

Cumberland Industries December 31 Balance Sheets

(in thousands of dollars)

	2009	2008
Assets		
Cash and cash equivalents	\$91,450	\$74,625
Short-term investments	\$11,400	\$15,100
Accounts Receivable	\$103,365	\$85,527
Inventories	\$38,444	\$34,982
Total current assets	\$244,659	\$210,234
Net fixed assets	\$67,165	\$42,436
Total assets	\$311,824	\$252,670
Liabilities and equity		
Accounts payable	\$30,761	\$23,109
Accruals	\$30,477	\$22,656
Notes payable	\$16,717	\$14,217
Total current liabilities	\$77,955	\$59,982
Long-term debt	\$76,264	\$63,914
Total liabilities	\$154,219	\$123,896
Common stock	\$100,000	\$90,000
Retained Earnings	\$57,605	\$38,774
Total common equity	\$157,605	\$128,774
Total liabilities and equity	\$311,824	\$252,670

Sales Revenue in 2009	\$455,150
EBITDA in 2009	\$386,878
Depr. as a % of Net fixed assets	11%
Tax rate	40%
Interest Expense	\$8,575
Dividend Payout Ratio	40%
Stock price	\$17.25
# of shares (in thousands)	10,000
A-T cost of capital	12%

Output

	2009	2008
Sales	\$455,150	\$364,120
Expenses excluding depreciation and amortization	\$386,878	\$321,109
EBITDA	\$68,272	\$43,011
Depreciation (Cumberland has no amortization charges)	\$7,388	\$6,752
EBIT	\$60,884	\$36,259
Interest Expense	\$8,575	\$7,829
EBT	\$52,309	\$28,430
Taxes (40%)	\$20,924	\$11,372
Net Income	\$31,385	\$17,058
Common dividends	\$12,554	\$6,823
Addition to retained earnings	\$18,831	\$10,235

Net Operating Working Capital(NOWC)**=Operating current assets-Operating current liabilities**

Operating current assets	\$233,259	\$195,134
Operating current liabilities	\$61,238	\$45,765

NOWC	\$172,021	\$149,369
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Total Net Operating Capital=NOWC+Fixed assets

NOWC	\$172,021	\$149,369
Net fixed assets	\$67,165	\$42,436

Total Net Operating Capital	\$239,186	\$191,805
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Net Operating Profit After Taxes=EBIT(1-T)

EBIT	\$60,884	\$36,259
1-T	60%	60%
NOPAT	\$36,530.31	\$21,755.56

FCF=NOPAT-Net investment in operating capital

NOPAT	\$36,530.31
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Net investment in operating capital

=Tot.net operating capital _t -Tot. net operating capital _{t-1}	\$47,381
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FCF	-\$10,850.69
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Market Value Added

MVA =Stock price* # of shares - Tot. Com. Equity	\$14,895.00
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Economic Value Added

EVA =NOPAT-Operating Capital x After-tax Cost of Capital	\$7,827.99
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