

**Tesla Motors, Inc.****(TSLA: NNM; \$26.68)****Sell | Target: \$19**

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12-month Price Target:	\$19
Current Price:	\$26.68
Shares Outstanding (M):	95.2
Institutional Holdings:	19%
Market Cap (M):	\$2,539.6
EV (M):	\$2,541.4
EV/EBITDA:	NM
52-wk Range:	\$14.98-\$36.42
Avg. Daily Vol. (000):	1,391
Dividend:	NA
Price/Book Value:	15.1x
Book Value/sh:	\$1.76

Financials

FYE Dec		2010A	2011E	2012E
EBITDA (M):		(\$136.2)	(\$176.7)	(\$91.7)
P/E Ratio:		NM	NM	NM
Revenue (M):	Q1	\$20.8	\$49.0	\$41.5
	Q2	\$28.4	\$50.2	\$42.7
	Q3	\$31.2	\$45.8	\$232.5
	Q4	\$36.3	\$41.5	\$232.7
Total		\$116.7	\$186.5	\$549.4
EPS:	Q1	(\$1.35)	(\$0.51)A	(\$0.49)
	Q2	(\$1.68)	(\$0.50)E	(\$0.47)
	Q3	(\$0.38)	(\$0.51)E	(\$0.30)
	Q4	(\$0.54)	(\$0.53)E	(\$0.29)
Total		(\$3.04)A	(\$2.06)E	(\$1.54)

Company Description

Founded in 2003 and headquartered in Palo Alto, CA, Tesla Motors designs, manufactures and sells high performance electric vehicles (EV) and electric powertrain technology including battery packs. Launched in 2008, Tesla's Roadster was the first commercial EV that complied with federal standards with ~ 1,650 vehicles sold through 1Q11. Tesla's next-generation EV called the Model S is set to launch in mid-2012 with extended range features. The company also sells battery packs to Daimler for use in their smart and A-class EVs and recently agreed to jointly develop batteries for Toyota's RAV4 model.

TSLA: NOT A LOT OF DETAILS; SELL

- **Top line beat, EPS in line.** TSLA reported 1Q11 revenue of \$49M and a loss of \$0.51 on better than expected sales of Roadsters and powertrain components. Gross margins at 36.8% exceeded expectations but higher opex mitigated most of the margin improvement. We contend that P&L results (net loss of \$49M) still do not matter much to investors ahead of the Model S launch but we continue to expect heavy net losses for several more quarters.
- **No new OEMs.** While Daimler increased their order from 1,800 to 2,100 units for battery packs and chargers for its Smart fortwo /A-class EVs, we find it curious that TSLA dismissed the notion that they were ever interested in pursuing a powertrain supply relationship with Daimler. We know battery packs & chargers is all they had been selling but this is an example of a relationship that has not expanded as TSLA originally intended.
- **Short on details.** TSLA stated that alpha prototype road test results were still ongoing but other than saying they were going well, we did not get much detail (we also thought they would have been completed testing by now since the prototypes were finished in February). 15 prototypes also seems like a small number (20 or more vehicles is typical for U.S. road tests) to conduct such extensive tests (braking, handling, noise-vibration-harshness, cool climate driving, crash simulation, etc.). The Model S beta prototype is supposed to be completed by late summer, a little later than first thought but not demonstrably later. Model S reservations of ~4,600 improved each month of the quarter, however, we again find it curious that TSLA retooled their line to build 20K vehicles on one shift but somehow 5,000 units is all they can produce in 2012? We are unclear what exactly the limiting production factors are.
- **Factory build out has yet to begin in earnest.** TSLA admitted it has yet to spend the bulk of the \$195-\$210M in 2011E capex (spent only \$20M in 1Q11) but expects to ramp up expenditures on stamping and tooling equipment in 2Q-4Q11, just in time for those "unnecessary" but hopefully available funds from a potential secondary offering.
- **Maintain SELL.** Bulls will point to lower net losses (\$49M vs. \$51M in 4Q10), higher Model S reservations and the "on schedule" beta delivery. But if you dig deeper there was not much to get excited about. We expect some short covering will provide another opportunity to exit long positions or initiate short ones once the euphoria has settled down.

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Figure 1: 1Q11 Performance Relative to CapStone Investments Estimates

Line Item	1Q11A	1Q11E	H/(L) Variance	% Var. Rel. to Est.	Historical			
					1Q10A	% Chg	4Q10A	% Chg
Automotive Sales	\$33.6	\$23.0	\$10.6	46%	\$20.6	63%	\$29.2	15%
Development Service Sales	\$15.4	\$14.8	\$0.7	4%	\$0.2	NM	\$7.1	117%
Total Sales	\$49.0	\$37.8	\$11.2	30%	\$20.8	136%	\$36.3	35%
Auto Gross Margin	20%	10%	10%	98%	18%	10%	20%	0%
Develop. Services Gross Mgn	74%	60%	14%	23%	56%	33%	78%	-5%
Gross Margin	36.8%	29.5%	7.3%	25%	18.5%	99%	31.2%	18%
R&D	\$41.2	\$35.9	\$5.3	15%	\$13.3	210%	\$37.6	9%
SG&A	\$24.2	\$25.7	(\$1.5)	-6%	\$16.6	46%	\$25.3	-4%
EBITDA	(\$43.8)	(\$43.6)	(\$0.26)	-1%	(\$23.9)	-84%	(\$48.8)	10%
EBITDA Margin	-89%	-115%	25.9%	22%	-115%	22%	-134%	33%
GAAP EPS	(\$0.51)	(\$0.52)	\$0.01	1%	(\$1.35)	62%	(\$0.54)	6%
Adjusted EPS	(\$0.44)	(\$0.49)	\$0.05	11%	(\$1.09)	60%	(\$0.47)	7%

FY11 Revenue Guidance

Prior Guidance	\$160-\$175M
New Guidance	\$170-\$185M

Source: Company reports and CapStone Investments estimates

Positives for Tesla on the call / in the quarter:

- Stronger than expected sales of Roadsters (145 cars) and powertrain components delivered record sales of \$49M.
- TSLA raised revenue guidance from \$160-\$175M to \$170-\$185M for 2011, partially due to the higher number of battery packs ordered by Daimler.
- Gross margins of 36.8% exceeded expectations as margins from lumpy development services sales were far higher than expected.
- Model S reservations grew ~1,300 from 12/31 through 4/30 to reach ~4,600.

Negatives for Tesla on the call / in the quarter:

- No new OEMs. Since Roadster sales are ending at YE11, and there will be no Model S sales before mid-2012, shouldn't expanding powertrain component sales / expanding OEM relationships be an important step in growing revenue? This is the second consecutive quarter that Tesla has not added any new partnerships.
- Did the Model S beta delivery slip just a little? First it was mid-summer and now it is the end of summer? We may be nitpicking but where are all the promised extra details about the road driving tests? Do they have anything to do with the beta introduction sliding just a bit?
- Retail strategy is still murky. We do not understand the appeal of the distribution model. TSLA will stop selling Roadsters in 8 months, has no plans to advertise (at least today) and there is no Model S to test drive? So let me understand this...you go to the store not to buy a car, not to drive a car and not to see the product (since it not even available yet)? But Tesla claims there are thousands of people creating foot traffic at these stores. It must be the rarified air and really good lattes.

Conclusion – Sometimes it is hard to poke holes when everything is so rosy

We have never listened to a company discuss their business that is running so smoothly and yet lost \$49M on the bottom line. There was not one negative expression or utterance on the call. But since there were so few details on operations, alpha prototype test results, new partnerships, etc. we guess it is hard to be anything but positive since so many people will be driving \$80K electric vehicles next year, assuming they are available for sale. Just ask Fisker how that time frame is working out. We do not mean to be so glib but we now count 18 auto OEMs that plan to have or will have an EV available for sale by the end of 2012. So why are so many car buyers willing to pay TSLA a 25% gross margin per car as management confidently states they will reach on the Model S? We would certainly demand a lower price if we thought that was the profit an auto OEM were going to make and said it right to our face. We would use the expected media hype and bullish commentary to exit positions should the stock bounce above \$30.

INVESTMENT RISK

Tesla faces intense competition from established auto OEMs, execution risk for Model S, lack of widespread EV adoption, potential reduction in government support and continued operating losses.

VALUATION METHODOLOGY

We value TSLA using 3 metrics - EV/S, EV/EBITDA and a 5-year DCF. Our \$19 target price is the average relative multiples and our DCF - using 15x terminal EBITDA multiple and 14% WACC.

Figure 2: Tesla Motors, Inc.: HISTORICAL AND PROJECTED INCOME STATEMENT

\$M	2010A					2011E					2012E				
	1Q Mar-10	2Q Jun-10	3Q Sep-10	4Q Dec-10	2010A YEAR	1QA Mar-11	2QE Jun-11	3QE Sep-11	4QE Dec-11	2011E YEAR	1Q Mar-12	2Q Jun-12	3Q Sep-12	4Q Dec-12	2012E YEAR
Automotive Revenues	\$20.6	\$24.0	\$23.4	\$29.2	\$97.1	\$33.6	\$33.6	\$28.5	\$24.7	\$120.5	\$21.9	\$20.8	\$225.7	\$225.8	\$494.3
Battery Packs, Develop. Service Revenue	0.2	4.4	7.9	7.1	19.7	15.4	16.6	17.2	16.8	66.0	19.5	21.9	6.8	6.9	55.1
Total Revenues	\$20.8	\$28.4	\$31.2	\$36.3	\$116.7	\$49.0	\$50.2	\$45.8	\$41.5	\$186.5	\$41.5	\$42.7	\$232.5	\$232.7	\$549.4
YoY Growth	0%	5%	-31%	95%	4%	136%	77%	46%	14%	60%	-15%	-15%	408%	461%	195%
QoQ Growth	12%	36%	10%	16%		35%	2%	-9%	-9%		0%	3%	445%	0%	
Cost of Sales - Auto	17.0	22.1	21.9	25.0	86.0	31.0	31.9	28.9	26.4	118.2	24.9	24.9	198.5	200.8	449.1
Cost of Sales - Batteries, Develop. Services	0.1	1.9	2.5	1.6	6.0	4.0	5.0	5.5	5.4	19.9	6.2	7.0	2.1	2.1	17.4
Total COGS	17.0	22.1	21.9	25.0	86.0	31.0	31.9	28.9	26.4	118.2	24.9	24.9	198.5	200.8	449.1
Gross Profit	3.9	6.3	9.3	11.3	30.7	18.0	18.4	16.9	15.1	68.4	16.6	17.8	34.0	31.9	100.3
R & D	13.3	15.4	26.7	37.6	93.0	41.2	42.2	41.2	39.4	164.0	31.9	29.9	27.9	23.3	113.0
S G & A	16.6	22.2	20.4	25.3	84.6	24.2	25.1	25.6	28.2	103.2	29.9	31.2	32.6	34.9	128.5
Total Operating Expenses	29.9	37.6	47.1	63.0	177.6	65.4	67.3	66.8	67.7	267.1	61.8	61.0	60.5	58.2	241.5
EBIT	(26.0)	(31.4)	(37.8)	(51.6)	(146.8)	(47.3)	(48.9)	(49.9)	(52.5)	(198.8)	(45.2)	(43.3)	(26.4)	(26.3)	(141.1)
EBITDA	(23.9)	(28.9)	(34.7)	(48.8)	(136.2)	(43.8)	(44.3)	(43.9)	(44.7)	(176.7)	(34.5)	(31.3)	(13.4)	(12.5)	(91.7)
EBITDA Margin	-115%	-102%	-111%	-134%	-117%	-89%	-88%	-96%	-108%	-95%	-83%	-73%	-6%	-5%	-17%
Interest & Other Income, Net	(3.4)	(7.1)	3.0	0.3	(7.3)	(1.4)	0.7	0.7	0.6	0.6	(2.5)	(3.1)	(3.1)	(2.8)	(11.5)
Pretax Income	(29.4)	(38.5)	(34.9)	(51.4)	(154.2)	(48.8)	(48.2)	(49.2)	(51.9)	(198.2)	(47.8)	(46.3)	(29.5)	(29.0)	(152.6)
Taxes	0.1	0.0	0.1	(0.0)	0.2	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.1
Tax Rate	-0.4%	0.0%	-0.2%	0.1%	-0.1%	-0.3%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
GAAP Net Income	(29.5)	(38.5)	(34.9)	(51.4)	(154.3)	(48.9)	(48.2)	(49.2)	(51.9)	(198.3)	(47.8)	(46.4)	(29.5)	(29.0)	(152.7)
GAAP Net Margin	-142%	-136%	-112%	-142%	-132%	-100%	-96%	-108%	-125%	-106%	-115%	-109%	-13%	-12%	-28%
GAAP EPS	(\$1.35)	(\$1.68)	(\$0.38)	(\$0.54)	(\$3.04)	(\$0.51)	(\$0.50)	(\$0.51)	(\$0.53)	(\$2.06)	(\$0.43)	(\$0.41)	(\$0.24)	(\$0.24)	(\$1.54)
YoY Growth	-76%	-223%	-73%	53%	-15%	62%	70%	-34%	2%	32%	-16%	-18%	-53%	-56%	25%
QoQ Growth	-17%	-25%	77%	-44%		6%	2%	-1%	-5%		9%	4%	37%	2%	
Chg in Fair Value Warrants	2.3	6.3	(3.1)	(0.6)	5.0	1.4	1.4	1.4	1.4	5.7	1.4	1.4	1.4	1.4	5.7
Amort. Stock Comp. Expense	3.4	6.1	3.8	7.8	21.2	5.9	3.5	3.5	3.5	16.4	4.0	4.0	4.0	4.0	16.0
Pro Forma Net Income	(23.8)	(26.1)	(34.2)	(44.1)	(128.1)	(41.6)	(43.3)	(44.3)	(47.0)	(176.2)	(42.4)	(41.0)	(24.1)	(23.6)	(131.1)
Pro forma EPS	(\$1.09)	(\$1.14)	(\$0.37)	(\$0.47)	(\$2.53)	(\$0.44)	(\$0.45)	(\$0.46)	(\$0.48)	(\$1.83)	(\$0.49)	(\$0.47)	(\$0.30)	(\$0.29)	(\$1.32)
Average Shares Outstanding	21.9	22.9	92.3	94.2	50.7	95.2	95.9	96.7	97.4	96.3	98.2	98.9	99.7	100.4	99.3
Percent of Revenue															
Cost of Sales	81.5%	78.0%	70.2%	68.8%	73.7%	63.2%	63.4%	63.2%	63.6%	63.4%	60.0%	58.3%	85.4%	86.3%	81.7%
Gross Profit	18.5%	22.0%	29.8%	31.2%	26.3%	36.8%	36.6%	36.8%	36.4%	36.6%	40.0%	41.7%	14.6%	13.7%	18.3%
R & D	63.7%	54.3%	85.5%	103.7%	79.7%	84.0%	84.0%	90.0%	95.0%	87.9%	77.0%	70.0%	12.0%	10.0%	20.6%
S G & A	79.7%	78.2%	65.4%	69.9%	72.4%	49.4%	50.0%	56.0%	68.0%	55.3%	72.0%	73.0%	14.0%	15.0%	23.4%
Total Operating Expenses	143.4%	132.5%	150.9%	173.5%	152.1%	133.3%	134.0%	146.0%	163.0%	143.2%	149.0%	143.0%	26.0%	25.0%	44.0%

Source: Company reports and CapStone Investments estimates

Figure 3: Tesla Motors, Inc.: HISTORICAL AND PROJECTED CASH FLOWS AND BALANCE SHEET

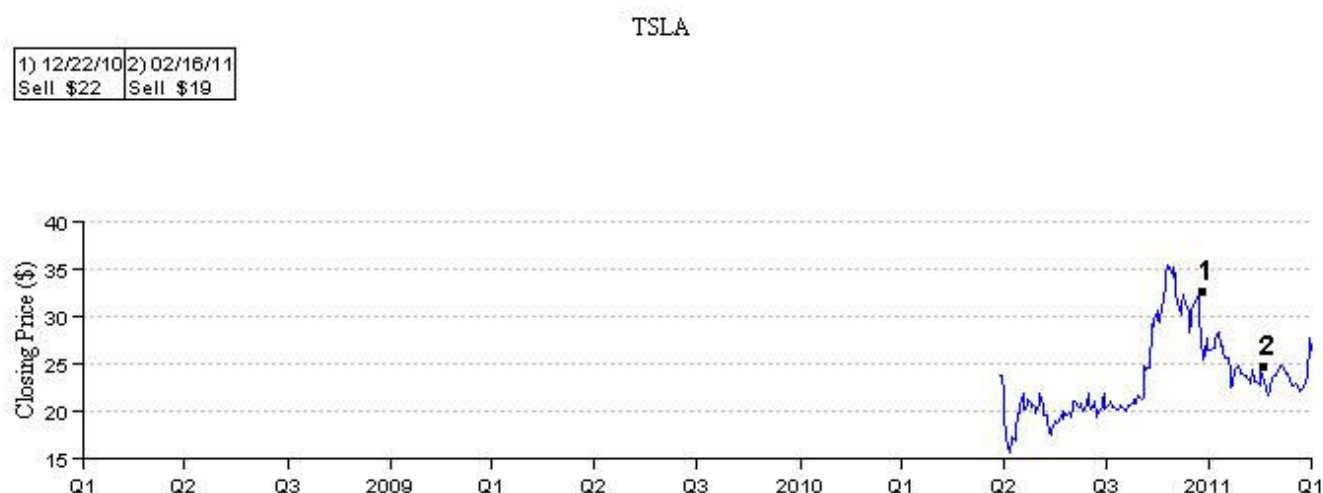
\$M	2010A				2010A	2011E				2011E	2012E				2012E
	1Q Mar-10	2Q Jun-10	3Q Sep-10	4Q Dec-10	YEAR	1QA Mar-11	2QE Jun-11	3QE Sep-11	4QE Dec-11	YEAR	1Q Mar-12	2Q Jun-12	3Q Sep-12	4Q Dec-12	YEAR
Operating Sources:															
Net Income	(\$29.5)	(\$38.5)	(\$34.9)	(\$51.4)	(\$154.3)	(\$48.9)	(\$48.2)	(\$49.2)	(\$51.9)	(\$198.3)	(\$47.8)	(\$46.4)	(\$29.5)	(\$29.0)	(\$152.7)
Depreciation and Amortization	2.1	2.5	3.1	2.9	10.6	3.5	4.6	6.0	7.9	22.0	10.8	12.0	13.0	13.7	49.4
Total	(27.4)	(36.0)	(31.8)	(48.5)	(143.7)	(45.4)	(43.6)	(43.2)	(44.0)	(176.2)	(37.0)	(34.4)	(16.6)	(15.3)	(103.3)
Change in Working Capital															
Accounts Receivable	(2.4)	(0.5)	(1.6)	1.4	(3.2)	(13.6)	(0.5)	1.8	1.8	(10.4)	8.1	(0.3)	(3.4)	(0.0)	4.4
Inventories	(5.5)	(1.1)	(10.3)	(3.2)	(20.1)	(5.6)	(0.1)	(6.8)	5.0	(7.6)	3.0	2.4	(5.5)	(14.0)	(14.1)
Other Current Assets	(0.1)	(1.3)	(8.5)	(4.0)	(13.8)	(1.4)	0.0	0.0	0.0	(1.4)	0.0	0.0	0.0	0.0	0.0
Non-Debt Current Liabilities	2.2	8.5	2.8	12.5	26.0	30.2	(12.5)	(1.9)	(1.3)	14.6	2.0	(8.9)	89.1	(7.7)	74.5
Total	(5.8)	5.5	(17.6)	6.7	(11.2)	9.6	(13.1)	(6.9)	5.5	(4.9)	13.1	(6.8)	80.3	(21.8)	64.7
Capital Expenditures	5.5	12.2	65.9	18.7	102.2	20.5	50.0	64.0	68.0	202.4	45.0	40.0	35.0	35.0	155.0
Operating Cash Flow	(\$38.7)	(\$42.7)	(\$115.3)	(\$60.5)	(\$257.1)	(\$56.3)	(\$106.7)	(\$114.0)	(\$106.6)	(\$383.5)	(\$68.9)	(\$81.2)	\$28.7	(\$72.1)	(\$193.5)
Cash Flow per Share	(\$1.76)	(\$1.86)	(\$1.25)	(\$0.64)	(\$5.07)	(\$0.57)	(\$1.08)	(\$1.14)	(\$1.06)	(\$3.98)	(\$0.68)	(\$0.80)	\$0.28	(\$0.70)	(\$1.95)
Non-Operating Activities:	30.6	28.5	164.5	63.5	287.0	59.9	68.7	93.7	93.7	315.9	50.0	80.0	0.0	57.0	187.0
Beginning Cash and Invest.	\$69.6	\$61.5	\$47.3	\$96.6	\$69.6	\$99.6	\$103.2	\$65.1	\$44.8	\$99.6	\$31.9	\$12.9	\$11.7	\$40.4	\$31.9
Net Cash Flow	(8.1)	(14.2)	49.3	3.0	29.9	3.6	(38.0)	(20.3)	(12.9)	(67.7)	(18.9)	(1.2)	28.7	(15.1)	(6.5)
Ending Cash and Invest.	\$61.5	\$47.3	\$96.6	\$99.6	\$99.6	\$103.2	\$65.1	\$44.8	\$31.9	\$31.9	\$12.9	\$11.7	\$40.4	\$25.3	\$25.3
Assets															
Cash & Equivalents	\$61.5	\$47.3	\$96.6	\$99.6		\$100.7	\$65.1	\$44.8	\$31.9		\$12.9	\$11.7	\$40.4	\$25.3	
Restricted Cash	0.0	0.0	88.1	73.6		42.9	42.9	42.9	42.9		42.9	42.9	42.9	42.9	
Accounts Receivable	5.9	6.5	8.1	6.7		20.3	20.7	18.9	17.2		9.1	9.4	12.7	12.8	
Inventories	28.6	29.5	39.5	45.2		50.8	51.0	57.8	52.8		49.8	47.4	52.9	66.9	
Prepaid & Other CA	4.5	6.7	8.9	10.8		12.2	12.2	12.2	12.2		12.2	12.2	12.2	12.2	
Total Current Assets	100.6	90.0	241.1	235.9		226.9	192.0	176.7	157.0		127.0	123.7	161.3	160.2	
Operating Lease Vehicles	0.0	0.0	5.7	8.0		9.1	9.1	9.1	9.1		9.1	9.1	9.1	9.1	
Net PP&E	26.9	33.2	37.2	114.6		143.4	188.8	246.7	307.8		342.0	370.1	392.1	413.4	
Goodwill & Intangible Assets	7.5	5.4	57.5	4.9		4.9	4.9	4.9	4.9		4.9	4.9	4.9	4.9	
Other Assets	10.4	19.4	20.1	22.7		22.9	22.9	22.9	22.9		22.9	22.9	22.9	22.9	
Total Assets	\$145.3	\$148.0	\$361.6	\$386.1		\$407.3	\$417.8	\$460.4	\$501.8		\$506.1	\$530.7	\$590.4	\$610.6	
Liabilities															
Accounts Payable	\$18.2	\$25.6	\$27.0	\$29.0		\$56.5	\$42.0	\$38.1	\$34.8		\$32.8	\$21.9	\$109.0	\$99.3	
Accrued Liabilities	7.9	8.4	10.7	20.9		13.0	13.0	13.0	13.0		13.0	13.0	13.0	13.0	
Defd Development Compensation	0.0	0.0	0.0	0.0		3.4	3.4	3.4	3.4		3.4	3.4	3.4	3.4	
Deferred Revenue	6.7	8.1	3.5	4.6		3.5	3.5	3.5	3.5		3.5	3.5	3.5	3.5	
Capital Lease Obligations, Current	7.9	8.4	10.7	20.9		13.0	13.0	13.0	13.0		13.0	13.0	13.0	13.0	
Reservation Payments	6.7	8.1	3.5	4.6		3.5	3.5	3.5	3.5		3.5	3.5	3.5	3.5	
Current Liabilities	\$59.1	\$68.6	\$69.3	\$85.6		\$115.8	\$103.3	\$101.4	\$100.1		\$102.2	\$93.2	\$182.4	\$174.6	
Common Stock Warrant Liability	0.0	16.7	6.7	6.1		7.5	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Convertible Pfd Stock Warrant Liability	10.4	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Capital Lease Obligations, Non-Current	0.7	0.6	0.6	0.5		0.7	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Deferred Revenue, less current	1.4	2.1	2.5	2.8		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Long-Term Debt - DoE Loan	29.9	45.4	56.6	71.8		102.5	200.4	269.0	337.0		387.0	447.0	447.0	434.0	
Other Long Term Liabilities	3.9	5.0	6.1	12.3		13.1	13.1	13.1	13.1		13.1	13.1	13.1	13.1	
Total Liabilities	\$105.4	\$138.5	\$141.7	\$179.0		\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0	\$0.0	
Total Convertible Pfd Stock	\$319.2	\$319.2	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0	\$0.0	\$0.0	
Series A Convert. Pfd (7.2M shs)	3.5	3.5	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Series B Convert. Pfd (17.5M shs)	12.9	12.9	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Series C Convert. Pfd (35.2M shs)	39.8	39.8	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Series D Convert. Pfd (18.4M shs)	44.9	44.9	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Series E Convert. Pfd (102.8M shs)	135.7	135.7	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Series F Convert. Pfd (27.8M shs)	82.4	82.4	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	
Total Liabilities & Convert Pfd	\$424.6	\$457.7	\$141.7	\$179.0		\$239.6	\$316.7	\$383.5	\$450.2		\$502.3	\$553.3	\$642.5	\$621.7	
Shareholders' Equity	(\$279.3)	(\$309.8)	\$219.9	\$207.0		\$167.7	\$101.0	\$76.9	\$51.6		\$3.8	(\$22.6)	(\$52.1)	(\$11.1)	
Total Liabilities and Equity	\$145.3	\$148.0	\$361.6	\$386.1		\$407.3	\$417.8	\$460.4	\$501.8		\$506.1	\$530.7	\$590.4	\$610.6	
Key Financial Ratios															
Days Receivable Outstanding	26.0	20.8	23.5	16.9		37.7	37.7	37.7	37.7		20.0	20.0	5.0	5.0	
Inventory Turns	2.4x	3.0x	2.2x	2.2x		2.4x	2.5x	2.0x	2.0x		2.0x	2.1x	15.0x	12.0x	
Days Payable	79.8	82.3	78.8	72.8		105.1	120.0	120.0	120.0		120.0	80.0	50.0	45.0	
Book Value	(\$12.75)	(\$13.51)	\$2.38	\$2.20		\$1.76	\$1.05	\$0.79	\$0.53		\$0.04	(\$0.23)	(\$0.52)	(\$0.11)	
Cash per Share	\$2.81	\$2.06	\$1.05	\$1.06		\$1.03	\$0.68	\$0.46	\$0.33		\$0.13	\$0.12	\$0.41	\$0.25	

Source: Company reports and CapStone Investments estimates

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