.7%	-5.4%	-4.1%	-7.3%	-6.8%	-1.1%
Corporate	5.6%	-95.1%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%					
Total	2.0%	-12.7%	-21.2%	-12.5%	10.0%	26.6%	-0.9%	25.2%	-64.6%	-67.3%	-72.4%	-47.6%	-33.6%

Fiscal Year End - May

(\$ in millions, except per share data)

Balance Sheet	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11	Q3-11	Q4-11E	2011E	2012E
Assets												
Cash	\$43.9	\$41.8	\$49.9	\$51.5	\$29.0	\$29.0	\$32.0	\$33.0	\$29.9	\$229.9	\$229.9	\$220.0
Accounts Receivable	\$92.4	\$87.6	\$94.1	\$93.1	\$98.7	\$98.7	\$102.0	\$22.1	\$25.0	\$24.2	\$24.2	\$23.5
Inventories	\$81.2	\$83.6	\$77.1	\$79.5	\$78.7	\$78.7	\$85.6	\$26.5	\$28.0	\$24.9	\$24.9	\$26.1
Other Current Assets	\$7.8	\$10.0	\$9.4	\$9.2	\$7.0	\$7.0	\$7.0	\$1.7	\$1.4	\$2.8	\$2.8	\$2.1
Discontinued ops-assets								\$173.2	\$187.9			
Current Assets	\$225.3	\$223.0	\$230.5	\$233.3	\$213.4	\$213.4	\$226.6	\$256.5	\$272.2	\$281.8	\$281.8	\$271.7
Net Property, Plant, and Equipment	\$19.4	\$18.7	\$17.8	\$17.0	\$16.7	\$16.7	\$16.2	\$5.7	\$5.5	\$5.0	\$5.0	\$6.0
Goodwill & Other Assets	\$4.1	\$4.3	\$4.5	\$3.9	\$4.7	\$4.7	\$4.1	\$1.9	\$2.1	\$4.0	\$4.0	\$4.0
Total Assets	\$248.8	\$246.0	\$252.8	\$254.2	\$234.8	\$234.8	\$246.9	\$264.1	\$279.8	\$290.8	\$290.8	\$281.7
Liabilities and Stockholders' Equity												
Current Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$19.5	\$19.5	\$22.0	\$18.0	\$22.0	\$20.0	\$20.0	\$20.0
Accounts Payable	\$53.0	\$45.4	\$44.7	\$60.0	\$61.6	\$61.6	\$61.2	\$18.7	\$17.8	\$17.4	\$17.4	\$19.6
Accrued Expenses	\$18.4	\$19.3	\$21.0	\$18.7	\$18.8	\$18.8	\$18.7	\$10.9	\$9.6	\$32.4	\$32.4	\$15.8
Discontinued ops-liabilities								\$61.0	\$64.2			
Current Liabilities	\$71.4	\$64.7	\$65.7	\$78.7	\$99.9	\$99.9	\$101.9	\$108.6	\$113.6	\$69.8	\$69.8	\$55.4
Long-term Debt	\$52.4	\$52.4	\$52.4	\$44.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Deferred Taxes & Other Long-term Liabilities	\$6.3	\$6.1	\$5.2	\$4.9	\$5.0	\$5.0	\$4.8	\$0.8	\$1.0	\$1.0	\$1.0	\$1.0
Discontinued ops-non-current liabilities								\$3.3	\$1.7			
Total Liabilities	\$130.1	\$123.2	\$123.3	\$127.6	\$104.9	\$104.9	\$106.7	\$112.7	\$116.3	\$70.8	\$70.8	\$56.4
Shareholder Equity	\$118.7	\$122.8	\$129.5	\$126.7	\$129.9	\$129.9	\$140.2	\$151.4	\$163.5	\$220.0	\$220.0	\$225.3
Total Liabilities and Equity	\$248.8	\$246.0	\$252.8	\$254.3	\$234.8	\$234.8	\$246.9	\$264.1	\$279.8	\$290.8	\$290.8	\$281.7
Book Value Per Share	\$6.67	\$6.86	\$7.19	\$7.04	\$6.84	\$6.87	\$7.83	\$8.36	\$8.84	\$11.89	\$12.05	\$12.52
Asset Utilization and Efficiency												
Accounts Receivable Turnover	4.9	4.5	4.8	5.2	6.1	5.1	5.8	2.8	2.7	2.6	4.2	2.7
Days' Sales in Receivables Outstanding	67.9	73.0	74.1	70.0	62.1	73.3	67.9	49.2	57.5	55.0	34.2	50.0
Inventory Turnover	4.4	3.6	3.9	4.2	5.6	3.8	4.9	2.3	2.1	2.2	3.1	2.0
Days' Sales in Inventory Outstanding	76.6	91.9	81.0	78.9	64.1	76.8	74.7	82.8	90.8	80.0	47.8	80.0
Accounts Payable Turnover	7.3	6.2	6.5	6.5	7.8	5.8	7.8	3.7	2.9	2.9	5.0	3.0
Days' Purchases in Payables Outstanding	50.0	49.9	46.9	59.6	50.2	60.1	53.4	58.4	57.7	55.9	33.4	60.0
Cash Conversion Cycle (Days)	94.6	115.0	108.1	89.4	76.0	89.9	89.2	73.6	90.5	79.2	48.7	70.0
Capital Structure												
Total Debt-to-Total Capital Ratio	30.6%	29.9%	28.8%	25.8%	13.1%	13.1%	13.6%	10.6%	11.9%	8.3%	8.3%	8.2%
Total Debt-to-Equity Ratio	44.1%	42.7%	40.5%	34.7%	15.0%	15.0%	15.7%	11.9%	13.5%	9.1%	9.1%	8.9%
Fiscal Year End - May												
(\$ in millions, except per share data)												

21st Century Equity Research

ROIC and Free Cash Flow	2008	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11	Q3-11	Q4-11E	2011E	2012E
NOPAT													
EBIT	\$10.2	(\$8.2)	\$3.6	\$5.4	\$5.7	\$7.6	\$22.3	\$9.3	\$0.6	\$0.9	\$1.5	\$12.2	\$9.1
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.1)	(\$0.4)	\$0.2	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.5	\$1.0	\$2.2	\$3.1
NOPAT	\$10.6	(\$10.8)	\$3.7	\$5.8	\$5.5	\$7.2	\$22.5	\$8.8	\$0.4	\$0.4	\$0.5	\$10.0	\$5.9

Cash Taxes on EBIT

Income Tax Provision	(\$0.2)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.4	(\$0.2)	\$0.5	\$0.3	\$0.5	\$1.0	\$2.3	\$3.1
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.2)	(\$0.2)	\$0.1	\$0.0	(\$0.0)	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.1)	(\$0.4)	\$0.2	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.5	\$1.0	\$2.2	\$3.1

Invested Capital

Total Debt	\$55.7	\$52.4	\$52.4	\$52.4	\$44.0	\$19.5	\$19.5	\$22.0	\$18.0	\$22.0	\$20.0	\$20.0	\$20.0
Stockholders' Equity	\$141.4	\$118.7	\$122.8	\$129.5	\$126.7	\$129.9	\$129.9	\$140.2	\$151.4	\$163.5	\$220.0	\$220.0	\$225.3
Total Cash & Short-term Investments	\$40.0	\$43.9	\$41.8	\$49.9	\$51.5	\$29.0	\$29.0	\$32.0	\$33.0	\$29.9	\$229.9	\$229.9	\$220.0
Invested Capital	\$157.1	\$127.2	\$133.4	\$132.0	\$119.2	\$120.4	\$120.4	\$130.2	\$136.4	\$155.6	\$10.1	\$10.1	\$25.3

Return on Invested Capital

Return on Invested Capital (Average)	6.3%	-7.6%	10.1%	16.4%	16.7%	23.4%	18.1%	26.7%	1.1%	1.1%	2.9%	11.0%	5.6%
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Note: Quarterly Figures Have Been Annualized
Q2 and Q3 exclude discontinued ops income

Free Cash Flow

Net Income (Loss)	(\$8.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$6.6	\$17.3	\$8.4	\$7.6	\$0.2	\$0.5	\$9.3	\$5.3
Adjustments:													
Depreciation	\$5.5	\$5.3	\$1.1	\$1.1	\$1.0	\$1.1	\$4.3	\$0.9	\$0.3	\$0.3	\$0.3	\$1.8	\$1.2
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
Divestitures (Gain/Loss)											\$54.0	\$54.0	
Goodwill and Other Intangible Assets Impairment, Net of Tax	\$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
Total Adjustments	\$5.5	\$5.3	\$1.1	\$1.1	\$1.0	\$1.1	\$4.3	\$0.9	\$0.3	\$0.3	\$54.3	\$55.8	\$1.2
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:													
Decrease (Increase) in Accounts Receivable	(\$3.8)	\$17.1	\$4.8	(\$6.5)	\$1.0	(\$5.6)	(\$6.3)	(\$3.3)	(\$9.5)	(\$2.9)	\$0.8	\$74.5	\$0.7
Decrease (Increase) in Inventories	\$16.3	\$12.7	(\$2.4)	\$6.5	(\$2.4)	\$0.8	\$2.5	(\$6.9)	(\$3.5)	(\$1.5)	\$3.1	\$53.8	\$1.2
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	(\$2.2)	\$0.6	\$0.2	\$2.2	\$0.8	\$0.0	\$0.3	(\$1.4)	(\$1.4)	\$4.2	(\$0.7)
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	(\$7.6)	(\$0.7)	\$15.3	\$1.6	\$8.6	(\$0.4)	\$7.4	(\$0.9)	(\$0.4)	(\$44.2)	\$2.2
Decrease (Increase) Assets Held for sale													
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.9	\$1.7	(\$2.3)	\$0.1	\$0.4	(\$0.1)	\$0.4	(\$1.3)	\$22.8	\$13.6	\$0.0
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	(\$6.5)	\$1.6	\$11.8	(\$0.9)	\$6.0	(\$10.7)	(\$5.2)	(\$6.3)	\$24.9	\$101.9	\$3.4
Net Cash Flow from Operations	\$1.7	\$12.2	(\$3.5)	\$7.0	\$17.3	\$6.8	\$27.6	(\$1.4)	\$2.7	(\$5.8)	\$79.7	\$167.0	\$10.0
Capital Expenditures	(\$4.5)	(\$1.6)	(\$0.3)	(\$0.2)	(\$0.2)	(\$0.7)	(\$1.4)	(\$0.4)	(\$0.1)	\$0.0	(\$0.2)	(\$0.7)	(\$1.0)
Free Cash Flow	(\$2.8)	\$10.6	(\$3.8)	\$6.8	\$17.1	\$6.1	\$26.2	(\$1.8)	\$2.6	(\$5.8)	\$79.5	\$166.3	\$9.0
Free Cash Flow per Share	(\$0.16)	\$0.59	(\$0.21)	\$0.38	\$0.95	\$0.32	\$1.38	(\$0.10)	\$0.14	(\$0.31)	\$4.30	\$9.11	\$0.50

Fiscal Year End - May

(\$ in millions, except per share data)