

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.



NASDAQ: RELL
PRICE: \$10.19
October 8, 2010

Stock Data

Price	\$10.19
52Wk High	\$12.93
52Wk Low	\$5.20
3mo. Daily Volume	97,000
Market Capitalization	\$180 Mil.
Shares Outstanding	18 Mil.
Dividend Yield	0.80%
Book Value Per Share	\$7.83
Net Debt-to-Equity	0%
EV-to-Sales TTM	0.3x
EV-to-EBITDA TTM	5x

Financial Data

	OLD		NEW	
EPS	FY-09	FY-10	FY-11E	FY-11E
Q1-Aug	\$0.20	\$0.11	\$.20E	\$.47A
Q2-Nov	\$0.31	\$0.24	\$.25E	\$.02E
Q3-Feb	(\$0.65)	\$0.25	\$.30E	\$.05E
Q4-May	(\$0.59)	\$.36	\$.40E	\$.06E
FY-May	(\$0.69)	\$0.91	\$1.15	\$.60E
P/E				17.0
Revenue	\$496	\$492	\$515	\$253
% Chg	-13%	-1%	5%	-49%
ROIC	5%	18%	16%	12%
Cash	\$30	\$29	\$60	\$225
Assets	\$256	\$235	\$258	\$289
Debt	\$56	\$20	\$20	\$20
Equity	\$123	\$130	\$151	\$242

Note: Figures in \$millions except per share data

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Q1 EPS of \$.47 beat our estimate of \$.20 due to greater than expected sales and operating leverage. Operating margin of 6.4% was the highest in company history.

Q1 sales grew 25.2% YOY to \$137.1 million and exceeded our forecast of \$121.4 million. The company had previously guided for Q1 revenue of \$120-\$125 million.

Operating cash flow of \$.4 million was atypically low due to increased working capital requirements for funding recent sales growth.

The company recently divested its RFPD division for \$210 million to Arrow Electronics. This equates to .6x TTM sales for the division. The deal is expected to close by January 2011. Proceeds may be deployed for bolt-on acquisitions, share repurchases, or special dividends.

The company is targeting a return to an operating margin of 5% for the remaining businesses by the end of FY11 as right-sizing unfolds.

Undervalued-The stock trades below the anticipated cash per share of \$12.20 following the completion of the acquisition.



Q1 Results Better Than Expected

Q1 EPS of \$.47 exceeded our estimate of \$.20 due to higher than expected sales and operating leverage. Sales grew 25.2% YOY to \$137.1 and exceeded our forecast of \$121.4 million. The company had previously guided for Q1 sales of \$120-\$125 million. The company's operating expenses increased nominally at 2% over the prior year resulting in a record operating margin of 6.4% for the quarter. By division, RFPD and EDG grew 25.4% and 46.3% respectively YOY while the Canvys division declined 10.7% due to ongoing macro headwinds. Gross margin declined 40 basis points YOY principally due to more sales of lower priced RFPD products to the Asia market. The company's new distribution agreement for EDG is negatively impacting gross margin on a temporary basis while pricing pressure due to the macro economy reduced Canvys' gross margin. Operating cash flow of \$.4 million was atypically low as greater working capital was required to support higher sales growth. The company's net cash position is \$10 million. As expected interest expense declined substantially due to recent debt retirement. The company recently divested its RFPD division to Arrow Electronics for \$210 million on TTM sales of \$356.6 million, arguably a substantial premium for a distribution business. The company had become increasingly concerned about the growing commoditization and margin pressure for this business. More detailed discussion regarding the use of the proceeds will likely emerge following the board meeting in January of 2011. Currently the company is maintaining that possible cash deployment options include bolt-on acquisitions, stock repurchases, and dividends. The company's long acquisition history reflects a trend of bolt-on acquisitions. "Out of the box" and stand-alone public company acquisitions appear unlikely. The company specifically mentioned the alternative energy market as a possible area of focus citing its experience in the power inverter industry.

Business Unit	Net Sales (in thousands)			Gross Profit (in thousands)			
	Q1FY11	Q1FY10	% Change	Q1FY11	% of Sales	Q1FY10	% of Sales
RF, Wireless & Power Division	\$99,634	\$79,478	25.4%	\$21,201	21.3%	\$17,402	21.9%
Electron Device Group	\$27,493	\$18,796	46.3%	\$9,055	32.9%	\$6,267	33.3%
Canvys	\$10,017	\$11,218	-10.7%	\$2,335	23.3%	\$2,800	25.0%
Corporate							
Total	\$137,144	\$109,492	25.3%	\$32,591	23.8%	\$26,469	24.2%

Outlook

The RFPD business will be classified as discontinued operations going forward. The remaining two business segments are expected to generate approximately \$150 million in sales over the next twelve months. Revenue of \$35-\$40 million is expected for Q2. Near-term growth in the EDG business appears sustainable as bookings have grown to record levels in October. Approximately 65% of sales for this unit are international. Canvys sales are expected to increase \$1-\$2 million on a sequential basis. Gross margin for the EDG segment is expected to eventually increase to 35%+ as new distribution agreements become more solidified. The company will record a tax valuation allowance in Q3 which will flow through discontinued operations. The company expects to be fully taxed in FY12. The exact timetable for rightsizing the business remains unclear but the company is targeting a return to an operating margin of 5% by the end of FY11. The current management team has demonstrated an ability to successfully take costs out of the business. We have excluded potential restructuring charges, transaction costs, and the capital gain related to the divestiture in our income statement estimates. We have assumed a near equal split between net assets and goodwill related to the \$210 acquisition price as revenue proportions suggest about \$100 million in net assets. Assuming the operating margin will gravitate towards 5% after rightsizing, the new annual EBITDA run rate would be approximately \$8-\$10 million. The successful completion of the acquisition would yield a net cash position of \$220 million, or \$12.20/share, suggesting the stock is undervalued at its current price. Additionally, our pro forma book value estimate post acquisition is \$13.50/share.

**Peer Group Comparison
(in thousands)**

Ticker	Name	Price	EV / Sales	EV / EBITDA	P/BV	P/E- CY10E	P/E- CY11E
ARW	Arrow Electronics	\$26.93	0.23	6.1	1.1	7.0	7.0
AVT	Avnet	\$27.39	0.23	6.1	1.4	7.7	NA
WCC	Wesco International Inc.	\$39.27	0.47	11.0	1.6	16.8	12.9
NUHC*	NuHorizons Electronics	\$6.94	0.23	14.2	0.9	63.1	NA
	Median		0.23	8.6	1.2	12.2	10.0
RELL	Richardson Electronics	\$10.19	0.33	5.2	1.3	9.3	NA

Note: All figures based on trailing 12-months, except P/E-10 and PE/-11 based on consensus estimates

Prices as of 10/7/10

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

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21st Century Equity Research

Income Statement (in millions)	2008	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11E	Q3-11E	Q4-11E	2011E
Sales	\$568.4	\$496.3	\$109.5	\$115.9	\$121.3	\$145.1	\$491.8	\$137.1	\$38.0	\$38.0	\$39.5	\$252.6
COGS	\$432.8	\$386.7	\$83.0	\$86.9	\$91.9	\$112.0	\$373.8	\$104.5	\$26.5	\$26.4	\$27.3	\$184.8
Gross Profit	\$135.6	\$109.6	\$26.5	\$29.0	\$29.4	\$33.1	\$118.0	\$32.6	\$11.5	\$11.6	\$12.2	\$67.8
Operating Expenses	\$125.4	\$117.9	\$22.9	\$23.6	\$23.7	\$25.5	\$95.7	\$23.3	\$10.6	\$10.0	\$10.2	\$54.1
Operating Income	\$10.2	(\$8.2)	\$3.6	\$5.4	\$5.7	\$7.6	\$22.3	\$9.3	\$0.9	\$1.6	\$2.0	\$13.7
Add back D&A	\$5.3	\$4.1	\$1.0	\$1.1	\$0.9	\$0.9	\$3.9	\$0.9	\$0.3	\$0.3	\$0.3	\$1.8
Add back stock compensation	\$0.7	\$0.7	\$0.1	\$0.2	\$0.2	\$0.2	\$0.7	\$0.1	\$0.2	\$0.2	\$0.2	\$0.7
EBITDA	\$16.2	(\$3.4)	\$4.7	\$6.7	\$6.8	\$8.7	\$26.9	\$10.3	\$1.4	\$2.1	\$2.5	\$16.2
Interest Expense, Net	\$6.9	\$4.6	\$1.2	\$1.0	\$1.0	\$0.7	\$3.9	\$0.2	\$0.1	\$0.1	\$0.1	\$0.5
Other Expense, Net	\$12.0	(\$2.4)	\$0.8	\$0.7	(\$0.1)	\$0.0	\$1.4	\$0.2	\$0.2	\$0.1	\$0.1	\$0.6
Pretax Income	(\$8.7)	(\$10.4)	\$1.6	\$3.7	\$4.8	\$7.0	\$17.1	\$8.9	\$0.6	\$1.4	\$1.8	\$12.6
Income Tax	(\$0.2)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.6	\$0.6	\$1.9
Net Income	(\$8.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$6.6	\$17.3	\$8.4	\$0.4	\$0.8	\$1.2	\$10.8
Shares Outstanding-Diluted	17.8	17.8	17.9	18.0	18.0	19.0	18.9	17.9	18.0	18.0	18.0	18.0
EPS - Diluted (Continuing Ops)	(\$0.48)	(\$0.69)	\$0.11	\$0.24	\$0.25	\$0.35	\$0.91	\$0.47	\$0.02	\$0.05	\$0.06	\$0.60
Dividend per Share	\$0.12	\$0.08	\$0.02	\$0.02	\$0.02	\$0.02	\$0.08	\$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%
COGS	76.1%	77.9%	75.8%	75.0%	75.8%	77.2%	76.0%	76.2%	69.8%	69.5%	69.2%	73.2%
Gross Profit	23.9%	22.1%	24.2%	25.0%	24.2%	22.8%	24.0%	23.8%	30.2%	30.5%	30.8%	26.8%
Operating Expenses	22.1%	23.7%	20.9%	20.4%	19.5%	17.6%	19.5%	17.0%	27.9%	26.3%	25.8%	21.4%
Operating Income	1.8%	-1.7%	3.3%	4.7%	4.7%	5.2%	4.5%	6.8%	2.3%	4.1%	5.0%	5.4%
Interest Expense, Net	1.2%	0.9%	1.1%	0.9%	0.8%	0.4%	0.8%	0.1%	0.3%	0.3%	0.3%	0.2%
Other Expense, Net	2.1%	-0.5%	0.7%	0.6%	-0.1%	0.0%	0.3%	0.1%	0.5%	0.3%	0.3%	0.2%
Pretax Income	-1.5%	-2.1%	1.5%	3.2%	4.0%	4.8%	3.5%	6.5%	1.5%	3.6%	4.5%	5.0%
Income Tax Rate	2.5%	-17.0%	-18.8%	-16.2%	6.3%	5.8%	-1.2%	5.6%	34.9%	40.0%	34.0%	14.7%
Net Income	-1.5%	-2.5%	1.7%	3.7%	3.7%	4.5%	3.5%	6.1%	1.0%	2.2%	2.9%	4.3%
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	\$27.0	\$27.0	\$28.0	\$109.5
Canvys	\$84.7	\$58.9	\$11.2	\$13.0	\$12.2	\$12.4	\$48.8	\$10.0	\$11.0	\$11.0	\$11.5	\$43.5
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
Total	\$568.4	\$496.3	\$109.5	\$115.9	\$121.3	\$145.1	\$491.8	\$137.1	\$38.0	\$38.0	\$39.5	\$252.6
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%	39.4%
Electron Device Group	18.2%	16.6%	17.2%	17.3%	17.5%	18.2%	17.6%	20.1%	71.1%	71.1%	70.9%	43.3%
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%
Canvys	14.9%	11.9%	10.2%	11.2%	10.1%	8.5%	9.9%	7.3%	28.9%	28.9%	29.1%	17.2%
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%
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%
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%	34.3%	27.4%	6.1%	26.6%
Canvys	3.1%	-30.4%	-34.6%	-22.6%	4.3%	-6.8%	-17.2%	-10.7%	-15.4%	-9.8%	-7.3%	-10.9%
Corporate	5.6%	-95.1%	-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%	-67.2%	-68.7%	-72.8%	-48.6%

Fiscal Year End - May

(\$ in millions, except per share data)

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Balance Sheet	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11E	Q3-11E	Q4-11E	2011E
Assets											
Cash	\$43.9	\$41.8	\$49.9	\$51.5	\$29.0	\$29.0	\$32.0	\$13.7	\$225.2	\$226.6	\$224.7
Accounts Receivable	\$92.4	\$87.6	\$94.1	\$93.1	\$98.7	\$98.7	\$102.0	\$30.1	\$28.4	\$28.6	\$28.6
Inventories	\$81.2	\$83.6	\$77.1	\$79.5	\$78.7	\$78.7	\$85.6	\$22.2	\$22.1	\$19.2	\$19.2
Other Current Assets	\$7.8	\$10.0	\$9.4	\$9.2	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0	\$7.0
Current Assets	\$225.3	\$223.0	\$230.5	\$233.3	\$213.4	\$213.4	\$226.6	\$72.9	\$282.7	\$281.4	\$279.5
Net Property, Plant, and Equipment	\$19.4	\$18.7	\$17.8	\$17.0	\$16.7	\$16.7	\$16.2	\$5.0	\$5.0	\$5.0	\$5.0
Goodwill & Other Assets	\$4.1	\$4.3	\$4.5	\$3.9	\$4.7	\$4.7	\$4.1	\$4.0	\$4.0	\$4.0	\$4.0
Net Assets held for sale								\$107.9			
Total Assets	\$248.8	\$246.0	\$252.8	\$254.2	\$234.8	\$234.8	\$246.9	\$189.8	\$291.7	\$290.4	\$288.5
Liabilities and Stockholders' Equity											
Current Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$19.5	\$19.5	\$22.0	\$20.0	\$20.0	\$20.0	\$20.0
Accounts Payable	\$53.0	\$45.4	\$44.7	\$60.0	\$61.6	\$61.6	\$61.2	\$19.2	\$19.2	\$16.8	\$16.8
Accrued Expenses	\$18.4	\$19.3	\$21.0	\$18.7	\$18.8	\$18.8	\$18.7	\$5.0	\$5.0	\$5.0	\$5.0
Current Liabilities	\$71.4	\$64.7	\$65.7	\$78.7	\$99.9	\$99.9	\$101.9	\$44.2	\$44.2	\$41.8	\$41.8
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
Deferred Taxes & Other Long-term Liabilities	\$6.3	\$6.1	\$5.2	\$4.9	\$5.0	\$5.0	\$4.8	\$5.0	\$5.0	\$5.0	\$5.0
Total Liabilities	\$130.1	\$123.2	\$123.3	\$127.6	\$104.9	\$104.9	\$106.7	\$49.2	\$49.2	\$46.8	\$46.8
Shareholder Equity	\$118.7	\$122.8	\$129.5	\$126.7	\$129.9	\$129.9	\$140.2	\$140.6	\$242.5	\$243.7	\$241.8
Total Liabilities and Equity	\$248.8	\$246.0	\$252.8	\$254.3	\$234.8	\$234.8	\$246.9	\$189.8	\$291.7	\$290.4	\$288.5
Book Value Per Share	\$6.67	\$6.86	\$7.19	\$7.04	\$6.84	\$6.87	\$7.83	\$7.81	\$13.47	\$13.54	\$13.43
Asset Utilization and Efficiency											
Accounts Receivable Turnover	4.9	4.5	4.8	5.2	6.1	5.1	5.8	2.4	2.5	2.5	4.0
Days' Sales in Receivables Outstanding	67.9	73.0	74.1	70.0	62.1	73.3	71.0	72.0	68.0	66.0	41.4
Inventory Turnover	4.4	3.6	3.9	4.2	5.6	3.8	4.9	2.1	2.1	2.2	3.1
Days' Sales in Inventory Outstanding	76.6	91.9	81.0	78.9	64.1	76.8	74.7	76.0	76.0	64.0	38.0
Accounts Payable Turnover	7.3	6.2	6.5	6.5	7.8	5.8	7.8	3.3	2.7	2.8	4.9
Days' Purchases in Payables Outstanding	50.0	49.9	46.9	59.6	50.2	60.1	53.4	65.9	66.0	55.9	33.1
Cash Conversion Cycle (Days)	94.6	115.0	108.1	89.4	76.0	89.9	92.3	82.1	78.0	74.2	46.2
Capital Structure											
Total Debt-to-Total Capital Ratio	30.6%	29.9%	28.8%	25.8%	13.1%	13.1%	13.6%	12.5%	7.6%	7.6%	7.6%
Total Debt-to-Equity Ratio	44.1%	42.7%	40.5%	34.7%	15.0%	15.0%	15.7%	14.2%	8.2%	8.2%	8.3%
Fiscal Year End - May											
(\$ in millions, except per share data)											

ROIC and Free Cash Flow	2008	2009	Q1-10	Q2-10	Q3-10	Q4-10	2010	Q1-11	Q2-11E	Q3-11E	Q4-11E	2011E
NO PAT												
EBIT	\$10.2	(\$8.2)	\$3.6	\$5.4	\$5.7	\$7.6	\$22.3	\$9.3	\$0.9	\$102.6	\$2.0	\$13.7
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.1)	(\$0.4)	\$0.2	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.5	\$0.6	\$1.8
NO PAT	\$10.6	(\$10.8)	\$3.7	\$5.8	\$5.5	\$7.2	\$22.5	\$8.8	\$0.7	\$102.1	\$1.4	\$11.9
Cash Taxes on EBIT												
Income Tax Provision	(\$0.2)	\$1.8	(\$0.3)	(\$0.6)	\$0.3	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.6	\$0.6	\$1.9
Tax Deduction on Interest Expense	\$0.2	(\$0.8)	(\$0.2)	(\$0.2)	\$0.1	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1
Cash Taxes on EBIT	(\$0.4)	\$2.5	(\$0.1)	(\$0.4)	\$0.2	\$0.4	(\$0.2)	\$0.5	\$0.2	\$0.5	\$0.6	\$1.8
Invested Capital												
Total Debt	\$55.7	\$52.4	\$52.4	\$52.4	\$44.0	\$19.5	\$19.5	\$22.0	\$20.0	\$20.0	\$20.0	\$20.0
Stockholders' Equity	\$141.4	\$118.7	\$122.8	\$129.5	\$126.7	\$129.9	\$129.9	\$140.2	\$140.6	\$242.5	\$243.7	\$241.8
Total Cash & Short-term Investments	\$40.0	\$43.9	\$41.8	\$49.9	\$51.5	\$29.0	\$29.0	\$32.0	\$13.7	\$225.2	\$226.6	\$224.7
Invested Capital	\$157.1	\$127.2	\$133.4	\$132.0	\$119.2	\$120.4	\$120.4	\$130.2	\$146.9	\$37.3	\$37.1	\$37.1
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%	2.0%	521.7%	7.1%	11.5%
Note: Quarterly Figures Have Been Annualized												
Free Cash Flow												
Net Income (Loss)	(\$8.5)	(\$12.2)	\$1.9	\$4.3	\$4.5	\$6.6	\$17.3	\$8.4	\$0.4	\$0.8	\$1.2	\$10.8
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
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
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
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
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
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
Divestitures										\$101.0		
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
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
Total Adjustments	\$5.5	\$5.3	\$1.1	\$1.1	\$1.0	\$1.1	\$4.3	\$0.9	\$0.3	\$101.3	\$0.3	\$1.8
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)	\$71.9	\$1.7	(\$0.3)	\$70.1
Decrease (Increase) in Inventories	\$16.3	\$12.7	(\$2.4)	\$6.5	(\$2.4)	\$0.8	\$2.5	(\$6.9)	\$63.4	\$0.1	\$2.8	\$59.5
Decrease (Increase) in Other Current Assets	\$1.1	(\$1.4)	(\$2.2)	\$0.6	\$0.2	\$2.2	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
(Decrease) Increase in Accounts Payable	\$3.3	(\$5.9)	(\$7.6)	(\$0.7)	\$15.3	\$1.6	\$8.6	(\$0.4)	(\$42.0)	(\$0.0)	(\$2.4)	(\$44.8)
Decrease (Increase) Assets Held for sale									(\$107.9)			
(Decrease) Increase in Other Current Liabilities	(\$12.2)	(\$3.4)	\$0.9	\$1.7	(\$2.3)	\$0.1	\$0.4	(\$0.1)	(\$13.7)	\$0.0	\$0.0	(\$13.8)
Total Changes in Operating Assets and Liabilities	\$4.7	\$19.1	(\$6.5)	\$1.6	\$11.8	(\$0.9)	\$6.0	(\$10.7)	(\$28.2)	\$1.7	\$0.2	\$70.9
Net Cash Flow from Operations	\$1.7	\$12.2	(\$3.5)	\$7.0	\$17.3	\$6.8	\$27.6	(\$1.4)	(\$27.5)	\$103.8	\$1.7	\$83.5
Capital Expenditures	(\$4.5)	(\$1.6)	(\$0.3)	(\$0.2)	(\$0.2)	(\$0.7)	(\$1.4)	(\$0.4)	(\$0.7)	(\$0.8)	(\$0.8)	(\$2.7)
Free Cash Flow	(\$2.8)	\$10.6	(\$3.8)	\$6.8	\$17.1	\$6.1	\$26.2	(\$1.8)	(\$28.2)	\$103.0	\$0.9	\$80.8
Free Cash Flow per Share	(\$0.16)	\$0.59	(\$0.21)	\$0.38	\$0.95	\$0.32	\$1.38	(\$0.10)	(\$1.57)	\$5.72	\$0.05	\$4.49
Fiscal Year End - May (\$ in millions, except per share data)												