

Input Data

Consolidated Statements

Audited

| Period ending date | 12/31/05 | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|----------------------------------|----------|----------|----------|----------|----------|
| (in millions) | | | | | |
| Cash | 848 | 1,668 | 1,452 | 1,641 | 864 |
| Accounts Receivable | 932 | 1,424 | 1,502 | 1,402 | 1,375 |
| Inventory | 418 | 749 | 725 | 853 | 920 |
| Current Assets | 2,631 | 4,901 | 5,921 | 5,452 | 4,061 |
| Total Assets | 8,196 | 31,096 | 31,197 | 27,139 | 25,177 |
| Accounts Payable | 1,229 | 222 | 139 | 239 | 212 |
| STD in Current Liabilities | 156 | 7 | 256 | 2 | 3 |
| Current Liabilities | 1,479 | 2,630 | 3,250 | 3,233 | 3,022 |
| Long Term Debt | 1,864 | 8,895 | 7,933 | 6,743 | 5,915 |
| Total Liabilities | 3,914 | 15,798 | 16,100 | 13,965 | 12,876 |
| Retained Earnings | 3,410 | -174 | -693 | -2,732 | -3,757 |
| Total Equity | 4,282 | 15,298 | 15,097 | 13,174 | 12,301 |
| Sales | 6,283 | 7,821 | 8,357 | 8,050 | 8,188 |
| Cost of Revenue | 1,386 | 2,207 | 2,342 | 2,469 | 2,576 |
| EBIT - Earnings Before Int & Tax | 981 | -3,100 | 1 | -1,563 | -901 |
| Interest Exp | 90 | 435 | 570 | 468 | 407 |
| EAT - Earnings After Tax | 628 | -3,577 | -495 | -2,036 | -1,025 |
| Depreciation & Amort Exp | 1,837 | 5,021 | 1,573 | 3,934 | 1,035 |
| Dividends | 0 | 0 | 0 | 0 | 0 |
| Repurchase of capital stock | 734 | 0 | 60 | 0 | 0 |

Credit Score and Rating

| Z Score Private/Public Model | 12/31/05 | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|------------------------------|----------|----------|----------|----------|----------|
| Score | 7.48 | 4.06 | 4.72 | 4.06 | 3.80 |
| Equivalent Rating | AA | B- | B+ | B- | B- |
| Rating & Score by Category | Rating | Rating | Rating | Rating | Rating |
| Working Capital | A+ | BB+ | BBB- | BBB- | B |
| RE | A+ | BB | BB | B | B- |
| EBIT | A+ | D | CCC- | D | D |
| Equity | AA | A | A | A | A |
| Ratio | | | | | |
| WC/TA | 14.06% | 7.30% | 8.56% | 8.18% | 4.13% |
| RE/TA | 41.61% | -0.56% | -2.22% | -10.07% | -14.92% |
| EBIT/TA | 11.97% | -9.97% | 0.00% | -5.76% | -3.58% |
| Equity/TL | 109.40% | 96.84% | 93.77% | 94.34% | 95.53% |

This model evaluates liquidity, leverage, profitability and solvency using ratio analysis. Applicable to all industry sectors outside of financial services, public or private. Scoring is calibrated to the S&P bond rating classifications: AAA (highest) through D (default). Each class may have a plus or minus indicating further strength or weakness within the classification. BBB is the lowest rating class considered investment grade while those CCC and below are in severe distress or default. The approximate breakdown of US companies by rating class: 33% BBB or higher, 17% BB, 33% B and 17% CCC or lower. Scores and classifications allow each user to quantify and choose cutoff points appropriate for their operations. Trends, volatility and financial details should be used to complement any rating determination.

XYZ INC

Consolidated Statements

INCOME STATEMENT

| (in millions) | 12/31/05 | | 12/31/06 | | 12/31/07 | | 12/31/08 | | 12/31/09 | |
|-----------------------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| Revenue | 6,283 | 100.00% | 7,821 | 100.00% | 8,357 | 100.00% | 8,050 | 100.00% | 8,188 | 100.00% |
| Cost of Revenue | 1,386 | 22.06% | 2,207 | 28.22% | 2,342 | 28.02% | 2,469 | 30.67% | 2,576 | 31.46% |
| Gross Margin | 4,897 | 77.94% | 5,614 | 71.78% | 6,015 | 71.98% | 5,581 | 69.33% | 5,612 | 68.54% |
| SG&A Expense | 3,916 | 62.33% | 8,714 | 111.42% | 6,014 | 71.96% | 7,144 | 88.75% | 6,513 | 79.54% |
| EBIT | 981 | 15.61% | -3,100 | -39.64% | 1 | 0.01% | -1,563 | -19.42% | -901 | -11.00% |
| Interest Expense | 90 | 1.43% | 435 | 5.56% | 570 | 6.82% | 468 | 5.81% | 407 | 4.97% |
| Tax & Other Exp (Inc) | 263 | 4.19% | 42 | 0.54% | -74 | -0.89% | 5 | 0.06% | -283 | -3.46% |
| Earnings After Tax | 628 | 10.00% | -3,577 | -45.74% | -495 | -5.92% | -2,036 | -25.29% | -1,025 | -12.52% |

XYZ INC

Consolidated Statements

BALANCE SHEET

| (in millions) | 12/31/05 | | 12/31/06 | | 12/31/07 | | 12/31/08 | | 12/31/09 | |
|------------------------------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|
| Cash | 848 | | 1,668 | | 1,452 | | 1,641 | | 864 | |
| Accounts Receivable | 932 | | 1,424 | | 1,502 | | 1,402 | | 1,375 | |
| Inventory | 418 | | 749 | | 725 | | 853 | | 920 | |
| Other current assets | 433 | | 1,060 | | 2,242 | | 1,556 | | 902 | |
| Total current assets | 2,631 | 32.10% | 4,901 | 15.76% | 5,921 | 18.98% | 5,452 | 20.09% | 4,061 | 16.13% |
| Long Term Assets (LTA) | 5,565 | 67.90% | 26,195 | 84.24% | 25,276 | 81.02% | 21,687 | 79.91% | 21,116 | 83.87% |
| Total assets | 8,196 | 100.00% | 31,096 | 100.00% | 31,197 | 100.00% | 27,139 | 100.00% | 25,177 | 100.00% |
| Accounts payable | 1,229 | | 222 | | 139 | | 239 | | 212 | |
| Short term portion debt | 156 | | 7 | | 256 | | 2 | | 3 | |
| Other current liabilities | 94 | | 2,401 | | 2,855 | | 2,992 | | 2,807 | |
| Total current liabilities | 1,479 | 18.05% | 2,630 | 8.46% | 3,250 | 10.42% | 3,233 | 11.91% | 3,022 | 12.00% |
| Long term debt | 1,864 | | 8,895 | | 7,933 | | 6,743 | | 5,915 | |
| Other long term liabilities | 571 | | 4,273 | | 4,917 | | 3,989 | | 3,939 | |
| Total long term liabilities | 2,435 | 29.71% | 13,168 | 42.35% | 12,850 | 41.19% | 10,732 | 39.54% | 9,854 | 39.14% |
| Total liabilities | 3,914 | | 15,798 | | 16,100 | | 13,965 | | 12,876 | |
| Retained earnings | 3,410 | | -174 | | -693 | | -2,732 | | -3,757 | |
| Other equity | 872 | | 15,472 | | 15,790 | | 15,906 | | 16,058 | |
| Total equity | 4,282 | 52.24% | 15,298 | 49.20% | 15,097 | 48.39% | 13,174 | 48.54% | 12,301 | 48.86% |
| Total liabilities and equity | 8,196 | 100.00% | 31,096 | 100.00% | 31,197 | 100.00% | 27,139 | 100.00% | 25,177 | 100.00% |

XYZ INC

Consolidated Statements

Changes In Equity

| (in millions) | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|--------------------------------|---------------|---------------|---------------|---------------|
| Beginning Balance | 4,282 | 15,298 | 15,097 | 13,174 |
| Income (Loss) | <u>-3,577</u> | <u>-495</u> | <u>-2,036</u> | <u>-1,025</u> |
| | 705 | 14,803 | 13,061 | 12,149 |
| Cash Dividends | 0 | 0 | 0 | 0 |
| Repurchase of capital stock | 0 | -60 | 0 | 0 |
| Net Other Changes *- Inc (Dec) | <u>14,593</u> | <u>354</u> | <u>113</u> | <u>152</u> |
| Ending Balance | <u>15,298</u> | <u>15,097</u> | <u>13,174</u> | <u>12,301</u> |

* Commonly Composed of: Capital issued and Other Comprehensive Income (Loss) items not reflected in the Income Statement.

Will contain dividends and stock repurchases if not listed as separate input.

XYZ INC

Consolidated Statements

Cash (Funds) Flow

Changes in Financial Position

| (in millions) | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|------------------------------|----------------|--------------|--------------|--------------|
| Earnings (Loss) After Tax | -3,577 | -495 | -2,036 | -1,025 |
| Depreciation Expense | 5,021 | 1,573 | 3,934 | 1,035 |
| Receivables | -492 | -78 | 100 | 27 |
| Inventory | -331 | 24 | -128 | -67 |
| Adjustments/Changes | <u>4,375</u> | <u>-167</u> | <u>-5</u> | <u>392</u> |
| Operating Funds Flow | 4,996 | 857 | 1,865 | 362 |
| Investing Activity - LTA | <u>-25,651</u> | <u>-654</u> | <u>-345</u> | <u>-464</u> |
| Free Funds Flow | -20,655 | 203 | 1,520 | -102 |
| Debt Financing - Inc (Dec) | 6,882 | -713 | -1,444 | -827 |
| Equity Financing - Inc (Dec) | <u>14,593</u> | <u>294</u> | <u>113</u> | <u>152</u> |
| Increase (Decrease) in Cash | 820 | -216 | 189 | -777 |
| Beginning Cash | <u>848</u> | <u>1,668</u> | <u>1,452</u> | <u>1,641</u> |
| Ending Cash | <u>1,668</u> | <u>1,452</u> | <u>1,641</u> | <u>864</u> |

Note:

Investing Activity reflects the change in long term assets.

Investing Activity is net of depreciation if no depreciation expense was submitted.

Free Funds Flow is the net change before Financing Activities.

Debt Financing Activity reflects the change in total debt.

Equity Financing Activity reflects the change in equity other than from current earnings.

Consolidated Statements

Source and Application of Funds

| (in millions) | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|-------------------------------------|---------------|--------------|--------------|---------------|
| Provided (Used) | | | | |
| Income (Loss) | -3,577 | -495 | -2,036 | -1,025 |
| Depreciation & Amortization | 5,021 | 1,573 | 3,934 | 1,035 |
| Accounts Receivable | -492 | -78 | 100 | 27 |
| Inventory | -331 | 24 | -128 | -67 |
| Other Current Assets | -627 | -1,182 | 686 | 654 |
| Accounts Payable | -1,007 | -83 | 100 | -27 |
| ST Debt | -149 | 249 | -254 | 1 |
| Other Current Liabilities | 2,307 | 454 | 137 | -185 |
| Long Term Assets (LTA) | -25,651 | -654 | -345 | -464 |
| Long Term Debt | 7,031 | -962 | -1,190 | -828 |
| Other Long Term Liabilities | 3,702 | 644 | -928 | -50 |
| RE Other Changes | -7 | -24 | -3 | 0 |
| Other Equity Changes | <u>14,600</u> | <u>318</u> | <u>116</u> | <u>152</u> |
| Change in Cash | 820 | -216 | 189 | -777 |
| Beginning Cash | <u>848</u> | <u>1,668</u> | <u>1,452</u> | <u>1,641</u> |
| Ending Cash | <u>1,668</u> | <u>1,452</u> | <u>1,641</u> | <u>864</u> |
| Change in Working Capital | <u>1,119</u> | <u>400</u> | <u>-452</u> | <u>-1,180</u> |
| Change in WC- Inc (Dec) | | | | |
| Cash | 820 | -216 | 189 | -777 |
| Accounts Receivable | 492 | 78 | -100 | -27 |
| Inventory | 331 | -24 | 128 | 67 |
| Other Current Assets | <u>627</u> | <u>1,182</u> | <u>-686</u> | <u>-654</u> |
| Inc (Dec) Total Current Assets | <u>2,270</u> | <u>1,020</u> | <u>-469</u> | <u>-1,391</u> |
| Accounts Payable | -1,007 | -83 | 100 | -27 |
| Short Term Debt | -149 | 249 | -254 | 1 |
| Other Current Liabilities | 2,307 | 454 | 137 | -185 |
| Rounding | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Inc (Dec) Total Current Liabilities | <u>1,151</u> | <u>620</u> | <u>-17</u> | <u>-211</u> |
| Net Change | <u>1,119</u> | <u>400</u> | <u>-452</u> | <u>-1,180</u> |

| Consolidated Statements | 12/31/05 | 12/31/06 | 12/31/07 | 12/31/08 | 12/31/09 |
|--------------------------------------|--------------|---------------|---------------|---------------|---------------|
| Selected Financial Data | | | | | |
| (in millions) | | | | | |
| Revenue | 6,283 | 7,821 | 8,357 | 8,050 | 8,188 |
| Change Amount | | 1,538 | 536 | -307 | 138 |
| Change Percent | 0.00% | 19.67% | 6.41% | -3.81% | 1.69% |
| Margin | 4,897 | 5,614 | 6,015 | 5,581 | 5,612 |
| % of Revenues/Sales | 77.94% | 71.78% | 71.98% | 69.33% | 68.54% |
| SG&A | 3,916 | 8,714 | 6,014 | 7,144 | 6,513 |
| % of Revenues/Sales | 62.33% | 111.42% | 71.96% | 88.75% | 79.54% |
| Earnings Before Interest & Tax(EBIT) | 981 | -3,100 | 1 | -1,563 | -901 |
| % of Revenues/Sales | 15.61% | -39.64% | 0.01% | -19.42% | -11.00% |
| Earnings Before Interest & Tax(EBIT) | 981 | -3,100 | 1 | -1,563 | -901 |
| Amt Inc (Dec) | 0 | -4,081 | 3,101 | -1,564 | 662 |
| Earnings After Tax (EAT) | 628 | -3,577 | -495 | -2,036 | -1,025 |
| % of Revenues/Sales | 10.00% | -45.74% | -5.92% | -25.29% | -12.52% |
| Change | 0.00% | -55.73% | 39.81% | -19.37% | 12.77% |
| Earnings After Tax (EAT) | 628 | -3,577 | -495 | -2,036 | -1,025 |
| Amt Inc (Dec) | 0 | -4,205 | 3,082 | -1,541 | 1,011 |
| Current Ratio | 1.78 | 1.86 | 1.82 | 1.69 | 1.34 |
| STD in Current Liabilities | 156 | 7 | 256 | 2 | 3 |
| Long Term Debt | <u>1,864</u> | <u>8,895</u> | <u>7,933</u> | <u>6,743</u> | <u>5,915</u> |
| Total Debt | 2,020 | 8,902 | 8,189 | 6,745 | 5,918 |
| Equity | <u>4,282</u> | <u>15,298</u> | <u>15,097</u> | <u>13,174</u> | <u>12,301</u> |
| Capital | <u>6,302</u> | <u>24,200</u> | <u>23,286</u> | <u>19,919</u> | <u>18,219</u> |
| Total Debt to Equity | 0.47 | 0.58 | 0.54 | 0.51 | 0.48 |
| EBITDA | 2,818 | 1,921 | 1,574 | 2,371 | 134 |
| Amt Inc (Dec) | 0 | -897 | -347 | 797 | -2,237 |
| EBITDA/Total Debt | 139.50% | 21.58% | 19.22% | 35.15% | 2.26% |
| Interest Coverage - EBIT | 10.90 | -7.13 | 0.00 | -3.34 | -2.21 |
| Interest Coverage - EBITDA | 31.31 | 4.42 | 2.76 | 5.07 | 0.33 |
| ROA* | 7.66% | -11.50% | -1.59% | -7.50% | -4.07% |
| Leverage* | 1.91 | 2.03 | 2.07 | 2.06 | 2.05 |
| ROE* | 14.67% | -23.38% | -3.28% | -15.45% | -8.33% |
| ROC* | 10.38% | -8.33% | 0.00% | -5.10% | -3.22% |
| A/R Days Outstanding** | 54.14 | 66.46 | 65.60 | 63.57 | 61.29 |
| Inventory Days on Hand** | 110.08 | 123.87 | 112.99 | 126.10 | 130.36 |
| Working Capital | 1,152 | 2,271 | 2,671 | 2,219 | 1,039 |
| Working Capital % of Assets** | 14.06% | 7.30% | 8.56% | 8.18% | 4.13% |
| Sales per LTA employed** | 1.13 | 0.30 | 0.33 | 0.37 | 0.39 |
| Margin per LTA employed** | 0.88 | 0.21 | 0.24 | 0.26 | 0.27 |
| As a percent of Sales | | | | | |
| Inventory | 6.65% | 9.58% | 8.68% | 10.60% | 11.24% |
| Accounts Receivable | 14.83% | 18.21% | 17.97% | 17.42% | 16.79% |

* Computed using earnings after tax for the period and end of period balances (return for period used)

** Computed using end of period balances