

In 000's, except ratio

Maximum Total Leverage Ratio Calculation						
Actual	Projected					
12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013		
Total consolidated debt	200,000 p. 3	250,000 p. 3	260,000 p. 3	275,000 p. 3	300,000 p. 3	
<b>Divided by:</b> total consolidated EBITDA	116,750 p. 2	90,000 p. 2	60,000 p. 2	65,000 p. 2	70,000 p. 2	
<b>Equals: total leverage ratio</b>	1.72	2.78	4.34	4.24	4.29	
In compliance?	YES	YES	YES	YES	YES	

**Requirement: Total leverage ratio shall not equal or exceed 4.50 at any quarter-end. See Appendix B-1 for further details.**

In 000's	Reported			Quarterly Results — FYE 12/31/12								
	FYE	FYE	FYE	3/31/2012		6/30/2012		9/30/2012		12/31/2012		FYE 12/31/2012
	12/31/10	12/31/11	12/31/12									
Revenue	\$1,225,000	\$1,410,000	\$1,605,000	\$325,000		\$375,000		\$425,000		\$480,000		\$1,605,000
Operating expenses	1,245,000	1,315,000	1,450,000	361,750		362,250		362,750		363,250		1,450,000
Operating income (loss) — EBITDA	(20,000)	95,000	155,000	(36,750)		12,750		62,250		116,750	<b>p. 1</b>	155,000
Less: depreciation and amortization	29,125	31,500	34,000	7,750		8,250		8,750		9,250		34,000
Earnings (loss) before interest and taxes — EBIT	(49,125)	63,500	121,000	(44,500)		4,500		53,500		107,500		121,000
Income/(loss) on investment in JV	2,000	4,000	(3,000)	1,000		1,200		900		(6,100)		(\$3,000)
Interest expense	12,000	14,000	16,000	3,250		3,750		4,250		4,750		16,000
Earnings (loss) before taxes	(59,125)	53,500	102,000	(46,750)		1,950		50,150		96,650		102,000
Provision (benefit) for income taxes	-	19,800	38,000	(18,700)		780		20,060		35,860		38,000
Net income (loss)	(59,125)	33,700	64,000	(28,050)		1,170		30,090		60,790		64,000

	Quarterly Projections — Year 1 — Debt Covenant Analysis								
	3/31/2013		6/30/2013		9/30/2013		12/31/2013		Total Year 1
Revenue	\$400,000		\$410,000		\$465,000		\$480,000		\$1,755,000
Operating expenses	310,000		350,000		400,000		410,000		1,470,000
Operating income — EBITDA	90,000	<b>p. 1</b>	60,000	<b>p. 1</b>	65,000	<b>p. 1</b>	70,000	<b>p. 1</b>	285,000
Less: depreciation and amortization	6,000		7,500		10,000		12,250		35,750
Earnings before interest and taxes — EBIT	84,000		52,500		55,000		57,750		249,250
Income/(loss) on investment in JV	400		500		350		450		\$1,700
Interest expense	3,750		4,250		4,750		5,250		18,000
Earnings before taxes - EBT	80,650		48,750		50,600		52,950		232,950
Provision for income taxes	32,260		19,500		20,240		21,180		93,180
Net income	48,390		29,250		30,360		31,770		139,770

In 000's

	Consolidated Balance Sheet				
	Actual	Projected			
	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
<b>ASSETS</b>					
Cash and short-term investments	\$240,000	\$260,000	\$200,000	\$185,000	\$170,000
Net accounts receivable	250,000	300,000	350,000	275,000	400,000
Inventories	100,000	150,000	250,000	300,000	340,000
Other current assets	70,000	80,000	85,000	90,000	100,000
Total current assets	660,000	790,000	885,000	850,000	1,010,000
Net PP&E	430,000	450,000	450,000	475,000	500,000
Long-term investments	150,000	150,000	150,000	150,000	200,000
Intangible assets	100,000	100,000	150,000	150,000	150,000
Goodwill	230,000	230,000	230,000	230,000	230,000
Investment in joint venture	7,000	7,000	7,000	7,000	7,000
Other assets	23,000	30,000	25,000	25,000	20,000
Total long-term assets	940,000	967,000	1,012,000	1,037,000	1,107,000
Total assets	1,600,000	1,757,000	1,897,000	1,887,000	2,117,000
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>					
Accounts payable	\$190,000	\$206,850	\$272,900	\$172,750	\$301,250
Income taxes payable	100,000	125,000	150,000	175,000	200,000
Short-term debt	200,000 p. 1	250,000 p. 1	260,000 p. 1	275,000 p. 1	300,000 p. 1
Other current liabilities	150,000	160,000	170,000	190,000	210,000
Total current liabilities	640,000	741,850	852,900	812,750	1,011,250
Other long-term liabilities	-	-	-	-	-
Total long-term liabilities	-	-	-	-	-
Total liabilities	640,000	741,850	852,900	812,750	1,011,250
Preferred stock	-	-	-	-	-
Common equity	960,000	1,008,390	1,037,640	1,068,000	1,099,770
Total shareholders' equity	960,000	1,008,390	1,037,640	1,068,000	1,099,770
Total liabilities and shareholders' equity	1,600,000	\$1,750,240	\$1,890,540	\$1,880,750	\$2,111,020