

Upside Potential: 47.4%

Assumptions

10 Year T-Bill	4.14%
Risk Premium	4.50%
Beta	1.11
WACC	8.24%
Terminal Beta	1.00
Terminal WACC	7.82%
Terminal Growth Rate	3.50%
Tax Rate	40.0%



By Rishi Trivedi
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Discounted Cash Flow Analysis	Historical	Hyper-Growth Stage				Transitional Growth Stage				Terminal Year
	LTM (9.27.04)	2005E	2006E	2007E	2008E	2009E	2010E	2011E	2012E	2013E
Total Revenues	2,054.9	2,430.0	2,648.7	2,887.1	3,120.5	3,344.1	3,553.1	3,742.6	3,907.9	4,044.7
<i>Growth</i>		18.3%	9.0%	9.0%	8.1%	7.2%	6.3%	5.3%	4.4%	3.5%
less: COGs	1,604.9	1,897.9	2,068.7	2,254.8	2,437.1	2,611.8	2,775.0	2,923.0	3,052.1	3,158.9
<i>COGS Margin</i>	78.1%	78.1%	78.1%	78.1%	78.1%	78.1%	78.1%	78.1%	78.1%	78.1%
less: SG&A	158.8	187.7	204.6	223.1	241.1	258.4	274.5	289.2	301.9	312.5
<i>SG&A Margin</i>	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%	7.7%
EBITDA	291.2	344.4	375.4	409.2	442.3	474.0	503.6	530.4	553.9	573.2
<i>EBITDA Margin</i>	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%	14.2%
less: D&A	68.9	81.5	97.0	105.7	114.3	122.5	130.1	137.1	143.1	148.1
<i>D&A/CapEx</i>	117.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBIT	222.3	262.9	278.4	303.4	328.0	351.5	373.4	393.4	410.7	425.1
<i>EBIT Margin</i>	10.8%	10.8%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
less: Taxes	88.9	105.2	111.4	121.4	131.2	140.6	149.4	157.3	164.3	170.0
<i>Tax Rate</i>	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
EBIT (1-L)	133.4	157.7	167.0	182.1	196.8	210.9	224.1	236.0	246.4	255.1
add: D&A	68.9	81.5	97.0	105.7	114.3	122.5	130.1	137.1	143.1	148.1
Operating Cash Flow (OCF)	202.3	239.2	264.0	287.8	311.1	333.4	354.2	373.1	389.6	403.2
less: ΔNWC *	32.8	34.3	37.4	40.8	44.1	47.2	50.2	52.9	55.2	57.1
<i>% of Sales</i>	1.6%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
less: Total Capital Expenditures	58.8	89.0	97.0	105.7	114.3	122.5	130.1	137.1	143.1	148.1
<i>% of Sales</i>	2.9%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Free Cash Flow to Firm (FCFF)	110.7	115.9	129.6	141.3	152.7	163.7	173.9	183.2	191.2	197.9
Present Value Factor		92.0%	85.0%	78.5%	72.6%	67.0%	61.9%	57.2%	52.9%	48.8%
PV of FCFF		106.7	110.2	111.0	110.8	109.7	107.7	104.8	101.1	96.7

PV of Hyper/Transitional Growth	862.1
PV of Terminal Growth	2,423.8
PV of Firm	3,285.9
plus: Cash and Equivalents	30.0
less: Debt	360.6
Total Value	2,955.3
divided by: Dilluted Shares Outstanding	51.6
Intrinsic Price per Share	\$57.3
Current Share Price	\$38.84
Upside Potential	47.4%

*Note: Smoothes inventory build 2002-2004