

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	\$14.82
52Wk High	\$15.36
52Wk Low	\$8.30
3mo. Daily Volume	83,000
Market Capitalization	\$270
Shares Outstanding	18.2 Mil.
Dividend Yield	1.50%
Book Value Per Share	\$12.30
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.12x
EV-to-EBITDA TTM	2.2x

Financial Data

	OLD	NEW	OLD	NEW
EPS	FY-11E	FY-11A	FY-12E	FY-12E
Q1-Aug	NA	\$0.03A		
Q2-Nov	\$0.01A	\$0.01A		
Q3-Feb	\$0.01A	\$0.01A		
Q4-May	\$0.03E	\$0.06A		
FY-May	NA	\$0.11	\$0.30E	\$0.34E
P/E				43.6
Revenue	\$258	\$259	\$177	\$171
ROIC	11%	9%	6%	4%
Cash	\$230	\$240	\$220	\$200
Assets	\$291	\$314	\$282	\$285
Debt	\$20	\$0	\$20	\$0
Equity	\$220	\$224	\$225	\$230

Note: Figures in \$millions except per share data

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NASDAQ: RELL
PRICE: \$14.82
DATE: July 22, 2011

Q4 EPS of \$.06 exceeded our estimate of \$.03 due to income tax benefit.

Q4 Sales grew 4.9% YOY to \$40.7 million vs. our estimate of \$40 million. EDG grew 12% YOY while Canvys declined 10.3%.

Gross margin declined YOY from 28.2% to 27.9% due to a one-time inventory reserve provision of \$1 million. Exclusive of adjustment Q4 gross margin was 30.5%.

Operating expenses of \$10.8 million exceeded our estimate of \$10.2 due to a one-time distribution agreement related charge of \$1 million.

Exclusive of aforementioned charges operating income would have been \$2.6 million, or 6.4% of sales.

Ending cash and cash equivalents for the quarter were \$240 million or \$13.19/share due to receipt of proceeds from RFPD divestiture.

The company has authorized \$34 million in potential stock buybacks and continues to evaluate acquisition opportunities.

The stock trades at a discount to peers based on FY12E EV/Sales and EV/EBITDA metrics.



Q4 Results Better Than Expected

Q4 EPS of \$.06 exceeded our estimate of \$.03 due to an income tax benefit of \$.5 million. Sales in Q4 grew 4.9% YOY to \$40.7 million vs. our estimate of \$40 million. The EDG division grew 12% while Canvys declined 10.3%. EDG sales are benefiting from expanded distribution and solid demand. Blended gross margin in Q4 of 27.9% declined YOY from 28.2% primarily due to a one-time inventory reserve provision of \$1 million. Exclusive of this item gross margin would have been 30.5%. Operating expenses in Q4 of \$10.8 million exceeded our estimate of \$10.2 due to a one-time charge of \$1 million related to the new distribution agreement. Exclusive of the two aforementioned one-time charges, operating income would have been \$2.6 million, translating to a pro form operating margin of 6.4%. To date, the company has repurchased 1.2 million shares. The present share count is 17.2 million. Possible future share repurchases totaling \$34 million have been authorized. The company received funds of \$239.7 million related to the RFPD divestiture. The company expects to pay in excess of \$30 million in capital gain taxes over the next ten months. An additional \$5 million in taxes related to past earnings will also be disbursed over this time period. The company continues to evaluate bolt-on acquisition opportunities. At this stage the company does not foresee any one transaction exceeding \$25 million. The company reports that European markets remain stable but cautious. The working capital rhythm of the business is not expected to deviate from historical patterns despite the RFPD divestiture. The stock trades at a discount to its peers based on forward looking EV/Sales and EV/EBITDA metrics.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q4FY11	Q4FY10	% Change	Q4FY11	% of Sales	Q4FY10	% of Sales
Electron Device Group	\$29,565	\$26,395	12.0%	\$8,610	29.1%	\$8,027	30.4%
Canvys	\$11,159	\$12,439	-10.3%	\$2,760	24.7%	\$2,914	23.4%
Total	\$40,724	\$38,834	4.9%	\$11,370	27.9%	\$10,941	28.2%

Outlook

The company is guiding for Q1-12 revenue of \$41-\$43 million and FY12 revenue of \$170-\$175 million. EDG topline growth is conservatively forecasted at 11-12% while Canvys growth should be in the single digit range. Blended gross margin should exceed 30% going forward as the new distribution agreement concessions are now complete. The company is targeting an SG&A run rate of \$10.3-\$10.4 million per quarter and remains focused on achieving a conservative operating margin of 5% for FY12. Investments in the range of \$2-\$3 million are expected for FY12 related to the opening of 6-8 technical service centers for its microwave business expansion. Capital expenditures and D&A are each forecast at \$1 million for FY12. The projected GAAP income tax rate for FY12 is 37%. The company believes it can increase sales to \$300-\$400 within 4-5 years via a prudent growth and acquisition strategy.

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	\$37.36	0.29	6.1	1.2	9.2	6.9	6.5
AVT	Avnet	\$29.84	0.23	5.5	1.2	8.0	6.6	NA
WCC	Wesco International Inc.	\$55.40	0.55	10.4	1.9	19.9	15.2	12.4
	Median		0.29	6.1	1.2	9.2	6.9	9.4
RELL	Richardson Electronics	\$14.82	0.12	2.2	1.2	27.4	67.4	NA

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

Prices as of 7/21/11

RELL data excludes discontinued ops

RELL net cash is \$13.17/share

Income Statement (in millions)	2008	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12E	Q2-12E	Q3-12E	Q4-12E	2012E
Sales	\$568.4	\$496.3	\$491.8	\$137.1	\$41.0	\$39.7	\$40.7	\$258.5	\$41.0	\$42.0	\$43.5	\$45.0	\$171.5
COGS	\$432.8	\$386.7	\$373.8	\$104.5	\$29.2	\$28.2	\$29.3	\$191.2	\$28.7	\$29.4	\$30.4	\$31.4	\$119.9
Gross Profit	\$135.6	\$109.6	\$118.0	\$32.6	\$11.8	\$11.6	\$11.4	\$67.4	\$12.3	\$12.6	\$13.1	\$13.6	\$51.6
Operating Expenses	\$125.4	\$117.9	\$95.7	\$23.3	\$11.2	\$10.7	\$10.8	\$56.0	\$10.4	\$10.5	\$10.8	\$11.0	\$42.7
Operating Income	\$10.2	(\$8.2)	\$22.3	\$9.3	\$0.6	\$0.9	\$0.6	\$11.4	\$1.9	\$2.1	\$2.3	\$2.6	\$8.9
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	\$0.1	\$0.1	\$0.2	\$0.2	\$0.6
EBITDA	\$16.2	(\$3.4)	\$26.9	\$10.3	\$1.3	\$1.2	\$1.1	\$13.9	\$2.3	\$2.5	\$2.8	\$3.1	\$10.7
Interest Expense, Net	\$6.9	\$4.6	\$3.9	\$0.2	\$0.1	\$0.0	(\$0.4)	(\$0.1)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.2)	(\$1.1)
Other Expense, Net	\$12.0	(\$2.4)	\$1.4	\$0.2	\$0.1	\$0.0	\$0.3	\$0.6	\$0.1	\$0.1	\$0.1	\$0.1	\$0.4
Pretax Income	(\$8.7)	(\$10.4)	\$17.1	\$8.9	\$0.4	\$0.7	\$0.7	\$10.8	\$2.1	\$2.3	\$2.5	\$2.7	\$9.6
Income Tax	(\$0.2)	\$1.8	(\$0.2)	\$0.5	\$0.3	\$0.5	(\$0.5)	\$0.9	\$0.8	\$0.9	\$0.9	\$1.0	\$3.6
Net Income	(\$8.5)	(\$12.2)	\$17.3	\$8.4	\$0.1	\$0.2	\$1.2	\$9.9	\$1.3	\$1.4	\$1.6	\$1.7	\$6.0
Shares Outstanding-Diluted	17.8	17.8	18.9	17.9	18.1	18.5	18.4	18.2	18.0	17.6	17.6	17.6	17.7
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.91	\$0.47	\$0.01	\$0.01	\$0.06	\$0.54	\$0.07	\$0.08	\$0.09	\$0.10	\$0.34
Dividend per Share	\$0.12	\$0.08	\$0.08	\$0.02	\$0.02	\$0.02	\$0.05	\$0.11					
% 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%	70.0%	70.0%	69.9%	69.8%	69.9%
Gross Profit	23.9%	22.1%	24.0%	23.8%	28.8%	29.1%	28.0%	26.1%	30.0%	30.0%	30.1%	30.2%	30.1%
Operating Expenses	22.1%	23.7%	19.5%	17.0%	27.3%	27.0%	26.5%	21.7%	25.4%	25.0%	24.8%	24.4%	24.9%
Operating Income	1.8%	-1.7%	4.5%	6.8%	1.5%	2.1%	1.5%	4.4%	4.6%	5.0%	5.3%	5.8%	5.2%
Interest Expense, Net	1.2%	0.9%	0.8%	0.1%	0.2%	0.1%	-1.0%	0.0%	-0.7%	-0.7%	-0.7%	-0.4%	-0.6%
Other Expense, Net	2.1%	-0.5%	0.3%	0.1%	0.2%	0.1%	0.7%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Pretax Income	-1.5%	-2.1%	3.5%	6.5%	1.0%	1.8%	1.7%	4.2%	5.1%	5.5%	5.7%	6.0%	5.6%
Income Tax Rate	2.5%	-17.0%	-1.2%	5.6%	75.0%	68.5%	-64.3%	7.9%	37.0%	37.0%	37.0%	37.0%	37.0%
Net Income	-1.5%	-2.5%	3.5%	6.1%	0.2%	0.6%	2.8%	3.8%	3.2%	3.5%	3.6%	3.8%	3.5%
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	\$30.0	\$31.0	\$32.0	\$33.0	\$126.0
Canvys	\$84.7	\$58.9	\$48.8	\$10.0	\$12.3	\$11.7	\$11.1	\$45.1	\$11.0	\$11.0	\$11.5	\$12.0	\$45.5
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	\$41.0	\$42.0	\$43.5	\$45.0	\$171.5
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%	73.2%	73.8%	73.6%	73.3%	73.5%
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%	26.8%	26.2%	26.4%	26.7%	26.5%
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%	-100.0%	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%	9.1%	8.0%	14.3%	11.5%	10.7%
Canvys	3.1%	-30.4%	-17.2%	-10.7%	-5.4%	-4.1%	-10.5%	-7.6%	10.0%	-10.6%	-1.7%	8.1%	0.9%
Corporate	5.6%	-95.1%	-100.0%										
Total	2.0%	-12.7%	-0.9%	25.2%	-64.6%	-67.3%	-72.0%	-47.4%	-70.1%	2.4%	9.6%	10.6%	-33.7%

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

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21st Century Equity Research

Balance Sheet	2009	2010	Q1-11	Q2-11	Q3-11	Q4-11	2011	Q1-12E	Q2-12E	Q3-12E	Q4-12E	2012E
Assets												
Cash	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$164.0	\$168.0	\$168.6	\$134.0	\$134.0
Accounts Receivable	\$92.4	\$98.7	\$102.0	\$22.1	\$25.0	\$22.4	\$22.4	\$24.8	\$25.4	\$26.3	\$27.2	\$27.2
Inventories	\$81.2	\$78.7	\$85.6	\$26.5	\$28.0	\$30.9	\$30.9	\$30.0	\$30.7	\$31.7	\$32.8	\$32.8
Other Current Assets	\$7.8	\$7.0	\$7.0	\$1.7	\$1.4	\$64.0	\$64.0	\$69.3	\$65.3	\$65.0	\$65.0	\$65.0
Discontinued ops-assets				\$173.2	\$187.9							
Current Assets	\$225.3	\$213.4	\$226.6	\$256.5	\$272.2	\$288.3	\$288.3	\$288.0	\$289.4	\$291.6	\$259.0	\$259.0
Net Property, Plant, and Equipment	\$19.4	\$16.7	\$16.2	\$5.7	\$5.5	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2	\$5.2
Goodwill & Other Assets	\$4.1	\$4.7	\$4.1	\$1.9	\$2.1	\$20.6	\$20.6	\$21.0	\$21.0	\$21.0	\$21.0	\$21.0
Total Assets	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$314.1	\$314.2	\$315.6	\$317.8	\$285.2	\$285.2
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	\$17.3	\$17.8	\$18.4	\$19.0	\$19.0
Accrued Expenses	\$18.4	\$18.8	\$18.7	\$10.9	\$9.6	\$43.7	\$43.7	\$44.0	\$44.0	\$44.0	\$10.0	\$10.0
Discontinued ops-liabilities				\$61.0	\$64.2	\$13.8	\$13.8	\$13.0	\$13.0	\$13.0	\$13.0	\$13.0
Current Liabilities	\$71.4	\$99.9	\$101.9	\$108.6	\$113.6	\$75.3	\$75.3	\$74.3	\$74.8	\$75.4	\$42.0	\$42.0
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	\$13.0	\$13.0	\$13.0	\$13.0	\$13.0
Discontinued ops-non-current liabilities				\$3.3	\$1.7	\$1.6	\$1.6	\$1.5	\$1.0	\$1.0	\$0.0	\$0.0
Total Liabilities	\$130.1	\$104.9	\$106.7	\$112.7	\$116.3	\$89.9	\$89.9	\$88.8	\$88.8	\$89.4	\$55.0	\$55.0
Shareholder Equity	\$118.7	\$129.9	\$140.2	\$151.4	\$163.5	\$224.2	\$224.2	\$225.3	\$226.9	\$228.4	\$230.2	\$230.2
Total Liabilities and Equity	\$248.8	\$234.8	\$246.9	\$264.1	\$279.8	\$314.1	\$314.1	\$314.2	\$315.6	\$317.8	\$285.2	\$285.2
Book Value Per Share	\$6.67	\$6.87	\$7.83	\$8.36	\$8.84	\$12.18	\$12.30	\$12.52	\$12.89	\$12.98	\$13.08	\$13.01
Asset Utilization and Efficiency												
Accounts Receivable Turnover	4.9	5.1	5.8	2.8	2.7	2.7	4.3	2.6	7.1	6.8	7.3	6.9
Days' Sales in Receivables Outstanding	67.9	73.3	67.9	49.2	57.5	50.2	31.6	55.0	55.0	55.0	55.0	57.9
Inventory Turnover	4.4	3.8	4.9	2.3	2.1	2.1	2.9	2.0	4.1	4.1	3.9	2.2
Days' Sales in Inventory Outstanding	76.6	76.8	74.7	82.8	90.8	96.2	59.0	95.0	95.0	95.0	95.0	99.8
Accounts Payable Turnover	7.3	5.8	7.8	3.7	2.9	3.0	5.0	2.9	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	55.0	55.0	55.0	55.0	57.8
Cash Conversion Cycle (Days)	94.6	89.9	89.2	73.6	90.5	91.0	56.6	95.0	95.0	95.0	95.0	99.9
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	Q1-12E	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	\$1.9	\$2.1	\$2.3	\$2.6	\$8.9
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.2)	\$0.5	\$0.2	\$0.5	(\$0.7)	\$0.9	\$0.9	\$1.0	\$1.0	\$1.1	\$3.6
NOPAT	\$10.6	(\$10.8)	\$22.5	\$8.8	\$0.4	\$0.4	\$1.3	\$10.5	\$1.0	\$1.1	\$1.3	\$1.5	\$5.3
Cash Taxes on EBIT													
Income Tax Provision	(\$0.2)	\$1.8	(\$0.2)	\$0.5	\$0.3	\$0.5	(\$0.5)	\$0.9	\$0.8	\$0.9	\$0.9	\$1.0	\$3.6
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	\$0.9	\$1.0	\$1.0	\$1.1	\$3.6
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	\$225.3	\$226.9	\$228.4	\$230.2	\$230.2
Total Cash & Short-term Investments	\$40.0	\$43.9	\$29.0	\$32.0	\$33.0	\$29.9	\$171.0	\$171.0	\$164.0	\$168.0	\$168.6	\$134.0	\$134.0
Invested Capital	\$157.1	\$127.2	\$120.4	\$130.2	\$136.4	\$155.6	\$53.2	\$53.2	\$61.3	\$58.9	\$59.8	\$96.2	\$96.2
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%	0.8%	0.9%	0.9%	0.9%	3.8%
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	\$1.3	\$1.4	\$1.6	\$1.7	\$6.0
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 (Gain/Loss)							\$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	\$77.2	(\$3.3)	(\$1.3)	(\$4.8)	(\$4.8)
Decrease (Increase) in Inventories	\$16.3	\$12.7	\$2.5	(\$6.9)	(\$3.5)	(\$1.5)	(\$2.9)	\$47.8	\$55.6	(\$4.2)	(\$3.7)	(\$1.9)	\$1.9
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	\$0.8	\$0.0	\$0.0	\$0.3	(\$62.6)	(\$57.0)	(\$62.3)	(\$63.6)	(\$63.6)	(\$1.0)	\$1.0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	\$8.6	(\$0.4)	\$7.4	(\$0.9)	\$0.0	(\$43.8)	(\$43.9)	(\$0.9)	\$0.6	\$1.2	\$1.2
Decrease (Increase) Assets Held for sale							\$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	(\$34.7)	\$73.1	\$66.4	(\$33.7)	(\$33.7)
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	\$6.0	(\$10.7)	(\$5.2)	(\$6.3)	(\$28.8)	\$48.2	(\$8.0)	\$1.1	(\$1.7)	(\$40.2)	(\$34.4)
Net Cash Flow from Operations	\$1.7	\$12.2	\$27.6	(\$1.4)	\$2.7	(\$5.8)	\$37.6	\$124.8	(\$6.4)	\$2.8	\$0.2	(\$38.2)	(\$27.2)
Capital Expenditures	(\$4.5)	(\$1.6)	(\$1.4)	(\$0.4)	(\$0.1)	\$0.0	(\$0.2)	(\$0.7)	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.6)	(\$2.4)
Free Cash Flow	(\$2.8)	\$10.6	\$26.2	(\$1.8)	\$2.6	(\$5.8)	\$37.4	\$124.1	(\$7.0)	\$2.2	(\$0.4)	(\$38.8)	(\$29.6)
Free Cash Flow per Share	(\$0.16)	\$0.59	\$1.38	(\$0.10)	\$0.14	(\$0.31)	\$2.03	\$6.81	(\$0.39)	\$0.13	(\$0.02)	(\$2.20)	(\$1.67)
Fiscal Year End - May (\$ in millions, except per share data)													