

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.

Stock Data

Price	\$12.36
52Wk High	\$12.48
52Wk Low	\$11.15
3mo. Daily Volume	39,000
Market Capitalization	\$198
Shares Outstanding	16 Mil.
Dividend Yield	1.60%
Tangible Book Value Per Share	\$11.90
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.3x
EV-to-EBITDA TTM	5x

Financial Data

	OLD	NEW	OLD	NEW
	FY-12E	FY-12	FY-13E	FY-13E
EPS				
Q1-Aug	\$.06A	\$.06A		\$.08E
Q2-Nov	\$.09A	\$.09A		\$.09E
Q3-Feb	\$.09A	\$.09A		\$.11E
Q4-May	\$.10E	\$.23A		\$.12E
FY-May	\$.34E	\$.47A	\$.38E	\$.40E
P/E		26.3		30.9
Revenue	\$159	\$158	\$170	\$170
% Chg	0%	-1%	7%	8%

Cash	\$164	\$159	\$169	\$139
Assets	\$256	\$231	\$249	\$211
Debt	\$0	\$0	\$0	\$0
Equity	\$214	\$200	\$214	\$185

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$12.38
DATE: July 30, 2012

Q4 adjusted EPS of \$.09 (excluding tax benefit and one-time charges) missed our estimate of \$.10 due to lower than expected sales.

Q4 sales declined 4.6% YOY to \$38.9 million vs. our estimate of \$40 million due to lower than expected EDG sales.

Q4 gross margin improved 50 basis points YOY despite a one-time warranty charge of \$.3 million.

Q4 SG&A declined \$.4 million YOY despite one-time charges of \$.9 million.

The balance sheet remains strong with \$159 million (\$9.50/share) in cash and cash equivalents and \$0 debt.

\$38.5 million of share repurchases are currently authorized. The company also raised its quarterly dividend from \$.05 to \$.06/share.

The company is guiding for FY13 midpoint revenue of \$172.5 million which represents 9% YOY growth. Management is maintaining an operating margin goal of 5% for FY13. We are forecasting FY13 EPS of \$.40/share.



Analysis of Q4 Results

Adjusted EPS of \$.09 (excluding tax benefit and one-time charges) missed our estimate of \$.10 due to lower than expected sales. Q4 sales declined 4.6% YOY to \$38.9 million vs. our estimate of \$40 million as EDG sales declined more than expected. Q4 EDG sales declined 8.8% YOY while Canvys sales increased 6.5%. Q4 North American sales (47% of revenue) increased 10% YOY while European sales (32% of revenue) declined 21%. Certain pockets of the company's markets continue to show strength such as sales of CO2 laser tubes into the auto industry. Conversely, sales into the semiconductor wafer fabrication market remain weak. Gross margin in Q4 improved 50 basis points YOY to 28.5% despite the negative impact of a \$.3 million warranty claim. SG&A expenses in Q4 declined YOY from \$10.8 million to \$10.4 million despite a one-time bad debt charge of \$.5 million and one-time employee severance charges of \$.4 million. The company repurchased 1.9 million shares in FY12 for \$24 million. The company recently authorized an additional \$25 million of repurchases. As of July 30th, a total of \$38.5 million of share repurchases remain authorized. Assuming the current stock price, the company could potentially repurchase an additional 3 million shares or 18% of current outstanding shares. The company has also raised its quarterly dividend from \$.05 to \$.06. The balance sheet remains strong with \$159 million (\$9.50/share) in cash and cash equivalents and \$0 debt. Approximately \$40 million in cash is held overseas primarily in Asia. Tangible book value is \$11.90/share. The company continues to evaluate acquisition opportunities.

Net Sales (in thousands)

Business Unit	Q4FY12	Q4FY11	% Change
Electron Device Group	\$26,968	\$29,565	-8.8%
Canvys	\$11,889	\$11,159	6.5%
Total	\$38,857	\$40,724	-4.6%

Gross Profit (in thousands)

	% of		% of	
	Q4FY12	Sales	Q4FY11	Sales
	\$8,324	30.9%	\$8,610	29.1%
	\$2,768	23.3%	\$2,760	24.7%
	\$11,092	28.5%	\$11,370	27.9%

Net Sales	Q4FY12	Q4FY11	% Increase
North America	\$18,328	\$16,684	9.9%
Europe	\$12,570	\$15,937	-21.1%
Asia/Pacific	\$5,684	\$6,637	-14.4%
Latin America	\$2,313	\$2,414	-4.2%
Other	-\$38	-\$948	-96.0%
	\$38,857	\$40,724	-4.6%

Net Sales	FY12	FY11	% Increase
North America	\$68,990	\$67,646	2.0%
Europe	\$52,039	\$54,040	-3.7%
Asia/Pacific	\$25,588	\$26,354	-2.9%
Latin America	\$9,870	\$10,239	-3.6%
Other	\$1,349	\$588	129.4%
	\$157,836	\$158,867	-0.6%

Outlook

The company is guiding for FY13 revenue of \$170-175 million which implies YOY growth of 7-11%. We have increased our FY13 EPS estimate upward from \$.38 to \$.40 based on recent SG&A cost containment trends. The company sees potential growth opportunities in the medical applications of its Canvys unit given imaging equipment upgrade spending, geographical expansion, and U.S. health care legislation. The company is maintaining a 5% operating margin goal for FY13. We have assumed that stock buybacks will maintain current trends. We expect cash disbursements in FY13 for dividends and stock buybacks to be similar to FY12's \$27 million level. Cap ex is estimated to be minimal in FY13 at \$1 million. We expect positive operating cash flow in FY13 given our net income projection and less inventory stocking vs. the prior year. Uncertainty in Europe remains a primary risk factor. Please recall that Q1 is typically the company's weakest quarter with a pattern of improvement over the remainder of the fiscal year.

Income Statement (in millions)	2008	2009	2010	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012	Q1-13E	Q2-13E	Q3-13E	Q4-13E	2013E
Sales	\$568.4	\$496.3	\$491.8	\$258.5	\$41.5	\$39.1	\$38.4	\$38.9	\$157.9	\$38.0	\$41.3	\$44.3	\$46.4	\$170.0
COGS	\$432.8	\$386.7	\$373.8	\$191.1	\$28.8	\$27.4	\$27.1	\$27.8	\$111.1	\$26.7	\$29.0	\$31.0	\$32.4	\$119.1
Gross Profit	\$135.6	\$109.6	\$118.0	\$67.4	\$12.7	\$11.7	\$11.3	\$11.1	\$46.8	\$11.3	\$12.3	\$13.3	\$14.0	\$50.9
Operating Expenses	\$125.4	\$117.9	\$95.7	\$56.0	\$10.7	\$10.0	\$9.5	\$10.4	\$40.6	\$9.7	\$10.3	\$10.7	\$11.0	\$41.7
Operating Income	\$10.2	(\$8.2)	\$22.3	\$11.4	\$2.0	\$1.7	\$1.8	\$0.7	\$6.2	\$1.6	\$2.0	\$2.6	\$3.0	\$9.2
Add back D&A	\$5.3	\$4.1	\$3.9	\$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	\$0.6	\$0.2	\$0.1	\$0.1	\$0.1	\$0.5	\$0.1	\$0.1	\$0.1	\$0.1	\$0.4
EBITDA	\$16.2	(\$3.4)	\$26.9	\$13.9	\$2.5	\$2.1	\$2.2	\$1.0	\$7.8	\$2.0	\$2.4	\$3.0	\$3.4	\$10.8
Interest Expense, Net	\$6.9	\$4.6	\$3.9	(\$0.1)	(\$0.4)	(\$0.2)	(\$0.4)	(\$0.4)	(\$1.4)	(\$0.4)	(\$0.3)	(\$0.2)	(\$0.2)	(\$1.1)
Other Expense, Net	\$12.0	(\$2.4)	\$1.4	\$0.7	\$0.7	(\$0.5)	\$0.0	(\$0.3)	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Pretax Income	(\$8.7)	(\$10.4)	\$17.1	\$10.8	\$1.7	\$2.4	\$2.2	\$1.4	\$7.7	\$2.0	\$2.3	\$2.8	\$3.2	\$10.3
Income Tax	(\$0.2)	\$1.8	(\$0.2)	\$0.9	\$0.6	\$0.8	\$0.6	(\$2.4)	(\$0.4)	\$0.7	\$0.9	\$1.0	\$1.2	\$3.8
Net Income	(\$8.5)	(\$12.2)	\$17.3	\$9.9	\$1.1	\$1.6	\$1.6	\$3.8	\$8.0	\$1.3	\$1.5	\$1.8	\$2.0	\$6.5
Shares Outstanding-Diluted	17.8	17.8	18.9	18.2	17.5	17.2	17.0	16.7	17.1	16.5	16.3	16.1	16.0	16.2
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.91	\$0.54	\$0.06	\$0.09	\$0.09	\$0.23	\$0.47	\$0.08	\$0.09	\$0.11	\$0.12	\$0.40
Dividend per Share	\$0.12	\$0.08	\$0.08	\$0.11	\$0.05	\$0.05	\$0.05	\$0.05	\$0.20					
% 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%
COGS	76.1%	77.9%	76.0%	73.9%	69.4%	70.1%	70.6%	71.5%	70.4%	70.3%	70.2%	70.0%	69.9%	70.1%
Gross Profit	23.9%	22.1%	24.0%	26.1%	30.6%	29.9%	29.4%	28.5%	29.6%	29.7%	29.8%	30.0%	30.1%	29.9%
Operating Expenses	22.1%	23.7%	19.5%	21.7%	25.8%	25.6%	24.7%	26.7%	25.7%	25.5%	24.9%	24.2%	23.7%	24.5%
Operating Income	1.8%	-1.7%	4.5%	4.4%	4.8%	4.3%	4.7%	1.8%	3.9%	4.2%	4.9%	5.8%	6.4%	5.4%
Interest Expense, Net	1.2%	0.9%	0.8%	0.0%	-1.0%	-0.5%	-1.0%	-1.0%	-0.9%	-1.1%	-0.7%	-0.5%	-0.4%	-0.6%
Other Expense, Net	2.1%	-0.5%	0.3%	0.3%	1.7%	-1.3%	0.0%	-0.8%	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Pretax Income	-1.5%	-2.1%	3.5%	4.2%	4.1%	6.1%	5.7%	3.6%	4.9%	5.3%	5.6%	6.3%	6.8%	6.0%
Income Tax Rate	2.5%	-17.0%	-1.2%	8.3%	35.3%	33.3%	27.3%	-171.4%	-5.2%	37.0%	37.0%	37.0%	37.0%	37.0%
Net Income	-1.5%	-2.5%	3.5%	3.8%	2.7%	4.1%	4.2%	9.8%	5.1%	3.3%	3.5%	4.0%	4.3%	3.8%
Revenue by Segment														
RF, Wireless & Power Division	\$376.2	\$355.1	\$356.5	\$99.6										
Electron Device Group	\$103.3	\$82.2	\$86.5	\$113.8	\$30.7	\$28.0	\$26.9	\$27.0	\$112.6	\$27.5	\$29.5	\$32.0	\$33.5	\$122.5
Canvys	\$84.7	\$58.9	\$48.8	\$45.1	\$10.8	\$11.1	\$11.5	\$11.9	\$45.3	\$15.8	\$11.8	\$12.3	\$12.9	\$47.5
Corporate	\$4.3	\$0.2	\$0.0	\$0.0					\$0.0					
Total	\$568.4	\$496.3	\$491.8	\$258.5	\$41.5	\$39.1	\$38.4	\$38.9	\$157.9	\$38.0	\$41.3	\$44.3	\$46.4	\$170.0
Revenue % by Segment														
RF, Wireless & Power Division	66.2%	71.5%	72.5%	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%	44.0%	74.0%	71.6%	70.1%	69.4%	71.3%	72.4%	71.4%	72.2%	72.2%	72.1%
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%
Canvys	14.9%	11.9%	9.9%	17.4%	26.0%	28.4%	29.9%	30.6%	28.7%	27.6%	28.6%	27.8%	27.8%	27.9%
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%
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%
Revenue Growth (Year / Year)														
RF, Wireless & Power Division	1.7%	-5.6%	0.4%											
Electron Device Group	2.0%	-20.4%	5.3%	31.6%	11.6%	-2.4%	-3.9%	-8.8%	-1.1%	-10.4%	5.4%	19.0%	24.1%	8.8%
Canvys	3.1%	-30.4%	-17.2%	-7.6%	8.0%	-9.8%	-1.7%	7.2%	0.4%	-2.8%	6.3%	7.0%	8.4%	4.9%
Corporate	5.6%	-95.1%	-100.0%											
Total	2.0%	-12.7%	-0.9%	-47.4%	-69.7%	-4.6%	-3.3%	-4.4%	-38.9%	-8.4%	5.6%	15.4%	19.3%	7.7%

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

Peer Group Comparison (in thousands)									
Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	P/E	P/E	P/E	P/E
						CY12E	CY13E		
ARW	Arrow Electronics	\$34.87	0.26	5.3	1.0	7.0	7.4	6.7	
AVT	Avnet	\$31.86	0.22	5.4	1.1	7.2	7.4	NA	
WCC	Wesco International Inc.	\$56.01	0.52	8.7	1.9	12.7	11.9	10.4	
	Median		0.26	5.4	1.1	7.2	7.4	8.5	
RELL	Richardson Electronics	\$12.38	0.25	5.0	1.1	26.3	31.0	NA	

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

Prices as of 7/27/12

Balance Sheet	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012
Assets												
Cash	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$37.2	\$25.2	\$24.4	\$43.9	\$43.9
Accounts Receivable	\$92.4	\$98.7	\$102.0	\$22.1	\$25.0	\$22.4	\$22.4	\$22.8	\$22.3	\$22.9	\$19.7	\$19.7
Inventories	\$81.2	\$78.7	\$85.6	\$26.5	\$28.0	\$30.9	\$30.9	\$33.8	\$35.3	\$38.3	\$34.7	\$34.7
Other Current Assets	\$7.8	\$7.0	\$7.0	\$1.7	\$1.4	\$64.0	\$64.0	\$129.1	\$145.1	\$138.1	\$115.0	\$115.0
Discontinued ops-assets				\$173.2	\$187.9			\$2.1	\$1.7	\$0.6	\$0.0	\$0.0
Current Assets	\$225.3	\$213.4	\$226.6	\$256.5	\$272.2	\$288.3	\$288.3	\$225.0	\$229.6	\$224.3	\$213.3	\$213.3
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$16.2	\$5.7	\$5.5	\$5.2	\$5.0	\$5.1	\$4.7	\$4.5	\$5.4	\$5.4
Goodwill & Other Assets	\$4.1	\$4.7	\$4.1	\$1.9	\$2.1	\$20.6	\$4.0	\$33.9	\$18.9	\$18.4	\$12.7	\$12.7
Total Assets	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$297.3	\$264.0	\$253.2	\$247.2	\$231.4	\$231.4
Liabilities and Stockholders' Equity												
Current Debt	\$0.0	\$19.5	\$22.0	\$18.0	\$22.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Payable	\$53.0	\$61.6	\$61.2	\$18.7	\$17.8	\$17.8	\$17.8	\$15.3	\$14.6	\$14.4	\$12.6	\$12.6
Accrued Expenses	\$18.4	\$18.8	\$18.7	\$10.9	\$9.6	\$43.7	\$43.7	\$16.8	\$11.5	\$9.6	\$8.5	\$8.5
Discontinued ops-liabilities				\$61.0	\$64.2	\$13.8	\$13.8	\$7.1	\$4.9	\$0.1	\$0.2	\$0.2
Current Liabilities	\$71.4	\$99.9	\$101.9	\$108.6	\$113.6	\$75.3	\$75.3	\$39.2	\$31.0	\$24.1	\$21.3	\$21.1
Long-term Debt	\$52.4	\$0.0	\$0.0	\$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	\$4.8	\$0.8	\$1.0	\$13.0	\$13.0	\$2.4	\$8.3	\$9.8	\$8.5	\$8.5
Discontinued ops-non-current liabilities				\$3.3	\$1.7	\$1.6	\$1.6	\$1.6	\$1.6	\$1.2	\$1.4	\$1.4
Total Liabilities	\$130.1	\$104.9	\$106.7	\$112.7	\$116.3	\$89.9	\$89.9	\$43.2	\$40.9	\$35.1	\$31.2	\$29.6
Shareholder Equity	\$118.7	\$129.9	\$140.2	\$151.4	\$163.5	\$224.2	\$224.2	\$220.8	\$212.3	\$212.1	\$200.2	\$200.2
Total Liabilities and Equity	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$314.1	\$264.0	\$253.2	\$247.2	\$231.4	\$229.8
Book Value Per Share	\$6.67	\$6.87	\$7.83	\$8.36	\$8.84	\$12.18	\$12.32	\$12.62	\$12.34	\$12.48	\$11.99	\$11.71
Asset Utilization and Efficiency												
Accounts Receivable Turnover	4.9	5.1	5.8	2.8	2.7	2.7	4.3	2.7	7.0	6.4	7.4	7.5
Days' Sales in Receivables Outstanding	67.9	73.3	67.9	49.2	57.5	50.2	31.6	50.1	52.0	54.4	46.2	45.5
Inventory Turnover	4.4	3.8	4.9	2.3	2.1	2.1	2.9	1.9	3.5	3.3	3.4	3.4
Days' Sales in Inventory Outstanding	76.6	76.8	74.7	82.8	90.9	96.2	59.0	107.1	117.6	129.0	113.9	114.0
Accounts Payable Turnover	7.3	5.8	7.8	3.7	2.9	3.0	5.0	3.0	6.6	6.7	7.3	7.3
Days' Purchases in Payables Outstanding	50.0	60.1	53.4	58.4	57.8	55.4	34.0	48.5	48.6	48.5	41.4	41.4
Cash Conversion Cycle (Days)	94.6	89.9	89.2	73.6	90.6	91.0	56.6	108.7	121.0	134.9	118.8	118.1
Capital Structure												
Total Debt-to-Total Capital Ratio	30.6%	13.1%	13.6%	10.6%	11.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Debt-to-Equity Ratio	44.1%	15.0%	15.7%	11.9%	13.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fiscal Year End - May												
(\$ in millions, except per share data)												

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ROIC and Free Cash Flow	2008	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12	Q3-12	Q4-12	2012
NOPAT													
EBIT	\$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
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.5	\$0.2	\$0.5	(\$0.6)	\$0.9	\$0.7	\$0.9	\$0.7	(\$3.1)	(\$0.5)
NOPAT	\$10.6	(\$10.8)	\$22.5	\$8.8	\$0.4	\$0.4	\$1.2	\$10.5	\$1.3	\$0.8	\$1.1	\$3.8	\$6.7
Cash Taxes on EBIT													
Income Tax Provision	(\$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)
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.0)	\$0.0	\$0.1	\$0.0	\$0.2	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)	\$0.7	\$0.1
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.5	\$0.2	\$0.5	(\$0.6)	\$0.9	\$0.7	\$0.9	\$0.7	(\$3.1)	(\$0.5)
Invested Capital													
Total Debt	\$55.7	\$52.4	\$19.5	\$22.0	\$18.0	\$22.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Stockholders' Equity	\$141.4	\$118.7	\$129.9	\$140.2	\$151.4	\$163.5	\$224.2	\$224.2	\$220.8	\$212.3	\$212.1	\$200.2	\$200.2
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$166.3	\$170.3	\$162.5	\$158.9	\$158.9
Invested Capital	\$157.1	\$127.2	\$120.4	\$130.2	\$136.4	\$155.6	\$53.2	\$53.2	\$54.5	\$42.0	\$49.6	\$41.3	\$41.3
Return on Invested Capital													
Return on Invested Capital (Average)	6.3%	-7.6%	18.1%	26.7%	1.1%	1.2%	5.7%	12.1%	1.4%	0.7%	0.8%	2.8%	5.8%
Note: Quarterly Figures Have Been Annualized													
Free Cash Flow													
Net Income (Loss)	(\$8.5)	(\$12.2)	\$17.3	\$8.4	\$7.6	\$0.3	\$1.1	\$9.9	\$1.1	\$1.6	\$1.6	\$3.8	\$8.0
Adjustments:													
Depreciation	\$5.5	\$5.3	\$4.3	\$0.9	\$0.3	\$0.3	\$0.3	\$1.8	\$0.3	\$0.3	\$0.3	\$0.3	\$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	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$180.0	\$0.0	\$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	\$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	\$4.3	\$0.9	\$0.3	\$180.3	\$0.3	\$181.8	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2
Changes in Working Capital, Net of Currency Translation Effects and Business Acquisitions:													
Decrease (Increase) in Accounts Receivable	(\$3.8)	\$17.1	(\$6.3)	(\$3.3)	(\$9.5)	(\$2.9)	\$2.6	\$76.3	\$79.2	(\$0.2)	\$2.1	\$2.7	\$2.7
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	(\$6.9)	(\$3.5)	(\$1.5)	(\$2.9)	\$47.8	\$51.8	(\$8.8)	(\$10.3)	(\$3.8)	\$3.8
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	\$0.0	\$0.0	\$0.3	(\$62.6)	(\$57.0)	(\$122.1)	(\$143.4)	(\$136.7)	(\$51.0)	\$51.0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$0.4)	\$7.4	(\$0.9)	\$0.0	(\$43.8)	(\$45.9)	(\$4.1)	(\$3.4)	(\$5.2)	(\$5.2)
Decrease (Increase) Assets Held for Sale													
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.4	(\$0.1)	\$0.4	(\$1.3)	\$34.1	\$24.9	(\$1.9)	\$0.6	\$0.0	(\$35.2)	\$0.0
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	\$6.0	(\$10.7)	(\$5.2)	(\$6.3)	(\$28.8)	\$48.2	(\$36.9)	(\$155.9)	(\$148.3)	(\$92.5)	\$52.3
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.6	(\$1.4)	\$2.7	\$174.3	(\$27.4)	\$239.9	(\$37.5)	(\$154.0)	(\$146.4)	(\$88.4)	\$61.5
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.2)	(\$0.5)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.2)
Time Deposit Purchases									(\$78.6)	(\$4.2)			(\$82.8)
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	(\$1.5)	\$2.6	\$174.2	(\$27.6)	\$239.4	(\$116.2)	(\$158.3)	(\$146.5)	(\$88.5)	(\$21.5)
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	(\$0.08)	\$0.14	\$9.42	(\$1.50)	\$13.15	(\$6.64)	(\$9.20)	(\$8.61)	(\$5.30)	(\$1.26)
Fiscal Year End - May													
(\$ in millions, except per share data)													