

### Business Description

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

### Stock Data

Price	\$5.97
52Wk High	\$6.98
52Wk Low	\$4.71
3mo. Daily Volume	19,425
Market Capitalization	\$76.4 m
Shares Outstanding	12.8 Mil.
Dividend Yield	4.10%
Tangible Book Value Per Share	\$10.20
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.1
EV-to-EBITDA TTM	NA

### Financial Data

	FY-14	FY-15	FY-16	NEW FY-17E
EPS	\$0.14	(\$0.01)	(\$0.11)	(\$0.06E)
Q1-Aug	\$0.14	(\$0.08)	(\$0.18)	(\$0.15E)
Q2-Nov	(\$0.01)	(\$0.16)	(\$0.23)	(\$0.19E)
Q3-Feb	(\$0.21)	(\$0.16)	(\$0.01)	(\$0.04E)
Q4-May	(\$0.03)	(\$0.41)	(\$0.53)	(\$0.44E)

Revenue	\$135	\$137	\$142	\$144
% Chg	-2.0%	-1.0%	3.9%	2.0%

Cash	\$125	\$110	\$61	\$50
Assets	\$202	\$185	\$168	\$160
Debt	\$0	\$0	\$0	\$0
Equity	\$175	\$157	\$142	\$136

Note: Figures in \$millions except per share data

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NASDAQ: RELL  
PRICE: \$5.97  
DATE: 7/22/16

**Q4 EPS of (\$0.01) beat our estimate of (\$0.15) due to better than expected sales and gross margin. EPS was (\$0.16) in the prior year.**

**Q4 Sales grew 13.2% YOY to \$39.6 m and beat our estimate of \$34.7 m due mostly to a \$3.8 m Federal government order in the quarter.**

**Q4 PMT revenue grew 14.7% YOY, Healthcare revenue grew 76.6% YOY, and Canvys revenue declined 13.1% YOY.**

**Q4 Gross Margin increased 460 bps YOY to 33.8% due to better product mix.**

**Q4 Operating income improved YOY to (\$0.3 m) from (\$2.6 m) due to the aforementioned sales and gross margin performance.**

**The company generated positive operating cash flow of \$1 m in the quarter and expects improved operating cash flow in FY17 vs. FY16.**

**The company will commence a restructuring plan in FY17 to permanently take costs out of the business.**

**The stock currently trades substantially below tangible book value of \$10.20/share and yields a 4.2% dividend.**



## Analysis of Q4 Results

Q4 EPS of (\$.01) beat our estimate of (\$.15) due to better than expected sales and gross margin. EPS was (\$.16) in the prior year. Q4 sales grew 13.2% YOY to \$39.6 m and beat our estimate of \$34.7 m. PMT revenue grew 14.7% YOY to \$30.2 m vs. our estimate of \$26 m due to a \$3.8 m order with the Federal government. Weakness in the semi wafer fabrication vertical continues. Q4 Canvys revenue declined 13.1% YOY to \$5.7 m while Healthcare revenue grew 76.6% YOY to \$3.7 m stemming from the acquired sales of IMES. Gross margin increased 460 bps YOY to 33.8% and beat our estimate of 31.5% as all three segment reported YOY gross margin improvement highlighted by the Healthcare division reporting 41%. Operating income improved to (\$.3) m from (\$2.6) m due to aforementioned revenue and gross margin performance coupled with a SG&A as a percentage of sales decline from 36.8% to 34.6%. The company broke a string of 7 consecutive negative EBITDA quarters. Operating cash flow was a positive \$1 m for the quarter but (\$13.6) m for the year. The company did not repurchase any shares in the quarter and has approximately \$10 m remaining authorized which equates to 1.7 m shares at the current stock price, or approximately 13% of outstanding shares. The company has been less aggressive in buying back stock the last 2 quarters. The stock trades substantially below tangible book value of \$10.20/share while yielding a 4.2% dividend. The company has \$60.5 m (\$4.69/share) in cash with \$0 debt and is in the process of repatriating approximately \$11 m in cash from China at the expense of tax NOL's.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q4FY16	Q4FY15	%	% of		% of	
				Q4FY16	Sales	Q4FY15	Sales
PMT	\$30,189	\$26,316	14.7%	\$10,295	34.1%	\$8,194	31.1%
Canvys	\$5,680	\$6,535	-13.1%	\$1,578	27.8%	\$1,528	23.4%
Healthcare	\$3,699	\$2,095	76.6%	\$1,515	41.0%	\$496	23.7%
Total	\$39,568	\$34,946	13.2%	\$13,388	33.8%	\$10,218	29.2%

## Outlook

The company has not issued guidance for FY17. It does expect operating cash flow to improve but still be negative. It appears that investment in new growth initiatives and IT infrastructure will be less robust in FY17. We are forecasting modest revenue growth for 2 of the 3 segments for FY17 based on recent sales momentum, sequential backlog increases, and recent new distribution agreements and partnerships. Continued pockets of vertical strength along select product lines combined with accretive acquisitions could provide upside potential. The company is embarking on a cost restructuring plan to permanently take cost out of the business so one-time restructuring charges are likely in FY17. Gross margin is demonstrating resiliency and we have forecasted an uptick in FY17 aided by more sales in the higher margin healthcare segment. Given that over 50% of sales are outside the US, global macro events are the primary risk factor accompanied by FX pressure. The company should exit FY17 with a better visibility of the fruits of its sales growth investments as well as having a more defined cost structure.

**Peer Group Comparison**

Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	P/E	P/E-CY16E	P/E-CY17E
ARW	Arrow Electronics	\$65.96	0.4	7.9	1.4	12.5	9.8	9.4
AVT	Avnet	\$40.77	0.2	6.5	1.1	9.7	9.4	8.9
WCC	Wesco International Inc.	\$53.26	0.5	8.7	1.2	13.1	13.2	12.4
	<b>Median</b>		<b>0.4</b>	<b>7.9</b>	<b>1.2</b>	<b>12.5</b>	<b>9.8</b>	<b>9.4</b>
<b>RELL</b>	<b>Richardson Electronics</b>	<b>\$5.97</b>	<b>0.1</b>	<b>NA</b>	<b>0.5</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Note: All figures based on trailing 12-months, except P/E-16 and PE/-17 based on consensus estimates  
Prices as of 7/21/16

**Disclaimers & Disclosures**

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Income Statement (in millions)	2014	2015	Q1-16	Q2-16	Q3-16	Q4-16	2016	Q1-17E	Q2-17E	Q3-17E	Q4-17E	2017E
Sales	\$141.9	\$136.8	\$37.1	\$34.1	\$31.3	\$39.6	\$142.1	\$37.6	\$35.1	\$32.2	\$39.3	\$144.2
COGS	\$100.9	\$95.6	\$25.8	\$23.7	\$21.5	\$26.2	\$97.2	\$25.7	\$24.1	\$22.1	\$26.3	\$98.1
Gross Profit	\$41.1	\$41.2	\$11.3	\$10.4	\$9.8	\$13.4	\$44.9	\$11.9	\$11.1	\$10.1	\$13.0	\$46.1
Operating Expenses	\$45.2	\$49.3	\$12.3	\$13.2	\$12.5	\$13.7	\$51.7	\$12.5	\$12.8	\$12.5	\$13.5	\$51.3
(Gain) loss on disposal of assets				(\$0.2)								
<b>Operating Income</b>	<b>(\$4.2)</b>	<b>(\$8.1)</b>	<b>(\$1.0)</b>	<b>(\$2.6)</b>	<b>(\$2.7)</b>	<b>(\$0.3)</b>	<b>(\$6.8)</b>	<b>(\$0.6)</b>	<b>(\$1.8)</b>	<b>(\$2.4)</b>	<b>(\$0.5)</b>	<b>(\$5.2)</b>
Add back D&A	\$1.2	\$1.7	\$0.5	\$0.8	\$0.6	\$0.5	\$2.4	\$0.5	\$0.5	\$0.5	\$0.5	\$2.0
Add back stock compensation	\$0.6	\$0.7	\$0.1	\$0.2	\$0.1	\$0.1	\$0.5	\$0.1	\$0.1	\$0.1	\$0.1	\$0.4
<b>EBITDA</b>	<b>(\$2.4)</b>	<b>(\$5.7)</b>	<b>(\$0.4)</b>	<b>(\$1.6)</b>	<b>(\$2.0)</b>	<b>\$0.3</b>	<b>(\$3.9)</b>	<b>(\$0.0)</b>	<b>(\$1.2)</b>	<b>(\$1.8)</b>	<b>\$0.1</b>	<b>(\$2.8)</b>
Interest Expense, Net	(\$1.1)	(\$0.9)	(\$0.2)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.5)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.4)
Proceeds from legal settlement	(\$2.1)	\$0.0					\$0.0					\$0.0
Other Expense, Net	(\$0.3)	(\$0.1)	\$0.2	(\$0.4)	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.8
Pretax Income	(\$0.6)	(\$7.1)	(\$1.0)	(\$2.1)	(\$2.8)	(\$0.4)	(\$6.5)	(\$0.7)	(\$2.0)	(\$2.5)	(\$0.2)	(\$5.6)
Income Tax	(\$0.1)	(\$1.4)	\$0.4	\$0.2	\$0.1	(\$0.2)	\$0.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Income	(\$0.6)	(\$5.7)	(\$1.4)	(\$2.3)	(\$2.9)	(\$0.2)	(\$7.0)	(\$0.7)	(\$2.0)	(\$2.5)	(\$0.6)	(\$5.6)
Shares Outstanding-Diluted	14.3	13.8	13.5	12.9	12.8	12.8	13.1	12.8	12.8	12.8	12.8	12.8
EPS - Diluted (Continuing Ops)	(\$0.04)	(\$0.41)	(\$0.10)	(\$0.18)	(\$0.23)	(\$0.01)	(\$0.53)	(\$0.06)	(\$0.15)	(\$0.19)	(\$0.04)	(\$0.44)
Dividend per Share	\$0.24	\$0.24	\$0.06	\$0.06	\$0.06	\$0.06	\$0.24					
<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	71.1%	69.9%	69.5%	69.5%	68.7%	66.2%	68.4%	68.4%	68.5%	68.5%	66.9%	68.0%
Gross Profit	28.9%	30.1%	30.5%	30.5%	31.3%	33.8%	31.6%	31.6%	31.5%	31.5%	33.1%	32.0%
Operating Expenses	31.9%	36.0%	33.2%	38.7%	39.9%	34.6%	36.4%	33.2%	36.5%	38.8%	34.4%	35.6%
Operating Income	-2.9%	-5.9%	-2.7%	-7.6%	-8.6%	-0.8%	-4.8%	-1.6%	-5.0%	-7.3%	-1.2%	-3.6%
Interest Expense, Net	-0.8%	-0.7%	-0.5%	-0.3%	-0.3%	-0.4%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%
Other Expense, Net	-0.2%	-0.1%	0.5%	-1.2%	0.6%	0.4%	0.1%	0.5%	0.6%	0.6%	0.4%	0.5%
Pretax Income	-0.4%	-5.2%	-2.7%	-6.2%	-8.9%	-0.9%	-4.6%	-1.9%	-5.6%	-7.6%	-1.4%	-3.9%
Income Tax Rate	9.7%	19.7%	-40.0%	-9.5%	-3.6%	53.5%	-7.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income	-0.4%	-4.2%	-3.8%	-6.7%	-9.3%	-0.4%	-4.9%	-1.9%	-5.6%	-7.6%	-1.4%	-3.9%
<b>Revenue by Segment</b>												
RF, Wireless & Power Division												
PMT	\$103.3	\$105.7	\$27.2	\$25.2	\$23.0	\$30.2	\$105.6	\$28.0	\$26.0	\$24.0	\$30.0	\$108.0
Healthcare	\$6.9	\$6.5	\$3.2	\$3.0	\$3.1	\$3.7	\$13.0	\$3.4	\$3.1	\$3.2	\$3.8	\$13.5
Canvys	\$31.7	\$24.6	\$6.7	\$5.9	\$5.2	\$5.7	\$23.5	\$6.2	\$6.0	\$5.0	\$5.5	\$22.7
Corporate												
Total	\$141.9	\$136.8	\$37.1	\$34.1	\$31.3	\$39.6	\$142.1	\$37.6	\$35.1	\$32.2	\$39.3	\$144.2
<b>Revenue % by Segment</b>												
RF, Wireless & Power 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%
PMT	72.8%	77.3%	73.3%	73.9%	73.5%	76.3%	74.3%	74.5%	74.1%	74.5%	76.3%	74.9%
Security Systems Division	4.9%	4.8%	8.6%	8.8%	9.9%	9.3%	9.1%	9.0%	8.8%	9.9%	9.7%	9.4%
Canvys	22.3%	18.0%	18.1%	17.3%	16.6%	14.4%	16.5%	16.5%	17.1%	15.5%	14.0%	15.7%
Corporate	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%
<b>Revenue Growth (Year / Year)</b>												
RF, Wireless & Power Division												
PMT	0.7%	2.3%	-0.7%	-6.0%	-8.7%	14.8%	-0.1%	2.9%	3.2%	4.3%	-0.7%	2.3%
Healthcare		-5.8%	146.2%	172.7%	55.0%	76.2%	100.0%	6.2%	3.3%	3.2%	2.7%	3.8%
Canvys	-17.4%	-22.4%	11.7%	0.0%	-16.1%	-12.3%	-4.5%	-7.5%	1.7%	-3.8%	-3.5%	-3.4%
Corporate												
Total	0.7%	-3.6%	6.9%	0.9%	-6.3%	13.5%	3.9%	1.3%	2.9%	2.9%	-0.8%	1.5%

<b>Balance Sheet</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Assets</b>								
Cash	\$43.9	\$29.0	\$171.0	\$43.9	\$102.0	\$102.8	\$74.5	\$60.5
Accounts Receivable	\$92.4	\$98.7	\$22.4	\$19.7	\$18.3	\$18.4	\$20.8	\$24.9
Inventories	\$81.2	\$78.7	\$30.9	\$34.7	\$34.0	\$33.9	\$38.8	\$45.4
Other Current Assets	\$7.8	\$7.0	\$64.0	\$115.0	\$48.3	\$37.1	\$27.0	\$5.1
Discontinued ops-assets				\$0.0	\$0.3		\$0.0	\$0.0
<b>Current Assets</b>	<b>\$225.3</b>	<b>\$213.4</b>	<b>\$288.3</b>	<b>\$213.3</b>	<b>\$202.9</b>	<b>\$192.2</b>	<b>\$161.1</b>	<b>\$135.9</b>
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$5.0	\$5.4	\$5.1	\$7.2	\$10.1	\$13.0
Goodwill & Other Assets	\$4.1	\$4.7	\$4.0	\$12.7	\$9.3	\$4.1	\$13.8	\$19.2
<b>Total Assets</b>	<b>\$248.8</b>	<b>\$234.8</b>	<b>\$297.3</b>	<b>\$231.4</b>	<b>\$217.3</b>	<b>\$203.5</b>	<b>\$185.0</b>	<b>\$168.1</b>
<b>Liabilities and Stockholders' Equity</b>								
Current Debt	\$0.0	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Payable	\$53.0	\$61.6	\$17.8	\$12.6	\$14.3	\$12.3	\$15.8	\$14.9
Accrued Expenses	\$18.4	\$18.8	\$43.7	\$8.5	\$9.6	\$9.2	\$10.1	\$9.1
Discontinued ops-liabilities			\$13.8	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0
<b>Current Liabilities</b>	<b>\$71.4</b>	<b>\$99.9</b>	<b>\$75.3</b>	<b>\$21.1</b>	<b>\$24.1</b>	<b>\$21.5</b>	<b>\$25.9</b>	<b>\$24.0</b>
Long-term Debt	\$52.4	\$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	\$8.5	\$8.0	\$5.7	\$2.3	\$2.4
Discontinued ops-non-current liabilities			\$1.6	\$1.4	\$0.0	\$1.4	\$0.0	\$0.0
<b>Total Liabilities</b>	<b>\$130.1</b>	<b>\$104.9</b>	<b>\$89.9</b>	<b>\$29.6</b>	<b>\$32.1</b>	<b>\$28.6</b>	<b>\$28.3</b>	<b>\$26.4</b>
Shareholder Equity	\$118.7	\$129.9	\$224.2	\$200.2	\$185.2	\$174.9	\$156.7	\$141.7
<b>Total Liabilities and Equity</b>	<b>\$248.8</b>	<b>\$234.8</b>	<b>\$314.1</b>	<b>\$229.8</b>	<b>\$217.3</b>	<b>\$203.5</b>	<b>\$185.0</b>	<b>\$168.1</b>
<b>Book Value Per Share</b>	<b>\$6.67</b>	<b>\$6.87</b>	<b>\$12.32</b>	<b>\$11.71</b>	<b>\$12.07</b>	<b>\$12.27</b>	<b>\$11.40</b>	<b>\$10.78</b>
<b>Asset Utilization and Efficiency</b>								
Accounts Receivable Turnover	4.9	5.1	4.3	7.5	7.4	7.7	7.0	6.2
Days' Sales in Receivables Outstanding	67.9	73.3	31.6	45.5	47.4	47.3	55.5	64.0
Inventory Turnover	4.4	3.8	2.9	3.4	2.9	3.0	2.6	2.3
Days' Sales in Inventory Outstanding	76.6	76.8	59.0	114.0	124.7	122.7	148.1	170.5
Accounts Payable Turnover	7.3	5.8	5.0	7.3	7.4	7.6	6.8	6.3
Days' Purchases in Payables Outstanding	50.0	60.1	34.0	41.4	52.4	44.5	60.3	56.0
Cash Conversion Cycle (Days)	94.6	89.9	56.6	118.1	119.6	125.5	143.3	178.5
<b>Capital Structure</b>								
Total Debt-to-Total Capital Ratio	30.6%	13.1%	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%

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

<b>ROIC and Free Cash Flow</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>NOPAT</b>									
EBIT	\$10.2	(\$8.2)	\$22.3	\$11.4	\$6.2	\$0.0	(\$4.2)	(\$8.1)	(\$6.8)
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.9	(\$0.5)	\$0.3	\$0.0	(\$1.2)	\$0.5
<b>NOPAT</b>	<b>\$10.6</b>	<b>(\$10.8)</b>	<b>\$22.5</b>	<b>\$10.5</b>	<b>\$6.7</b>	<b>(\$0.3)</b>	<b>(\$4.2)</b>	<b>(\$6.9)</b>	<b>(\$7.3)</b>
<b>Cash Taxes on EBIT</b>									
Income Tax Provision	(\$0.2)	\$1.8	(\$0.2)	\$0.9	(\$0.4)	\$0.1	(\$0.1)	(\$1.4)	\$0.5
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.0)	(\$0.0)	\$0.1	(\$0.2)	(\$0.1)	(\$0.2)	\$0.0
<b>Cash Taxes on EBIT</b>	<b>(\$0.4)</b>	<b>\$2.5</b>	<b>(\$0.2)</b>	<b>\$0.9</b>	<b>(\$0.5)</b>	<b>\$0.3</b>	<b>\$0.0</b>	<b>(\$1.2)</b>	<b>\$0.5</b>
<b>Invested Capital</b>									
Total Debt	\$55.7	\$52.4	\$19.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Stockholders' Equity	\$141.4	\$118.7	\$129.9	\$224.2	\$200.2	\$185.2	\$174.9	\$156.7	\$141.7
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$171.0	\$158.9	\$150.3	\$139.9	\$101.5	\$65.6
<b>Invested Capital</b>	<b>\$157.1</b>	<b>\$127.2</b>	<b>\$120.4</b>	<b>\$53.2</b>	<b>\$41.3</b>	<b>\$34.9</b>	<b>\$35.0</b>	<b>\$55.2</b>	<b>\$76.1</b>
<b>Return on Invested Capital</b>									
Return on Invested Capital (Average)	6.3%	-7.6%	18.1%	12.1%	14.1%	-0.9%	-12.0%	-15.2%	-11.1%
Note: Quarterly Figures Have Been Annualized									
<b>Free Cash Flow</b>									
Net Income (Loss)	(\$8.5)	(\$12.2)	\$17.3	\$9.9	\$8.0	\$0.5	(\$0.6)	(\$5.7)	(\$7.0)
Adjustments:									
Depreciation	\$5.5	\$5.3	\$4.3	\$1.8	\$1.2	\$1.2	\$1.2	\$1.7	\$2.4
Amortization of Intangibles and Financing Costs	\$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	(\$1.4)	\$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
Provision for Inventory Obsolescence	\$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
Divestitures				\$180.0	\$0.0	\$0.0	\$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	\$1.7	\$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
<b>Total Adjustments</b>	<b>\$5.5</b>	<b>\$5.3</b>	<b>\$4.3</b>	<b>\$181.8</b>	<b>\$1.2</b>	<b>\$1.2</b>	<b>\$2.9</b>	<b>\$0.3</b>	<b>\$2.4</b>
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	\$1.4	(\$0.1)	(\$2.4)	(\$4.1)
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	\$47.8	(\$3.8)	\$0.7	\$0.1	(\$4.9)	(\$6.6)
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	(\$57.0)	\$51.0	\$0.0	\$0.0	\$0.0	0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$43.8)	(\$5.2)	\$1.7	\$1.5	\$7.0	(\$0.9)
Decrease (Increase) Assets Held for sale									
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.4	\$24.9	\$0.0	\$0.0	\$0.0	\$0.0	0
<b>Total Changes in Operating Assets and Liabilities</b>	<b>\$4.7</b>	<b>\$19.1</b>	<b>\$6.0</b>	<b>\$48.2</b>	<b>\$44.7</b>	<b>\$3.8</b>	<b>\$1.5</b>	<b>(\$0.3)</b>	<b>(\$11.6)</b>
<b>Net Cash Flow from Operations</b>	<b>\$1.7</b>	<b>\$12.2</b>	<b>\$27.6</b>	<b>\$239.9</b>	<b>\$53.9</b>	<b>\$5.5</b>	<b>\$3.8</b>	<b>(\$5.7)</b>	<b>(\$16.2)</b>
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.5)	(\$0.2)	(\$1.3)	(\$2.7)	(\$4.7)	(\$4.8)
Time Deposit Purchases					(\$82.8)				
<b>Free Cash Flow</b>	<b>(\$2.8)</b>	<b>\$10.6</b>	<b>\$26.2</b>	<b>\$239.4</b>	<b>(\$29.1)</b>	<b>\$4.2</b>	<b>\$1.1</b>	<b>(\$10.4)</b>	<b>(\$21.0)</b>
<b>Free Cash Flow per Share</b>	<b>(\$0.16)</b>	<b>\$0.59</b>	<b>\$1.38</b>	<b>\$13.15</b>	<b>(\$1.70)</b>	<b>\$0.27</b>	<b>\$0.08</b>	<b>(\$0.76)</b>	<b>(\$1.60)</b>
Fiscal Year End - May									