

Business Description

Richardson Electronics, Ltd. is a global provider of engineered solutions, serving 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	\$13.22
52Wk High	\$15.40
52Wk Low	\$10.01
3mo. Daily Volume	101,144
Market Capitalization	\$228
Shares Outstanding	17.5 Mil.
Dividend Yield	1.50%
Book Value Per Share	\$12.62
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.26x
EV-to-EBITDA TTM	7x

Financial Data

EPS	OLD		NEW	
	FY-10	FY-11	FY-12E	FY-12E
Q1-Aug	\$0.03	\$0.07E	\$0.06A	
Q2-Nov	\$0.01	\$0.08E	\$0.07E	
Q3-Feb	\$0.01	\$0.09E	\$0.09E	
Q4-May	\$0.06	\$0.10E	\$0.10E	
FY-May	\$0.91	\$0.11	\$0.34E	\$0.32E
P/E			41.3	
Revenue	\$492	\$259	\$171	\$172
ROIC	18%	9%	4%	3%
Cash	\$29	\$240	\$200	\$180
Assets	\$235	\$314	\$285	\$260
Debt	\$20	\$0	\$0	\$0
Equity	\$130	\$224	\$230	\$225

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$13.22
DATE: October 7, 2011

Q1 EPS of \$.06 missed our estimate of \$.07 due to an FX loss of \$.7 million (\$.02).

Sales grew 10.7% YOY to \$41.5 million vs. our estimate of \$41 million. EDG grew 11.6% and Canvys grew 8%.

Gross margin of 30.6% exceeded our forecast of 30% due to higher than expected gross margin for Canvys.

Operating income of \$2 million topped our estimate of \$1.9 million.

The company acquired UK based Powerlink Specialist Electronic Support Limited in late August. The company's technical service centers service TWT's (traveling wave tubes) in the UK, ME, and Africa.

The company has repurchased 1.4 million shares to date. An additional \$31 million in stock buybacks remain authorized.

The balance sheet remains strong with \$0 debt and cash and cash equivalents of \$185 million (\$10.86/share).

The company reiterated its FY12 revenue guidance of \$170-\$175 million with operating margin of 5%.



Analysis of Q1 Results

Q1 EPS of \$.06 missed our estimate of \$.07 due to an FX loss of \$.7 million (\$.02/share). Sales grew 10.7% YOY to \$41.5 million vs. our estimate of \$41 million. EDG grew 11.6% YOY buoyed by market share gains while Canvys grew 8%. Please recall that Q1 typically experiences seasonally lower sales volumes. Blended gross margin of 30.6% exceeded our estimate of 30% due to higher than expected gross margin execution from Canvys stemming from the targeting of more profitable OEM customers. Operating income of \$2 million topped our estimate of \$1.9 million. The company's cash and cash equivalents balance stands at \$184.7 million (\$10.86/share). The \$55 million decline from the cash proceeds of \$239.7 received in the RF divestiture is accounted for as follows: \$34 million disbursement in tax payments, \$8 million of share buybacks, \$7 million of working capital, and \$6 million of miscellaneous items. DSO's improved by five days for the quarter while inventory increased by \$3 million sequentially due to strategic investments and new customer contracts for Canvys. The company's balance sheet complexion has changed due to account reclassifications stemming from estimated tax payments related to the divestiture. The company has repurchased 1.4 million shares under its buyback program and current outstanding shares are 17 million. The company acquired UK based Powerlink Specialist Electronic Support Limited in late August for undisclosed terms. The company operates technical service centers in the UK, ME, and Africa which service TWT's (Traveling Wave Tubes) utilized in a variety of applications. The company's TTM sales through May were approximately \$2 million. The acquisition is consistent with management's previously disclosed intentions to expand further into the microwave market via acquisitions. FX losses were \$.7 million and trimmed EPS by \$.02 as the company continues to manage large cash balances abroad.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q1FY12	Q1FY11	% Change	Q1FY12	% of Sales	Q1FY11	% of Sales
Electron Device Group	\$30,729	\$27,493	11.8%	\$9,671	31.5%	\$9,055	32.9%
Canvys	\$10,782	\$10,017	7.6%	\$3,031	28.1%	\$2,335	23.3%
Total	\$41,511	\$37,510	10.7%	\$12,702	30.6%	\$11,390	30.4%

Outlook

The company reiterated prior FY12 guidance of revenue of \$170-\$175 million with an operating margin of 5%. Q2 revenue is expected to be in the range of \$42-\$44 million. Gross margin improvement within Canvys should continue. FX losses could continue in the near term. The company still has \$31 million in stock buybacks authorized. If fully executed at an average price of \$13/share, the company's share count could potentially be reduced by 14%. The company reports no discernible impact from European uncertainty at this point. Canvys has historically been the more economically sensitive unit. The strong, repeatable aftermarket business of the EDG unit provides solid macro insulation. The company does not expect major growth from the Powerlink acquisition in the first year. Verticals related to this business are expected to grow at different rates e.g. slower ramp for medical vs. industrial. The company is still tweaking its service center expansion. We have lowered our prior Q2 EPS estimate by \$.01 to hedge for potential FX losses. Overall, the company remains on track with rightsizing the business and increasing its microwave penetration. It appears that the company's cash deployment formula of acquisitions, dividends, and share buybacks will remain intact for the foreseeable future.

**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	\$29.85	0.24	4.9	0.9	6.2	5.9	6.0
AVT	Avnet	\$27.94	0.19	4.6	1.0	6.4	6.7	6.4
WCC	Wesco International Inc.	\$35.90	0.40	7.0	1.2	11.2	9.7	8.1
	Median		0.24	4.9	1.0	6.4	6.7	6.4
RELL	Richardson Electronics	\$13.22	0.26	7.0	1.0	94.4	66.1	NA

Note: All figures based on trailing 12-months, except P/E-11 and PE/-12 based on consensus estimates

Prices as of 10/6/11

RELL data excludes discontinued ops

RELL has \$10.86/share in cash and cash equivalents

Disclaimers & Disclosures

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21st Century Equity Research

Income Statement (in millions)	2008	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12E	Q3-12E	Q4-12E	2012E
Sales	\$568.4	\$496.3	\$491.8	\$137.1	\$41.0	\$39.7	\$40.7	\$258.5	\$41.5	\$42.0	\$43.5	\$45.0	\$172.0
COGS	\$432.8	\$386.7	\$373.8	\$104.5	\$29.2	\$28.2	\$29.3	\$191.2	\$28.8	\$29.2	\$30.3	\$31.3	\$119.6
Gross Profit	\$135.6	\$109.6	\$118.0	\$32.6	\$11.8	\$11.6	\$11.4	\$67.4	\$12.7	\$12.8	\$13.2	\$13.7	\$52.4
Operating Expenses	\$125.4	\$117.9	\$95.7	\$23.3	\$11.2	\$10.7	\$10.8	\$56.0	\$10.7	\$10.7	\$10.8	\$11.0	\$43.2
Operating Income	\$10.2	(\$8.2)	\$22.3	\$9.3	\$0.6	\$0.9	\$0.6	\$11.4	\$2.0	\$2.1	\$2.4	\$2.7	\$9.2
Add back D&A	\$5.3	\$4.1	\$3.9	\$0.9	\$0.5	\$0.3	\$0.3	\$1.9	\$0.3	\$0.3	\$0.3	\$0.3	\$1.2
Add back stock compensation	\$0.7	\$0.7	\$0.7	\$0.1	\$0.2	\$0.1	\$0.2	\$0.6	\$0.2	\$0.1	\$0.2	\$0.2	\$0.7
EBITDA	\$16.2	(\$3.4)	\$26.9	\$10.3	\$1.3	\$1.2	\$1.1	\$13.9	\$2.5	\$2.5	\$2.9	\$3.2	\$11.1
Interest Expense, Net	\$6.9	\$4.6	\$3.9	\$0.2	\$0.1	\$0.0	(\$0.4)	(\$0.1)	(\$0.4)	(\$0.3)	(\$0.3)	(\$0.2)	(\$1.2)
Other Expense, Net	\$12.0	(\$2.4)	\$1.4	\$0.2	\$0.1	\$0.0	\$0.3	\$0.6	\$0.7	\$0.4	\$0.3	\$0.3	\$1.7
Pretax Income	(\$8.7)	(\$10.4)	\$17.1	\$8.9	\$0.4	\$0.7	\$0.7	\$10.8	\$1.7	\$2.0	\$2.4	\$2.6	\$8.7
Income Tax	(\$0.2)	\$1.8	(\$0.2)	\$0.5	\$0.3	\$0.5	(\$0.5)	\$0.9	\$0.6	\$0.7	\$0.9	\$1.0	\$3.2
Net Income	(\$8.5)	(\$12.2)	\$17.3	\$8.4	\$0.1	\$0.2	\$1.2	\$9.9	\$1.1	\$1.3	\$1.5	\$1.6	\$5.5
Shares Outstanding-Diluted	17.8	17.8	18.9	17.9	18.1	18.5	18.4	18.2	17.5	17.0	17.1	17.1	17.2
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.91	\$0.47	\$0.01	\$0.01	\$0.06	\$0.54	\$0.06	\$0.07	\$0.09	\$0.10	\$0.32
Dividend per Share	\$0.12	\$0.08	\$0.08	\$0.02	\$0.02	\$0.02	\$0.05	\$0.11	\$0.05				
% 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%	76.0%	76.2%	71.2%	70.9%	72.0%	73.9%	69.4%	69.5%	69.7%	69.6%	69.5%
Gross Profit	23.9%	22.1%	24.0%	23.8%	28.8%	29.1%	28.0%	26.1%	30.6%	30.5%	30.3%	30.4%	30.5%
Operating Expenses	22.1%	23.7%	19.5%	17.0%	27.3%	27.0%	26.5%	21.7%	25.8%	25.5%	24.8%	24.4%	25.1%
Operating Income	1.8%	-1.7%	4.5%	6.8%	1.5%	2.1%	1.5%	4.4%	4.8%	5.0%	5.5%	6.0%	5.3%
Interest Expense, Net	1.2%	0.9%	0.8%	0.1%	0.2%	0.1%	-1.0%	0.0%	-1.0%	-0.7%	-0.7%	-0.4%	-0.7%
Other Expense, Net	2.1%	-0.5%	0.3%	0.1%	0.2%	0.1%	0.7%	0.2%	1.7%	1.0%	0.7%	0.7%	1.0%
Pretax Income	-1.5%	-2.1%	3.5%	6.5%	1.0%	1.8%	1.7%	4.2%	4.1%	4.8%	5.5%	5.8%	5.1%
Income Tax Rate	2.5%	-17.0%	-1.2%	5.6%	75.0%	68.5%	-64.3%	7.9%	35.3%	37.0%	37.0%	37.0%	36.7%
Net Income	-1.5%	-2.5%	3.5%	6.1%	0.2%	0.6%	2.8%	3.8%	2.7%	3.0%	3.5%	3.6%	3.2%
Revenue by Segment													
RF, Wireless & Power Division	\$376.2	\$355.1	\$356.5	\$99.6	\$0.0	\$0.0	\$0.0	\$99.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Electron Device Group	\$103.3	\$82.2	\$86.5	\$27.5	\$28.7	\$28.0	\$29.6	\$113.8	\$30.7	\$31.0	\$32.0	\$33.0	\$126.7
Canvys	\$84.7	\$58.9	\$48.8	\$10.0	\$12.3	\$11.7	\$11.1	\$45.1	\$10.8	\$11.0	\$11.5	\$12.0	\$45.3
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	\$491.8	\$137.1	\$41.0	\$39.7	\$40.7	\$258.5	\$41.5	\$42.0	\$43.5	\$45.0	\$172.0
Revenue % by Segment													
RF, Wireless & Power Division	66.2%	71.5%	72.5%	72.6%	0.0%	0.0%	0.0%	38.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Electron Device Group	18.2%	16.6%	17.6%	20.1%	70.0%	70.5%	72.7%	44.0%	74.0%	73.8%	73.6%	73.3%	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%	9.9%	7.3%	30.0%	29.5%	27.3%	17.4%	26.0%	26.2%	26.4%	26.7%	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%	0.4%	25.3%	-100.0%	-100.0%	-100.0%	-72.1%	0.0%	0.0%	0.0%	0.0%	-100.0%
Electron Device Group	2.0%	-20.4%	5.3%	46.3%	42.8%	32.1%	12.1%	31.6%	11.6%	8.0%	14.3%	11.5%	11.3%
Canvys	3.1%	-30.4%	-17.2%	-10.7%	-5.4%	-4.1%	-10.5%	-7.6%	8.0%	-10.6%	-1.7%	8.1%	0.4%
Corporate	5.6%	-95.1%	-100.0%										
Total	2.0%	-12.7%	-0.9%	25.2%	-64.6%	-67.3%	-72.0%	-47.4%	10.7%	2.4%	9.6%	10.6%	-33.5%

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

Balance Sheet	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12E	Q3-12E	Q4-12E	2012E
Assets												
Cash	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$37.2	\$35.0	\$33.0	\$31.0	\$31.0
Accounts Receivable	\$92.4	\$98.7	\$102.0	\$22.1	\$25.0	\$22.4	\$22.4	\$22.8	\$23.1	\$23.9	\$24.7	\$24.7
Inventories	\$81.2	\$78.7	\$85.6	\$26.5	\$28.0	\$30.9	\$30.9	\$33.8	\$32.7	\$34.0	\$35.1	\$35.1
Other Current Assets	\$7.8	\$7.0	\$7.0	\$1.7	\$1.4	\$64.0	\$64.0	\$129.1	\$130.0	\$130.0	\$130.0	\$130.0
Discontinued ops-assets				\$173.2	\$187.9			\$2.1	\$1.0	\$0.0	\$0.0	\$0.0
Current Assets	\$225.3	\$213.4	\$226.6	\$256.5	\$272.2	\$288.3	\$288.3	\$225.0	\$220.8	\$220.9	\$220.8	\$220.8
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$16.2	\$5.7	\$5.5	\$5.2	\$5.2	\$5.1	\$5.5	\$5.5	\$5.5	\$5.5
Goodwill & Other Assets	\$4.1	\$4.7	\$4.1	\$1.9	\$2.1	\$20.6	\$20.6	\$33.9	\$34.0	\$34.0	\$34.0	\$34.0
Total Assets	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$314.1	\$264.0	\$260.3	\$260.4	\$260.3	\$260.3
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	\$17.6	\$18.3	\$18.9	\$18.9
Accrued Expenses	\$18.4	\$18.8	\$18.7	\$10.9	\$9.6	\$43.7	\$43.7	\$16.8	\$17.0	\$17.0	\$15.6	\$15.6
Discontinued ops-liabilities				\$61.0	\$64.2	\$13.8	\$13.8	\$7.1	\$2.0	\$1.0	\$0.0	\$0.0
Current Liabilities	\$71.4	\$99.9	\$101.9	\$108.6	\$113.6	\$75.3	\$75.3	\$39.2	\$36.6	\$36.3	\$34.5	\$34.5
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	\$1.5	\$0.4	\$0.4	\$0.4
Discontinued ops-non-current liabilities				\$3.3	\$1.7	\$1.6	\$1.6	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0
Total Liabilities	\$130.1	\$104.9	\$106.7	\$112.7	\$116.3	\$89.9	\$89.9	\$43.2	\$38.1	\$36.7	\$34.9	\$34.9
Shareholder Equity	\$118.7	\$129.9	\$140.2	\$151.4	\$163.5	\$224.2	\$224.2	\$220.8	\$222.2	\$223.7	\$225.4	\$225.4
Total Liabilities and Equity	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$314.1	\$264.0	\$260.3	\$260.4	\$260.3	\$260.3
Book Value Per Share	\$6.67	\$6.87	\$7.83	\$8.36	\$8.84	\$12.18	\$12.30	\$12.62	\$13.07	\$13.08	\$13.18	\$13.12
Asset Utilization and Efficiency												
Accounts Receivable Turnover	4.9	5.1	5.8	2.8	2.7	2.7	4.3	2.7	7.4	7.1	7.6	7.3
Days' Sales in Receivables Outstanding	67.9	73.3	67.9	49.2	57.5	50.2	31.6	50.1	50.0	50.0	50.0	52.5
Inventory Turnover	4.4	3.8	4.9	2.3	2.1	2.1	2.9	1.9	3.9	3.9	3.8	2.1
Days' Sales in Inventory Outstanding	76.6	76.8	74.7	82.8	90.8	96.2	59.0	107.1	102.0	102.0	102.0	107.1
Accounts Payable Turnover	7.3	5.8	7.8	3.7	2.9	3.0	5.0	3.0	6.4	6.7	6.8	3.3
Days' Purchases in Payables Outstanding	50.0	60.1	53.4	58.4	57.7	55.4	34.0	48.5	55.0	55.0	55.0	57.7
Cash Conversion Cycle (Days)	94.6	89.9	89.2	73.6	90.5	91.0	56.6	108.7	97.0	97.0	97.0	101.8
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)												

ROIC and Free Cash Flow	2008	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12	Q2-12E	Q3-12E	Q4-12E	2012E
NOPAT													
EBIT	\$10.2	(\$8.2)	\$22.3	\$9.3	\$0.6	\$0.9	\$0.6	\$11.4	\$2.0	\$2.1	\$2.4	\$2.7	\$9.2
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.5	\$0.2	\$0.5	(\$0.7)	\$0.9	\$0.7	\$0.9	\$1.0	\$1.0	\$3.2
NOPAT	\$10.6	(\$10.8)	\$22.5	\$8.8	\$0.4	\$0.4	\$1.3	\$10.5	\$1.3	\$1.2	\$1.4	\$1.7	\$6.0
Cash Taxes on EBIT													
Income Tax Provision	(\$0.2)	\$1.8	(\$0.2)	\$0.5	\$0.3	\$0.5	(\$0.5)	\$0.9	\$0.6	\$0.7	\$0.9	\$1.0	\$3.2
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.0)	\$0.0	\$0.1	\$0.0	\$0.3	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	\$0.0
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.5	\$0.2	\$0.5	(\$0.7)	\$0.9	\$0.7	\$0.9	\$1.0	\$1.0	\$3.2
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	\$222.2	\$223.7	\$225.4	\$225.4
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$151.2	\$35.0	\$33.0	\$31.0	\$31.0
Invested Capital	\$157.1	\$127.2	\$120.4	\$130.2	\$136.4	\$155.6	\$53.2	\$53.2	\$69.6	\$187.2	\$190.7	\$194.4	\$194.4
Return on Invested Capital													
Return on Invested Capital (Average)	6.3%	-7.6%	18.1%	26.7%	1.1%	1.1%	6.0%	9.3%	1.0%	0.6%	0.7%	0.8%	3.1%
Note: Quarterly Figures Have Been Annualized Q2 and Q3 exclude discontinued ops income													
Free Cash Flow													
Net Income (Loss)	(\$8.5)	(\$12.2)	\$17.3	\$8.4	\$7.6	\$0.2	\$1.2	\$9.9	\$1.1	\$1.3	\$1.5	\$1.6	\$5.5
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 (Gain/Loss)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$64.9	\$64.9	\$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	\$0.3	\$65.2	\$66.7	\$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	(\$0.4)	(\$0.3)	(\$0.8)	(\$0.8)	(\$2.3)
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	(\$6.9)	(\$3.5)	(\$1.5)	(\$2.9)	\$47.8	(\$2.9)	\$1.1	(\$1.2)	(\$1.1)	(\$4.2)
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	\$0.0	\$0.3	(\$62.6)	(\$57.0)	(\$2.1)	\$1.1	\$1.0	\$1.0	\$0.0	\$0.0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$0.4)	\$7.4	(\$0.9)	\$0.0	(\$43.8)	\$2.5	(\$2.3)	(\$0.7)	(\$0.6)	\$1.1
Decrease (Increase) Assets Held for sale	\$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
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.4	(\$0.1)	\$0.4	(\$1.3)	\$34.1	\$24.9	(\$35.0)	(\$0.2)	\$0.0	\$1.4	(\$28.1)
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	\$6.0	(\$10.7)	(\$5.2)	(\$6.3)	(\$28.8)	\$48.2	(\$37.9)	(\$0.7)	(\$1.7)	(\$1.1)	(\$33.5)
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.6	(\$1.4)	\$2.7	(\$5.8)	\$37.6	\$124.8	(\$36.5)	\$0.9	\$0.1	\$0.8	(\$26.8)
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.4)	(\$0.1)	\$0.0	(\$0.2)	(\$0.7)	(\$0.1)	(\$0.6)	(\$0.6)	(\$0.6)	(\$1.9)
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	(\$1.8)	\$2.6	(\$5.8)	\$37.4	\$124.1	(\$36.6)	\$0.3	(\$0.5)	\$0.2	(\$28.7)
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	(\$0.10)	\$0.14	(\$0.31)	\$2.03	\$6.81	(\$2.09)	\$0.02	(\$0.03)	\$0.01	(\$1.67)
Fiscal Year End - May													
(\$ in millions, except per share data)													