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Customer equity as a firm's valuation technique

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Abstract

Return on marketing investment has received attention for a long period of time. On the other hand, customers and the value that they bring to a company have enjoyed increased attention lately. Concepts like customer obsession, customer life time value, customer delight, customer equity and other topics have been researched by a number of scholars.

Customer equity as a marketing concept is the latest in marketing research. The concepts purport that management of a company should be able to calculate the value added to the company by its current and future customers. Such value is then discounted using the appropriate discount rate i.e. weighted average cost of capital (WACC).

This research focused on the possibility of using Customer Equity to calculate enterprise value. The purpose was to determine whether any variance between results of the two methods is statistically significant and whether or not a relationship between CE based enterprise value and discounted cash flow (DCF) based enterprise value exist.

From the analysis conducted it was concluded that no statistically significant variance existed between Customer Equity based enterprise value and DCF enterprise value. It was also noted that a relationship exist between customer equity and an enterprise value calculated using the DCF model.

Key Words

- Customer Equity (CE)
- Discounted Cash Flow (DCF)
- Enterprise Value

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Oupa Mbokodo

Signature

Date

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1. Chapter 1: Introduction to Research Problem

There has been increased focus on marketing accountability and the link to financial performance of a company. Research work done on this topic includes Ambler, and Roberts (2008); Gleaves, Burton, Kitshoff, Bates, and Whittington (2010); Kumar, and Shah (2009); and Rust Lemon, and Zeithaml (2001). Another recent development is the increasing pressure to relate marketing efforts to stock market performance. In addition to these, customer centricity has become the latest buzz word in marketing and an agenda point in most companies' boardrooms.

Of late, this trend has gathered momentum with chief executive officers (CEOs) of many firms, who are expressing their intent to put customers at the top of the long list of issues they must focus on for growth (The NYSE Euronext CEO Report, 2008). These developments put marketing in the limelight - the function that best knows and understands the firm's customers. (Kumar, et al. 2009). The marketing department in any organisation is one of the few departments that focuses and come into direct interaction with the customer. There has been an increased focus on measurements of return on marketing spend.

Financial accounting focuses on valuing tangible assets and record such in financial statements. This forms the basis for corporate or a firm's valuation. Bauer, and Hammerschmidt, (2005) argue that, traditional finance tends to focus on cost reduction strategies and may lead employees to miss opportunities to increase value by improving customer equity drivers. However, intangible assets (for

example, brand, customer and employee equity) are critical and often dominant determinants of value, yet financial analysts at best tangentially cover these critical determinants. (Gupta, Lehmann, and Stuart, 2004).

Business success is majored in financial terms and as a result, it is important to measure any contribution or consequences of management's actions. Customer equity is a summation of customer lifetime values for the customer base of an organisation.

Ambler, et al. (2008), argues against using only financial performance to measure return on marketing spend. They posit that marketing performance can be assessed by comparing against a well formulated plan and/or prior performance using a combination of short-term net cash flow or profit and the change in brand equity.

Technological developments have made it possible for companies to use richer customer activity information. In recent years there has been considerable and growing demand for research which develops improved approaches to marketing that encompass more analytical rigour and demonstrate a clearer linkage between marketing performance and business performance (Doyle 2000; Ambler 2003; Ward 2004; Anonymous 2006). (Gleaves, et al. 2010). This research seeks to establish whether a firm's value determined using customer based valuation methods is the same as corporate finance based value of a firm.

1.1 Problem Definition

The shift from product-centred thinking to customer-centred thinking implies the need for an accompanying shift from product-based strategy. In other words, a firm's strategic opportunities might be best viewed in terms of the firm's opportunities to improve the drivers of its customer equity. (Rust, et al. 2004). It is a known fact that a firm's financial value depends on off-balance sheet intangible assets like the brand. Another intangible asset that has recently emerged as a critical aspect of a firm is its customers. Gupta, et al. (2004), define the value of a customer as the expected sum of discounted future earnings.

The fundamental shift toward value based management has led to an increasing demand for corporate valuation methods. (Bauer, et al. 2005) This development according to Bauer, et al. (2005), is driven by external forces, namely the capital market's pressure to accurately assess companies.

It has been suggested (Gupta, et al. 2004) that customer equity is a reasonable proxy for the value of the firm. They argue that it is relatively easy to value stable and mature businesses, but the valuation of high-growth businesses is complex, because these businesses have limited history to draw on for future projections. This calls for alternative valuation techniques that will take into account other business assets like brand and the value of a customer base.

There is an opportunity to relate customer equity to corporate valuation (Rust, et al. 2004). This should involve the evaluation of corporate assets, liabilities, and risk, as well as the estimated customer equity. Gupta, et al. (2004) merge traditional

financial valuation methods based on discounted earnings with the key marketing methods concepts of the value of the customer to a firm.

Rust, et al. (2004) analysis of American Airlines provides some support for this. They concluded that although their projection ignores profits from international customers and non-flight sources of income, their customer equity calculation is largely compatible with American's market capitalization at the time of the study.

1.2 Research problem

Customer equity is the latest development in marketing theory. This is however seen as an extension of the customer lifetime value concept. There has been a need for a holistic measurement in marketing to measure return on marketing investment. Investment in marketing should translate to shareholder value and be measured at that level. Finance valuation techniques ignore intangible assets such as the brand, and the customer and the firm relationship.

Most intangible assets are only considered in mergers and acquisition transactions and investors are prepared to pay a premium if they believe the value of the firm is more than what is recorded on financial statements. Investors are also concerned about the value that management and marketing investment adds to the value of a firm. The study seeks to test the appropriateness of integrating marketing based methods and corporate finance based methods for corporate valuation.

Bauer, et al. (2005) suggests that the long-term value of customers is a more stable and relevant metric of firm value than financial metrics like market capitalization or price-earnings ratio. The study is relevant to South Africa because

no matter where investors come from, they seem to be concerned about marketing expenditure and its contribution to shareholder value.

It is normally easy to calculate enterprise value for established companies in a stable industry. According to Tallau (2006), valuing high-growth innovative companies is a difficult task. These companies usually have not existed for more than a few years, leading to a very limited track record. Due to the innovative character of these firms' products, there are often no competitors against which they can be measured. Furthermore, their current financial statements reveal very little about the future growth opportunities that contribute the most to their value. Traditional valuation methods such as discounted cash flow or multiples are often difficult to apply. (Tallau, 2006).

1.3 Purpose

The objective of the research is to explore the use of customer equity in determining the value of a company. To validate the results, comparisons will be done between customer equity determined value of the company and value of the company calculated using corporate finance valuations techniques.

1.4 Scope

The study will focus on South African JSE listed companies. Only companies listed on the main board of the stock exchange will be included in the study. The reason for focusing on JSE listed companies is that their annual reports and financial statements are publicly available.

2. Chapter 2: Literature Review

The following section deals with literature that is relevant to this research.

2.1 Introduction

Senior management have for years been interested in ways of measuring the impact of marketing investment on shareholder value. Broadly, customer culture has had a wide impact, with many proponents claiming that customer thinking should pervade organisations and governments in new ways (Boyce, 2000).

Market based assets have received increase focus in recent years. This focus (Hogan, Lehmann, Merino, Srivasta, Thomas, and Verhoef, 2002), has been driven, in part, by recent crash of the dot.com marketplace. Most of the dot.com start-ups were funded based on customer-centric measures such as eyeballs, number of customers, and click troughs, which have an indirect and often tenuous relationship to shareholder value.

In fact, some have focused on these customer-based metrics as one of the chief culprits behind the crash because they provided an erroneous assessment of the firm's ability to leverage its customer relationships to generate sustainable, positive cash flows. If there is one lesson to be learned from the dot.com crash, it is that firms need more effective ways to understand the linkage between customer assets and shareholder value. The importance of being able to understand and assess the value of customer assets is highlighted by the fact that as much as 80% of the value of a firm is composed of intangible assets. (Hogan, et al. 2002)

Value maximization states that managers should make all decisions so as to increase the total long-run market value of the firm. Total value is the sum of the values of all financial claims on the firm – including equity, debt, preferred stock, and warrants (Jensen, 2002).

A number of studies in marketing theory have been conducted ranging from those that looked at viewing customers as assets (Rust, Zeithaml, and Lemon, 2000), those that view customers as equity of a firm (Blattberg and Deighton, 1996; Blattberg, Getz, and Thomas, 2001; Rust, Zeithaml, and Lemon, 2000); measurement literature (Berger and Nasr 1998; Gupta, Lehmann, and Stuart. 2001; Jain and Singh. 2002; Reinartz and Kumar 2000; Rust, Lemon, and Zeithaml, 2002); using customer equity to do valuation of companies (Krafft, Rudolf, and Rudolf-Sipotz, 2005).

According to Simpson, and Talmor (2009), Thomas (2001) examines the link between customer acquisition and customer retention and shows that the two processes are not independent. Reinartz and Kumar (2000, 2003) focus on post-acquisition customer relationship management and examine the link between the duration of customer retention and customer profitability. Both studies focus on customer profitability.

Simpson, et al. (2009) argues that, Blattberg, et al. (2001) and Bolton, et al. (2004) incorporate both acquisition and retention into a theoretical model of customer lifetime value and customer equity. Reinartz, et al. (2005) develop the link between the customer relationship processes further by modelling the optimal level of investment in customer acquisition and retention for maximising customer profitability.

Other relevant studies included (Krafft, et al. 2005) “prescriptive literature that advocates allocation of resources away from low-value customers and toward those of highest value to the firm (Peppers and Rodgers 1993, 2001; Seybold 2001; Wolf 1996)”.

Corporate value is derived from an organisation’s interaction with its customers. In fact, operating cash flow is derived from revenue generated by operating assets. There has been a lot of rhetoric about customers that range from “customer focus”, “customer is the king” and lately customer delight. Regardless of the actual definition of corporate value, the relationship with customers and outcome stimulated by customer management (e.g. customer satisfaction and customer retention) always represent the initial stages of the profit chain (Bauer, et al. 2005).

Being able to evaluate the monetary worth of the customer base to the firm gives shareholders a much needed perspective on effectiveness and efficiency of the marketing function (Bell, Deighton, Reinartz, Rust, and Swartz. 2002)

Srivastava, Shervani & Fahey (1998) posit that it is imperative that marketers continually identify and articulate changes in the underlying assumptions regarding the field of marketing. In particular, as the movement to adopt shareholder value-based measures of firm performance continues, marketing's traditional assumptions must be extended to address the marketing-finance interface. More recent studies (Blattberg, 2001., Rust, 2004., and Gleaves, 2008.) have responded to this call. It is important to note that the new approaches do not replace the traditional techniques but add to concepts like CLV, corporate valuation using DFC, etc.

Wiesel, Skiera, and Villanueva, (2008), state that recent initiatives demand information that supplements and complements a firm's financial statements to bridge the gap between financial statement capabilities and financial reporting objectives. Financial statements normally report about tangible assets (except goodwill which is normally included).

Such information assists investors' decision making by explaining the main trends and factors that underlie the development, performance, and position of the firm's business. Firms that aim to increase the value of their customer base should report forward-looking customer metrics, because such reports align customer management with corporate goals and investors' perspectives (Wiesel, et al. 2008).

2.2 Approaches for Customer Valuation

There have been two approaches for customer valuation namely Customer profitability analysis (CPA) and customer lifetime value (CLV).

2.2.1 Customer Profitability Analysis

Customer Profitability Analysis (CPA) calculates a customer's contribution to profit as the difference between the revenue earned from a customer and the costs associated with that customer. (Boyce, 2000). This technique takes into account almost all costs associated with serving the customer, but its biggest short fall is that it does not project revenue and costs into the future. It is therefore historic in nature.

Customer Lifetime Value (CLV) on the other hand projects costs and revenues into the future and uses discounted cash flow analysis to derive a net present value for a customer or group of customers. According to Boyce (2000), CLV is often deemed to be a more powerful technique than CPA, due to its future orientation; in this regard it is an extension of CPA.

2.2.2 Customer Lifetime Value

CLV is the value of the customer relationship to the firm in monetary terms (Bell, et al. 2002). CLV is driven by estimates that are based on certain assumptions about future revenue, movement in customer numbers and future costs. It is also dependent on the appropriate allocation (Bell, et al. 2002) of costs to customers. In the past, customer valuation led to exclusion or discrimination of other segments of the customer base; (Berger and Nasr 1998), customer selection (one should focus

on customers with high CLV) (Venkatesan and Kumar 2004), and resource allocation (marketing resources should be allocated so as to maximize CLV (Reinartz, et al. 2005; Venkatesan and Kumar 2004). Both techniques have been for the valuation of a firm's customer base but not the firm itself. (Dreze, and Bonfrer, 2009).

There have been calls for marketing to account financially for marketing expenditures. Longitudinal data have not (Rust, 2004) produced a practical, high level model that can be used to trade-off marketing strategies in general. Rust, et al. 2004, propose that firms achieve this financial accountability by considering the effect of strategic marketing expenditures on their customer equity and by relating the improvement in customer equity to the expenditure required to achieve it.

The customer equity technique is based on the principle that says: (Blattberg, Getz, and Thomas, 2001), the customer is a financial asset that companies and organizations should measure, manage, and maximize just like any other asset. The notion of viewing customer as assets grounded according to Hogan, on both resource based view of the firm and the relationship-marketing paradigm. Under a customer asset management (CAM) perspective, customers are viewed as risky assets that may produce cash flow for the firm over time (Hogan, et al. 2002). The figure below shows the inter-relation of customer profitability, customer lifetime value, customer equity and period operating profit.

All customers	PERIOD OPERATING PROFIT	CUSTOMER EQUITY
A single customer	CUSTOMER PROFITABILITY	CUSTOMER LIFETIME VALUE
Current accounting period, e.g. one year		All future accounting periods (NPV basis)

Figure 1. Inter-relations of CP, CLV & CE- Source; Gleaves (2008), Journal of Marketing Management

The value of the customer asset is then the expected risk-adjusted profits they produce over time including the acquisition, retention, expansion, and deletion costs (Blattberg, Getz, & Thomas 2001). It is however not always easy to forecast cash flow (revenue and costs) and customer movements for the future.

Many of the concepts that form the foundation of customer equity (for example, customer lifetime value, customer acquisition and customer retention) are not new in marketing. The customer equity approach, under which a firm is evaluated by its potential to generate cash flow from current customers and future customer base,

seems to be a promising concept for determining the market value of growth companies. (Krafft, et al. 2005).

2.3 Customer Equity

Customer equity can be defined as the total of the discounted lifetime values of all the firm's customers. Strategy based customer equity allows firms to trade off between customer value, brand equity, and customer relationship management. (Lemon, 2001). Gupta, et al. (2004) posits that the value of a firm's customers is the sum of the lifetime value of its current and future customers.

Prior studies e.g. Reichheld (1996) found that the value (profits) of a customer increases over that customer's lifetime. However this conclusion is dispelled by Reinartz and Kumar (2000) who found that this pattern does not hold for non-contractual settings.

Customer equity is a new approach to marketing that finally puts the customer and, more important, strategies that grow the value of the customer, at the heart of the organisation. (Lemon, 2001). This view is supported by Bell, Deighton, Werner, Reinartz, Roland, Rust and Swartz (2002), when they posit that the shift to a customer focus enables marketing tools to be more directly accountable for their intended results and to learn by a process of adaptive experimentation.

Customer equity as a concept was initially introduced to mainstream marketing by Blattberg and Deighton (1996) in a paper that claimed the marketing manager's function was to balance the amount spent on retaining old customers and attracting new customers at the point where customer equity is at a maximum. Lemon, Rust

and Zeithaml (2001) and Rust, Zeithaml and Lemon (2000) expanded on this concept and posited that there were three drivers of customer equity. (Seggie, Cavusgil & Phelan, 2007). Lemon posited that those drivers include value equity, brand equity, and relationship equity (also known as retention equity).

For most firms, customer equity is certain to be the most important determinant of the long-term value of the firm but not responsible for the entire value of the firm. (Lemon, 2001). Since customer equity is about cash flow derived from current customer and future customers, it addresses the long-term sustainability of a firm's cash flow. Lemon posits that customer equity offers a powerful new approach to marketing strategy, replacing product-based strategy with a competitive strategy approach based on growing the long-term value of the firm.

There is clearly a shift from brand-centric to customer centric marketing. According to Bell, the point is not that product-or-brand-driven initiatives are unimportant or that the focus is misplaced but that the shift to a customer focus enables marketing tools to be more directly accountable for their intended results and to learn by a process of adaptive experimentation.

Direct accountability is one consequence of the ability to market to identified customers. Another, perhaps more important, is the ability to compute a customer's lifetime value and thereby to select customers and measure marketing results by the criterion of customer worth. By effectively leveraging the capabilities of information technology, marketing is entering a state where investment and returns

can be credibly measured and indeed marketing functions can be related to market capitalization and shareholder value creation. (Bell, 2002).

Leon (2006) argues that brand equity and customer equity tend to emphasise different aspects. The customer equity perspective puts much focus on the bottom-line financial value extracted from customers. Its' clear benefit is the quantifiable measures of financial performance it provides. Leon (2006) also concludes that the customer equity perspective largely ignores some of the important advantages of creating a strong brand. Examples include the ability of a strong brand to attract higher quality employees, elicit stronger support from channel and supply chain partners, and create growth opportunities through line and category extensions and licensing, and so on. In particular, the customer equity perspective is somewhat weak in capturing the nature of marketing tasks that deal with managing the channel and managing competitors.

Leon's argument is however nullified by Lemon's (2001) argument that says customer equity depends on three drivers namely; value equity, brand equity, and relationship equity. Therefore, brand equity is a subset of customer equity.

One weakness of the customer equity approach is that it does not (according to Leon) always fully account for competitive response and the resulting moves and countermoves; nor does it fully account for social network effects, word-of-mouth, and customer-to-customer recommendations.

Marketing is viewed as an investment (Srivastava, Shervani, and Fahey 1998) that produces an improvement in a driver of customer equity. (Rust, 2004). Market

share, historically used as a measure of a company's overall competitive standing, can be misleading because it considers only current sales. (Rust, 2004). Previous studies attempted to link market share to profitability.

A company that has built the foundation for strong future profits is in better competitive position than a company that is sacrificing future profits for current sales, even if the two companies' current market shares are identical. (Rust, 2004). There has been a shift from focusing on market share and brand to managing customer lifetime value (CLV) and most recently to customer equity (CE).

Customer equity is referred to (Rust 2004) as an alternative to market share that takes CLV into account. Gupta (204) found that a 1% improvement in retention, margin, or acquisition costs improves firm value by 5%, 1% and 0.1% respectively. They also find that a 1% improvement in retention has almost a five times greater impact on firm value than a 1% change in discount rate or cost of capital. (Gupta, et al. 2004).

Most companies refer to customers as assets from which value can be extracted. If indeed value can be extracted then it should be quantified. A brand has also been considered as one of the market-based assets. The value of a customer is based on (Krafft, Rudolf & Rudolf-Sipotz, 2005) both the lifetime value and the indirect economic returns from influencing other prospective or current customers.

The terms CLV and CE are used interchangeably by researchers. There is no doubt however that the two concepts are distinct; CLV computes the value of a

customer to the firm while CE measures the value of all present and future customers given a firm's marketing actions (e.g., acquisition policy, marketing mix). (Dreze & Bonfrer, 2009). There is no doubt that when valuing a firm (Gupta, et al. 2004) one should use CE as a metric rather than CLV.

2.4 Drivers of Customer Equity

Drivers of customer equity have been suggested by Lemon (2001) as brand equity, value equity and retention equity. Value equity is viewed as the customer's objective assessment of the utility of a brand, based on perceptions of what is given up for what is received. According to Lemon (2001), the key drivers of brand equity are brand awareness, attitude toward the brand, and corporate ethics. Relationship equity deals the tendency of the customer to stick with the brand, above and beyond the customer's objective and subjective assessment of the brand.

The key drivers of customer equity are industry specific. Determining what the most important driver of customer equity is, will often depend on the characteristics of the industry and the market, such as market maturity or consumer decision processes. (Lemon, 2001). It is therefore important therefore to have a deeper understanding of the industry before attempting to increase customer equity.

The framework developed by Rust, Ziethaml and Lemon provides a conceptual foundation of customer equity. Key drivers of customer equity depend on the

industry and the lifecycle of the market. Lemon, et al. (2001) provides examples of when value equity, brand equity and relationship equity matters most.

Along with this renewed interest in CLV, there has been a move towards using customer equity (CE) as a marketing metric both for assessing the return of marketing actions and to value firms as a whole. (Dreze and Bonfrer, 2009). There are however challenges in calculating customer equity. According to Kumar, et al. (2007), the challenges in measuring customer equity include:

- data requirements,
- accuracy of the metrics and
- scope of the metric in formulating individual, customer-level and firm-level strategies.

2.5 Valuing Companies using Customer Equity

Traditional, marketing metrics focused on the success of marketing activities in acquiring or retaining customers and achieving growth in sales. Increasingly, however, top management requires that marketing view its ultimate purpose as contributing to the enhancement of shareholder returns (Srivastava, et al. 1998). It is this change that led to the recognition that an increased focus on the link between finance and marketing is necessary.

Firms exist to create or improve value for shareholders and other stakeholders such as employees and communities they operate in. Stakeholders' theory is completely consistent with value maximisation, which implies that managers must pay attention to all constituencies that can affect the firm (Jansen, 2002). Given the

growing importance of creating value for shareholders, market strategies have to be evaluated by their capacity to achieve this goal. Accordingly, both the acquisition and maintenance of customers must result in superior cash flows and augmented shareholder value. (Stahl, Matzler & Hinterhuber, 2002).

Gupta, Lehmann, and Stuart, (2001), posit that customer equity is a reasonable proxy for the value of the firm. This conclusion is supported by Rust, Lemon and Zeithaml, (2004), based on analysis of American Airlines. Gupta's, et al. (2004) customer based valuation approach is based on the premise that says if the long-term value of a customer can be estimated and the growth in number of customers can be forecast, it is easy to value a company's current and future customer base.

Recent initiatives demand information that supplements and complements a firm's financial statements to bridge the gap between financial statement capabilities and financial reporting objectives. Such information assists investors' decision making by explaining the main trends and factors that underlie the development, performance, and position of the firm's business. Firms that aim to increase the value of their customer base should report forward-looking customer metrics, because such reports align customer management with corporate goals and investors' perspectives. (Wiesel, et al. 2008).

The other reason for the increased focus on market based valuation techniques (brand equity, customer equity) is that it is usually difficult to do valuation of a start-up because there is no historic data to base forecast on. Krafft, (2005) argues that

traditional concepts used to calculate enterprise value (e.g. the NPV model) cannot explain the value of fast-growing companies. Rather, it seems appropriate to treat the evolution of a start-up's customer base as a real option. (Krafft, Rudolf & Rudolf-Sipotz, 2005).

This approach of using customer based valuation techniques is supported by Gupta, et al. (2004). Gupta, et al. (2004) suggests and show that the value based on customers can be a strong determinant of firm value. However, using customer equity to determine enterprise value may require company confidential information. Such information include customer acquisition costs, customer retention costs, number of customers (opening balance, acquisition, lost customers and closing balance). There is however an alternative to this approach.

Gupta, et al. (2004) used only published information from firms' annual financial statements to estimate the value of their customer base. This approach is limited in that it is based on certain assumptions for example; the entire marketing expenditure may be classified as acquisition cost just to make Gupta's (2004) model work. Like other valuation techniques, the most important aspect to get right is forecasting (revenue, number of new customers, etc).

The value of the customer base represents (Bauer, et al. (2005) the entire operating cash flow of a firm. This is because operating assets provide cash flow only if they are used to create products and services that are purchased by

customers (Hogan, et al. 2002). According to Bauer, (2005), customer equity and all cash flows generated from non-operating assets yield the overall value of a firm.

There is still a need to do valuation of other assets. Therefore valuation techniques that involve the valuation of intangible assets such the brand and customer bases are not alternatives to corporate finance based firm valuation techniques but can complete other techniques. While customer equity will not be responsible for the entire value of the firm (e.g. physical assets, intellectual property, and research and development competencies), its current customers provide the most reliable source of future revenues and profits (Lemon, Rust & Ziethaml, 2001).

According to Blattberg, et al. (2001), historical, or in the best case, short-term financial metrics, such as changes in sales and profits year after year, various expense ratios, and the balance sheet, do not provide a complete picture of a company's current and future performance. Blattberg e al. (2001) seems to suggest that something is missing. They then posit that what is missing is indicators of significant long-term growth potential, such as the growth of customer bases, the ability to add-on sell, and access to customer information.

Firms exist to create value for all stakeholders. The primary stakeholder for most firms is the shareholder. From a shareholder's perspective, firm's growth and sustainability of that growth is key to the value of his or her investment. Addressing the issues of sustainability and growth of customer assets, Blattberg, Getz, and Thomas (2001) introduced the concept of a customer equity flow statement. (Hogan, et al. 2002)

From the literature reviewed, it appears that it is important to know the CLV for individual customers. Bayon, et al. (2002) posits that the CLV is the central criterion for making decisions on the allocation of marketing resources. However, calculation of the CLV is not sufficient for implementing a consistently value-oriented marketing strategy. In addition, regular determination of Customer Equity is required as the top marketing target figure. The reasons are obvious (Bayon, et al. 2002):

1. Top management requires a concrete upper control variable for marketing; without it systematic planning and control of the overall effect of all marketing activities is impossible. This marketing control variable must be compatible with the highest order corporate control variable for instance, Net Present Value (NPV). (Bayon, et al. 2002).
2. Institutional investors expect regular, realistic reporting on the cash flow potential of a company; the cash potential of current and future customers as reflected in Customer Equity is important for this (Bayon, et al. 2002).

There is clearly an increased focus on measurement and metrics for marketing performance. The increasing use of customer valuation practices may see the marketing and accounting functions working more closely together, with customer valuation as a key component of the work of the office of an organisation's Chief Financial Officer, (Boyce, 2000). Rust, et al. (2004) suggested a study that relates customer equity to corporate value. They also suggested that such study should

involve the evaluation of corporate assets, liabilities, and risk, as well as the estimated customer equity.

According to Kumar and Denish (2009), the CLV computation entails predicting the future cash flow from each customer by incorporating into a single equation the elements of revenue, expense, and customer behaviour that drive customer profitability. This is then discounted using the cost of capital (WACC) to arrive at the net present value of all future cash flows expected from a customer or the lifetime value of the customer. The sum total of lifetime value of all customers of the firm represents the customer equity of the firm. In other words, CLV is a disaggregate measure of customer profitability, and CE is an aggregate measure. Notably, CLV computation is conceptually analogous to the discounted cash flow (DCF) method used in the accounting discipline to value firms. (Kumar, et al. 2009). If indeed, CE is analogous to the DCF method used to value firms, there should be no statistically significant variances between the CE based enterprise value and enterprise value calculated using corporate finance based methods.

Wiesel, Skiera, and Villanueva (2008), posit that external reporting about a firm's customer management activities must fall in line with financial reporting criteria and thus focus on the value of the customer base instead of concentrating on short-term oriented value metrics, such as current profitability. Therefore, investors should receive information about:

- customer metrics (e.g. customer retention, customer cash flow),

- the value of the customer base (usually operationalized as customer equity),
- components of customer equity (e.g., customer equity before marketing expenditures, total lifetime retention expenditures, total lifetime acquisition expenditures),
- changes in customer equity and components of customer equity over time, and
- the effects of changes in customer metrics over time. Such data provide valuable information to investors.

3. Chapter 3: Research Hypothesis

3.1 Introduction

A hypothesis is a proposition that is empirically testable (Zikmund, 2003). According to Zikmund, 2003, a hypothesis is an unproven proposition or supposition that tentatively explains certain facts or phenomena. According to Williams, Sweeney & Anderson (2006), the null and alternative hypothesis are competing statements about a population. In hypothesis testing either the null hypothesis (H_0) or the alternative hypothesis (H_a) is true. Williams (2006), continue to say that ideally the hypothesis testing procedure should lead to the acceptance of H_0 when H_0 is true and the rejection H_0 when H_a is true.

In order to explore whether the Customer Equity approach to determining enterprise value yields the same results as corporate finance based techniques, the following research hypotheses identified.

3.2 Hypothesis 1

The null hypothesis states that the mean value of a firm determined using customer equity is equals to the value of a firm determined using corporate finance techniques. The alternate (research) hypothesis states that there is a difference between mean values of customers based (CE) enterprise value and discounted cash flow based enterprise value.

$\mu_{CE\ EV}$ = mean Customer equity based enterprise value

$\mu_{DCF\ EV}$ = Discounted cash flow based enterprise value

The null hypotheses and the alternative hypotheses were formulated as follows:

$$H_0: \mu_{CE\ EV} = \mu_{DCF\ EV}$$

$$H_a: \mu_{CE\ EV} \neq \mu_{DCF\ EV}$$

3.3 Hypothesis 2

The second null hypothesis states that an increase in customer equity does not lead to an increase in DCF enterprise value. The purpose of this hypothesis is to examine the behaviour of the value of a firm given a change in customer equity (CE).

Ho: Positive change (▲) in CE leads to an increase in the value of a firm

Ha: Positive change (▲) in CE leads to a negative change in the value of a firm or no change CE

3.4 Hypothesis Testing

The hypotheses stated above were tested using popular statistical procedures such as the t-test. Details of statistical procedures used are presented in chapter 4 while results and discussions on results are provided in chapter 5 and chapter 6 respectively.

4. Chapter 4: Research Methodology

This section details the research methodology that was followed by the researcher. This study is an extension of Kim, Maharaj, and Srivastava (1995), who used DCF to estimate the value of businesses in the wireless communications industry. The latest models in using customer equity to do valuation of a firm were applied to South African companies.

4.1 Research Design

Zikmund (2003), states that a research design is a master plan specifying the methods and procedures for collecting and analysing the needed information. A descriptive research was conducted. The object of using descriptive research is to describe characteristics of a population or phenomenon. (Zikmund, 2003). The study was quantitative in nature i.e. using financial information to arrive at a value of a firm.

Secondary data from companies' financial statements was used. Secondary data is that data that was previously assembled for some project other than the one at hand. (Zikmund, 2003). The researcher realised that it would be difficult to obtain primary data from companies because data about customer numbers, profits from individual customers, and the split of marketing costs into acquisition and retention costs is considered confidential and contributes to companies' competitive advantage. Shortcomings of using secondary data, according to Zikmund (2003), is that data may be outdated or may not exactly meet the needs of the researcher because they were collected for another purpose.

4.2 Unit of analysis

Unit of analysis refers to where the level of investigation is focused (Zikmund, 2003). The unit of analysis will be a company (one company).

4.3 Population

A population or universe is a complete group or set of individuals that have some common characteristics. The population for this study was JSE (Johannesburg Securities Exchange) listed companies. Only those companies that are listed on the main board will form part of the population. The reason for only considering JSE listed companies is that their annual report and financial statements are publicly available.

4.4 Sampling

Sampling is any procedure that uses a small number of items or a portion of a population to make a conclusion regarding the whole population (Zikmund, 2003). A precondition for sampling is that the selected sample has to be representative of the population under study in order for the researcher to be able to make generalisations about the population of interest (Zikmund, 2003)

4.4.1 Sampling Frame

According to Zikmund (2003), a sampling frame is the list of elements from which the sample may be drawn. Zikmund continues to say the sampling frame is also called the working population because it provides the list that can be worked with operationally. (Zikmund, 2003). The sampling frame for this study was a list of JSE

listed companies. Therefore, there was no difference between the sampling frame and the population in this research.

4.4.2 Sampling Method

Convenience sampling (also called haphazard or accidental sampling) was used because companies do not follow the same format of financial reporting. According to Zikmund (2003), convenience sampling refers to sampling by obtaining units or people who are most conveniently available.

This method was chosen because in certain instances it may have been difficult for the researcher to extract the required data (based on the defined variables) from financial statements or annual report. Williams (2006) suggest that the advantages of convenience sampling include the relative ease of sample selection and data collection.

The downside of using convenience sampling is that the sample may not be representative of the population because of the haphazard manner by which the sample was taken and (Zikmund, 2003) because of self-selection bias. This view is supported by Williams (2006) by stating that it is impossible to evaluate the “goodness” of the sample in terms of its representativeness of the population.

The researcher managed this risk by not projecting the results of the research beyond the specific sample as suggested by Zikmund (2003). Therefore results of this study were not generalised to the population (JSE listed companies at the time the sample was selected).

The convenient sample was taken following these criteria:

- Companies in the industry disclose customer numbers
- EBITDA is already calculated or numbers are available to easily calculate it

4.4.3 Sampling Units

One company represents one sampling unit. The sampling unit is a single element or group of elements subject to selection in the sample. (Zikmund, 2003)

4.4.4 Sampling Size

Judgement was used in determining the sample size. Zikmund (2003), states that just as sample units may be selected based on the convenience or the judgement of the researcher, sample size may also be determined on the basis of managerial judgement.

The sample size for this study was 35 companies. A sample size of 35 was drawn due to time constraints and the nature of analysis required to test the hypotheses. Procedures followed involved capturing data of the 35 companies onto two models i.e. DCF model and customer equity based enterprise value model. This was done twice so that comparisons of two financial years can be done in line with hypothesis 2.

A sample size of 30 is regarded as appropriate for statistical analysis – Zikmund, 2003. This translates to 5 years times 35 sets of financials which equals 175 observations. Due to the nature, volume and format of financial statements, the researcher was convinced that this is the most optimal number given time constraints.

4.5 Data collection

As mentioned above, the value of the customer base represents (Bauer, et al. 2005) the entire operating cash flow of a firm. This is because operating assets provide cash flow only if they are used to create products and services that are purchased by customers (Hogan, et al. 2002). According to Bauer, (2005), customer equity and all cash flows generated from non-operating assets yield the overall value of a firm.

Sources of data were companies' audited financial statements. This data was sourced from McGregor BFA. According to McGregor website (www.mcgbfa.com), McGregor BFA is the pre-eminent provider of stock market, fundamental research data and news to the financial sector and the corporate market at large. To calculate customer equity, annual reports were used and in certain instances, analysts' reports were considered.

The following variables (drivers of customer equity) were used to calculate customer equity, as suggested by Bauer, et al. (2005). This was then be used to test both hypotheses. To test hypothesis 1, these variables were used to first calculate the enterprise value using customer equity. This value was then compared to a corporate finance based enterprise value. To test hypothesis 2, changes of the various variables were observed against the resulted DCF based enterprise value.

4.5.1 Number of customers:

For estimating CE, (Bauer, et al. 2005) it is irrelevant whether the purchases of customers that are induced by references are assigned to the CLV of the reference provider (indirect method) or whether it is included in the CLV of the recipient itself (direct method) because CE is defined as the total of the CLVs summed over all current and future customers. In order to estimate this figure, industry specific retention rates can be used that are published in several studies. An average retention rate among established firms and the number of customers at the end of a period leads to the number of lost customers for each period (Bauer, et al. 2005).

This figure is necessary in order to calculate the number of acquired customers, which is given by the difference between the number of customers at the end and at the beginning of a period. (Skiera and Wiesel, 2002). The researched used aggregated financial information such as total revenue and total EBITDA. There was therefore no need to break the calculation down to individual customers.

4.5.2 Acquisition costs and contribution margin per customer

Acquisition costs can be calculated by dividing the marketing costs by the number of newly acquired customers for each past period. Here, the assumption is made that the marketing expenditures are only used to attract customers although, evidently, they are also used for retaining customers (Gupta, et al. 2001). Most often no separation of the marketing expenditures is available from company reports (Reinartz and Kumar, 2000).

According to Bauer, et al. (2005), to model the contribution margin per customer over time, the models mentioned above are available, but request very detailed information and high mathematical efforts. A simpler procedure is to draw on the total annual EBITDA-margin of the current year and divide this by the total number of customers at the end of that year (Skiera and Wiesel, 2002).

For the purposes of calculating the contribution margin, the researcher used a company's total EBITDA divided, as proposed by Skiera and Wiesel, 2002. This made it easy to calculate the contribution margin because companies do not disclose acquisition costs or contribution margins per customer.

4.5.3 Discount rate

To estimate the discount rate that accounts for the financing mix of a company as well as its risk, standard financial methods (e.g. Capital Asset Pricing Model) can be used (Bauer, et al. 2005). Finance texts generally suggest a range of 8-16 per cent for this annual discount rate (Brealey and Myers, 2000). Beta factors, necessary to choose an appropriate discount rate, can be taken out of reports of financial information companies as Reuters or Bloomberg (Bauer, et al. 2005). For this study, the weighted average cost of capital (WACC) was used. This information was pre-calculated and readily available from the McGregor database (website).

4.6 Data analysis

Two levels of data analysis were conducted and details are provided below:

4.6.1 Hypothesis 1

The null hypothesis states that the mean value of a firm determined using customer equity is equals to the value of a firm determined using corporate finance techniques. The alternate hypothesis states that there is a variance between mean customers based (CE) value of a firm and mean corporate finance based value of a firm.

$\mu_{CE\ EV}$ = mean Customer Equity based enterprise value

$\mu_{DCF\ EV}$ = Discounted Cash flow based enterprise value

$H_0: \mu_{CE\ EV} = \mu_{DCF\ EV}$

$H_a: \mu_{CE\ EV} \neq \mu_{DCF\ EV}$

The t-test was used to test whether the variance between the two means is statistically significant.

4.6.2 Hypothesis 2

The second null hypothesis states that an increase in customer equity leads to an increase in the value of a company. The purpose of this hypothesis is to examine the behaviour of the value of a firm given a change in customer equity (CE).

H_0 : Positive change ($\blacktriangle$) in CE leads to an increase in the value of a firm

Ha: Positive change (Δ) in CE leads to a negative change in the value of a firm or no change CE.

A regression analysis was used to determine whether a relationship between the two variables exists.

4.6.3 Models Used

The discounted cash flow (DCF) model was used to calculate DCF based enterprise. The DCF model used was adapted from Professor Theo Vermeulen's DCF excel model. Results of this calculation were then compared to Customer Equity based enterprise value. A typical DFC model includes variables such as free cash flow, expected growth (growth rate), terminal value and discount rate.

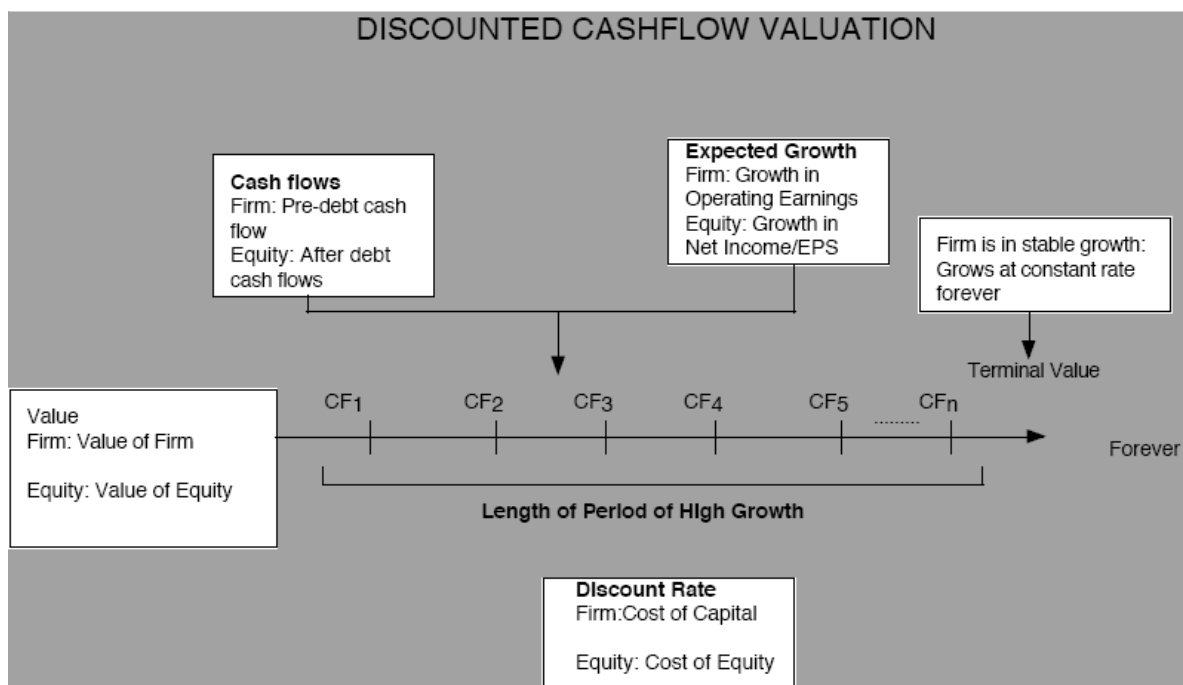


Figure 2: Typical DCF Model - Source: Aswath Damodaran, presentation

The model used to calculate Customer Equity based enterprise value is a simply model (adapted from the DCF model) that was put together by the researcher. Variables used in the model included EBITDA (base year plus 4 future years); discount rate (WACC); growth rate; terminal value; net present value. The following was used to calculate customer equity (CE) based enterprise value:

- EBITDA as a measure of profits from operations excluding interest, tax, depreciation and amortisation. The rationale was that this figure represents what an enterprise gets (excluding costs) from its customers and once-off costs or income is included. There was no need to calculate EBITDA per customer since the intention was to calculate enterprise value and not customer equity per customer.
- WACC – this was used to discount the EBITDA.

4.6.4 Statistical Procedures Used

Hypothesis 1: T-test

According to Zikmund (2003), among the statistical tests is t-test (or t-test) for a hypothesis about a mean, product-moment correlation analysis, and analysis of variance tests. The t-test may be used to test a hypothesis stating that the mean scores on some variable will be significantly different for two independent samples or groups. t-test is used when the sample size is small i.e. 30 or less, and the population standard deviation is unknown.

Zikmund (2003) continues to say that if the standard deviation is unknown but the number of observations in both groups is large, the appropriate test of mean differences between two groups is a t-test rather than a z-test. The z-test statistical procedure is identical to the t-test procedure. A t-test was used even though the sample size was greater than 30 (i.e. 35). A two-tailed test was run because the researcher was not sure which way the difference will go (positive or negative).

Hypothesis 2: Regression\Correlation Analysis

Regression is another technique for measuring the linear association between a dependent and an independent variable (Zikmund 2003). The purpose of hypothesis 2 is to establish whether there is a relationship between customer equity based enterprise value and the enterprise value calculated using the discounted cash flow method. This is in line with Albright, Winston and Zappe (2008) conclusion that says regression analysis is the study of relationships between variables.

Zikmund (2003), states that the correlation coefficient (r) indicates the strength of the association of the two variables and the direction of that association. The correlation coefficient (r) ranges between 1 and -1. 1 indicates a perfect positive association, 0 indicating no association and -1 indicating a perfect negative association.

The null hypothesis which states that an increase in customer equity leads to an increase in the value of a company was tested using regression analysis. The

dependent variable was the DCF based enterprise value while the independent variable was CE based enterprise value.

The remaining sections of this report are organised in the following manner: First, results of the research are provided below under chapter 5. Chapter 6 deals with the analysis of the results while chapter 7 provides concluding remarks, research limitations and suggested future research.

5. Chapter 5: Results

This chapter deals with results of the research and conclusions per hypothesis. It represents data in different possible ways to ensure that the potential value of the results is maximised.

5.1 Hypothesis 1

5.1.1 Introduction

To ensure that comparison of like to like is achieved, both models are used to calculate enterprise value not equity value, i.e. when using the DCF model, debt is not deducted therefore the final product of the calculation is enterprise value not equity value.

A sample was taken using convenience sampling due to limited time available to complete this study. The researcher took a sample from a list JSE listed companies obtained from Bloomberg – 30 July 2010. Bloomberg (www.bloomberg.com) provides access to company information, news, analytics, charts and other services.

As mentioned above, the sampling method was convenience sampling which means that no scientific sampling procedure was followed. Companies included in the sample are:

1Time	Discovery	MTN
AdvTech	Ellies Holdings	Naspers
African Bank Limited	Foneworx	Netcare
Altech	Foschini	Nictus
Beige	Gijima	Spur
Blue Label	Huge Group	Sun International
Business Connexion	JD Group	Taste Holdings
Cashbuild	Lewis Group	Telkom
Clicks Group	Massmart	Truworths
Comair	Medi-clinic	Vodacom
Datacentrix	Metrofile	Woolworths
Datatec	Mr Price	

5.1.2 Results

Results per observation for the 2009/2010 financial year are provided below.

Figures mentioned below are in rand-thousand (R000)

1Time

The DCF enterprise value is lower than the Customer Equity enterprise value by 10%. The variance does not appear to be significant. This is an indication that Customer Equity, for this observation, may not be a reliable model to calculate enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
1	1Time	1,500,103	1,353,996	10%

AdvTech

A variance of 12% appears to be significant enough to suggest that the two methods do not deliver the same results. For this observation, it may be argued that Customer Equity is not the best model to calculate enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
2	AdvTech	4,830,588	3,359,765	12%

African Bank Limited

For African Bank Limited, the variance is even bigger i.e. 55%. The customer equity model does not take into account the following:

- Working capital requirement and changes in working capital requirements
- Investment in assets

The second aspect that should be taken into consideration is the fact that the two models differ in that the DCF model uses free cash flow while the CE enterprise value model used uses EBITDA. Care should be applied when using Customer Equity to ensure that any conclusion reached is an informed one.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
3	African Bank Limited	201,956,474	90,853,627	55%

Altech

The DCF enterprise value is less than the Customer Equity enterprise value by 13%. The variance appears to be significant. It must be noted that the variables used on both models are similar except for EBITDA (used to calculate Customer Equity) and Net Operating Profit after Tax (used to calculate DCF enterprise value).

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
4	Altech	17,911,010	15,567,910	13%

Beige

For Beige, the variance is only 6%. The variance appears not to be significant to justify not considering Customer Equity as a model to calculate enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
5	Beige	678,899	639,925	6%

Blue Label

For Blue label, similar results to Beige were observed. The variance was again 1%, i.e. the DCF enterprise value was higher than the Customer Equity enterprise value by 1%.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
6	Blue Label	15,882,903	16,095,050	-1%

Business Connexion

A variance was also observed in the case of Business Connexion. The variance was however positive i.e. CE enterprise value is higher than DCF enterprise value. The variance appeared to be insignificant i.e. 1% and therefore it can be said that for this observation both models delivered more or less the same results.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
7	Business Connexion	17,061,355	16,873,691	1%

Cashbuild

A significant variance of 5% was observed in the case of Cashbuild. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
8	Cashbuild	20,569,179	19,594,288	5%

Clicks Group

The variance for Clicks Group appeared to be insignificant i.e. 1% and therefore it can be said that for this observation both models delivered more or less the same results.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
9	Clicks Group	17,770,260	17,515,440	1%

Comair

A significant variance was observed in the case of Comair. The Customer Equity enterprise value was higher than the DCF enterprise value by 7%.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
10	Comair	58,231,953	53,984,691	7%

Datacentrix

For Datacentrix, variance was 1%, i.e. the DCF enterprise value was lower than the Customer Equity enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
11	Datacentrix	3,267,631	3,239,274	1%

Datatec

For Datatec, variance was 6%, i.e. the DCF enterprise value was higher than the Customer Equity enterprise value. This was the first significant variance where the DCF enterprise value is higher than the Customer Equity enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
12	Datatec	2,551,705	2,710,537	-6%

Discovery

A significant variance of 8% was observed in the case of Discovery. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
13	Discovery	23,238,943	21,376,505	8%

Ellies Holdings

A significant variance of 6% was observed in the case of Ellies Holdings. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
14	Ellies Holdings	5,976,425	5,639,819	6%

Foneworx

A variance of 9% was observed in the case of Foneworx. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
15	Foneworx	507,473	461,192	9%

Foschini

A significant variance of 10% was observed in the case of Foschini. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
16	Foschini	33,857,041	30,416,632	10%

Gijima

A variance of 17% was observed in the case of Gijima. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
17	Gijima	7,429,071	6,169,737	17%

Huge Group

Huge Group's results followed the general trend. A significant variance of 18% was observed. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
18	Huge Group	2,574,520	2,120,959	18%

JD Group

A significant variance of 5% was observed in the case of JD Group. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
19	JD Group	65,512,847	62,244,866	5%

Lewis Group

For Lewis Group, the variance was not that significant, i.e. 1%. The two models delivered similar results. This suggests that in the case of Lewis Group, either of the models can be used to determine enterprise value. This however, may not be true given that an increase in some of the variables used in the models such as revenue or EBITDA may cause one of the models to deliver results that are different from the other model.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
20	Lewis Group	21,653,476	21,455,660	1%

Massmart

For Massmart, the variance was not that significant, i.e. 3%. The variance appeared not significant.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
21	Massmart	74,756,505	72,659,221	3%

Medi-clinic

Medi-clinic's results followed the general trend. A significant variance of 16% was observed in the case of Cashbuild. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
22	Medi-clinic	140,391,589	117,544,766	16%

Metrofile

A significant variance of 7% was observed in the case of Metrofile. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
23	Metrofile	2,422,885	2,244,801	7%

Mr Price

A significant variance of 11% was observed in the case of Mr Price. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
24	Mr Price	52,502,374	46,517,438	11%

MTN

A significant variance of 30% was observed in the case of MTN. The Customer Equity enterprise value was higher than the DCF enterprise value. This was the third highest variance observed.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
25	MTN	448,859,443	312,743,335	30%

Naspers

A significant variance of 9% was observed in the case of Naspers. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
26	Naspers	124,140,522	113,203,791	9%

Netcare

A significant variance of 23% was observed in the case of Netcare. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
27	Netcare	157,475,543	120,817,393	23%

Nictus

A variance of 4% was observed in the case of Nictus. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
28	Nictus	630,599	608,055	4%

Spur

A variance of 7% was observed in the case of Spur. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
29	Spur	3,515,649	3,271,934	7%

Sun International

A variance of 35% was observed in the case of Sun International. The Customer Equity enterprise value was higher than the DCF enterprise value. This was the second highest variance (after African Bank limited) observed. Sun International is in the business of lodging or hotels. Their business involves building and running hotels, therefore much of the company's value is locked in immovable assets. The customer equity enterprise value model used does not take this into consideration. It only looks at the value that customers add to a company.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
30	Sun International	84,620,604	54,692,205	35%

Taste Holdings

A variance of 3% was observed in the case of Taste Holdings. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
31	Taste Holdings	3,618,826	3,517,237	3%

Telkom

A significant variance of 30% was observed in the case of Telkom. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
32	Telkom	236,096,990	164,884,221	30%

Truworths

A variance of 4% was observed in the case of Truworths. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
33	Truworths	40,712,248	38,893,124	4%

Vodacom

Similar to MTN and Telkom, a significant variance of 27% was observed in the case of Vodacom. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
34	Vodacom	415,747,366	301,973,734	27%

Woolworths

A variance of 4% was observed in the case of Woolworths. The Customer Equity enterprise value was higher than the DCF enterprise value.

#	Company	Enterprise Value CE	Enterprise Value - DCF	Variance %
35	Woolworths	58,816,821	56,361,120	4%

5.1.3 Summary of results

The following table provides a summary of the research observations. The highest variance of 55% was that of African Bank Limited. The next highest variance was 35%, for Sun International followed by MTN and Truworths – both with a 30% variance.

There were also a few instances where the variance was low and insignificant i.e. about 1%. This included Lewis Group, Business Connexion, Clicks Group and Datacentrix. Negative differences (i.e.) DCF enterprise value was higher than

Customer Equity enterprise value) were noted. Datatec and Blue Label were the two observations with variance of -6% and -1% respectively.

The graph below provides a summation of the variances noted. Detailed results are provided in Appendix 1.

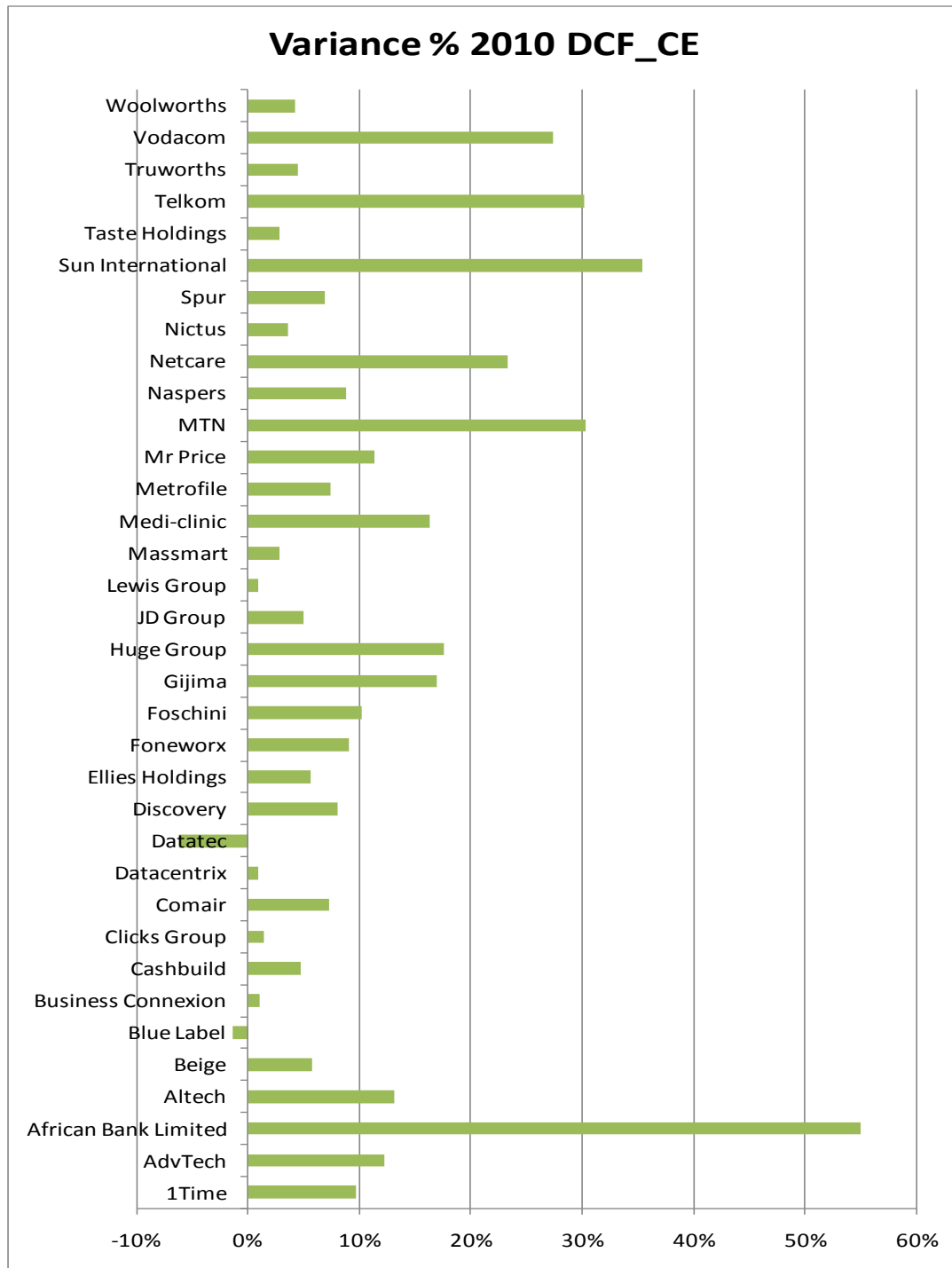


Figure 3: Variances between CE enterprise value and DCF enterprise value

5.1.4 Conclusion

From observations made, it appears that in the main, the customer equity model for calculating enterprise value delivers similar results like the Discounted Cash Flow model. There was however a number of significant variances observed. Therefore, CE model for calculating enterprise value should be used with caution.

5.1.5 Results of Hypothesis Testing – Hypothesis 1

The null hypothesis states that the mean value of a firm, determined using customer equity, is equal to the value of a firm determined using corporate finance techniques. The alternate hypothesis states that there is a variance between mean customers equity (CE) based value of a firm and mean corporate finance based value of a firm.

The researcher compared the mean Customer Equity based enterprise value and the mean DCF based enterprise value. To test whether the means are equal or different, the independent Samples t-test was used. The statistical procedure compares the mean scores of two groups (samples). The researcher made the following assumptions:

- The two samples are independent of one another
- The two samples have equal variances
- The Customer Equity based enterprise value calculation (formula) is appropriate for all companies included in the sample
- Normality – normal distribution

First the researcher dealt with descriptive statistics. From this, it was noted that the mean value Customer Equity based enterprise value is higher than the mean value DCF based enterprise value.

	<i>Enterprise Value CE -2010</i>	<i>Enterprise Value - DCF – 2010</i>
	<i>(R000)</i>	<i>(R000)</i>
Mean	66947055,34	50866836,71

This suggests that the Customer Equity based enterprise value, on average is higher than DCF based enterprise value.

Second, the researcher confirmed whether the assumptions made above are true. Results indicated that normality can be rejected. This means that occurrences are not evenly distributed in a bell shape. The assumption is therefore not true.

Tests of Assumptions Section

Assumption	Value	Probability	Decision(.050)
Skewness Normality (Enterprise_Value_CE_2010)	4.5600	0.000005	Reject normality
Kurtosis Normality (Enterprise_Value_CE_2010)	3.4400	0.000582	Reject normality
Omnibus Normality (Enterprise_Value_CE_2010)	32.6272	0.000000	Reject normality
Skewness Normality (Enterprise_Value_DCF_2010)	4.4855	0.000007	Reject normality
Kurtosis Normality (Enterprise_Value_DCF_2010)	3.4085	0.000653	Reject normality
Omnibus Normality (Enterprise_Value_DCF_2010)	31.7381	0.000000	Reject normality
Variance-Ratio Equal-Variance Test	2.0324	0.042174	Reject equal variances
Modified-Levene Equal-Variance Test	0.5771	0.450067	Cannot reject equal variances

Two-Samples T-Test

Finally, the results of the independent samples t-test were analysed. There are two approaches used to accept or reject the null hypothesis:

1. p-value

The first approach is to use the p-value. According to Williams (2006), the p-value is a probability, computed using the test statistic, that measures the support (or lack of support) provided by the sample for the null hypothesis. The p-value ranges from 0 to 1. Williams states that, the larger the p-value, the more support the test statistic provides for the null hypothesis. On the other hand, a small p-value indicates a sample test statistic that is unusual given the assumption that H_0 is true. The NCSS statistical tool (software) was used and results are shown below. Both the equal-variance t-test and Aspin-Welch Unequal-Variance produced the same results.

Equal-Variance T-Test Section

Alternative Hypothesis	Power T-Value (Alpha=.010)	Prob Level	Reject H0 at .050	Power (Alpha=.050)
Difference <> 0	0.7177 0.030893	0.475399	No	0.109041
Difference < 0	0.7177 0.001223	0.762301	No	0.009250
Difference > 0	0.7177 0.052316	0.237699	No	0.175081
Difference: (Enterprise_Value_CE__2010)-(Enterprise_Value__DCF__2010)				

Aspin-Welch Unequal-Variance Test Section

Alternative Hypothesis	Power T-Value (Alpha=.010)	Prob Level	Reject H0 at .050	Power (Alpha=.050)
Difference <> 0	0.7177 0.030761	0.475683	No	0.108842
Difference < 0	0.7177 0.001229	0.762159	No	0.009270
Difference > 0	0.7177 0.052143	0.237841	No	0.174868
Difference: (Enterprise_Value_CE__2010)-(Enterprise_Value__DCF__2010)				

The p-value (two tails) was calculated as 0.475683. This is more than alpha (α) = 0.05 (i.e. 0.108842). The rejection rule using the p-value is: Reject H_0 if p-value $\leq$

α . Williams (2006). Since the p-value is higher than α , the null hypothesis is not rejected.

2. Critical value

The second option uses the critical value. According to William, Sweeney & Anderson (2006), the second approach requires that a researcher first determine a value for the test statistic called the critical value. Because the p-value approach and the critical value approach to hypothesis testing will always lead to the same rejection decision, focus was on the p-value approach.

Williams (2006) states that, the advantage of using the p-value approach is that the p-value tells how significant the results are (the observed level of significance). If the critical value approach is used, the researcher will only know that the results are significant at the stated level of significance. The table below provides results of two sample t-test:

t-Test: Two-Sample Assuming Equal Variances

	<i>Enterprise Value CE - 2010</i>	<i>Enterprise Value - DCF - 2010</i>
Mean	67607709.14	51474455.4
Variance	1.18535E+16	5.83224E+15
Observations	35	35
Hypothesized Mean Difference	0	
df	68	
t Stat	0.717703135	
P(T<=t) one-tail	0.237699398	
t Critical one-tail	1.667572281	
P(T<=t) two-tail	0.475398795	
t Critical two-tail	1.995468907	

Descriptive statistics are shown in the table above. These include mean values and number of observations. The value of the test statistic is 0.7177. The p-value for the test ($P(T \leq t)$ two tail) is 0.47539. Because the p-value is higher than the level of significance $\alpha = 0.5$, the researcher did not reject the null hypothesis that the mean Customer Equity enterprise value and the DCF enterprise value are equal.

The box plot below indicates there were few outliers that could have influenced the mean values of Customer Equity based enterprise value and DCF enterprise value. The outliers may also have influenced the conclusion as to whether the variance between the two samples is significant or not. According to Williams, et al. 2006, by using the inter-quartile range, limits are located. Data outside these limits are considered outliers.

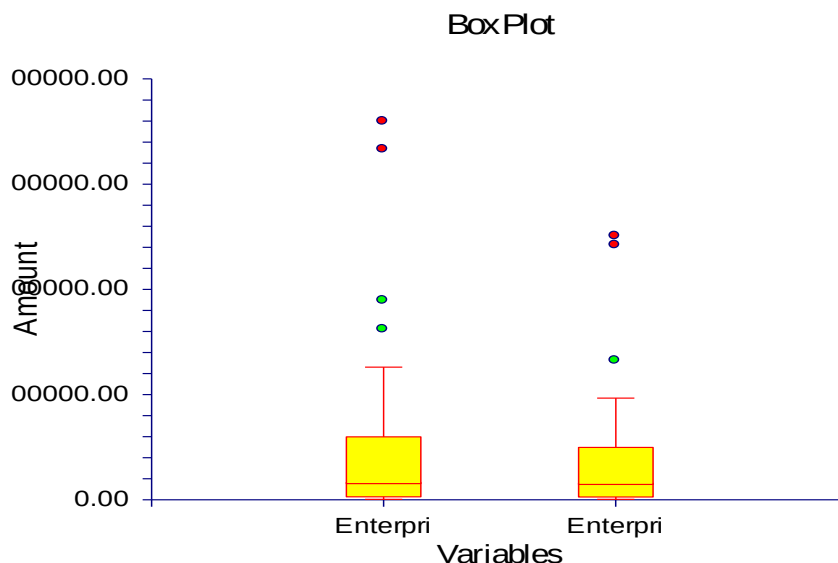


Figure 4: Box Plot – CE Enterprise value vs. DCF Enterprise value

This means that Customer Equity based enterprise value may not always be equal to Discounted Cash flow based enterprise value. This conclusion may not be true to Customer Equity based enterprise value calculated using different formulas. The formula used made use of Earnings before Interest, Tax and Amortisation while other formulas make use of revenue, number of customers, etc.

5.1.6 Conclusion on Hypothesis Testing – Hypothesis 1

From analysis conducted, it can be concluded that there is no significant difference between the mean values of Customer Equity based enterprise value and DCF based enterprise value. Customer equity may be used to calculate enterprise value just like the discounted cash flow is used and has received overwhelming adoption by corporate finance practitioners.

5.2 Hypothesis 2

The null hypothesis states that an increase in customer equity leads to an increase in the value of a company.

Ho: Positive change (▲) in CE leads to an increase in the value of a firm

Ha: Positive change (▲) in CE leads to a negative change in the value of a firm or no change CE.

5.2.1 Descriptive Statistics Section

The table below provides the outcome of comparing the results produced by the two models from one year, 2009/10 to the next 2010/11. This is in line with hypothesis 2.

In a number (80% of the sample) of observations, an increase in the Customer Equity based enterprise value resulted to an increase in discounted cash flow based enterprise value. In five (14% of the sample) instances, a percentage increase in CE based enterprise value the researcher observed a decrease in DCF based enterprise value compared to the previous financial year. A decrease in Customer Equity based enterprise value on two observations (6% of the sample) showed an increase in DCF based enterprise value. A summary is provided in the graph below. Results of detailed analysis are provided in Appendix 2.

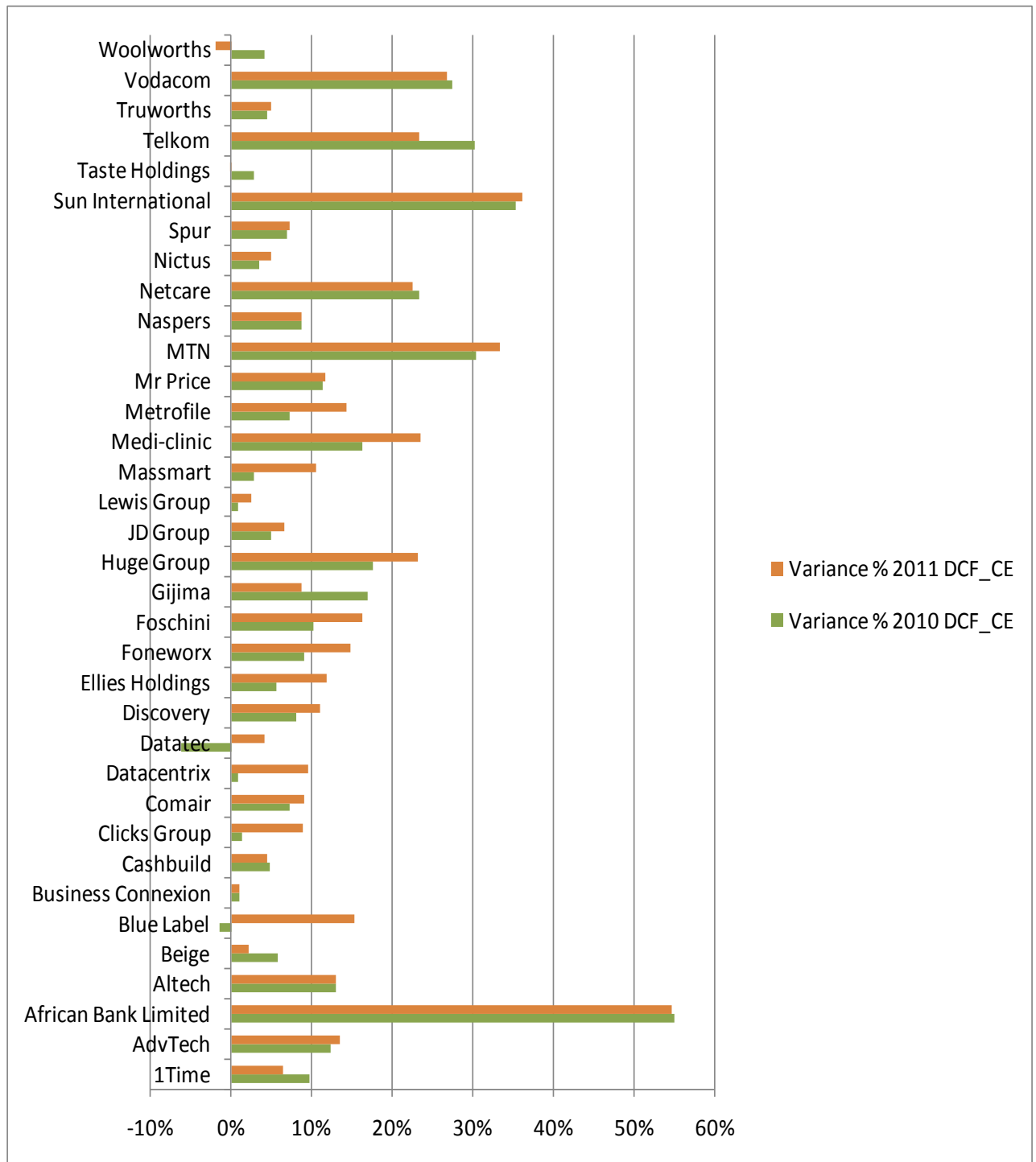


Figure 5: 2010 Variances and 2011 Variances

5.2.2 Conclusion

The behaviour of DCF based enterprise value given a change in CE based enterprise value was not consistent. Although for 80% of observations, a positive change in CE based enterprise value had similar results for DCF based enterprise value. There were seven instances (20%) where observations showed results that suggest that the null hypothesis may be rejected however, this should be based on statistical analysis presented in Chapter 6.

5.2.3 Results of Hypothesis Testing – Hypothesis 2

The second null hypothesis states that an increase in customer equity does not lead to an increase in enterprise value. The purpose of this hypothesis is to examine the behaviour of the value of a firm given a change in customer equity (CE).

Ho: Positive change (▲) in CE leads to an increase in the value of a firm

Ha: Positive change (▲) in CE leads to a negative change in the value of a firm or no change CE.

The purpose was to test whether a positive change in Customer Equity leads to a positive change in DCE based enterprise. Regression or correlation analysis was used to test this hypothesis. Regression or correlation analysis measures the linear association between a dependent and an independent variable. (Zikmund, 2003)

Results of Simple Linear Regression

Microsoft Excel was used to analyse data using the regression analysis statistical tool. Detailed results are shown in Appendix 3.

The coefficient of determination (r^2) measures the amount of the total variance in the dependent variable that is accounted for by knowing the value of the independent variable. (Zikmund, 2003). R-squared was calculated as 0.7822 which means that about 78% of the variation in the DCF based enterprise value can be explained by associating DCF based enterprise value to Customer Equity i.e. there was a corresponding increase in DCF based enterprise value given an increase in Customer Equity based enterprise value.

78% of increases in DCF based enterprise value may be explained by an increase in customer equity. This indicates a strong association between customer equity based enterprise value and DCF based enterprise value. The graph below gives a graphical display of the relationship that exists between the two variables. A straight line may be drawn on top of the dots (red dots, representing CE enterprise value and blue dots, representing DCF enterprise value) that are almost grouped together.

R square also indicates how well the model fits. Since r^2 was high i.e. 0.7822, this was an indication that the model fits and therefore appropriate use in analysing whether or not a relationship exist between Customer Equity enterprise value and DCF enterprise value.

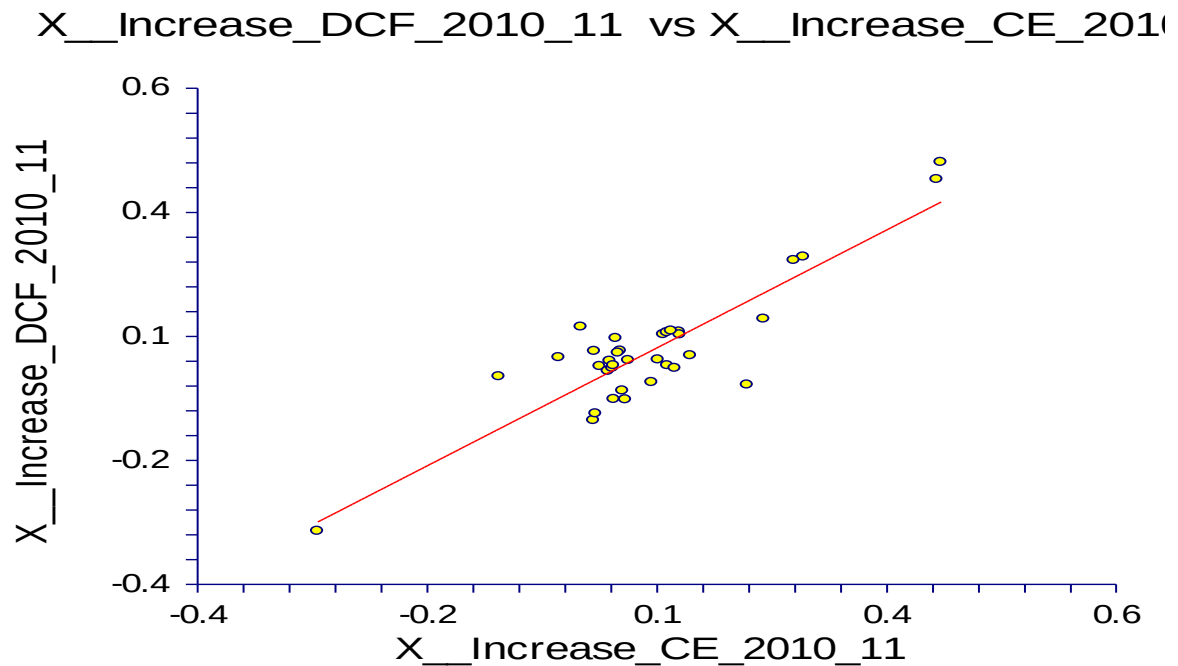


Figure 6: Scatter Diagram – Regression Analysis

5.2.4 Conclusion on Hypothesis Testing – Hypothesis 2

From the above analysis it can be concluded that a relationship exist between Customer Equity based enterprise value and DCF based enterprise value. An increase in Customer Equity may (in most instances) have a corresponding increase in DCF based enterprise value. This does not in any way suggestion that customer equity is the cause for an increase in DCF enterprise value. Zikmund (2003) argues that it is important to remember that correlation does not prove causation, as variables other than those being measured may be involved.

The variables used in the formulas to calculate the two values were similar except that EBITDA was used to calculate CE based enterprise value formula while free

cash flow was used to calculate DCF based enterprise value. Both formulas used the same discount rate and growth rate assumptions.

6. Chapter 6: Discussion of Results

In this chapter, the researcher interprets the research findings against the two hypotheses. Summations of results and conclusions as to whether the null hypotheses should be accepted or rejected are stated. Conclusions from the analysis and overall response to the research objective and recommendations for future research that emerge out of this chapter are given in chapter 7.

6.1 Hypothesis 1

The null hypothesis states that the mean value of a firm, determined using a customer equity model, is equal to the value of a firm determined using a corporate finance valuation technique (DCF). The alternate hypothesis states that there is a variance between mean customers based (CE) value of a firm and mean corporate finance based value of a firm.

According to Williams, Sweeney & Anderson (2006), for a significance alpha, the rejection rule using the p-value is as follows: reject H_0 if p-value is less or equals to alpha. Based on analysis conducted the null hypothesis was not rejected because the p-value (two tails) i.e. 0.478405 was higher than alpha (α) = 0.05 (i.e. 0.108219).

Using the critical value approach, the results of the analysis suggested that the null hypothesis should not be rejected. It was therefore concluded that although there are variances between the mean values of Customer Equity enterprise value and DCF enterprise value, such variance is not statistically significant. Therefore the null hypothesis was not rejected.

Customer equity may be used to calculate enterprise value just like the discounted cash flow is used and has (DCF) received overwhelming adoption by corporate finance practitioners. It must however be noted that in certain instances the two methods did not deliver the same results. Examples include African Bank Limited where the variance was as high as 53% (the Customer equity enterprise value was higher than DCF enterprise value). Other examples included MTN, Sun International, Netcare, Telkom, and Vodacom where variances were 30%, 35%, 23%, 30% and 27% respectively. For these cases, it may be argued that Customer Equity was not the appropriate model to use to calculate enterprise value.

6.2 Hypothesis 2

The second null hypothesis states that an increase in customer equity does not lead to an increase in enterprise value. The purpose of this hypothesis is to examine the behaviour of the value of a firm given a change in customer equity (CE).

Ho: Positive change (▲) in CE leads to an increase in the value of a firm

Ha: Positive change (▲) in CE leads to a negative change in the value of a firm or no change CE.

The purpose was to test whether a positive change in Customer Equity leads to a positive change in DCE based enterprise.

R-squared was calculated as 0.7177 which means that about 70% of the variation in the DCF based enterprise value can be explained by changes to Customer Equity i.e. there was a corresponding increase in DCF based enterprise

value given an increase in Customer Equity based enterprise value. The conclusion drawn from analysis conducted was that a relationship exists between customer equity and DCF enterprise value.

7. Chapter 7: Conclusion

7.1 Introduction

The purpose of this section is to give a summary of the main findings of the research and to discuss the implications of the conclusions. Recommendations about future research direction arising from the study's limitations are given in this chapter.

7.2 Summary of Main Findings

From the research analysis conducted it appears that Customer Equity can be used as a model to calculate enterprise value. Companies' own staff would be in a better position to accurately calculate customer equity due to their proximity to relevant information that is not publicly available. These findings will add value to various stakeholders such as potential investors, management of an enterprise, and other relevant stakeholders who may be interested in establishing the value that customers bring to the enterprise.

The simplified formula used in this research will make it possible for a quick calculation that will facilitate:

- Faster decision making
- Additional comfort to stakeholders in the event that Customer Equity is used together with a corporate finance model such as discounted cash flow.

The work done by Lemon, et al. (2001) that posits that the drivers of customer equity include value equity, brand equity, and relationship equity (also known as retention equity) remains related. Brand equity has been identified (Bick, 2007) as a major contributor to the market value of organisations, and consequently a driver of shareholder value. Besides the suggestion by Lemon, et al. (2001) that brand equity is one of the drivers of customer equity, there are similarities between brand equity and customer equity:

- Both models are market focused
- Both models focus on intangible assets, i.e. relationship between the company and its customers

Although there are similarities between brand equity and customer equity, brand equity appears to be limited in that it exclude the other two drivers of customer equity i.e. value equity and relationship equity as argued by Lemon, et al. (2001).

7.3 Research Limitations

The research had the following limitations: It was difficult to obtain disaggregated data about companies' spend on marketing. Therefore determining the exact spent on customer retention, customer acquisition and retention rates was impossible. Aggregated data from companies' published financial statements was used.

Use of convenience sampling also introduced a limitation in that the sample was not representative of the population and therefore the researcher could not generalise results of this study.

7.4 Recommendations for Future Research

The researcher attempted to simplify the model to calculate customer equity pure because of the kind of stakeholders should use results of customer equity analysis in the analysis of companies' performance. Comments made by analysts regarding value that a company can attract from its customers are normally based on non-scientific methods. Although such comments are futuristic in nature they normally lack the backing of a figures determined using a systematic scientific approach. This research will add to the debate around marketing matrices and use of customer equity to determine enterprise value.

It is may be possible to use other statistical methods to solve this problem. There are also opportunities for simplified and easy to use models of calculating customer equity and linking this to enterprise value. The possibility to use statistical methods in to project the future needs of customers based on currently unmet needs in the market may add to the debate around the value that customers add to an enterprise and therefore increase customer equity and enterprise value.

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9. Appendices

9.1 Appendix A: Variances between Customer Equity and DCF enterprise values

#	Company	Enterprise Value CE -2010	Enterprise Value - DCF - 2010	Variance % 2010 DCF_CE
1	1Time	1,500,103	1,353,996	10%
2	AdvTech	3,830,588	3,359,765	12%
3	African Bank Limited	R201,956,474	90,853,627	55%
4	Altech	17,911,010	15,567,910	13%
5	Beige	678,899	639,925	6%
6	Blue Label	15,882,903	16,095,050	-1%
7	Business Connexion	17,061,355	16,873,691	1%
8	Cashbuild	20,569,179	19,594,288	5%
9	Clicks Group	17,770,260	17,515,440	1%
10	Comair	58,231,953	53,984,691	7%
11	Datacentrix	3,267,631	3,239,274	1%
12	Datatec	2,551,705	2,710,537	-6%
13	Discovery	23,238,943	21,376,505	8%
14	Ellies Holdings	5,976,425	5,639,819	6%
15	Foneworx	507,473	461,192	9%
16	Foschini	33,857,041	30,416,632	10%
17	Gijima	7,429,071	6,169,737	17%
18	Huge Group	2,574,520	2,120,959	18%
19	JD Group	65,512,847	62,244,866	5%
20	Lewis Group	21,653,476	21,455,660	1%
21	Massmart	74,756,505	72,659,221	3%
22	Medi-clinic	140,391,589	117,544,766	16%
23	Metrofile	2,422,885	2,244,801	7%
24	Mr Price	52,502,374	46,517,438	11%
25	MTN	448,859,443	312,743,335	30%
26	Naspers	124,140,522	113,203,791	9%
27	Netcare	157,475,543	120,817,393	23%
28	Nictus	630,599	608,055	4%
29	Spur	3,515,649	3,271,934	7%
30	Sun International	84,620,604	54,692,205	35%
31	Taste Holdings	3,618,826	3,517,237	3%
32	Telkom	236,096,990	164,884,221	30%
33	Truworths	40,712,248	38,893,124	4%
34	Vodacom	415,747,366	301,973,734	27%
35	Woolworths	58,816,821	56,361,120	4%

9.2 Appendix 2: 2010 Variances vs. 2011 Variances

Company	Variance % 2010 DCF_CE	Enterprise Value CE -2011	Enterprise Value - DCF - 2011	Variance % 2011 DCF_CE	% Increase CE 2010_11	% Increase DCF 2010_11	% Change of Variance 2010 vs 2011
1Time	10%	1,548,644	1,448,539	6.46%	3.24%	6.98%	-33.63%
AdvTech	12%	4,309,283	3,726,411	13.53%	12.50%	10.91%	10.05%
African Bank Limited	55%	283,774,713	128,686,874	54.65%	40.51%	41.64%	-0.66%
Altech	13%	18,594,174	16,181,413	12.98%	3.81%	3.94%	-0.81%
Beige	6%	716,783	701,402	2.15%	5.58%	9.61%	-62.62%
Blue Label	-1%	19,040,739	16,129,798	15.29%	19.88%	0.22%	-1244.57%
Business Connexion	1%	21,497,547	21,262,834	1.09%	26.00%	26.01%	-0.74%
Cashbuild	5%	25,702,729	24,556,450	4.46%	24.96%	25.32%	-5.90%
Clicks Group	1%	18,723,735	17,044,525	8.97%	5.37%	-2.69%	525.42%
Comair	7%	65,531,466	59,569,100	9.10%	12.54%	10.34%	24.74%
Datacentrix	1%	3,483,905	3,150,026	9.58%	6.62%	-2.76%	1004.32%
Datatec	-6%	2,631,692	2,522,231	4.16%	3.13%	-6.95%	-166.82%
Discovery	8%	16,985,675	15,118,667	10.99%	-26.91%	-29.27%	37.15%
Ellies Holdings	6%	6,794,222	5,984,571	11.92%	13.68%	6.11%	111.58%
Foneworx	9%	564,251	480,227	14.89%	11.19%	4.13%	63.28%
Foschini	10%	35,991,893	30,120,838	16.31%	6.31%	-0.97%	60.53%
Gijima	17%	7,561,086	6,903,953	8.69%	1.78%	11.90%	-48.73%
Huge Group	18%	3,132,499	2,407,600	23.14%	21.67%	13.51%	31.36%
JD Group	5%	70,063,821	65,455,219	6.58%	6.95%	5.16%	31.86%
Lewis Group	1%	22,676,316	22,097,222	2.55%	4.72%	2.99%	179.54%
Massmart	3%	81,842,251	73,178,054	10.59%	9.48%	0.71%	277.35%
Medi-clinic	16%	145,137,483	110,986,875	23.53%	3.38%	-5.58%	44.59%
Metrofile	7%	2,713,584	2,324,869	14.32%	12.00%	3.57%	94.89%
Mr Price	11%	58,153,748	51,347,965	11.70%	10.76%	10.38%	2.66%
MTN	30%	494,505,945	329,246,503	33.42%	10.17%	5.28%	10.20%
Naspers	9%	130,245,246	118,900,896	8.71%	4.92%	5.03%	-1.13%
Netcare	23%	167,021,297	129,339,514	22.56%	6.06%	7.05%	-3.08%
Nictus	4%	663,484	629,956	5.05%	5.21%	3.60%	41.35%
Spur	7%	3,908,088	3,624,107	7.27%	11.16%	10.76%	4.82%
Sun International	35%	89,121,690	56,944,176	36.11%	5.32%	4.12%	2.08%
Taste Holdings	3%	5,100,927	5,103,326	-0.05%	40.96%	45.09%	-101.68%
Telkom	30%	219,187,115	168,007,085	23.35%	-7.16%	1.89%	-22.59%
Truworths	4%	45,437,983	43,210,926	4.90%	11.61%	11.10%	9.69%
Vodacom	27%	439,990,414	322,029,517	26.81%	5.83%	6.64%	-2.03%
Woolworths	4%	58,442,927	59,587,859	-1.96%	-0.64%	5.73%	-146.92%

9.3 Appendix 3: Detailed Results - Regression Analysis

<i>Regression Statistics</i>	
Multiple R	0.884450045
R Square	0.782251883
Adjusted R Square	0.775653455
Standard Error	0.056570738
Observations	35

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.379393	0.379393	118.5513	1.84321E-12
Residual	33	0.105608	0.0032		
Total	34	0.485002			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.03587292	0.010998	3.26185	0.002575	0.013497888	0.058247953	0.013497888	0.058247953
% Increase DCF 2010_11	0.823069155	0.075593	10.88812	1.84E-12	0.669273449	0.97686486	0.669273449	0.97686486



9.4 Appendix 4 – Enterprise value calculations – CE and DCF

1 Time - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		19.2%	15.0%	13.0%	14.0%	15.0%	11.0%
COGS + SG&A (% of Sales)	91.2%	87.6%	80.0%	82.0%	82.0%	88.0%	85.0%
EBITDA Margin (% of Sales)	8.8%	12.4%	20.0%	18.0%	18.0%	12.0%	15.0%
Depreciation (% of Sales)	2.6%	3.4%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	6.2%	9.0%	16.2%	14.3%	14.5%	8.5%	11.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			12.2%	10.0%	10.2%	6.0%	8.1%
PPE (% of Sales)	0%	2%	2%	3%	3%	3%	3%
WCR (% of Sales)	-11%	-12%	-12%	-12%	-12%	-12%	-12%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	1,049,554	1,251,061	1,438,720	1,625,754	1,853,359	2,131,363	2,365,813
COGS + SGA	957,129	1,095,646	1,150,976	1,333,118	1,519,755	1,875,600	2,010,941
EBITDA	92,425	155,415	287,744	292,636	333,605	255,764	354,872
Depreciation	27,667	42,623	54,671	60,153	64,868	74,598	82,803
EBIT	64,758	112,792	233,073	232,483	268,737	181,166	272,069
Taxes			58,268	69,745	80,621	54,350	81,621
NOPLAT			174,804	162,738	188,116	126,816	190,448
Depreciation	27,667	42,623	54,671	60,153	64,868	74,598	82,803
Capex		65,826	59,150	80,151	71,696	82,938	82,803
ΔWCR		(33,868)	(23,152)	(23,074)	(28,080)	(34,297)	-
Free Cash Flow		10,665	193,478	165,814	209,368	152,773	190,448
PPE	1,093	24,296	28,774	48,773	55,601	63,941	
Capex=ΔPPE+Depr		65,826	59,150	80,151	71,696	82,938	
WCR	(120,476)	(154,344)	(177,496)	(200,570)	(228,650)	(262,947)	
ΔWCR		(33,868)	(23,152)	(23,074)	(28,080)	(34,297)	
Invested Capital	(119,383)	(130,048)	(148,721)	(151,797)	(173,049)	(199,006)	
ROIC			-134%	-109%	-124%	-73%	
RONIC (set = to WACC)							16%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.86	0.74	0.64	0.64
PV(FCF)			193,478	142,996	155,709	97,984	
Total PV(FCF)			590,166				
Continuation Value (CV)							1,193,485
PV(CV)			763,830				
Enterprise Value {=Total PV(FCF) + PV(CV)}			1,353,996				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION

EBITDA	92,425	155,415	287,744	292,636	333,605	255,764	1,423,286
NPV			R1,500,103				
Customer equity			R1,500,103				
DCF VALUE			1,353,996				

1 Time - 2011

Yellow cells are inputs

Blue text is forecast or estimate

[illegible][illegible][illegible]

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.86	0.74	0.64	0.64
PV(FCF)				165,814	180,556	113,619	140,698	
Total PV(FCF)				600,687				
Continuation Value (CV)								1,324,768
PV(CV)				847,852				
Enterprise Value {=Total PV(FCF) + PV(CV)}				1,448,539				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	92,425	155,415	287,744	292,636	333,605	255,764	354,872	1,579,848
NPV				R1,548,644				
Customer equity				R1,548,644				
DCF VALUE				1,448,539				



AdvTech - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		14.6%	15.0%	15.0%	16.0%	18.0%	15.0%
COGS + SG&A (% of Sales)	73.2%	73.7%	73.7%	73.7%	73.7%	73.7%	73.7%
EBITDA Margin (% of Sales)	26.8%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%
Depreciation (% of Sales)	3.5%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
EBIT Margin (% of Sales)	18.9%	17.1%	22.4%	22.4%	22.4%	22.4%	22.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			16.8%	15.7%	15.7%	15.7%	15.7%
PPE (% of Sales)	47%	46%	46%	46%	46%	46%	46%
WCR (% of Sales)	-12%	-13%	-13%	-13%	-13%	-13%	-13%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	12.23%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	1,200,481	1,375,997	1,582,397	1,819,756	2,110,917	2,490,882	2,864,514
COGS + SGA	878,810	1,014,413	1,166,575	1,341,561	1,556,211	1,836,329	2,111,778
EBITDA	269,264	288,687	415,822	478,195	554,706	654,553	752,736
Depreciation	42,544	53,459	61,478	70,700	82,011	96,774	111,290
EBIT	226,720	235,228	354,344	407,495	472,695	557,780	641,447
Taxes			88,586	122,249	141,808	167,334	192,434
NOPLAT			265,758	285,247	330,886	390,446	449,013
Depreciation	42,544	53,459	61,478	70,700	82,011	96,774	111,290
Capex		129,839	156,954	180,497	216,696	272,537	111,290
ΔWCR		(32,942)	(26,599)	(30,588)	(37,522)	(48,966)	-
Free Cash Flow		(43,438)	196,880	206,038	233,723	263,648	449,013
PPE	560,127	636,507	731,983	841,781	976,465	1,152,229	
Capex=ΔPPE+Depr		129,839	156,954	180,497	216,696	272,537	
WCR	(144,382)	(177,324)	(203,923)	(234,511)	(272,033)	(320,999)	
ΔWCR		(32,942)	(26,599)	(30,588)	(37,522)	(48,966)	
Invested Capital	415,745	459,183	528,060	607,270	704,433	831,231	
ROIC			58%	54%	54%	55%	
RONIC (set = to WACC)							12%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.89	0.79	0.71	0.71
PV(FCF)			196,880	183,589	185,568	186,520	
Total PV(FCF)			752,557				
Continuation Value (CV)							3,672,123
PV(CV)			2,607,208				
Enterprise Value {=Total PV(FCF) + PV(CV)}			3,359,765				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	269,264	288,687	415,822	478,195	554,706	654,553	4,370,789
NPV			R3,830,588				
Customer equity			R3,830,588				
DCF VALUE			3,359,765				



AdvTech - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		14.6%	15.0%	15.0%	16.0%	18.0%	15.0%	15.0%
COGS + SG&A (% of Sales)	73.2%	73.7%	73.7%	73.7%	73.7%	73.7%	73.7%	73.7%
EBITDA Margin (% of Sales)	26.8%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%	26.3%
Depreciation (% of Sales)	3.5%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
EBIT Margin (% of Sales)	18.9%	17.1%	22.4%	22.4%	22.4%	22.4%	22.4%	22.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			16.8%	15.7%	15.7%	15.7%	15.7%	15.7%
PPE (% of Sales)	47%	46%	46%	46%	46%	46%	46%	46%
WCR (% of Sales)	-12%	-13%	-13%	-13%	-13%	-13%	-13%	-13%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	12.23%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	1,200,481	1,375,997	1,582,397	1,819,756	2,110,917	2,490,882	2,864,514	3,294,192
COGS + SGA	878,810	1,014,413	1,166,575	1,341,561	1,556,211	1,836,329	2,111,778	2,428,545
EBITDA	269,264	288,687	415,822	478,195	554,706	654,553	752,736	865,646
Depreciation	42,544	53,459	61,478	70,700	82,011	96,774	111,290	127,983
EBIT	226,720	235,228	354,344	407,495	472,695	557,780	641,447	737,663
Taxes			88,586	122,249	141,808	167,334	192,434	221,299
NOPLAT			265,758	285,247	330,886	390,446	449,013	516,364
Depreciation	42,544	53,459	61,478	70,700	82,011	96,774	111,290	127,983
Capex		129,839	156,954	180,497	216,696	272,537	311,290	369,148
ΔWCR		(32,942)	(26,599)	(30,588)	(37,522)	(48,966)	(48,150)	1
Free Cash Flow		(43,438)	196,880	206,038	233,723	263,648	297,162	347,115
PPE	560,127	636,507	731,983	841,781	976,465	1,152,229	1,325,064	1,511,290
Capex=ΔPPE+Depr		129,839	156,954	180,497	216,696	272,537	311,290	369,148
WCR	(144,382)	(177,324)	(203,923)	(234,511)	(272,033)	(320,999)	(369,148)	(428,545)
ΔWCR		(32,942)	(26,599)	(30,588)	(37,522)	(48,966)	(48,150)	1
Invested Capital	415,745	459,183	528,060	607,270	704,433	831,231	955,915	1,111,290
ROIC			58%	54%	54%	55%	54%	52%
RONIC (set = to WACC)								12%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor			1.00	0.89	0.79	0.71	0.63	0.63
PV(FCF)		196,880		183,589	185,568	186,520	313,400	
Total PV(FCF)				1,065,957				
Continuation Value (CV)								4,222,942
PV(CV)				2,660,453				
Enterprise Value {=Total PV(FCF) + PV(CV)}				3,726,411				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	269,264	288,687	415,822	478,195	554,706	654,553	752,736	865,646
NPV				R4,309,283				
Customer equity				R4,309,283				
DCF VALUE				3,726,411				



ABIL - 2011

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2008	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		43.17%	43.0%	47.0%	45.0%	45.0%	40.0%	40.0%
COGS + SG&A (% of Sales)	43.8%	41.4%	41.0%	41.0%	41.0%	41.0%	41.0%	41.0%
EBITDA Margin (% of Sales)	56.2%	58.6%	59.0%	59.0%	59.0%	59.0%	59.0%	59.0%
Depreciation (% of Sales)	3.7%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
EBIT Margin (% of Sales)	52.5%	55.4%	55.8%	55.8%	55.8%	55.8%	55.8%	55.8%
Marginal Tax Rate		25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			41.9%	39.1%	39.1%	39.1%	39.1%	39.1%
PPE (% of Sales)	12%	10%	11%	11%	11%	11%	11%	11%
WCR (% of Sales)	386%	368%	368%	368%	368%	368%	368%	368%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	8.28%
Levered beta	

Forecasts	2008	2009	2010	2011	2012	2013	2014	CV
Sales	R 4,058,000.00	R 5,810,000.00	8,308,300	12,213,201	17,709,141	25,678,255	35,949,557	50,329,380
COGS + SG&A	1779000.00	2405000.00	3,406,403	5,007,412	7,260,748	10,528,085	14,739,318	20,635,046
EBITDA	2279000.00	3405000.00	4,901,897	7,205,789	10,448,393	15,150,171	21,210,239	29,694,334
Depreciation	150000.00	185000.00	265,866	390,822	566,693	821,704	1,150,386	1,610,540
EBIT	2129000.00	3220000.00	4,636,031	6,814,966	9,881,701	14,328,466	20,059,853	28,083,794
Taxes			1,159,008	2,044,490	2,964,510	4,298,540	6,017,956	8,425,138
NOPLAT			3,477,024	4,770,476	6,917,191	10,029,926	14,041,897	19,658,656
Depreciation	150,000	185,000	265,866	390,822	566,693	821,704	1,150,386	1,610,540
Capex			275,000	593,779	820,362	1,171,246	1,698,307	2,280,229
AWCR			5,729,000	9,197,270	14,375,547	20,232,818	29,337,586	37,812,888
Free Cash Flow		(5,819,000)	(6,048,159)	(10,034,610)	*****	*****	(23,770,991)	19,658,655
PPE	496,000	586,000	913,913	1,343,452	1,948,006	2,824,608	3,954,451	
Capex-ΔPPE+Depr		275,000	593,779	820,362	1,171,246	1,698,307	2,280,229	
WCR	15,660,000	21,389,000	30,586,270	44,961,817	65,194,635	94,532,220	132,345,108	
AWCR		5,729,000	9,197,270	14,375,547	20,232,818	29,337,586	37,812,888	
Invested Capital	16,156,000	21,975,000	31,500,183	46,305,269	67,142,640	97,356,828	136,299,559	
ROIC			16%	15%	15%	15%	14%	
RONIC (set = to WACC)								8%

Valuation	2008	2009	2010	2011	2012	2013	CV
Discount Factor				1.00	0.92	0.85	0.79
PV(FCF)				(10,034,610)	(12,855,465)	(17,214,671)	(18,723,027)
Total PV(FCF)				(58,827,773)			
Continuation Value (CV)							237,360,313
PV(CV)				187,514,647			
Enterprise Value {=Total PV(FCF) + PV(CV)}				128,686,874			
- Financial Debt							
+ Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	2,279,000	3,405,000	4,901,897	7,205,789	10,448,393	15,150,171	21,210,239
NPV				R283,774,713			
Customer equity				R283,774,713			
DCF VALUE				128,686,874			



Altech - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		0.4%	2.0%	3.0%	5.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	88.8%	85.2%	80.0%	82.0%	82.0%	82.0%	82.0%
EBITDA Margin (% of Sales)	11.2%	14.8%	20.0%	18.0%	18.0%	18.0%	18.0%
Depreciation (% of Sales)	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
EBIT Margin (% of Sales)	9.8%	13.3%	18.5%	16.5%	16.5%	16.5%	16.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			13.9%	11.5%	11.5%	11.5%	11.5%
PPE (% of Sales)	2%	1%	2%	3%	3%	3%	3%
WCR (% of Sales)	3%	6%	6%	6%	6%	6%	6%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	8.69%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	9,164,000	9,200,000	9,384,000	9,665,520	10,148,796	10,656,236	11,189,048
COGS + SGA	8,136,000	7,834,000	7,507,200	7,925,726	8,322,013	8,738,113	9,175,019
EBITDA	1,028,000	1,366,000	1,876,800	1,739,794	1,826,783	1,918,122	2,014,029
Depreciation	130,000	139,000	141,780	146,033	153,335	161,002	169,052
EBIT	898,000	1,227,000	1,735,020	1,593,760	1,673,448	1,757,121	1,844,977
Taxes			433,755	478,128	502,034	527,136	553,493
NOPLAT			1,301,265	1,115,632	1,171,414	1,229,984	1,291,484
Depreciation	130,000	139,000	141,780	146,033	153,335	161,002	169,052
Capex		6,000	243,460	248,319	167,833	176,225	169,052
ΔWCR		300,000	11,700	17,901	30,730	32,267	-
Free Cash Flow		(167,000)	1,187,885	995,446	1,126,185	1,182,495	1,291,484
PPE	219,000	86,000	187,680	289,966	304,464	319,687	
Capex=ΔPPE+Depr		6,000	243,460	248,319	167,833	176,225	
WCR	285,000	585,000	596,700	614,601	645,331	677,598	
ΔWCR		300,000	11,700	17,901	30,730	32,267	
Invested Capital	504,000	671,000	784,380	904,567	949,795	997,285	
ROIC			194%	142%	130%	130%	
RONIC (set = to WACC)							9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.92	0.85	0.78	0.78
PV(FCF)			1,187,885	915,844	953,274	920,897	
Total PV(FCF)			3,977,901				
Continuation Value (CV)							14,858,986
PV(CV)			11,590,009				
Enterprise Value { =Total PV(FCF) + PV(CV)}			15,567,910				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	CV
EBITDA	1,028,000	1,366,000	1,876,800	1,739,794	1,826,783	1,918,122	18,074,259
NPV			R17,911,010				
Customer equity			R17,911,010				
DCF VALUE			15,567,910				



Altech - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		0.4%	2.0%	3.0%	5.0%	5.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	88.8%	85.2%	80.0%	82.0%	82.0%	82.0%	82.0%	82.0%
EBITDA Margin (% of Sales)	11.2%	14.8%	20.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Depreciation (% of Sales)	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
EBIT Margin (% of Sales)	9.8%	13.3%	18.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			13.9%	11.5%	11.5%	11.5%	11.5%	11.5%
PPE (% of Sales)	2%	1%	2%	3%	3%	3%	3%	3%
WCR (% of Sales)	3%	6%	6%	6%	6%	6%	6%	6%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	8.69%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	9,164,000	9,200,000	9,384,000	9,665,520	10,148,796	10,656,236	11,189,048	11,748,500
COGS + SGA	8,136,000	7,834,000	7,507,200	7,925,726	8,322,013	8,738,113	9,175,019	9,633,770
EBITDA	1,028,000	1,366,000	1,876,800	1,739,794	1,826,783	1,918,122	2,014,029	2,114,730
Depreciation	130,000	139,000	141,780	146,033	153,335	161,002	169,052	177,505
EBIT	898,000	1,227,000	1,735,020	1,593,760	1,673,448	1,757,121	1,844,977	1,937,225
Taxes			433,755	478,128	502,034	527,136	553,493	581,168
NOPLAT			1,301,265	1,115,632	1,171,414	1,229,984	1,291,484	1,356,058
Depreciation	130,000	139,000	141,780	146,033	153,335	161,002	169,052	177,505
Capex	6,000	243,460	243,460	248,319	167,833	176,225	169,052	177,505
ΔWCR		300,000	11,700	17,901	30,730	32,267	33,880	1
Free Cash Flow		(167,000)	1,187,885	995,446	1,126,185	1,182,495	1,257,604	1,356,057
PPE	219,000	86,000	187,680	289,966	304,464	319,687	335,671	
Capex=ΔPPE+Depr		6,000	243,460	248,319	167,833	176,225	185,036	
WCR	285,000	585,000	596,700	614,601	645,331	677,598	711,477	
ΔWCR		300,000	11,700	17,901	30,730	32,267	33,880	
Invested Capital	504,000	671,000	784,380	904,567	949,795	997,285	1,047,149	
ROIC			194%	142%	130%	130%	130%	
RONIC (set = to WACC)								9%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.92	0.85	0.78	0.78
PV(FCF)				995,446	1,036,129	1,000,938	979,391	
Total PV(FCF)				4,011,903				
Continuation Value (CV)								15,601,936
PV(CV)				12,169,510				
Enterprise Value {=Total PV(FCF) + PV(CV)}				16,181,413				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	1,028,000	1,366,000	1,876,800	1,739,794	1,826,783	1,918,122	2,014,029	18,977,972
NPV				R18,594,174				
Customer equity				R18,594,174				
DCF VALUE				16,181,413				



Beige - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		0.8%	3.0%	6.0%	7.0%	6.0%	5.0%
COGS + SG&A (% of Sales)	80.2%	80.6%	80.0%	80.0%	80.0%	80.0%	80.0%
EBITDA Margin (% of Sales)	19.8%	19.4%	20.0%	20.0%	20.0%	20.0%	20.0%
Depreciation (% of Sales)	1.4%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
EBIT Margin (% of Sales)	10.5%	11.6%	18.4%	18.4%	18.4%	18.4%	18.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			13.8%	12.9%	12.9%	12.9%	12.9%
PPE (% of Sales)	23%	24%	24%	24%	24%	24%	24%
WCR (% of Sales)	2%	-2%	-2%	-2%	-2%	-2%	-2%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	599,020	603,803	621,917	659,232	705,378	747,701	785,086
COGS + SGA	480,304	486,943	497,534	527,386	564,303	598,161	628,069
EBITDA	70,979	79,979	124,383	131,846	141,076	149,540	157,017
Depreciation	8,172	9,766	10,059	10,663	11,409	12,093	12,698
EBIT	62,807	70,213	114,324	121,184	129,667	137,447	144,319
Taxes			28,581	36,355	38,900	41,234	43,296
NOPLAT			85,743	84,829	90,767	96,213	101,023
Depreciation	8,172	9,766	10,059	10,663	11,409	12,093	12,698
Capex		14,920	14,411	19,627	22,495	22,261	12,698
ΔWCR		(26,374)	(356)	(733)	(906)	(831)	-
Free Cash Flow		21,220	81,747	76,597	80,587	86,876	101,023
PPE	139,909	145,063	149,415	158,380	169,466	179,634	
Capex=ΔPPE+Depr		14,920	14,411	19,627	22,495	22,261	
WCR	14,514	(11,860)	(12,216)	(12,949)	(13,855)	(14,686)	
ΔWCR		(26,374)	(356)	(733)	(906)	(831)	
Invested Capital	154,423	133,203	137,199	145,431	155,611	164,948	
ROIC			64%	62%	62%	62%	
RONIC (set = to WACC)							16%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.86	0.74	0.64	0.64
PV(FCF)			70,498	56,966	51,685	55,601	
Total PV(FCF)			234,750				
Continuation Value (CV)							633,086
PV(CV)			405,175				
Enterprise Value {=Total PV(FCF) + PV(CV)}			639,925				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	70,979	79,979	124,383	131,846	141,076	149,540	629,750
NPV			R678,899				
Customer equity			R678,899				
DCF VALUE			639,925				



Beige - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		0.8%	3.0%	6.0%	7.0%	6.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	80.2%	80.6%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
EBITDA Margin (% of Sales)	19.8%	19.4%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Depreciation (% of Sales)	1.4%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
EBIT Margin (% of Sales)	10.5%	11.6%	18.4%	18.4%	18.4%	18.4%	18.4%	18.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			13.8%	12.9%	12.9%	12.9%	12.9%	12.9%
PPE (% of Sales)	23%	24%	24%	24%	24%	24%	24%	24%
WCR (% of Sales)	2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	599,020	603,803	621,917	659,232	705,378	747,701	785,086	824,340
COGS + SG&A	480,304	486,943	497,534	527,386	564,303	598,161	628,069	659,472
EBITDA	70,979	79,979	124,383	131,846	141,076	149,540	157,017	164,868
Depreciation	8,172	9,766	10,059	10,663	11,409	12,093	12,698	13,333
EBIT	62,807	70,213	114,324	121,184	129,667	137,447	144,319	151,535
Taxes			28,581	36,355	38,900	41,234	43,296	45,461
NOPLAT			85,743	84,829	90,767	96,213	101,023	106,075
Depreciation	8,172	9,766	10,059	10,663	11,409	12,093	12,698	13,333
Capex		14,920	14,411	19,627	22,495	22,261	12,698	13,333
ΔWCR		(26,374)	(356)	(733)	(906)	(831)	(734)	-
Free Cash Flow		21,220	81,747	76,597	80,587	86,876	101,758	106,075
PPE	139,909	145,063	149,415	158,380	169,466	179,634	188,616	
Capex=ΔPPE+Depr		14,920	14,411	19,627	22,495	22,261	21,680	
WCR	14,514	(11,860)	(12,216)	(12,949)	(13,855)	(14,686)	(15,421)	
ΔWCR		(26,374)	(356)	(733)	(906)	(831)	(734)	
Invested Capital	154,423	133,203	137,199	145,431	155,611	164,948	173,195	
ROIC			64%	62%	62%	62%	61%	
RONIC (set = to WACC)								16%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.86	0.74	0.64	0.64
PV(FCF)				76,597	69,497	64,611	65,264	
Total PV(FCF)				275,968				
Continuation Value (CV)								664,740
PV(CV)				425,434				
Enterprise Value {=Total PV(FCF) + PV(CV)}				701,402				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	2015	CV
EBITDA	70,979	79,979	124,383	131,846	141,076	149,540	157,017	661,237
NPV				R716,783				
Customer equity				R716,783				
DCF VALUE				701,402				



Blue Label - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		21.8%	18.0%	19.0%	20.0%	21.0%	15.0%
COGS + SG&A (% of Sales)	94.7%	96.5%	80.0%	82.0%	82.0%	88.0%	90.0%
EBITDA Margin (% of Sales)	5.3%	3.5%	20.0%	18.0%	18.0%	12.0%	10.0%
Depreciation (% of Sales)	0.1%	0.2%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	3.0%	3.4%	19.0%	17.0%	17.0%	11.0%	9.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			14.3%	11.9%	11.9%	7.7%	6.3%
PPE (% of Sales)	0%	0%	1%	1%	1%	1%	1%
WCR (% of Sales)	10%	10%	10%	10%	10%	10%	10%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	12,545,471	15,281,449	18,032,110	21,458,211	25,749,853	31,157,322	35,830,920
COGS + SGA	11,875,606	14,742,157	14,425,688	17,595,733	21,114,879	27,418,443	32,247,828
EBITDA	389,490	539,292	3,606,422	3,862,478	4,634,974	3,738,879	3,583,092
Depreciation	16,965	26,132	180,321	214,582	257,499	311,573	358,309
EBIT	372,525	513,160	3,426,101	3,647,896	4,377,475	3,427,305	3,224,783
Taxes			856,525	1,094,369	1,313,242	1,028,192	967,435
NOPLAT			2,569,576	2,553,527	3,064,232	2,399,114	2,257,348
Depreciation	16,965	26,132	180,321	214,582	257,499	311,573	358,309
Capex		24,987	355,821	248,843	300,415	365,648	358,309
ΔWCR		313,909	283,887	353,597	442,927	558,088	-
Free Cash Flow		(312,764)	2,110,189	2,165,669	2,578,389	1,786,951	2,257,348
PPE	5,966	4,821	180,321	214,582	257,499	311,573	
Capex=ΔPPE+Depr		24,987	355,821	248,843	300,415	365,648	
WCR	1,263,241	1,577,150	1,861,037	2,214,634	2,657,561	3,215,649	
ΔWCR		313,909	283,887	353,597	442,927	558,088	
Invested Capital	1,269,207	1,581,971	2,041,358	2,429,216	2,915,059	3,527,222	
ROIC			162%	125%	126%	82%	
RONIC (set = to WACC)							16%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.86	0.74	0.64	0.64
PV(FCF)			2,110,189	1,867,644	1,917,575	1,146,089	
Total PV(FCF)			7,041,496				
Continuation Value (CV)							14,146,177
PV(CV)			9,053,554				
Enterprise Value {=Total PV(FCF) + PV(CV)}			16,095,050				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	CV
EBITDA	389,490	539,292	3,606,422	3,862,478	4,634,974	3,738,879	14,370,720
NPV			R15,882,903				
Customer equity			R15,882,903				
DCF VALUE			16,095,050				

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BCX -2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions							
	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		33.4%	28.0%	30.0%	30.0%	25.0%	25.0%
COGS + SG&A (% of Sales)	71.9%	73.4%	73.4%	73.4%	73.4%	73.4%	73.4%
EBITDA Margin (% of Sales)	28.1%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
Depreciation (% of Sales)	1.9%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
EBIT Margin (% of Sales)	26.2%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			18.3%	17.0%	17.0%	17.0%	17.0%
PPE (% of Sales)	1%	1%	2%	3%	3%	3%	3%
WCR (% of Sales)	18%	17%	17%	17%	17%	17%	17%

<u>Cost of Capital</u>	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts

	2009	2010	2011	2012	2013	2014	CV
Sales	4,118,534	5,496,127	7,035,043	9,145,555	11,889,222	14,861,527	18,576,909
COGS + SGA	2,960,434	4,036,713	5,166,993	6,717,090	8,732,218	10,915,272	13,644,090
EBITDA	1,158,100	1,459,414	1,868,050	2,428,465	3,157,004	3,946,255	4,932,819
Depreciation	80,063	121,731	155,816	202,560	263,328	329,161	411,451
EBIT	1,078,037	1,337,683	1,712,234	2,225,905	2,893,676	3,617,095	4,521,369
Taxes			428,059	667,771	868,103	1,085,128	1,356,411
NOPLAT			1,284,176	1,558,134	2,025,573	2,531,966	3,164,958
Depreciation	80,063	121,731	155,816	202,560	263,328	329,161	411,451
Capex		116,765	250,897	336,226	345,638	418,330	411,451
Δ WCR		182,601	263,199	360,958	469,246	508,349	-
Free Cash Flow		(177,635)	925,896	1,063,509	1,474,018	1,934,448	3,164,958
PPE	50,586	45,620	140,701	274,367	356,677	445,846	
Capex= Δ PPE+Depr		116,765	250,897	336,226	345,638	418,330	
WCR	757,394	939,995	1,203,194	1,564,152	2,033,397	2,541,746	
Δ WCR		182,601	263,199	360,958	469,246	508,349	
Invested Capital	807,980	985,615	1,343,894	1,838,518	2,390,074	2,987,592	
ROIC			130%	116%	110%	106%	
RONIC (set = to WACC)							16%

Valuation

	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.86	0.74	0.64	0.64
PV(FCF)			925,896	917,156	1,096,242	1,240,689	
Total PV(FCF)			4,179,983				
Continuation Value (CV)							19,833,919
PV(CV)			12,693,708				
Enterprise Value {=Total PV(FCF) + PV(CV)}			16,873,691				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION

EBITDA	1,158,100	1,459,414	1,868,050	2,428,465	3,157,004	3,946,255	19,784,076
NPV			R17,061,355				
Customer equity			R17,061,355				
DCF VALUE			16,873,691				



BCX - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		33.4%	28.0%	30.0%	30.0%	25.0%	25.0%	25.0%
COGS + SG&A (% of Sales)	71.9%	73.4%	73.4%	73.4%	73.4%	73.4%	73.4%	73.4%
EBITDA Margin (% of Sales)	28.1%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%
Depreciation (% of Sales)	1.9%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
EBIT Margin (% of Sales)	26.2%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%	24.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			18.3%	17.0%	17.0%	17.0%	17.0%	17.0%
PPE (% of Sales)	1%	1%	2%	3%	3%	3%	3%	3%
WCR (% of Sales)	18%	17%	17%	17%	17%	17%	17%	17%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	15.96%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	4,118,534	5,496,127	7,035,043	9,145,555	11,889,222	14,861,527	18,576,909	23,221,137
COGS + SGA	2,960,434	4,036,713	5,166,993	6,717,090	8,732,218	10,915,272	13,644,090	17,055,112
EBITDA	1,158,100	1,459,414	1,868,050	2,428,465	3,157,004	3,946,255	4,932,819	6,166,024
Depreciation	80,063	121,731	155,816	202,560	263,328	329,161	411,451	514,313
EBIT	1,078,037	1,337,683	1,712,234	2,225,905	2,893,676	3,617,095	4,521,369	5,651,711
Taxes			428,059	667,771	868,103	1,085,128	1,356,411	1,695,513
NOPLAT			1,284,176	1,558,133	2,025,573	2,531,966	3,164,958	3,956,197
Depreciation	80,063	121,731	155,816	202,560	263,328	329,161	411,451	514,313
Capex		116,765	250,897	336,226	345,638	418,330	411,451	514,313
ΔWCR		182,601	263,199	360,958	469,246	508,349	635,437	1
Free Cash Flow		(177,635)	925,896	1,063,509	1,474,018	1,934,448	2,529,521	3,956,196
PPE	50,586	45,620	140,701	274,367	356,677	445,846	557,307	
Capex=ΔPPE+Depr		116,765	250,897	336,226	345,638	418,330	522,912	
WCR	757,394	939,995	1,203,194	1,564,152	2,033,397	2,541,746	3,177,183	
ΔWCR		182,601	263,199	360,958	469,246	508,349	635,437	
Invested Capital	807,980	985,615	1,343,894	1,838,518	2,390,074	2,987,592	3,734,490	
ROIC			130%	116%	110%	106%	106%	
RONIC (set = to WACC)							16%	

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.86	0.74	0.64	0.64
PV(FCF)				1,063,509	1,271,173	1,438,669	1,622,348	
Total PV(FCF)				5,395,699				
Continuation Value (CV)								24,792,399
PV(CV)				15,867,135				
Enterprise Value {=Total PV(FCF) + PV(CV)}				21,262,834				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION

EBITDA	1,158,100	1,459,414	1,868,050	2,428,465	3,157,004	3,946,255	4,932,819	24,730,095
NPV				R21,497,547				
Customer equity				R21,497,547				
DCF VALUE				21,262,834				



Cashbuild - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		25.3%	24.0%	23.0%	25.0%	26.0%	25.0%
COGS + SG&A (% of Sales)	78.4%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%
EBITDA Margin (% of Sales)	21.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Depreciation (% of Sales)	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
EBIT Margin (% of Sales)	6.1%	5.5%	20.1%	20.1%	20.1%	20.1%	20.1%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			15.1%	14.1%	14.1%	14.1%	14.1%
PPE (% of Sales)	7%	7%	7%	7%	7%	7%	7%
WCR (% of Sales)	6%	6%	6%	6%	6%	6%	6%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.04%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	4,043,493	5,065,843	6,281,645	7,726,424	9,658,030	12,169,117	15,211,397
COGS + SGA	3,171,658	4,003,162	4,963,921	6,105,623	7,632,028	9,616,356	12,020,445
EBITDA	283,283	319,320	1,317,724	1,620,801	2,026,001	2,552,762	3,190,952
Depreciation	35,668	42,420	52,601	64,699	80,874	101,901	127,376
EBIT	247,615	276,900	1,265,124	1,556,102	1,945,128	2,450,861	3,063,576
Taxes			316,281	466,831	583,538	735,258	919,073
NOPLAT			948,843	1,089,271	1,361,589	1,715,603	2,144,503
Depreciation	35,668	42,420	52,601	64,699	80,874	101,901	127,376
Capex		110,526	135,203	162,858	212,108	272,506	127,376
ΔWCR		60,625	74,116	88,074	117,751	153,077	-
Free Cash Flow		(128,731)	792,125	903,038	1,112,604	1,391,921	2,144,503
PPE	276,070	344,176	426,778	524,937	656,172	826,776	
Capex=ΔPPE+Depr		110,526	135,203	162,858	212,108	272,506	
WCR	248,190	308,815	382,931	471,005	588,756	741,832	
ΔWCR		60,625	74,116	88,074	117,751	153,077	
Invested Capital	524,260	652,991	809,709	995,942	1,244,927	1,568,608	
ROIC			145%	135%	137%	138%	
RONIC (set = to WACC)							10%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.83	0.75	0.75
PV(FCF)			792,125	820,638	918,822	1,044,603	
Total PV(FCF)			3,576,188				
Continuation Value (CV)							21,357,466
PV(CV)			16,018,100				
Enterprise Value {=Total PV(FCF) + PV(CV)}			19,594,288				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION

EBITDA	283,283	319,320	1,317,724	1,620,801	2,026,001	2,552,762	23,834,420
NPV			R20,569,179				
Customer equity			R20,569,179				
DCF VALUE			R19,594,288				



Cashbuild - 2011																	
Yellow cells are inputs																	
Blue text is forecast or estimate																	
Assumptions									Forecasts								
	2009	2010	2011	2012	2013	2014	2015	CV		2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		25.3%	24.0%	23.0%	25.0%	26.0%	25.0%	25.0%	Sales	4,043,493	5,065,843	6,281,645	7,726,424	9,658,030	12,169,117	15,211,397	19,014,246
COGS + SG&A (% of Sales)	78.4%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	COGS + SGA	3,171,658	4,003,162	4,963,921	6,105,623	7,632,028	9,616,356	12,020,445	15,025,556
EBITDA Margin (% of Sales)	21.6%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	EBITDA	283,283	319,320	1,317,724	1,620,801	2,026,001	2,552,762	3,190,952	3,988,690
Depreciation (% of Sales)	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	Depreciation	35,668	42,420	52,601	64,699	80,874	101,901	127,376	159,220
EBIT Margin (% of Sales)	6.1%	5.5%	20.1%	20.1%	20.1%	20.1%	20.1%	20.1%	EBIT	247,615	276,900	1,265,124	1,556,102	1,945,128	2,450,861	3,063,576	3,829,470
Marqinal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	Taxes			316,281	466,831	583,538	735,258	919,073	1,148,841
NOPLAT (% of Sales)			15.1%	14.1%	14.1%	14.1%	14.1%	14.1%	NOPLAT			948,843	1,089,271	1,361,589	1,715,603	2,144,503	2,680,629
									Depreciation	35,668	42,420	52,601	64,699	80,874	101,901	127,376	159,220
									Capex		110,526	135,203	162,858	212,108	272,506	127,376	159,220
									ΔWCR		60,625	74,116	88,074	117,751	153,077	185,458	1
									Free Cash Flow		(128,731)	792,125	903,038	1,112,604	1,391,921	1,959,045	2,680,628
									PPE	276,070	344,176	426,778	524,937	656,172	826,776	1,033,470	
PPE (% of Sales)	7%	7%	7%	7%	7%	7%	7%	7%	Capex=ΔPPE+Depr		110,526	135,203	162,858	212,108	272,506	334,070	
									WCR	248,190	308,815	382,931	471,005	588,756	741,832	927,290	
WCR (% of Sales)	6%	6%	6%	6%	6%	6%	6%	6%	ΔWCR		60,625	74,116	88,074	117,751	153,077	185,458	
									Invested Capital	524,260	652,991	809,709	995,942	1,244,927	1,568,608	1,960,761	
									ROIC			145%	135%	137%	138%	137%	
									RONIC (set = to WACC)							10%	
Cost of Capital									Valuation								
Cost of Debt (rd)										2009	2010	2011	2012	2013	2014	2015	CV
Target D/V									Discount Factor				1.00	0.91	0.83	0.75	0.75
Tax Rate									PV(FCF)				903,038	1,011,081	1,149,491	1,470,215	
Risk-Free Rate (rf)									Total PV(FCF)				4,533,826				
Unlevered beta									Continuation Value (CV)								26,696,833
Market Risk Premium									PV(CV)				20,022,625				
Cost of Equity (re)									Enterprise Value (=Total PV(FCF) + PV(CV))				24,556,450				
Target E/V									- Financial Debt								
WACC	10.04%								- Minority Interest								
									+ Affiliates								
									- Pension Obligations								
Levered beta									TOTAL EQUITY VALUE								
									Estimated Shares Outstanding (millions)								
									Equity Value (EUR per Share)								
									CUSTOMER EQUITY CALCULATION								
									EBITDA	283,283	319,320	1,317,724	1,620,801	2,026,001	2,552,762	3,190,952	29,793,024
									NPV				R25,702,729				
									Customer equity				R25,702,729				
									DCF VALUE				R24,556,450				

Clicks Group - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions							
	2009	2010	2011	2012	2013	2014	CAGR
Sales Growth (%/yr)		7.9%	7.0%	6.0%	6.0%	6.0%	5.0%
COGS + SG&A (% of Sales)	80.7%	79.3%	80.0%	80.0%	80.0%	80.0%	80.0%
EBITDA Margin (% of Sales)	19.3%	20.7%	20.0%	20.0%	20.0%	20.0%	20.0%
Depreciation (% of Sales)	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	5.6%	9.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			14.3%	13.3%	13.3%	13.3%	13.3%
PPE (% of Sales)	7%	7%	7%	7%	7%	7%	7%
WCR (% of Sales)	2%	1%	2%	2%	2%	2%	2%

[illegible]

Forecasts

	2009	2010	2011	2012	2013	2014	CV
Sales	11,281,156	12,175,312	13,027,584	13,809,239	14,637,793	15,516,061	16,291,864
COGS + SGA	9,106,515	9,657,930	10,422,067	11,047,391	11,710,235	12,412,849	13,033,491
EBITDA	722,403	1,200,204	2,605,517	2,761,848	2,927,559	3,103,212	3,258,373
Depreciation	95,908	109,676	130,276	138,092	146,378	155,161	162,919
EBIT	626,495	1,090,528	2,475,241	2,623,755	2,781,181	2,948,052	3,095,454
Taxes			618,810	787,127	834,354	884,415	928,636
NOPLAT			1,856,431	1,836,629	1,946,826	2,063,636	2,166,818
Depreciation	95,908	109,676	130,276	138,092	146,378	155,161	162,919
Capex		204,704	188,342	191,347	202,828	214,998	162,919
Δ WCR		(182,142)	179,451	15,633	16,571	17,565	-
Free Cash Flow		87,114	1,618,914	1,767,741	1,873,805	1,986,234	2,166,818
PPE	734,485	829,513	887,579	940,834	997,284	1,057,121	
Capex= Δ PPE+Depr		204,704	188,342	191,347	202,828	214,998	
WCR	263,243	81,101	260,552	276,185	292,756	310,321	
Δ WCR		(182,142)	179,451	15,633	16,571	17,565	
Invested Capital	997,728	910,614	1,148,131	1,217,018	1,290,040	1,367,442	
ROIC			204%	160%	160%	160%	
RONIC (set = to WACC)							13%

Valuation

	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.88	0.78	0.69	0.69
PV(FCF)			1,618,914	1,564,190	1,467,122	1,376,077	
Total PV(FCF)			6,026,303				
Continuation Value (CV)							16,650,923
PV(CV)			11,489,137				
Enterprise Value {=Total PV(FCF) + PV(CV)}			17,515,440				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	722,403	1,200,204	2,605,517	2,761,848	2,927,559	3,103,212	17,276,897
NPV			R17,770,260				
Customer equity			R17,770,260				
DCF VALUE			17,515,440				



Clicks Group - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		7.9%	7.0%	6.0%	6.0%	6.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	80.7%	79.3%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
EBITDA Margin (% of Sales)	19.3%	20.7%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Depreciation (% of Sales)	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	5.6%	9.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			14.3%	13.3%	13.3%	13.3%	13.3%	13.3%
PPE (% of Sales)	7%	7%	7%	7%	7%	7%	7%	7%
WCR (% of Sales)	2%	1%	2%	2%	2%	2%	2%	2%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	13.01%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	11,281,156	12,175,312	13,027,584	13,809,239	14,637,793	15,516,061	16,291,864	17,106,457
COGS + SGA	9,106,515	9,657,930	10,422,067	11,047,391	11,710,235	12,412,849	13,033,491	13,685,166
EBITDA	722,403	1,200,204	2,605,517	2,761,848	2,927,559	3,103,212	3,258,373	3,421,291
Depreciation	95,908	109,676	130,276	138,092	146,378	155,161	162,919	171,065
EBIT	626,495	1,090,528	2,475,241	2,623,755	2,781,181	2,948,052	3,095,454	3,250,227
Taxes			618,810	787,127	834,354	884,415	928,636	975,068
NOPLAT			1,856,431	1,836,629	1,946,826	2,063,636	2,166,818	2,275,159
Depreciation	95,908	109,676	130,276	138,092	146,378	155,161	162,919	171,065
Capex		204,704	188,342	191,347	202,828	214,998	162,919	171,065
ΔWCR		(182,142)	179,451	16,571	16,571	17,565	15,516	1
Free Cash Flow		87,114	1,618,914	1,767,741	1,873,805	1,986,234	2,151,302	2,275,158
PPE	734,485	829,513	887,579	940,834	997,284	1,057,121	1,109,977	
Capex=ΔPPE+Depr		204,704	188,342	191,347	202,828	214,998	162,919	171,065
WCR	263,243	81,101	260,552	276,185	292,756	310,321	325,837	
ΔWCR		(182,142)	179,451	15,633	16,571	17,565	15,516	
Invested Capital	997,728	910,614	1,148,131	1,217,018	1,290,040	1,367,442	1,435,814	
ROIC			204%	160%	160%	160%	158%	
RONIC (set = to WACC)								13%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.88	0.78	0.69	0.69
PV(FCF)				1,767,741	1,658,041	1,555,149	1,490,438	
Total PV(FCF)				4,980,931				
Continuation Value (CV)								17,483,469
PV(CV)				12,063,594				
Enterprise Value {=Total PV(FCF) + PV(CV)}				17,044,525				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	722,403	1,200,204	2,605,517	2,761,848	2,927,559	3,103,212	3,258,373	18,140,742
NPV				R18,723,735				
Customer equity				R18,723,735				
DCF VALUE				17,044,525				



Comair - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		13.4%	14.0%	15.0%	15.0%	15.0%	12.0%
COGS + SG&A (% of Sales)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA Margin (% of Sales)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Depreciation (% of Sales)	3.8%	3.5%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	4.4%	9.9%	96.2%	96.3%	96.5%	96.5%	96.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			72.2%	67.4%	67.6%	67.6%	67.6%
PPE (% of Sales)	32%	30%	2%	3%	3%	3%	3%
WCR (% of Sales)	-4%	-3%	-3%	-3%	-3%	-3%	-3%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	7.51%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	2,688,488	3,048,782	3,475,611	3,996,953	4,596,496	5,285,971	5,920,287
COGS + SGA	-	-	-	-	-	-	-
EBITDA	222,054	406,600	3,475,611	3,996,953	4,596,496	5,285,971	5,920,287
Depreciation	102,857	105,874	132,073	147,887	160,877	185,009	207,210
EBIT	119,197	300,726	3,343,538	3,849,066	4,435,619	5,100,962	5,713,077
Taxes			835,885	1,154,720	1,330,686	1,530,288	1,713,923
NOPLAT			2,507,654	2,694,346	3,104,933	3,570,673	3,999,154
Depreciation	102,857	105,874	132,073	147,887	160,877	185,009	207,210
Capex		151,167	(710,458)	198,284	178,864	205,693	207,210
ΔWCR		14,909	(13,581)	(16,589)	(19,077)	(21,938)	-
Free Cash Flow		(60,202)	3,363,766	2,660,538	3,106,024	3,571,927	3,999,154
PPE	866,750	912,043	69,512	119,909	137,895	158,579	
Capex=ΔPPE+Depr		151,167	(710,458)	198,284	178,864	205,693	
WCR	(111,918)	(97,009)	(110,590)	(127,179)	(146,256)	(168,194)	
ΔWCR		14,909	(13,581)	(16,589)	(19,077)	(21,938)	
Invested Capital	754,832	815,034	(41,078)	(7,270)	(8,361)	(9,615)	
ROIC			308%	-6559%	-42708%	-42708%	
RONIC (set = to WACC)							8%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.93	0.87	0.80	0.80
PV(FCF)			3,363,766	2,474,625	2,687,104	2,874,234	
Total PV(FCF)			11,399,728				
Continuation Value (CV)							53,231,204
PV(CV)			42,584,964				
Enterprise Value {=Total PV(FCF) + PV(CV)}			53,984,691				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	222,054	406,600	3,475,611	3,996,953	4,596,496	5,285,971	63,042,137
NPV			R58,231,953				
Customer equity			R58,231,953				
DCF VALUE			53,984,691				



Comair - 2011																	
Yellow cells are inputs																	
Blue text is forecast or estimate																	
Assumptions									Forecasts								
	2009	2010	2011	2012	2013	2014	2015	CV		2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		13.4%	14.0%	15.0%	15.0%	15.0%	12.0%	12.0%	Sales	2,688,488	3,048,782	3,475,611	3,996,953	4,596,496	5,285,971	5,920,287	6,630,722
COGS + SG&A (% of Sales)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	COGS + SGA	-	-	-	-	-	-	-	-
EBITDA Margin (% of Sales)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	EBITDA	222,054	406,600	3,475,611	3,996,953	4,596,496	5,285,971	5,920,287	6,630,722
Depreciation (% of Sales)	3.8%	3.5%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%	Depreciation	102,857	105,874	132,073	147,887	160,877	185,009	207,210	232,075
EBIT Margin (% of Sales)	4.4%	9.9%	96.2%	96.3%	96.5%	96.5%	96.5%	96.5%	EBIT	119,197	300,726	3,343,538	3,849,066	4,435,619	5,100,962	5,713,077	6,398,646
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	Taxes			835,885	1,154,720	1,330,686	1,530,288	1,713,923	1,919,594
NOPLAT (% of Sales)			72.2%	67.4%	67.6%	67.6%	67.6%	67.6%	NOPLAT			2,507,654	2,694,346	3,104,933	3,570,673	3,999,154	4,479,052
									Depreciation	102,857	105,874	132,073	147,887	160,877	185,009	207,210	232,075
									Capex	151,167	(710,458)	198,284	178,864	178,864	205,693	207,210	232,075
									ΔWCR	14,909	(13,581)	(16,589)	(19,077)	(19,077)	(21,938)	(20,183)	1
									Free Cash Flow		(60,202)	3,363,766	2,660,538	3,106,024	3,571,927	4,019,337	4,479,051
									PPE	866,750	912,043	69,512	119,909	137,895	158,579	177,609	
PPE (% of Sales)	32%	30%	2%	3%	3%	3%	3%	103%	Capex=ΔPPE+Depr	151,167	(710,458)	198,284	178,864	178,864	205,693	226,240	
									WCR	(111,918)	(97,009)	(110,590)	(127,179)	(146,256)	(168,194)	(188,377)	
WCR (% of Sales)	-4%	-3%	-3%	-3%	-3%	-3%	-3%	-3%	ΔWCR	14,909	(13,581)	(16,589)	(19,077)	(19,077)	(21,938)	(20,183)	
									Invested Capital	754,832	815,034	(41,078)	(7,270)	(8,361)	(9,615)	(10,769)	
									ROIC			308%	-6559%	-42708%	-42708%	-41594%	
									RONIC (set = to WACC)								8%
Cost of Capital									Valuation								
Cost of Debt (rd)										2009	2010	2011	2012	2013	2014		CV
Target D/V									Discount Factor				1.00	0.93	0.87	0.80	0.80
Tax Rate									PV(FCF)				2,660,538	2,888,980	3,090,169	3,234,253	
Risk-Free Rate (rf)									Total PV(FCF)				11,873,940				
Unlevered beta									Continuation Value (CV)								59,618,949
Market Risk Premium									PV(CV)				47,695,159				
Cost of Equity (re)									Enterprise Value {=Total PV(FCF) + PV(CV)}				59,569,100				
Target E/V									- Financial Debt								
WACC		7.51%							- Minority Interest								
									+ Affiliates								
									- Pension Obligations								
Levered beta									TOTAL EQUITY VALUE								
									Estimated Shares Outstanding (millions)								
									Equity Value (EUR per Share)								
									CUSTOMER EQUITY CALCULATION								
									EBITDA	222,054	406,600	3,475,611	3,996,953	4,596,496	5,285,971	5,920,287	70,607,193
									NPV				R65,531,466				
									Customer equity				R65,531,466				
									DCF VALUE				59,569,100				



Datacentrix - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		-14.7%	5.0%	7.0%	7.0%	9.0%	6.0%
COGS + SG&A (% of Sales)	68.5%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%
EBITDA Margin (% of Sales)	31.5%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%
Depreciation (% of Sales)	0.7%	1.4%	2.0%	2.0%	2.0%	2.0%	2.0%
EBIT Margin (% of Sales)	11.9%	10.3%	35.1%	35.1%	35.1%	35.1%	35.1%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			26.3%	24.6%	24.6%	24.6%	24.6%
PPE (% of Sales)	1%	1%	2%	3%	3%	3%	3%
WCR (% of Sales)	19%	25%	25%	25%	25%	25%	25%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	14.01%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	1,513,322	1,290,781	1,355,320	1,450,192	1,551,706	1,691,359	1,792,841
COGS + SGA	1,037,120	811,567	852,145	911,796	975,621	1,063,427	1,127,233
EBITDA	191,565	150,504	503,175	538,397	576,085	627,932	665,608
Depreciation	11,225	18,013	27,106	29,004	31,034	33,827	35,857
EBIT	180,340	132,491	476,068	509,393	545,051	594,105	629,751
Taxes			119,017	152,818	163,515	178,232	188,925
NOPLAT			357,051	356,575	381,535	415,874	440,826
Depreciation	11,225	18,013	27,106	29,004	31,034	33,827	35,857
Capex		11,549	39,723	45,403	34,080	38,017	35,857
ΔWCR		28,644	16,149	23,739	25,400	34,944	-
Free Cash Flow		(22,180)	328,286	316,437	353,090	376,740	440,826
PPE	20,954	14,490	27,106	43,506	46,551	50,741	
Capex=ΔPPE+Depr		11,549	39,723	45,403	34,080	38,017	
WCR	294,330	322,974	339,123	362,861	388,262	423,205	
ΔWCR		28,644	16,149	23,739	25,400	34,944	
Invested Capital	315,284	337,464	366,229	406,367	434,813	473,946	
ROIC			106%	97%	94%	96%	
RONIC (set = to WACC)							14%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.88	0.77	0.67	0.67
PV(FCF)			328,286	277,543	271,626	254,198	
Total PV(FCF)			1,131,654				
Continuation Value (CV)							3,145,701
PV(CV)			2,107,620				
Enterprise Value {=Total PV(FCF) + PV(CV)}			3,239,274				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	191,565	150,504	503,175	538,397	576,085	627,932	3,182,320
NPV			R3,267,631				
Customer equity			R3,267,631				
DCF VALUE			3,239,274				



Datacentrix - 2011																	
Yellow cells are inputs																	
Blue text is forecast or estimate																	
Assumptions									Forecasts								
	2009	2010	2011	2012	2013	2014	2015	CV		2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		-14.7%	5.0%	7.0%	7.0%	9.0%	6.0%	6.0%	Sales	1,513,322	1,290,781	1,355,320	1,450,192	1,551,706	1,691,359	1,792,841	1,900,411
COGS + SG&A (% of Sales)	68.5%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	62.9%	COGS + SGA	1,037,120	811,567	852,145	911,796	975,621	1,063,427	1,127,233	1,194,867
EBITDA Margin (% of Sales)	31.5%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%	EBITDA	191,565	150,504	503,175	538,397	576,085	627,932	665,608	705,545
Depreciation (% of Sales)	0.7%	1.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	Depreciation	11,225	18,013	27,106	29,004	31,034	33,827	35,857	38,008
EBIT Margin (% of Sales)	11.9%	10.3%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	EBIT	180,340	132,491	476,068	509,393	545,051	594,105	629,751	667,537
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	Taxes			119,017	152,818	163,515	178,232	188,925	200,261
NOPLAT (% of Sales)			26.3%	24.6%	24.6%	24.6%	24.6%	24.6%	NOPLAT			357,051	356,575	381,535	415,874	440,826	467,276
									Depreciation	11,225	18,013	27,106	29,004	31,034	33,827	35,857	38,008
									Capex		11,549	39,723	45,403	34,080	38,017	35,857	38,008
									ΔWCR		28,644	16,149	23,739	25,400	34,944	25,392	1
									Free Cash Flow		(22,180)	328,286	316,437	353,090	376,740	415,434	467,275
									PPE	20,954	14,490	27,106	43,506	46,551	50,741	53,785	
PPE (% of Sales)	1%	1%	2%	3%	3%	3%	3%	3%	Capex=ΔPPE+Depr		11,549	39,723	45,403	34,080	38,017	38,901	
									WCR	294,330	322,974	339,123	362,861	388,262	423,205	448,597	
WCR (% of Sales)	19%	25%	25%	25%	25%	25%	25%	25%	ΔWCR		28,644	16,149	23,739	25,400	34,944	25,392	
									Invested Capital	315,284	337,464	366,229	406,367	434,813	473,946	502,383	
									ROIC			106%	97%	94%	96%	93%	
									RONIC (set = to WACC)								14%
Cost of Capital									Valuation								
Cost of Debt (rd)										2009	2010	2011	2012	2013	2014	2015	CV
Target D/V									Discount Factor				1.00	0.88	0.77	0.67	0.67
Tax Rate									PV(FCF)				316,437	309,691	289,820	280,306	
Risk-Free Rate (rf)									Total PV(FCF)				915,948				
Unlevered beta									Continuation Value (CV)								3,334,444
Market Risk Premium									PV(CV)				2,234,077				
Cost of Equity (re)									Enterprise Value {=Total PV(FCF) + PV(CV)}				3,150,026				
Target E/V									- Financial Debt								
WACC	14.01%								- Minority Interest								
									+ Affiliates								
									- Pension Obligations								
Levered beta									TOTAL EQUITY VALUE								
									Estimated Shares Outstanding (millions)								
									Equity Value (EUR per Share)								
									CUSTOMER EQUITY CALCULATION								
									EBITDA	191,565	150,504	503,175	538,397	576,085	627,932	665,608	3,373,259
									NPV				R3,483,905				
									Customer equity				R3,483,905				
									DCF VALUE				3,150,026				



Datatec -2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		-10.8%	2.0%	3.0%	3.0%	4.0%	3.0%
COGS + SG&A (% of Sales)	86.5%	86.7%	86.7%	86.7%	86.7%	86.7%	86.7%
EBITDA Margin (% of Sales)	13.5%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
Depreciation (% of Sales)	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
EBIT Margin (% of Sales)	2.6%	2.3%	13.0%	13.0%	13.0%	13.0%	13.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			9.7%	9.1%	9.1%	9.1%	9.1%
PPE (% of Sales)	1%	1%	1%	1%	1%	1%	1%
WCR (% of Sales)	7%	9%	9%	9%	9%	9%	9%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	16.22%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	4,191,671	3,738,026	3,812,787	3,927,170	4,044,985	4,206,785	4,332,988
COGS + SGA	3,627,835	3,239,650	3,304,443	3,403,576	3,505,684	3,645,911	3,755,288
EBITDA	121,146	100,430	508,344	523,594	539,302	560,874	577,700
Depreciation	13,312	13,293	13,559	13,966	14,385	14,960	15,409
EBIT	107,834	87,137	494,785	509,628	524,917	545,914	562,291
Taxes			123,696	152,888	157,475	163,774	168,687
NOPLAT			371,088	356,740	367,442	382,140	393,604
Depreciation	13,312	13,293	13,559	13,966	14,385	14,960	15,409
Capex		26,791	14,428	15,295	15,754	16,840	15,409
ΔWCR		37,228	6,644	10,165	10,470	14,378	-
Free Cash Flow		(50,726)	363,576	345,246	355,603	365,881	393,604
PPE	29,938	43,436	44,305	45,634	47,003	48,883	
Capex=ΔPPE+Depr		26,791	14,428	15,295	15,754	16,840	
WCR	294,948	332,176	338,820	348,984	359,454	373,832	
ΔWCR		37,228	6,644	10,165	10,470	14,378	
Invested Capital	324,886	375,612	383,124	394,618	406,457	422,715	
ROIC			99%	93%	93%	94%	
RONIC (set = to WACC)							16%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.86	0.74	0.64	0.64
PV(FCF)			363,576	297,074	263,292	233,103	
Total PV(FCF)			1,157,045				
Continuation Value (CV)							2,427,331
PV(CV)			1,553,492				
Enterprise Value {=Total PV(FCF) + PV(CV)}			2,710,537				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION

EBITDA	121,146	100,430	508,344	523,594	539,302	560,874	2,280,090
NPV			R2,551,705				
Customer equity			R2,551,705				
DCF VALUE			2,710,537				



Datatec - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		-10.8%	2.0%	3.0%	3.0%	4.0%	3.0%	3.0%
COGS + SG&A (% of Sales)	86.5%	86.7%	86.7%	86.7%	86.7%	86.7%	86.7%	86.7%
EBITDA Margin (% of Sales)	13.5%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
Depreciation (% of Sales)	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
EBIT Margin (% of Sales)	2.6%	2.3%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			9.7%	9.1%	9.1%	9.1%	9.1%	9.1%
PPE (% of Sales)	1%	1%	1%	1%	1%	1%	1%	1%
WCR (% of Sales)	7%	9%	9%	9%	9%	9%	9%	9%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	16.22%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	4,191,671	3,738,026	3,812,787	3,927,170	4,044,985	4,206,785	4,332,988	4,462,978
COGS + SGA	3,627,835	3,239,650	3,304,443	3,403,576	3,505,684	3,645,911	3,755,288	3,867,947
EBITDA	121,146	100,430	508,344	523,594	539,302	560,874	577,700	595,031
Depreciation	13,312	13,293	13,559	13,966	14,385	14,960	15,409	15,871
EBIT	107,834	87,137	494,785	509,628	524,917	545,914	562,291	579,160
Taxes			123,696	152,888	157,475	163,774	168,687	173,748
NOPLAT			371,088	356,740	367,442	382,140	393,604	405,412
Depreciation	13,312	13,293	13,559	13,966	14,385	14,960	15,409	15,871
Capex		26,791	14,428	15,295	15,754	16,840	15,409	15,871
ΔWCR		37,228	6,644	10,165	10,470	14,378	11,215	1
Free Cash Flow		(50,726)	363,576	345,246	355,603	365,881	382,389	405,411
PPE	29,938	43,436	44,305	45,634	47,003	48,883	50,349	
Capex=ΔPPE+Depr		26,791	14,428	15,295	15,754	16,840	16,875	
WCR	294,948	332,176	338,820	348,984	359,454	373,832	385,047	
ΔWCR		37,228	6,644	10,165	10,470	14,378	11,215	
Invested Capital	324,886	375,612	383,124	394,618	406,457	422,715	435,396	
ROIC			99%	93%	93%	94%	93%	
RONIC (set = to WACC)								16%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.86	0.74	0.64	0.64
PV(FCF)				345,246	305,986	270,902	243,620	
Total PV(FCF)				922,134				
Continuation Value (CV)								2,500,151
PV(CV)				1,600,096				
Enterprise Value {=Total PV(FCF) + PV(CV)}				2,522,231				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	121,146	100,430	508,344	523,594	539,302	560,874	577,700	2,348,492
NPV				R2,631,692				
Customer equity				R2,631,692				
DCF VALUE				2,522,231				



Discovery - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		-14.2%	3.0%	7.0%	7.0%	6.0%	5.0%
COGS + SG&A (% of Sales)	70.2%	66.5%	65.0%	65.0%	65.0%	65.0%	65.0%
EBITDA Margin (% of Sales)	29.8%	33.5%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation (% of Sales)	1.2%	1.8%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	28.6%	31.7%	31.2%	31.3%	31.5%	31.5%	31.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			23.4%	21.9%	22.1%	22.1%	22.1%
PPE (% of Sales)	67%	110%	115%	105%	87%	72%	60%
WCR (% of Sales)	13%	15%	15%	15%	15%	15%	15%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	7.93%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	6,045,000	5,186,000	5,341,580	5,715,491	6,115,575	6,482,509	6,806,635
COGS + SGA	4,243,154	3,450,203	3,472,027	3,715,069	3,975,124	4,213,631	4,424,313
EBITDA	1,801,846	1,735,797	1,869,553	2,000,422	2,140,451	2,268,878	2,382,322
Depreciation	70,000	93,000	202,980	211,473	214,045	226,888	238,232
EBIT	1,731,846	1,642,797	1,666,573	1,788,949	1,926,406	2,041,990	2,144,090
Taxes			416,643	536,685	577,922	612,597	643,227
NOPLAT			1,249,930	1,252,264	1,348,484	1,429,393	1,500,863
Depreciation	70,000	93,000	202,980	211,473	214,045	226,888	238,232
Capex		1,727,000	632,797	69,921	(457,496)	(413,745)	238,232
ΔWCR		(35,000)	23,070	55,445	59,326	54,410	-
Free Cash Flow		1,855,000	2,062,637	1,338,371	1,960,700	2,015,616	1,500,863
PPE	4,079,000	5,713,000	6,142,817	6,001,265	5,329,724	4,689,091	
Capex=ΔPPE+Depr		1,727,000	632,797	69,921	(457,496)	(413,745)	
WCR	804,000	769,000	792,070	847,515	906,841	961,251	
ΔWCR		(35,000)	23,070	55,445	59,326	54,410	
Invested Capital	4,883,000	6,482,000	6,934,887	6,848,780	6,236,565	5,650,342	
ROIC			19%	18%	20%	23%	
RONIC (set = to WACC)							8%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.93	0.86	0.80	0.80
PV(FCF)			1,911,118	1,148,962	1,559,571	1,612,493	
Total PV(FCF)			6,232,143				
Continuation Value (CV)							18,930,452
PV(CV)			15,144,361				
Enterprise Value {=Total PV(FCF) + PV(CV)}			21,376,505				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION

EBITDA	1,801,846	1,735,797	1,869,553	2,000,422	2,140,451	2,268,878	24,038,669
NPV			R23,238,943				
Customer equity			R23,238,943				
DCF VALUE			21,376,505				



Discovery - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		-14.2%	3.0%	7.0%	7.0%	6.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	70.2%	66.5%	80.0%	82.0%	82.0%	81.0%	74.0%	74.0%
EBITDA Margin (% of Sales)	29.8%	33.5%	20.0%	18.0%	18.0%	19.0%	26.0%	26.0%
Depreciation (% of Sales)	1.2%	1.8%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	28.6%	31.7%	16.2%	14.3%	14.5%	15.5%	22.5%	22.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			12.2%	10.0%	10.2%	10.9%	15.8%	15.8%
PPE (% of Sales)	67%	110%	115%	105%	87%	72%	60%	60%
WCR (% of Sales)	13%	15%	15%	15%	15%	15%	15%	15%

Cost of Capital								
Cost of Debt (rd)								
Target Div								
Tax Rate								
Risk-Free Rate (rf)								
Unlevered beta								
Market Risk Premium								
Cost of Equity (re)								
Target E/V								
WACC		7.93%						
Levered beta								

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	6,045,000	5,186,000	5,341,580	5,715,491	6,115,575	6,482,509	6,806,635	7,146,967
COGS + SGA	4,243,154	3,450,203	4,273,264	4,686,702	5,014,771	5,250,833	5,036,910	5,288,755
EBITDA	1,801,846	1,735,797	1,068,316	1,028,788	1,100,803	1,231,677	1,769,725	1,858,211
Depreciation	70,000	93,000	202,980	211,473	214,045	226,888	238,232	250,144
EBIT	1,731,846	1,642,797	865,336	817,315	886,758	1,004,789	1,531,493	1,608,067
Taxes			216,334	245,195	266,028	301,437	459,448	482,420
NOPLAT			649,002	572,121	620,731	703,352	1,072,045	1,125,647
Depreciation	70,000	93,000	202,980	211,473	214,045	226,888	238,232	250,144
Capex		1,727,000	632,797	69,921	(457,496)	(413,745)	238,232	250,144
ΔWCR		(35,000)	23,070	55,445	59,326	54,410	-	-1
Free Cash Flow		1,855,000	1,461,709	658,228	1,232,946	1,289,575	1,072,045	1,125,646
PPE	4,079,000	5,713,000	6,142,817	6,001,265	5,329,724	4,689,091	4,086,543	
Capex=ΔPPE+Depr		1,727,000	632,797	69,921	(457,496)	(413,745)	(364,316)	
WCR	804,000	769,000	792,070	847,515	906,841	961,251	1,009,314	
ΔWCR		(35,000)	23,070	55,445	59,326	54,410	48,063	
Invested Capital	4,883,000	6,482,000	6,934,887	6,848,780	6,236,565	5,650,342	5,095,857	
ROIC			10%	8%	9%	11%	19%	
RONIC (set = to WACC)							8%	

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.93	0.86	0.80	0.80
PV(FCF)				658,228	1,142,375	1,107,072	852,721	
Total PV(FCF)				3,760,396				
Continuation Value (CV)								14,197,839
PV(CV)				11,358,271				
Enterprise Value (=Total PV(FCF) + PV(CV))				15,118,667				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	1,801,846	1,735,797	1,068,316	1,028,788	1,100,803	1,231,677	1,769,725	18,750,162
NPV				R16,985,675				
Customer equity				R16,985,675				
DCF VALUE				15,118,667				

Ellies Holdings - 2010

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions							
	2009	2010	2011	2012	2013	2014	CW
Sales Growth (%/yr)		39.2%	12.0%	15.0%	20.0%	25.0%	12.0%
COGS + SG&A (% of Sales)	62.1%	61.9%	61.9%	61.9%	61.9%	61.9%	61.9%
EBITDA Margin (% of Sales)	37.9%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%
Depreciation (% of Sales)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	13.5%	12.7%	37.1%	37.1%	37.1%	37.1%	37.1%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.8%	25.9%	25.9%	25.9%	25.9%
PPE (% of Sales)	4%	3%	3%	3%	3%	3%	3%
WCR (% of Sales)	26%	22%	22%	22%	22%	22%	22%

[illegible]

Forecasts							
	2009	2010	2011	2012	2013	2014	CV
Sales	701,942	976,846	1,094,068	1,258,178	1,509,813	1,887,266	2,113,738
COGS + SGA	435,865	605,150	677,768	779,433	935,320	1,169,150	1,309,448
EBITDA	101,996	134,326	416,300	478,744	574,493	718,117	804,291
Depreciation	7,048	10,019	10,941	12,582	15,098	18,873	21,137
EBIT	94,948	124,307	405,359	466,163	559,395	699,244	783,153
Taxes			101,340	139,849	167,819	209,773	234,946
NOPLAT			304,019	326,314	391,577	489,471	548,207
Depreciation	7,048	10,019	10,941	12,582	15,098	18,873	21,137
Capex		14,820	12,379	17,505	22,647	30,196	21,137
ΔWCR		37,678	26,110	36,554	56,049	84,074	-
Free Cash Flow		(42,479)	276,471	284,837	327,978	394,073	548,207
PPE	26,583	31,384	32,822	37,745	45,294	56,618	
Capex=ΔPPE+Depr		14,820	12,379	17,505	22,647	30,196	
WCR	179,905	217,583	243,693	280,247	336,296	420,370	
ΔWCR		37,678	26,110	36,554	56,049	84,074	
Invested Capital	206,488	248,967	276,515	317,992	381,591	476,988	
ROIC			122%	118%	123%	128%	
RONIC (set = to WACC)							9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.84	0.77	0.77
PV(FCF)			276,471	260,541	274,414	301,592	
Total PV(FCF)			1,113,019				
Continuation Value (CV)							5,878,962
PV(CV)			4,526,801				
Enterprise Value { =Total PV(FCF) + PV(CV) }			5,639,819				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	101,996	134,326	416,300	478,744	574,493	718,117	6,641,399
NPV			RS,976,425				
Customer equity			RS,976,425				
DCF VALUE			5,639,819				



Ellies Holdings - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		39.2%	12.0%	15.0%	20.0%	25.0%	12.0%	12.0%
COGS + SG&A (% of Sales)	62.1%	61.9%	61.9%	61.9%	61.9%	61.9%	61.9%	61.9%
EBITDA Margin (% of Sales)	37.9%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%
Depreciation (% of Sales)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	13.5%	12.7%	37.1%	37.1%	37.1%	37.1%	37.1%	37.1%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.8%	25.9%	25.9%	25.9%	25.9%	25.9%
PPE (% of Sales)	4%	3%	3%	3%	3%	3%	3%	3%
WCR (% of Sales)	26%	22%	22%	22%	22%	22%	22%	22%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	9.32%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	701,942	976,846	1,094,068	1,258,178	1,509,813	1,887,266	2,113,738	2,367,387
COGS + SGA	435,865	605,150	677,768	779,433	935,320	1,169,150	1,309,448	1,466,582
EBITDA	101,996	134,326	416,300	478,744	574,493	718,117	804,291	900,806
Depreciation	7,048	10,019	10,941	12,582	15,098	18,873	21,137	23,674
EBIT	94,948	124,307	405,359	466,163	559,395	699,244	783,153	877,132
Taxes			101,340	139,849	167,819	209,773	234,946	263,140
NOPLAT			304,019	326,314	391,577	489,471	548,207	613,992
Depreciation	7,048	10,019	10,941	12,582	15,098	18,873	21,137	23,674
Capex		14,820	12,379	17,505	22,647	30,196	21,137	23,674
ΔWCR		37,678	26,110	36,554	56,049	84,074	50,444	1
Free Cash Flow		(42,479)	276,471	284,837	327,978	394,073	497,763	613,991
PPE	26,583	31,384	32,822	37,745	45,294	56,618	63,412	
Capex=ΔPPE+Depr		14,820	12,379	17,505	22,647	30,196	21,137	23,674
WCR	179,905	217,583	243,693	280,247	336,296	420,370	470,815	
ΔWCR		37,678	26,110	36,554	56,049	84,074	50,444	
Invested Capital	206,488	248,967	276,515	317,992	381,591	476,988	534,227	
ROIC			122%	118%	123%	128%	115%	
RONIC (set = to WACC)								9%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.91	0.84	0.77	0.77
PV(FCF)				284,837	300,003	329,715	380,948	
Total PV(FCF)				914,555				
Continuation Value (CV)								6,584,437
PV(CV)				5,070,017				
Enterprise Value {=Total PV(FCF) + PV(CV)}				5,984,571				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	101,996	134,326	416,300	478,744	574,493	718,117	804,291	7,438,367
NPV				R6,794,222				
Customer equity				R6,794,222				
DCF VALUE				5,984,571				



Foneworx - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		11.4%	11.0%	11.0%	12.0%	12.0%	11.0%
COGS + SG&A (% of Sales)	45.3%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%
EBITDA Margin (% of Sales)	54.7%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%
Depreciation (% of Sales)	2.9%	3.9%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	32.7%	35.0%	56.4%	56.5%	56.7%	56.7%	56.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			42.3%	39.5%	39.7%	39.7%	39.7%
PPE (% of Sales)	24%	24%	24%	24%	24%	24%	24%
WCR (% of Sales)	64%	70%	70%	70%	70%	70%	70%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.15%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	71,206	79,288	88,010	97,691	109,414	122,543	136,023
COGS + SGA	32,227	31,558	35,029	38,883	43,549	48,774	54,140
EBITDA	25,327	30,809	52,980	58,808	65,865	73,769	81,884
Depreciation	2,078	3,075	3,344	3,615	3,829	4,289	4,761
EBIT	23,249	27,734	49,636	55,194	62,036	69,480	77,123
Taxes			12,409	16,558	18,611	20,844	23,137
NOPLAT			37,227	38,636	43,425	48,636	53,986
Depreciation	2,078	3,075	3,344	3,615	3,829	4,289	4,761
Capex		4,515	5,776	5,938	6,643	7,440	4,761
ΔWCR		9,984	6,132	6,807	8,242	9,231	-
Free Cash Flow		(11,424)	28,664	29,505	32,369	36,254	53,986
PPE	17,251	18,691	21,122	23,446	26,259	29,410	
Capex=ΔPPE+Depr		4,515	5,776	5,938	6,643	7,440	
WCR	45,762	55,746	61,878	68,685	76,927	86,158	
ΔWCR		9,984	6,132	6,807	8,242	9,231	
Invested Capital	63,013	74,437	83,000	92,130	103,186	115,568	
ROIC			50%	47%	47%	47%	
RONIC (set = to WACC)							11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.81	0.73	0.73
PV(FCF)			28,664	26,545	26,200	26,400	
Total PV(FCF)			107,808				
Continuation Value (CV)							484,087
PV(CV)			353,384				
Enterprise Value (=Total PV(FCF) + PV(CV))			461,192				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	25,327	30,809	52,980	58,808	65,865	73,769	535,997
NPV			R507,473				
Customer equity			R507,473				
DCF VALUE			461,192				



Foneworx - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		11.4%	11.0%	11.0%	12.0%	12.0%	11.0%	11.0%
COGS + SG&A (% of Sales)	45.3%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%	39.8%
EBITDA Margin (% of Sales)	54.7%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%	60.2%
Depreciation (% of Sales)	2.9%	3.9%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	32.7%	35.0%	56.4%	56.5%	56.7%	56.7%	56.7%	56.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			42.3%	39.5%	39.7%	39.7%	39.7%	39.7%
PPE (% of Sales)	24%	24%	24%	24%	24%	24%	24%	124%
WCR (% of Sales)	64%	70%	70%	70%	70%	70%	70%	70%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	11.15%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	71,206	79,288	88,010	97,691	109,414	122,543	136,023	150,986
COGS + SGA	32,227	31,558	35,029	38,883	43,549	48,774	54,140	60,095
EBITDA	25,327	30,809	52,980	58,808	65,865	73,769	81,884	90,891
Depreciation	2,078	3,075	3,344	3,615	3,829	4,289	4,761	5,284
EBIT	23,249	27,734	49,636	55,194	62,036	69,480	77,123	85,606
Taxes			12,409	16,558	18,611	20,844	23,137	25,682
NOPLAT			37,227	38,636	43,425	48,636	53,986	59,924
Depreciation	2,078	3,075	3,344	3,615	3,829	4,289	4,761	5,284
Capex		4,515	5,776	5,938	6,643	7,440	8,242	9,477
ΔWCR		9,984	6,132	6,807	8,242	9,231	9,477	1
Free Cash Flow		(11,424)	28,664	29,505	32,369	36,254	44,509	59,923
PPE	17,251	18,691	21,122	23,446	26,259	29,410	32,646	
Capex=ΔPPE+Depr		4,515	5,776	5,938	6,643	7,440	8,242	9,477
WCR	45,762	55,746	61,878	68,685	76,927	86,158	95,635	
ΔWCR		9,984	6,132	6,807	8,242	9,231	9,477	
Invested Capital	63,013	74,437	83,000	92,130	103,186	115,568	128,281	
ROIC			50%	47%	47%	47%	47%	
RONIC (set = to WACC)								11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor				1.00	0.90	0.81	0.73
PV(FCF)				29,505	29,122	29,344	32,411
Total PV(FCF)				87,971			
Continuation Value (CV)							537,337
PV(CV)				392,256			
Enterprise Value {=Total PV(FCF) + PV(CV)}				480,227			
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	25,327	30,809	52,980	58,808	65,865	73,769	81,884
NPV				R564,251			
Customer equity				R564,251			
DCF VALUE				480,227			



Foschini - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		6.4%	7.0%	8.0%	7.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	58.0%	58.2%	58.2%	58.2%	58.2%	58.2%	58.2%
EBITDA Margin (% of Sales)	42.0%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%
Depreciation (% of Sales)	2.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
EBIT Margin (% of Sales)	25.1%	22.9%	38.8%	38.8%	38.8%	38.8%	38.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			29.1%	27.1%	27.1%	27.1%	27.1%
PPE (% of Sales)	12%	12%	12%	12%	12%	12%	12%
WCR (% of Sales)	51%	57%	57%	57%	57%	57%	57%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	10.78%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	8,089,600	8,605,200	9,207,564	9,944,169	10,640,261	11,278,677	11,955,397
COGS + SGA	4,694,400	5,005,800	5,356,206	5,784,702	6,189,632	6,561,010	6,954,670
EBITDA	2,256,600	2,236,800	3,851,358	4,159,467	4,450,629	4,717,667	5,000,727
Depreciation	229,900	264,100	282,587	305,194	326,558	346,151	366,920
EBIT	2,026,700	1,972,700	3,568,771	3,854,273	4,124,072	4,371,516	4,633,807
Taxes			892,193	1,156,282	1,237,222	1,311,455	1,390,142
NOPLAT			2,676,578	2,697,991	2,886,850	3,060,061	3,243,665
Depreciation	229,900	264,100	282,587	305,194	326,558	346,151	366,920
Capex		278,600	352,293	390,434	407,110	420,029	366,920
ΔWCR		730,100	341,236	417,283	394,332	361,659	-
Free Cash Flow		(744,600)	2,265,636	2,195,468	2,411,966	2,624,524	3,243,665
PPE	981,300	995,800	1,065,506	1,150,746	1,231,299	1,305,177	
Capex=ΔPPE+Depr		278,600	352,293	390,434	407,110	420,029	
WCR	4,144,700	4,874,800	5,216,036	5,633,319	6,027,651	6,389,310	
ΔWCR		730,100	341,236	417,283	394,332	361,659	
Invested Capital	5,126,000	5,870,600	6,281,542	6,784,065	7,258,950	7,694,487	
ROIC			46%	43%	43%	42%	
RONIC (set = to WACC)							11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.81	0.74	0.74
PV(FCF)			2,265,636	1,981,884	1,965,502	1,930,653	
Total PV(FCF)			8,143,675				
Continuation Value (CV)							30,098,591
PV(CV)			22,272,957				
Enterprise Value (=Total PV(FCF) + PV(CV))			30,416,632				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	2,256,600	2,236,800	3,851,358	4,159,467	4,450,629	4,717,667	34,338,004
NPV			R33,857,041				
Customer equity			R33,857,041				
DCF VALUE			30,416,632				



Foschini - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		6.4%	7.0%	8.0%	7.0%	6.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	58.0%	58.2%	58.2%	58.2%	58.2%	58.2%	58.2%	58.2%
EBITDA Margin (% of Sales)	42.0%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%	41.8%
Depreciation (% of Sales)	2.8%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
EBIT Margin (% of Sales)	25.1%	22.9%	38.8%	38.8%	38.8%	38.8%	38.8%	38.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			29.1%	27.1%	27.1%	27.1%	27.1%	27.1%
PPE (% of Sales)	12%	12%	12%	12%	12%	12%	12%	12%
WCR (% of Sales)	51%	57%	57%	57%	57%	57%	57%	57%

Cost of Capital	
Cost of Debt (rd)	
Target Div	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.78%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	8,089,600	8,605,200	9,207,564	9,944,169	10,640,261	11,278,677	11,955,397	12,672,721
COGS + SGA	4,694,400	5,005,800	5,356,206	5,784,702	6,189,632	6,561,010	6,954,670	7,371,950
EBITDA	2,256,600	2,236,800	3,851,358	4,159,467	4,450,629	4,717,667	5,000,727	5,300,771
Depreciation	229,900	264,100	282,587	305,194	326,558	346,151	366,920	388,935
EBIT	2,026,700	1,972,700	3,568,771	3,854,273	4,124,072	4,371,516	4,633,807	4,911,835
Taxes			892,193	1,156,282	1,237,222	1,311,455	1,390,142	1,473,551
NOPLAT			2,676,578	2,697,991	2,886,850	3,060,061	3,243,665	3,438,285
Depreciation	229,900	264,100	282,587	305,194	326,558	346,151	366,920	388,935
Capex		278,600	352,293	390,434	407,110	420,029	366,920	388,935
ΔWCR		730,100	341,236	417,283	394,332	361,659	383,359	1
Free Cash Flow		(744,600)	2,265,636	2,195,468	2,411,966	2,624,524	2,860,306	3,438,284
PPE	981,300	995,800	1,065,506	1,150,746	1,231,299	1,305,177	1,383,487	
Capex=ΔPPE+Depr		278,600	352,293	390,434	407,110	420,029	445,231	
WCR	4,144,700	4,874,800	5,216,036	5,633,319	6,027,651	6,389,310	6,772,669	
ΔWCR		730,100	341,236	417,283	394,332	361,659	383,359	
Invested Capital	5,126,000	5,870,600	6,281,542	6,784,065	7,258,950	7,694,487	8,156,156	
ROIC			46%	43%	43%	42%	42%	
RONIC (set = to WACC)								11%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.81	0.74	
PV(FCF)				2,195,468	2,177,320	2,138,715	2,104,099	0.74
Total PV(FCF)				6,511,503				
Continuation Value (CV)								31,904,506
PV(CV)				23,609,335				
Enterprise Value {=Total PV(FCF) + PV(CV)}				30,120,838				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	2015	CV
EBITDA	2,256,600	2,236,800	3,851,358	4,159,467	4,450,629	4,717,667	5,000,727	36,398,285
NPV				R35,991,893				
Customer equity				R35,991,893				
DCF VALUE				30,120,838				



Gijima - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		19.9%	20.0%	21.0%	21.0%	20.0%	15.0%
COGS + SG&A (% of Sales)	88.2%	92.0%	80.0%	82.0%	82.0%	88.0%	88.0%
EBITDA Margin (% of Sales)	11.8%	8.0%	20.0%	18.0%	18.0%	12.0%	12.0%
Depreciation (% of Sales)	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	10.8%	7.1%	19.0%	17.0%	17.0%	11.0%	11.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			14.3%	11.9%	11.9%	7.7%	7.7%
PPE (% of Sales)	4%	3%	3%	3%	3%	3%	3%
WCR (% of Sales)	13%	14%	14%	14%	14%	14%	14%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	9.06%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	2,514,741	3,014,340	3,617,208	4,376,822	5,295,954	6,355,145	7,308,417
COGS + SGA	2,217,826	2,772,881	2,893,766	3,588,994	4,342,682	5,592,528	6,431,407
EBITDA	296,915	241,459	723,442	787,828	953,272	762,617	877,010
Depreciation	25,241	26,257	36,172	43,768	52,960	63,551	73,084
EBIT	271,674	215,202	687,270	744,060	900,312	699,066	803,926
Taxes			171,817	223,218	270,094	209,720	241,178
NOPLAT			515,452	520,842	630,219	489,346	562,748
Depreciation	25,241	26,257	36,172	43,768	52,960	63,551	73,084
Capex		3,269	64,283	66,557	80,534	95,327	73,084
ΔWCR		100,933	86,684	109,222	132,158	152,297	-
Free Cash Flow		(77,945)	400,657	388,832	470,486	305,274	562,748
PPE	103,393	80,405	108,516	131,305	158,879	190,654	
Capex=ΔPPE+Depr		3,269	64,283	66,557	80,534	95,327	
WCR	332,487	433,420	520,104	629,326	761,484	913,781	
ΔWCR		100,933	86,684	109,222	132,158	152,297	
Invested Capital	435,880	513,825	628,620	760,630	920,363	1,104,435	
ROIC			100%	83%	83%	53%	
RONIC (set = to WACC)							9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.92	0.84	0.77	0.77
PV(FCF)			400,657	356,523	395,549	235,325	
Total PV(FCF)			1,388,054				
Continuation Value (CV)							6,209,977
PV(CV)			4,781,682				
Enterprise Value {=Total PV(FCF) + PV(CV)}			6,169,737				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	296,915	241,459	723,442	787,828	953,272	762,617	7,451,972
NPV			R7,429,071				
Customer equity			R7,429,071				
DCF VALUE			6,169,737				



Gijima - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		19.9%	20.0%	21.0%	21.0%	20.0%	15.0%	15.0%
COGS + SG&A (% of Sales)	88.2%	92.0%	80.0%	82.0%	82.0%	88.0%	88.0%	88.0%
EBITDA Margin (% of Sales)	11.8%	8.0%	20.0%	18.0%	18.0%	12.0%	12.0%	12.0%
Depreciation (% of Sales)	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	10.8%	7.1%	19.0%	17.0%	17.0%	11.0%	11.0%	11.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			14.3%	11.9%	11.9%	7.7%	7.7%	7.7%
PPE (% of Sales)	4%	3%	3%	3%	3%	3%	3%	103%
WCR (% of Sales)	13%	14%	14%	14%	14%	14%	14%	14%

Cost of Capital	
Cost of Debt (rd)	
Target Div	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	9.06%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	2,514,741	3,014,340	3,617,208	4,376,822	5,295,954	6,355,145	7,308,417	8,404,679
COGS + SGA	2,217,826	2,772,881	2,893,766	3,588,994	4,342,682	5,592,528	6,431,407	7,396,118
EBITDA	296,915	241,459	723,442	787,828	953,272	762,617	877,010	1,008,562
Depreciation	25,241	26,257	36,172	43,768	52,960	63,551	73,084	84,047
EBIT	271,674	215,202	687,270	744,060	900,312	699,066	803,926	924,515
Taxes			171,817	223,218	270,094	209,720	241,178	277,354
NOPLAT			515,452	520,842	630,219	489,346	562,748	647,160
Depreciation	25,241	26,257	36,172	43,768	52,960	63,551	73,084	84,047
Capex		3,269	64,283	66,557	80,534	95,327	73,084	84,047
ΔWCR		100,933	86,684	109,222	132,158	152,297	137,067	1
Free Cash Flow		(77,945)	400,657	388,832	470,486	305,274	425,681	647,159
PPE	103,393	80,405	108,516	131,305	158,879	190,654	219,253	
Capex=ΔPPE+Depr		3,269	64,283	66,557	80,534	95,327	73,084	84,047
WCR	332,487	433,420	520,104	629,326	761,484	913,781	1,050,848	
ΔWCR		100,933	86,684	109,222	132,158	152,297	137,067	
Invested Capital	435,880	513,825	628,620	760,630	920,363	1,104,435	1,270,101	
ROIC			100%	83%	83%	53%	51%	
RONIC (set = to WACC)								9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor				1.00	0.92	0.84	0.77
PV(FCF)				388,832	431,393	256,651	328,144
Total PV(FCF)				1,405,019			
Continuation Value (CV)							7,141,473
PV(CV)				5,498,934			
Enterprise Value {=Total PV(FCF) + PV(CV)}				6,903,953			
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	296,915	241,459	723,442	787,828	953,272	762,617	877,010
NPV				R7,561,086			7,451,972
Customer equity				R7,561,086			
DCF VALUE				6,903,953			



Huge Group - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		149.9%	25.0%	26.0%	29.0%	32.0%	20.0%
COGS + SG&A (% of Sales)	75.9%	81.4%	81.0%	81.0%	81.0%	81.0%	81.0%
EBITDA Margin (% of Sales)	24.1%	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%
Depreciation (% of Sales)	2.3%	3.1%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	13.8%	2.3%	15.2%	15.3%	15.5%	15.5%	15.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			11.4%	10.7%	10.9%	10.9%	10.9%
PPE (% of Sales)	3%	2%	2%	3%	3%	3%	3%
WCR (% of Sales)	-6%	-3%	-3%	-3%	-3%	-3%	-3%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	9.48%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	243,544	608,540	760,675	958,451	1,236,401	1,632,050	1,958,459
COGS + SGA	184,802	495,467	616,147	776,345	1,001,485	1,321,960	1,586,352
EBITDA	39,205	33,079	144,528	182,106	234,916	310,089	372,107
Depreciation	5,510	18,803	28,906	35,463	43,274	57,122	68,546
EBIT	33,695	14,276	115,623	146,643	191,642	252,968	303,561
Taxes			28,906	43,993	57,493	75,890	91,068
NOPLAT			86,717	102,650	134,150	177,077	212,493
Depreciation	5,510	18,803	28,906	35,463	43,274	57,122	68,546
Capex		21,813	34,466	49,003	51,613	68,991	68,546
ΔWCR		(2,524)	(4,326)	(5,623)	(7,903)	(11,249)	-
Free Cash Flow		(486)	85,482	94,733	133,714	176,457	212,493
PPE	6,643	9,653	15,214	28,754	37,092	48,961	
Capex=ΔPPE+Depr		21,813	34,466	49,003	51,613	68,991	
WCR	(14,778)	(17,302)	(21,628)	(27,251)	(35,153)	(46,402)	
ΔWCR		(2,524)	(4,326)	(5,623)	(7,903)	(11,249)	
Invested Capital	(8,135)	(7,649)	(6,414)	1,503	1,939	2,559	
ROIC			-1134%	-1600%	8926%	9134%	
RONIC (set = to WACC)							9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.83	0.76	0.76
PV(FCF)			85,482	86,528	111,553	134,461	
Total PV(FCF)			418,023				
Continuation Value (CV)							2,240,706
PV(CV)			1,702,936				
Enterprise Value {=Total PV(FCF) + PV(CV)}			2,120,959				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	39,205	33,079	144,528	182,106	234,916	310,089	2,982,101
NPV			R2,574,520				
Customer equity			R2,574,520				
DCF VALUE			2,120,959				



Huge Group - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		149.9%	25.0%	26.0%	29.0%	32.0%	20.0%	20.0%
COGS + SG&A (% of Sales)	75.9%	81.4%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
EBITDA Margin (% of Sales)	24.1%	18.6%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
Depreciation (% of Sales)	2.3%	3.1%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	13.8%	2.3%	15.2%	15.3%	15.5%	15.5%	15.5%	15.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			11.4%	10.7%	10.9%	10.9%	10.9%	10.9%
PPE (% of Sales)	3%	2%	2%	3%	3%	3%	3%	3%
WCR (% of Sales)	-6%	-3%	-3%	-3%	-3%	-3%	-3%	-3%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	9.48%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	243,544	608,540	760,675	958,451	1,236,401	1,632,050	1,958,459	2,350,151
COGS + SGA	184,802	495,467	616,147	776,345	1,001,485	1,321,960	1,586,352	1,903,623
EBITDA	39,205	33,079	144,528	182,106	234,916	310,089	372,107	446,529
Depreciation	5,510	18,803	28,906	35,463	43,274	57,122	68,546	82,255
EBIT	33,695	14,276	115,623	146,643	191,642	252,968	303,561	364,273
Taxes			28,906	43,993	57,493	75,890	91,068	109,282
NOPLAT			86,717	102,650	134,150	177,077	212,493	254,991
Depreciation	5,510	18,803	28,906	35,463	43,274	57,122	68,546	82,255
Capex		21,813	34,466	49,003	51,613	68,991	68,546	82,255
ΔWCR		(2,524)	(4,326)	(5,623)	(7,903)	(11,249)	(9,280)	1
Free Cash Flow		(486)	85,482	94,733	133,714	176,457	221,773	254,990
PPE	6,643	9,653	15,214	28,754	37,092	48,961	58,754	
Capex=ΔPPE+Depr		21,813	34,466	49,003	51,613	68,991	78,338	
WCR	(14,778)	(17,302)	(21,628)	(27,251)	(35,153)	(46,402)	(55,683)	
ΔWCR		(2,524)	(4,326)	(5,623)	(7,903)	(11,249)	(9,280)	
Invested Capital	(8,135)	(7,649)	(6,414)	1,503	1,939	2,559	3,071	
ROIC			-1134%	-1600%	8926%	9134%	8303%	
RONIC (set = to WACC)							9%	

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.91	0.83	0.76	0.76
PV(FCF)				94,733	122,132	147,212	168,992	
Total PV(FCF)				364,077				
Continuation Value (CV)								2,688,847
PV(CV)				2,043,524				
Enterprise Value {=Total PV(FCF) + PV(CV)}				2,407,600				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	39,205	33,079	144,528	182,106	234,916	310,089	372,107	3,578,521
NPV				R3,132,499				
Customer equity				R3,132,499				
DCF VALUE				2,407,600				



JD Edward - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2008	2009	2010	2011	2012	2013	CV
Sales Growth (%/yr)		2.41%	3.0%	5.0%	6.0%	6.0%	5.0%
COGS + SG&A (% of Sales)	52.6%	49.7%	49.7%	49.7%	49.7%	49.7%	49.7%
EBITDA Margin (% of Sales)	47.4%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Depreciation (% of Sales)	1.0%	1.2%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	46.4%	49.1%	46.5%	46.6%	46.8%	46.8%	46.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			34.8%	32.6%	32.7%	32.7%	32.7%
PPE (% of Sales)	0%	1%	2%	2%	2%	2%	2%
WCR (% of Sales)	32%	35%	35%	35%	35%	35%	35%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	8.95%
Levered beta	

Forecasts	2008	2009	2010	2011	2012	2013	CV
Sales	12,610,000	12,922,000	13,309,660	13,975,143	14,813,652	15,702,471	16,487,594
COGS + SGA	6,627,000	6,428,000	6,620,840	6,951,882	7,368,995	7,811,135	8,201,691
EBITDA	5,983,000	6,494,000	6,688,820	7,023,261	7,444,657	7,891,336	8,285,903
Depreciation	132,000	155,000	505,767	517,080	518,478	549,586	577,066
EBIT	5,851,000	6,339,000	6,183,053	6,506,181	6,926,179	7,341,750	7,708,837
Taxes			1,545,763	1,951,854	2,077,854	2,202,525	2,312,651
NOPLAT			4,637,290	4,554,326	4,848,325	5,139,225	5,396,186
Depreciation	132,000	155,000	505,767	517,080	518,478	549,586	577,066
Capex		196,000	695,960	530,390	535,248	567,363	577,066
ΔWCR		410,000	133,770	229,639	289,345	306,705	-
Free Cash Flow		(451,000)	4,313,326	4,311,378	4,542,211	4,814,743	5,396,186
PPE	35,000	76,000	266,193	279,503	296,273	314,049	
Capex=ΔPPE+Depr		196,000	695,960	530,390	535,248	567,363	
WCR	4,049,000	4,459,000	4,592,770	4,822,409	5,111,753	5,418,458	
ΔWCR		410,000	133,770	229,639	289,345	306,705	
Invested Capital	4,084,000	4,535,000	4,858,963	5,101,911	5,408,026	5,732,508	
ROIC			102%	94%	95%	95%	
RONIC (set = to WACC)							9%

Valuation	2008	2009	2010	2011	2012	2013	CV
Discount Factor			1.00	0.92	0.84	0.77	0.77
PV(FCF)			4,313,326	3,957,205	3,826,591	3,722,976	
Total PV(FCF)			15,820,097				
Continuation Value (CV)							60,291,907
PV(CV)			46,424,768				
Enterprise Value {=Total PV(FCF) + PV(CV)}			62,244,866				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
Customer Equity Calculation							
EBITDA	5,983,000	6,494,000	6,494,000	6,688,820	7,023,261	7,444,657	66,321,097
NPV			R65,512,847				
Customer equity			R65,512,847				
DCF VALUE			62,244,866				



JD Edward - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		2.41%	3.0%	5.0%	6.0%	6.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	52.6%	49.7%	49.7%	49.7%	49.7%	49.7%	49.7%	49.7%
EBITDA Margin (% of Sales)	47.4%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%	50.3%
Depreciation (% of Sales)	1.0%	1.2%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	46.4%	49.1%	46.5%	46.6%	46.8%	46.8%	46.8%	46.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			34.8%	32.6%	32.7%	32.7%	32.7%	32.7%
PPE (% of Sales)	0%	1%	2%	2%	2%	2%	2%	2%
WCR (% of Sales)	32%	35%	35%	35%	35%	35%	35%	35%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	8.95%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	12,610,000	12,922,000	13,309,660	13,975,143	14,813,652	15,702,471	16,487,594	17,311,974
COGS + SGA	6,627,000	6,428,000	6,620,840	6,951,882	7,368,995	7,811,135	8,201,691	8,611,776
EBITDA	5,983,000	6,494,000	6,688,820	7,023,261	7,444,657	7,891,336	8,285,903	8,700,198
Depreciation	132,000	155,000	505,767	517,080	518,478	549,586	577,066	605,919
EBIT	5,851,000	6,339,000	6,183,053	6,506,181	6,926,179	7,341,750	7,708,837	8,094,279
Taxes			1,545,763	1,951,854	2,077,854	2,202,525	2,312,651	2,428,284
NOPLAT			4,637,290	4,554,326	4,848,325	5,139,225	5,396,186	5,665,995
Depreciation	132,000	155,000	505,767	517,080	518,478	549,586	577,066	605,919
Capex	196,000	695,960	530,390	535,248	567,363	577,066	577,066	605,919
ΔWCR	410,000	133,770	229,639	289,345	306,705	-	-	1
Free Cash Flow	(451,000)	4,313,326	4,311,378	4,542,211	4,814,743	5,396,186	5,665,995	5,665,995
PPE	35,000	76,000	266,193	279,503	296,273	314,049	329,752	
Capex=ΔPPE+Depr		196,000	695,960	530,390	535,248	567,363	577,066	
WCR	4,049,000	4,459,000	4,592,770	4,822,409	5,111,753	5,418,458	5,689,381	
ΔWCR		410,000	133,770	229,639	289,345	306,705	270,923	
Invested Capital	4,084,000	4,535,000	4,858,963	5,101,811	5,408,026	5,732,508	6,019,133	
ROIC			102%	94%	95%	95%	94%	
RONIC (set = to WACC)								9%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.92	0.84	0.77	0.77
PV(FCF)				4,311,378	4,169,074	4,056,186	4,172,574	
Total PV(FCF)				16,709,212				
Continuation Value (CV)								63,306,502
PV(CV)				48,746,007				
Enterprise Value {=Total PV(FCF) + PV(CV)}				65,455,219				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

EBITDA	5,983,000	6,494,000	6,688,820	7,023,261	7,444,657	7,891,336	8,285,903	8,700,198
NPV				R70,063,821				
Customer equity				R70,063,821				
DCF VALUE				65,455,219				



Lewis Group 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		7.38%	6.0%	5.0%	4.0%	3.0%	3.0%
COGS + SG&A (% of Sales)	346.2%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%
EBITDA Margin (% of Sales)	-246.2%	67.6%	67.6%	67.6%	67.6%	67.6%	67.6%
Depreciation (% of Sales)	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
EBIT Margin (% of Sales)	22.7%	25.5%	66.5%	66.5%	66.5%	66.5%	66.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			49.9%	46.6%	46.6%	46.6%	46.6%
PPE (% of Sales)	6%	6%	6%	6%	6%	6%	6%
WCR (% of Sales)	63%	68%	68%	68%	68%	68%	68%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.69%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	3,807,100	4,110,600	4,357,236	4,575,098	4,758,102	4,900,845	5,047,870
COGS + SGA	13,181,300	1,330,600	1,410,436	1,480,958	1,540,196	1,586,402	1,633,994
EBITDA	909,083	1,094,429	2,946,800	3,094,140	3,217,906	3,314,443	3,413,876
Depreciation	45,800	46,300	49,078	51,532	53,593	55,201	56,857
EBIT	863,283	1,048,129	2,897,722	3,042,608	3,164,312	3,259,242	3,357,019
Taxes			724,431	912,782	949,294	977,773	1,007,106
NOPLAT			2,173,292	2,129,826	2,215,019	2,281,469	2,349,913
Depreciation	45,800	46,300	49,078	51,532	53,593	55,201	56,857
Capex		67,700	64,144	64,840	64,772	63,921	56,857
ΔWCR		392,900	166,794	147,335	123,761	96,534	-
Free Cash Flow		(419,300)	1,991,432	1,969,183	2,080,079	2,176,216	2,349,913
PPE	229,700	251,100	266,166	279,474	290,653	299,373	
Capex=ΔPPE+Depr		67,700	64,144	64,840	64,772	63,921	
WCR	2,382,000	2,779,900	2,946,694	3,094,029	3,217,790	3,314,324	
ΔWCR		397,900	166,794	147,335	123,761	96,534	
Invested Capital	2,611,700	3,031,000	3,212,860	3,373,503	3,508,443	3,613,696	
ROIC			72%	66%	66%	65%	
RONIC (set = to WACC)							12%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.80	0.72	0.72
PV(FCF)			1,991,432	1,763,060	1,667,408	1,561,871	
Total PV(FCF)			6,983,770				
Continuation Value (CV)							20,099,847
PV(CV)			14,471,890				
Enterprise Value {=Total PV(FCF) + PV(CV)}			21,455,660				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
EBITDA	909,083	1,094,429	2,946,800	3,094,140	3,217,906	3,314,443	21,024,281
NPV			R21,653,476				
Customer equity			R21,653,476				
DCF VALUE			21,455,660				



Lewis Group 2011																	
Yellow cells are inputs																	
Blue text is forecast or estimate																	
Assumptions									Forecasts								
	2009	2010	2011	2012	2013	2014	2015	CV		2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		7.38%	6.0%	5.0%	4.0%	3.0%	3.0%	3.0%	Sales	3,807,100	4,110,600	4,357,236	4,575,098	4,758,102	4,900,845	5,047,870	5,199,306
COGS + SG&A (% of Sales)	346.2%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	32.4%	COGS + SGA	13,181,300	1,330,600	1,410,436	1,480,958	1,540,196	1,586,402	1,633,994	1,683,014
EBITDA Margin (% of Sales)	-246.2%	67.6%	67.6%	67.6%	67.6%	67.6%	67.6%	67.6%	EBITDA	909,083	1,094,429	2,946,800	3,094,140	3,217,906	3,314,443	3,413,876	3,516,292
Depreciation (% of Sales)	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	Depreciation	45,800	46,300	49,078	51,532	53,593	55,201	56,857	58,563
EBIT Margin (% of Sales)	22.7%	25.5%	66.5%	66.5%	66.5%	66.5%	66.5%	66.5%	EBIT	863,283	1,048,129	2,897,722	3,042,608	3,164,312	3,259,242	3,357,019	3,457,730
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	Taxes			724,431	912,782	949,294	977,773	1,007,106	1,037,319
NOPLAT (% of Sales)			49.9%	46.6%	46.6%	46.6%	46.6%	46.6%	NOPLAT			2,173,292	2,129,826	2,215,019	2,281,469	2,349,913	2,420,411
									Depreciation	45,800	46,300	49,078	51,532	53,593	55,201	56,857	58,563
									Capex		67,700	64,144	64,840	64,772	63,921	56,857	58,563
									ΔWCR		392,900	166,794	147,335	123,761	96,534	99,430	
									Free Cash Flow		(419,300)	1,991,432	1,969,183	2,080,079	2,176,216	2,250,484	2,420,411
									PPE	229,700	251,100	266,166	279,474	290,653	299,373	308,354	
PPE (% of Sales)	6%	6%	6%	6%	6%	6%	6%	6%	Capex=ΔPPE+Depr		67,700	64,144	64,840	64,772	63,921	56,857	58,563
									WCR	2,382,000	2,779,900	2,946,694	3,094,029	3,217,906	3,314,443	3,413,876	
WCR (% of Sales)	63%	68%	68%	68%	68%	68%	68%	68%	ΔWCR		392,900	166,794	147,335	123,761	96,534	99,430	
									Invested Capital	2,611,700	3,031,000	3,212,860	3,373,503	3,508,443	3,613,696	3,722,107	
									ROIC			72%	66%	66%	65%	65%	
									RONIC (set = to WACC)								12%
Cost of Capital									Valuation								
Cost of Debt (rd)										2009	2010	2011	2012	2013	2014	2015	
Target D/V									Discount Factor				1.00	0.90	0.80	0.72	0.72
Tax Rate									PV(FCF)				1,969,183	1,862,348	1,744,472	1,615,173	
Risk-Free Rate (rf)									Total PV(FCF)				7,191,176				
Unlevered beta									Continuation Value (CV)								20,702,843
Market Risk Premium									PV(CV)				14,906,047				
Cost of Equity (re)									Enterprise Value {=Total PV(FCF) + PV(CV)}				22,097,222				
Target E/V									- Financial Debt								
WACC		11.69%							- Minority Interest								
									+ Affiliates								
									- Pension Obligations								
Levered beta									TOTAL EQUITY VALUE								
									Estimated Shares Outstanding (millions)								
									Equity Value (EUR per Share)								
									EBITDA	909,083	1,094,429	2,946,800	3,094,140	3,217,906	3,314,443	3,413,876	21,655,010
									NPV				R22,676,316				
									Customer equity				R22,676,316				
									DCF VALUE				22,097,222				



Massmart - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		8.4%	9.0%	10.0%	12.0%	10.0%	9.0%
COGS + SG&A (% of Sales)	81.6%	82.0%	83.0%	83.0%	83.0%	83.0%	83.0%
EBITDA Margin (% of Sales)	18.4%	18.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Depreciation (% of Sales)	0.5%	0.6%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	7.6%	7.1%	16.0%	16.0%	16.0%	16.0%	16.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			12.0%	11.2%	11.2%	11.2%	11.2%
PPE (% of Sales)	3%	4%	3%	3%	3%	3%	3%
WCR (% of Sales)	-1%	-2%	-2%	-2%	-2%	-2%	-2%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.06%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	39,783,600	43,128,700	47,010,283	51,711,311	57,916,669	63,708,336	69,442,086
COGS + SGA	32,481,400	35,351,000	39,018,535	42,920,388	48,070,835	52,877,918	57,636,931
EBITDA	3,229,200	3,313,900	7,991,748	8,790,923	9,845,834	10,830,417	11,805,155
Depreciation	217,700	262,000	470,103	517,113	579,167	637,083	694,421
EBIT	3,011,500	3,051,900	7,521,645	8,273,810	9,266,667	10,193,334	11,110,734
Taxes			1,880,411	2,482,143	2,780,000	3,058,000	3,333,220
NOPLAT			5,641,234	5,791,667	6,486,667	7,135,334	7,777,514
Depreciation	217,700	262,000	470,103	517,113	579,167	637,083	694,421
Capex		726,000	359,311	658,144	765,327	810,833	694,421
ΔWCR		(326,100)	(64,098)	(77,630)	(102,471)	(95,640)	-
Free Cash Flow		(137,900)	5,816,123	5,728,266	6,402,978	7,057,223	7,777,514
PPE	1,057,100	1,521,100	1,410,308	1,551,339	1,737,500	1,911,250	
Capex=ΔPPE+Depr		726,000	359,311	658,144	765,327	810,833	
WCR	(386,100)	(712,200)	(776,298)	(853,928)	(956,399)	(1,052,039)	
ΔWCR		(326,100)	(64,098)	(77,630)	(102,471)	(95,640)	
Invested Capital	671,000	808,900	634,010	697,412	781,101	859,211	
ROIC			697%	913%	930%	913%	
RONIC (set = to WACC)							11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.81	0.73	0.73
PV(FCF)			5,816,123	5,157,886	5,191,336	5,152,045	
Total PV(FCF)			21,317,391				
Continuation Value (CV)							70,331,274
PV(CV)			51,341,830				
Enterprise Value (=Total PV(FCF) + PV(CV))			72,659,221				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	3,229,200	3,313,900	7,991,748	8,790,923	9,845,834	10,830,417	77,929,563
NPV			7,991,748				
Customer equity			7,991,748				
DCF VALUE			7,991,748				



Massmart - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		8.4%	9.0%	10.0%	12.0%	10.0%	9.0%	9.0%
COGS + SG&A (% of Sales)	81.6%	82.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%
EBITDA Margin (% of Sales)	18.4%	18.0%	17.0%	17.0%	17.0%	17.0%	17.0%	17.0%
Depreciation (% of Sales)	0.5%	0.6%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
EBIT Margin (% of Sales)	7.6%	7.1%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			12.0%	11.2%	11.2%	11.2%	11.2%	11.2%
PPE (% of Sales)	3%	4%	3%	3%	3%	3%	3%	3%
WCR (% of Sales)	-1%	-2%	-2%	-2%	-2%	-2%	-2%	-2%

Cost of Capital	
Cost of Debt (rd)	
Target Div	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.06%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	39,783,600	43,128,700	47,010,283	51,711,311	57,916,669	63,708,336	69,442,086	75,691,873
COGS + SGA	32,481,400	35,351,000	39,018,535	42,920,388	48,070,835	52,877,918	57,636,931	62,824,255
EBITDA	3,229,200	3,313,900	7,991,748	8,790,923	9,845,834	10,830,417	11,805,155	12,867,618
Depreciation	217,700	262,000	470,103	517,113	579,167	637,083	694,421	756,919
EBIT	3,011,500	3,051,900	7,521,645	8,273,810	9,266,667	10,193,334	11,110,734	12,110,700
Taxes			1,880,411	2,482,143	2,780,000	3,058,000	3,333,220	3,633,210
NOPLAT			5,641,234	5,791,667	6,486,667	7,135,334	7,777,514	8,477,490
Depreciation	217,700	262,000	470,103	517,113	579,167	637,083	694,421	756,919
Capex		726,000	359,311	658,144	765,327	810,833	694,421	756,919
ΔWCR		(326,100)	(64,098)	(77,630)	(102,471)	(95,640)	(94,684)	1
Free Cash Flow		(137,900)	5,816,123	5,728,266	6,402,978	7,057,223	7,872,197	8,477,489
PPE	1,057,100	1,521,100	1,410,308	1,551,339	1,737,500	1,911,250	2,083,263	
Capex=ΔPPE+Depr		726,000	359,311	658,144	765,327	810,833	694,421	756,919
WCR	(386,100)	(712,200)	(776,298)	(853,928)	(956,399)	(1,052,039)	(1,146,723)	
ΔWCR		(326,100)	(64,098)	(77,630)	(102,471)	(95,640)	(94,684)	
Invested Capital	671,000	808,900	634,010	697,412	781,101	859,211	936,540	
ROIC			697%	913%	930%	913%	905%	11%
RONIC (set = to WACC)								

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.81	0.73	0.73
PV(FCF)				5,728,266	5,765,415	5,721,779	5,747,007	
Total PV(FCF)				17,215,459				
Continuation Value (CV)								76,661,089
PV(CV)				55,962,595				
Enterprise Value (=Total PV(FCF) + PV(CV))				73,178,054				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION								
EBITDA	3,229,200	3,313,900	7,991,748	8,790,923	9,845,834	10,830,417	11,805,155	84,943,224
NPV				881,842,251				
Customer equity				881,842,251				
DCF VALUE				73,178,054				

[illegible]



Mediclinic - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		4.8%	5.0%	5.0%	6.0%	5.0%	3.0%	3.0%
COGS + SG&A (% of Sales)	56.6%	55.8%	55.0%	55.0%	55.0%	55.0%	55.0%	55.0%
EBITDA Margin (% of Sales)	43.4%	44.2%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Depreciation (% of Sales)	3.0%	3.1%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	19.5%	20.8%	41.2%	41.3%	41.5%	41.5%	41.5%	41.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			30.9%	28.9%	29.1%	29.1%	29.1%	29.1%
PPE (% of Sales)	199%	164%	130%	120%	120%	120%	120%	120%
WCR (% of Sales)	12%	10%	10%	10%	10%	10%	10%	10%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	5.71%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	16,351,000	17,141,000	17,998,050	18,897,953	20,031,830	21,033,421	21,664,424	22,314,356
COGS + SGA	9,262,000	9,573,000	9,898,928	10,393,874	11,017,506	11,568,382	11,915,433	12,272,896
EBITDA	3,690,000	4,101,000	8,099,123	8,504,079	9,014,323	9,465,040	9,748,991	10,041,460
Depreciation	495,000	537,000	683,926	699,224	701,114	736,170	758,255	781,002
EBIT	3,195,000	3,564,000	7,415,197	7,804,854	8,313,209	8,728,870	8,990,736	9,260,458
Taxes			1,853,799	2,341,456	2,493,963	2,618,661	2,697,221	2,778,137
NOPLAT			5,561,397	5,463,398	5,819,247	6,110,209	6,293,515	6,482,321
Depreciation	495,000	537,000	683,926	699,224	701,114	736,170	758,255	781,002
Capex		(3,902,000)	(3,990,609)	(20,698)	2,061,767	1,938,080	758,255	781,002
ΔWCR		(242,000)	84,050	88,253	111,198	98,225	61,882	1
Free Cash Flow		4,681,000	10,151,882	6,095,068	4,347,396	4,810,074	6,231,633	6,482,320
PPE	32,511,000	28,072,000	23,397,465	22,677,543	24,038,196	25,240,105	25,997,309	
Capex=ΔPPE+Depr		(3,902,000)	(3,990,609)	(20,698)	2,061,767	1,938,080	1,515,458	
WCR	1,923,000	1,681,000	1,765,050	1,853,303	1,964,501	2,062,726	2,124,607	
ΔWCR		(242,000)	84,050	88,253	111,198	98,225	61,882	
Invested Capital	34,434,000	29,753,000	25,162,515	24,530,846	26,002,696	27,302,831	28,121,916	
ROIC			19%	22%	24%	23%	23%	
RONIC (set = to WACC)							6%	

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.95	0.89	0.85	0.85
PV(FCF)				6,095,068	4,112,518	4,304,363	5,275,184	
Total PV(FCF)				14,511,949				
Continuation Value (CV)								113,499,913
PV(CV)				96,474,926				
Enterprise Value {=Total PV(FCF) + PV(CV)}				110,986,875				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION								
EBITDA	3,690,000	4,101,000	8,099,123	8,504,079	9,014,323	9,465,040	9,748,991	149,444,809
NPV				R145,137,483				
Customer equity				R145,137,483				
DCF VALUE				110,986,875				



Metrofile - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		12.5%	12.0%	13.0%	11.0%	12.0%	12.0%
COGS + SG&A (% of Sales)	43.9%	44.4%	44.0%	44.0%	44.0%	44.0%	44.0%
EBITDA Margin (% of Sales)	56.1%	55.6%	56.0%	56.0%	56.0%	56.0%	56.0%
Depreciation (% of Sales)	3.3%	3.2%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	36.8%	29.4%	52.2%	52.3%	52.5%	52.5%	52.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			39.2%	36.6%	36.8%	36.8%	36.8%
PPE (% of Sales)	49%	67%	60%	60%	60%	60%	60%
WCR (% of Sales)	9%	-1%	-1%	-1%	-1%	-1%	-1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.52%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	329,935	371,097	415,629	469,660	521,323	583,882	653,948
COGS + SGA	144,790	164,830	182,877	206,651	229,382	256,908	287,737
EBITDA	132,226	121,301	232,752	263,010	291,941	326,974	366,211
Depreciation	10,752	12,039	15,794	17,377	18,246	20,436	22,888
EBIT	121,474	109,262	216,958	245,632	273,695	306,538	343,322
Taxes			54,240	73,690	82,108	91,961	102,997
NOPLAT			162,719	171,943	191,586	214,577	240,326
Depreciation	10,752	12,039	15,794	17,377	18,246	20,436	22,888
Capex		101,408	15,303	49,796	49,244	57,971	22,888
ΔWCR		(36,372)	(660)	(800)	(765)	(927)	-
Free Cash Flow		(52,997)	163,869	140,324	161,354	177,968	240,326
PPE	160,499	249,868	249,377	281,796	312,794	350,329	
Capex=ΔPPE+Depr		101,408	15,303	49,796	49,244	57,971	
WCR	30,875	(5,497)	(6,157)	(6,957)	(7,722)	(8,649)	
ΔWCR		(36,372)	(660)	(800)	(765)	(927)	
Invested Capital	191,374	244,371	243,221	274,839	305,072	341,680	
ROIC			67%	71%	70%	70%	
RONIC (set = to WACC)							11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.82	0.74	0.74
PV(FCF)			163,869	126,964	132,092	131,821	
Total PV(FCF)			554,746				
Continuation Value (CV)							2,283,857
PV(CV)			1,690,054				
Enterprise Value {=Total PV(FCF) + PV(CV)}			2,244,801				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	132,226	121,301	232,752	263,010	291,941	326,974	2,575,321
NPV			R2,422,885				
Customer equity			R2,422,885				
DCF VALUE			2,244,801				



Metrofile - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		12.5%	12.0%	13.0%	11.0%	12.0%	12.0%	12.0%
COGS + SG&A (% of Sales)	43.9%	44.4%	44.0%	44.0%	44.0%	44.0%	44.0%	44.0%
EBITDA Margin (% of Sales)	56.1%	55.6%	56.0%	56.0%	56.0%	56.0%	56.0%	56.0%
Depreciation (% of Sales)	3.3%	3.2%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	36.8%	29.4%	52.2%	52.3%	52.5%	52.5%	52.5%	52.5%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			39.2%	36.6%	36.8%	36.8%	36.8%	36.8%
PPE (% of Sales)	49%	67%	60%	60%	60%	60%	60%	60%
WCR (% of Sales)	9%	-1%	-1%	-1%	-1%	-1%	-1%	-1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	10.52%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	329,935	371,097	415,629	469,660	521,323	583,882	653,948	732,421
COGS + SGA	144,790	164,830	182,877	206,651	229,382	256,908	287,737	322,265
EBITDA	132,226	121,301	232,752	263,010	291,941	326,974	366,211	410,156
Depreciation	10,752	12,039	15,794	17,377	18,246	20,436	22,888	25,635
EBIT	121,474	109,262	216,958	245,632	273,695	306,538	343,322	384,521
Taxes			54,240	73,690	82,108	91,961	102,997	115,356
NOPLAT			162,719	171,943	191,586	214,577	240,326	269,165
Depreciation	10,752	12,039	15,794	17,377	18,246	20,436	22,888	25,635
Capex		101,408	15,303	49,796	49,244	57,971	22,888	25,635
ΔWCR		(36,372)	(660)	(765)	(765)	(927)	(1,038)	1
Free Cash Flow		(52,997)	163,869	140,324	161,354	177,968	241,364	269,164
PPE	160,499	249,868	249,377	281,796	312,794	350,329	392,369	
Capex=ΔPPE+Depr		101,408	15,303	49,796	49,244	57,971	64,928	
WCR	30,875	(5,497)	(6,157)	(6,957)	(7,722)	(8,649)	(9,687)	
ΔWCR		(36,372)	(660)	(800)	(765)	(927)	(1,038)	
Invested Capital	191,374	244,371	243,221	274,839	305,072	341,680	382,682	
ROIC			67%	71%	70%	70%	70%	11%
RONIC (set = to WACC)								

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.82	0.74	0.74
PV(FCF)				140,324	145,991	145,693	178,779	
Total PV(FCF)				432,008				
Continuation Value (CV)								2,557,920
PV(CV)				1,892,861				
Enterprise Value {=Total PV(FCF) + PV(CV)}				2,324,869				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	132,226	121,301	232,752	263,010	291,941	326,974	366,211	2,884,359
NPV				R2,713,584				
Customer equity				R2,713,584				
DCF VALUE				2,324,869				

Mr Price - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions							
	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		10.0%	12.0%	12.0%	13.0%	15.0%	10.0%
COGS + SG&A (% of Sales)	61.0%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%
EBITDA Margin (% of Sales)	39.0%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Depreciation (% of Sales)	1.7%	1.7%	3.8%	3.7%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	17.1%	16.0%	36.1%	36.2%	36.4%	36.4%	36.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.0%	25.3%	25.5%	25.5%	25.5%
PPE (% of Sales)	7%	6%	6%	6%	6%	6%	6%
WCR (% of Sales)	10%	13%	13%	13%	13%	13%	13%

[illegible]

Forecasts							
	2009	2010	2011	2012	2013	2014	CV
Sales	8,591,258	9,454,130	10,588,626	11,859,261	13,400,965	15,411,109	16,952,220
- COGS + SGA	5,240,547	5,685,157	6,367,376	7,131,461	8,058,551	9,267,333	10,194,067
EBITDA	1,617,896	1,673,192	4,221,250	4,727,800	5,342,414	6,143,776	6,758,153
- Depreciation	149,750	157,782	402,368	438,793	469,034	539,389	593,328
EBIT	1,468,146	1,515,410	3,818,882	4,289,007	4,873,380	5,604,387	6,164,826
- Taxes			954,720	1,286,702	1,462,014	1,681,316	1,849,448
NOPLAT			2,864,161	3,002,305	3,411,366	3,923,071	4,315,378
Depreciation	149,750	157,782	402,368	438,793	469,034	539,389	593,328
Capex		84,890	466,017	510,079	555,528	652,164	593,328
ΔWCR		399,014	149,978	167,975	203,810	265,736	-
Free Cash Flow		(326,122)	2,650,535	2,763,043	3,121,062	3,544,559	4,315,378
PPE	603,299	530,407	594,056	665,343	751,837	864,613	
Capex=ΔPPE+Dep		84,890	466,017	510,079	555,528	652,164	
WCR	850,800	1,249,814	1,399,792	1,567,767	1,771,576	2,037,313	
ΔWCR		399,014	149,978	167,975	203,810	265,736	
Invested Capital	1,454,099	1,780,221	1,993,848	2,233,109	2,523,413	2,901,925	
ROIC			161%	151%	153%	155%	
RONIC (set = to WACC)							9%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.92	0.84	0.77	0.77
PV(FCF)			2,650,535	2,529,571	2,615,898	2,719,819	
Total PV(FCF)			10,515,824				
Continuation Value (CV)							46,755,343
PV(CV)			36,001,614				
Enterprise Value {=Total PV(FCF) + PV(CV)}			46,517,438				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION								
EBITDA		1,617,896	1,673,192	4,221,250	4,727,800	5,342,414	6,143,776	56,380,793
NPV				R52,502,374				
Customer equity				R52,502,374				
DCF VALUE				46,517,438				



Mr Price - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		10.0%	12.0%	12.0%	13.0%	15.0%	10.0%	10.0%
COGS + SG&A (% of Sales)	61.0%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%	60.1%
EBITDA Margin (% of Sales)	39.0%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%	39.9%
Depreciation (% of Sales)	1.7%	1.7%	3.8%	3.7%	3.5%	3.5%	3.5%	3.5%
EBIT Margin (% of Sales)	17.1%	16.0%	36.1%	36.2%	36.4%	36.4%	36.4%	36.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.0%	25.3%	25.5%	25.5%	25.5%	25.5%
PPE (% of Sales)	7%	6%	6%	6%	6%	6%	6%	6%
WCR (% of Sales)	10%	13%	13%	13%	13%	13%	13%	13%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	9.23%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	8,591,258	9,454,130	10,588,626	11,859,261	13,400,965	15,411,109	16,952,220	18,647,442
COGS + SGA	5,240,547	5,685,157	6,367,376	7,131,461	8,058,551	9,267,333	10,194,067	11,213,474
EBITDA	1,617,896	1,673,192	4,221,250	4,727,800	5,342,414	6,143,776	6,758,153	7,433,969
Depreciation	149,750	157,782	402,368	438,793	469,034	539,389	593,328	652,660
EBIT	1,468,146	1,515,410	3,818,882	4,289,007	4,873,380	5,604,387	6,164,826	6,781,308
Taxes			954,720	1,286,702	1,462,014	1,681,316	1,849,448	2,034,392
NOPLAT			2,864,161	3,002,305	3,411,366	3,923,071	4,315,378	4,746,916
Depreciation	149,750	157,782	402,368	438,793	469,034	539,389	593,328	652,660
Capex		84,890	466,017	510,079	555,528	652,164	593,328	652,660
ΔWCR		399,014	149,978	167,975	203,810	265,736	203,731	1
Free Cash Flow		(326,122)	2,650,535	2,763,043	3,121,062	3,544,559	4,111,647	4,746,915
PPE	603,299	530,407	594,056	665,343	751,837	864,613	951,074	
Capex=ΔPPE+Depr		84,890	466,017	510,079	555,528	652,164	593,328	652,660
WCR	850,800	1,249,814	1,399,792	1,567,767	1,771,576	2,037,313	2,241,044	
ΔWCR		399,014	149,978	167,975	203,810	265,736	203,731	
Invested Capital	1,454,099	1,780,221	1,993,848	2,233,109	2,523,413	2,901,925	3,192,118	
ROIC			161%	151%	153%	155%	149%	
RONIC (set = to WACC)								9%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.92	0.84	0.77	0.77
PV(FCF)				2,763,043	2,857,338	2,970,850	3,154,958	
Total PV(FCF)				11,746,189				
Continuation Value (CV)								51,430,878
PV(CV)								39,601,776
Enterprise Value (=Total PV(FCF) + PV(CV))								51,347,965
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	1,617,896	1,673,192	4,221,250	4,727,800	5,342,414	6,143,776	6,758,153	62,018,872
NPV				R58,153,748				
Customer equity				R58,153,748				
DCF VALUE				51,347,965				



MTN - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		9.2%	9.0%	10.0%	12.0%	15.0%	10.0%
COGS + SG&A (% of Sales)	55.1%	58.1%	58.1%	60.0%	60.0%	60.0%	60.0%
EBITDA Margin (% of Sales)	44.9%	41.9%	41.9%	40.0%	40.0%	40.0%	40.0%
Depreciation (% of Sales)	9.7%	10.5%	10.0%	10.0%	10.0%	10.0%	10.0%
EBIT Margin (% of Sales)	35.3%	31.3%	31.9%	30.0%	30.0%	30.0%	30.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			23.9%	21.0%	21.0%	21.0%	21.0%
PPE (% of Sales)	63%	60%	60%	60%	60%	60%	60%
WCR (% of Sales)	0%	-8%	0%	1%	1%	1%	1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.62%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	102,526,000	111,947,000	122,022,230	134,224,453	150,331,387	172,881,095	190,169,205
COGS + SGA	56,444,000	65,061,000	70,916,490	80,534,672	90,198,832	103,728,657	114,101,523
EBITDA	46,082,000	46,886,000	51,105,740	53,689,781	60,132,555	69,152,438	76,067,682
Depreciation	9,939,000	11,807,000	12,202,223	13,422,445	15,033,139	17,288,110	19,016,921
EBIT	36,143,000	35,079,000	38,903,517	40,267,336	45,099,416	51,864,329	57,050,762
Taxes			9,725,879	12,080,201	13,529,825	15,559,299	17,115,228
NOPLAT			29,177,638	28,187,135	31,569,591	36,305,030	39,935,533
Depreciation	9,939,000	11,807,000	12,202,223	13,422,445	15,033,139	17,288,110	19,016,921
Capex	15,155,000	18,280,913	20,784,414	24,750,938	30,893,028	30,893,028	19,016,921
ΔWCR	(9,117,000)	8,921,000	1,342,245	161,069	225,497	-	-
Free Cash Flow	5,769,000	14,177,948	19,482,922	21,690,723	22,474,614	39,935,533	
PPE	64,193,000	67,541,000	73,619,690	80,981,659	90,699,458	104,304,377	
Capex=ΔPPE+Depr	15,155,000	18,280,913	20,784,414	24,750,938	30,893,028	30,893,028	
WCR	196,000	(8,921,000)	-	1,342,245	1,503,314	1,728,811	
ΔWCR	(9,117,000)	8,921,000	1,342,245	161,069	225,497	-	
Invested Capital	64,389,000	58,620,000	73,619,690	82,323,904	92,202,772	106,033,188	
ROIC			50%	38%	38%	39%	
RONIC (set = to WACC)							12%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.80	0.72	0.72
PV(FCF)			14,177,948	17,455,328	17,410,927	16,162,705	
Total PV(FCF)			65,206,908				
Continuation Value (CV)							343,800,593
PV(CV)			247,536,427				
Enterprise Value {=Total PV(FCF) + PV(CV)}			312,743,335				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	46,082,000	46,886,000	51,105,740	53,689,781	60,132,555	69,152,438	471,497,956
NPV			R448,859,443				
Customer equity			R448,859,443				
DCF VALUE			312,743,335				



MTN - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		9.2%	9.0%	10.0%	12.0%	15.0%	10.0%	10.0%
COGS + SG&A (% of Sales)	55.1%	58.1%	58.1%	60.0%	60.0%	60.0%	60.0%	60.0%
EBITDA Margin (% of Sales)	44.9%	41.9%	41.9%	40.0%	40.0%	40.0%	40.0%	40.0%
Depreciation (% of Sales)	9.7%	10.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
EBIT Margin (% of Sales)	35.3%	31.3%	31.9%	30.0%	30.0%	30.0%	30.0%	30.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			23.9%	21.0%	21.0%	21.0%	21.0%	21.0%
PPE (% of Sales)	63%	60%	60%	60%	60%	60%	60%	60%
WCR (% of Sales)	0%	-8%	0%	1%	1%	1%	1%	1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.62%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	102,526,000	111,947,000	122,022,230	134,224,453	150,331,387	172,881,095	190,169,205	209,186,126
COGS + SGA	56,444,000	65,061,000	70,916,490	80,534,672	90,198,832	103,728,657	114,101,523	125,511,675
EBITDA	46,082,000	46,886,000	51,105,740	53,689,781	60,132,555	69,152,438	76,067,682	83,674,450
Depreciation	9,939,000	11,807,000	12,202,223	13,422,445	15,033,139	17,288,110	19,016,921	20,918,613
EBIT	36,143,000	35,079,000	38,903,517	40,267,336	45,099,416	51,864,329	57,050,762	62,755,838
Taxes			9,725,879	12,080,201	13,528,825	15,559,299	17,115,228	18,826,751
NOPLAT			29,177,638	28,187,135	31,569,591	36,305,030	39,935,533	43,929,086
Depreciation	9,939,000	11,807,000	12,202,223	13,422,445	15,033,139	17,288,110	19,016,921	20,918,613
Capex		15,155,000	18,280,913	20,784,414	24,750,938	30,893,028	39,935,533	43,929,086
ΔWCR		(9,117,000)	8,921,000	1,342,245	161,069	225,497	172,881	1
Free Cash Flow		5,769,000	14,177,948	19,482,922	21,690,723	22,474,614	39,762,652	43,929,085
PPE	64,193,000	67,541,000	73,619,690	80,981,659	90,699,458	104,304,377	114,734,814	
Capex=ΔPPE+Depr		15,155,000	18,280,913	20,784,414	24,750,938	30,893,028	39,935,533	
WCR	196,000	(8,921,000)	-	1,342,245	1,503,314	1,728,811	1,901,692	
ΔWCR		(9,117,000)	8,921,000	1,342,245	161,069	225,497	172,881	
Invested Capital	64,389,000	58,620,000	73,619,690	82,323,904	92,202,772	106,033,188	116,636,507	
ROIC			50%	38%	38%	39%	38%	
RONIC (set = to WACC)								12%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.80	0.72	0.72
PV(FCF)				19,482,922	19,433,363	18,040,149	28,595,464	
Total PV(FCF)				56,956,433				
Continuation Value (CV)								378,180,652
PV(CV)				272,290,069				
Enterprise Value {=Total PV(FCF) + PV(CV)}				329,246,503				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	46,082,000	46,886,000	51,105,740	53,689,781	60,132,555	69,152,438	76,067,682	518,647,751
NPV				R494,505,945				
Customer equity				R494,505,945				
DCF VALUE				329,246,503				



Naspers - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		1.3%	2.0%	5.0%	5.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	49.0%	51.6%	51.6%	51.6%	51.6%	51.6%	52.0%
EBITDA Margin (% of Sales)	51.0%	48.4%	48.4%	48.4%	48.4%	48.4%	48.0%
Depreciation (% of Sales)	3.3%	3.1%	3.4%	3.4%	3.4%	3.4%	3.4%
EBIT Margin (% of Sales)	18.0%	20.0%	45.0%	45.0%	45.0%	45.0%	44.6%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			33.8%	31.5%	31.5%	31.5%	31.2%
PPE (% of Sales)	17%	23%	23%	23%	23%	23%	23%
WCR (% of Sales)	12%	8%	8%	8%	8%	8%	8%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.03%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	27,634,343	27,998,000	28,557,960	29,985,858	31,485,151	33,059,408	34,712,379
COGS + SGA	13,531,249	14,438,000	14,726,760	15,463,098	16,236,253	17,048,066	18,050,437
EBITDA	5,880,166	6,490,891	13,831,200	14,522,760	15,248,898	16,011,343	16,661,942
Depreciation	910,237	878,000	970,971	1,019,519	1,070,495	1,124,020	1,180,221
EBIT	4,969,929	5,612,891	12,860,229	13,503,241	14,178,403	14,887,323	15,481,721
Taxes			3,215,057	4,050,972	4,253,521	4,466,197	4,644,516
NOPLAT			9,645,172	9,452,269	9,924,882	10,421,126	10,837,205
Depreciation	910,237	878,000	970,971	1,019,519	1,070,495	1,124,020	1,180,221
Capex		2,613,703	1,100,771	1,350,509	1,418,035	1,488,936	1,180,221
ΔWCR		(1,150,936)	43,680	111,384	116,953	122,801	-
Free Cash Flow		(584,767)	9,471,692	9,009,895	9,460,389	9,933,409	10,837,205
PPE	4,754,297	6,490,000	6,619,800	6,950,790	7,298,330	7,663,246	
Capex=ΔPPE+Depr		2,613,703	1,100,771	1,350,509	1,418,035	1,488,936	
WCR	3,334,936	2,184,000	2,227,680	2,339,064	2,456,017	2,578,818	
ΔWCR		(1,150,936)	43,680	111,384	116,953	122,801	
Invested Capital	8,089,233	8,674,000	8,847,480	9,289,854	9,754,347	10,242,064	
ROIC			111%	107%	107%	107%	
RONIC (set = to WACC)							10%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.83	0.75	0.75
PV(FCF)			9,471,692	8,188,260	7,441,552	7,101,086	
Total PV(FCF)			32,202,590				
Continuation Value (CV)							108,001,601
PV(CV)			81,001,201				
Enterprise Value (=Total PV(FCF) + PV(CV))			113,203,791				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	5,880,166	6,490,891	13,831,200	14,522,760	15,248,898	16,011,343	124,537,401
NPV			R124,140,522				
Customer equity			R124,140,522				
DCF VALUE			113,203,791				

Naspers - 2011

Yellow cells are inputs

Blue text is forecast or estimate

Assumptions								
	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		1.3%	2.0%	5.0%	5.0%	5.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	49.0%	51.6%	51.6%	51.6%	51.6%	51.6%	52.0%	52.0%
EBITDA Margin (% of Sales)	51.0%	48.4%	48.4%	48.4%	48.4%	48.4%	48.0%	48.0%
Depreciation (% of Sales)	3.3%	3.1%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
EBIT Margin (% of Sales)	18.0%	20.0%	45.0%	45.0%	45.0%	45.0%	44.6%	44.6%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			33.8%	31.5%	31.5%	31.5%	31.2%	31.2%
PPE (% of Sales)	17%	23%	23%	23%	23%	23%	23%	23%
WCR (% of Sales)	12%	8%	8%	8%	8%	8%	8%	8%

[illegible]

Forecasts								
	2009	2010	2011	2012	2013	2014	2015	CV
Sales	27,634,343	27,998,000	28,557,960	29,985,858	31,485,151	33,059,408	34,712,379	36,447,998
COGS + SGA	13,531,249	14,438,000	14,726,760	15,463,098	16,236,253	17,048,066	18,050,437	18,952,959
EBITDA	5,880,166	6,490,891	13,831,200	14,522,760	15,248,898	16,011,343	16,661,942	17,495,039
Depreciation	910,237	878,000	970,971	1,019,519	1,070,495	1,124,020	1,180,221	1,239,232
EBIT	4,969,929	5,612,891	12,860,229	13,503,241	14,178,403	14,887,323	15,481,721	16,255,807
Taxes			3,215,057	4,050,972	4,253,521	4,466,197	4,644,516	4,876,742
NOPLAT			9,645,172	9,452,269	9,924,882	10,421,126	10,837,205	11,379,065
Depreciation	910,237	878,000	970,971	1,019,519	1,070,495	1,124,020	1,180,221	1,239,232
Capex		2,613,703	1,100,771	1,350,509	1,418,035	1,488,936	1,180,221	1,239,232
ΔWCR		(1,150,936)	43,680	111,384	116,953	122,801	128,941	1
Free Cash Flow		(584,767)	9,471,692	9,009,895	9,460,389	9,933,409	10,708,264	11,379,064
PPE	4,754,297	6,490,000	6,619,800	6,950,790	7,298,330	7,663,246	8,046,408	
Capex=ΔPPE+Depr		2,613,703	1,100,771	1,350,509	1,418,035	1,488,936	1,563,383	
WCR	3,334,936	2,184,000	2,227,680	2,339,064	2,456,017	2,578,818	2,707,759	
ΔWCR		(1,150,936)	43,680	111,384	116,953	122,801	128,941	
Invested Capital	8,089,233	8,674,000	8,847,480	9,289,854	9,754,347	10,242,064	10,754,167	
ROIC			111%	107%	107%	107%	106%	10%
RONIC (set = to WACC)								
Valuation								
	2009	2010	2011	2012	2013	2014	CV	
Discount Factor				1.00	0.91	0.83	0.75	0.75
PV(FCF)				9,009,895	8,597,673	8,204,311	8,037,756	
Total PV(FCF)				33,849,635				
Continuation Value (CV)								113,401,681
PV(CV)				85,051,261				
Enterprise Value {-Total PV(FCF) + PV(CV)}				118,900,896				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	5,880,166	6,490,891	13,831,200	14,522,760	15,248,898	16,011,343	16,661,942	130,764,271
NPV				R130,245,246				
Customer equity				R130,245,246				
DCF VALUE				118,900,896				



Netcare - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		5.4%	6.5%	6.0%	7.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	57.6%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%
EBITDA Margin (% of Sales)	42.4%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%
Depreciation (% of Sales)	5.4%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
EBIT Margin (% of Sales)	15.9%	16.4%	36.8%	36.8%	36.8%	36.8%	36.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.6%	25.7%	25.7%	25.7%	25.7%
PPE (% of Sales)	133%	107%	107%	107%	107%	107%	107%
WCR (% of Sales)	-1%	-1%	-1%	-1%	-1%	-1%	-1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	6.66%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	22,298,000	23,499,000	25,026,435	26,528,021	28,384,983	30,088,082	31,893,366
COGS + SGA	12,842,000	13,701,000	14,591,565	15,467,059	16,549,753	17,542,738	18,595,302
EBITDA	4,738,000	5,021,000	10,434,870	11,060,962	11,835,230	12,545,343	13,298,064
Depreciation	1,193,000	1,156,000	1,231,140	1,305,008	1,396,359	1,480,141	1,568,949
EBIT	3,545,000	3,865,000	9,203,730	9,755,954	10,438,871	11,065,203	11,729,115
Taxes			2,300,933	2,926,786	3,131,661	3,319,561	3,518,734
NOPLAT			6,902,798	6,829,168	7,307,209	7,745,642	8,210,380
Depreciation	1,193,000	1,156,000	1,231,140	1,305,008	1,396,359	1,480,141	1,568,949
Capex		(3,479,000)	2,862,445	2,908,707	3,379,599	3,299,055	1,568,949
ΔWCR		84,000	(12,610)	(12,397)	(15,330)	(14,060)	-
Free Cash Flow		4,551,000	5,284,103	5,237,866	5,339,300	5,940,788	8,210,380
PPE	29,732,000	25,097,000	26,728,305	28,332,003	30,315,244	32,134,158	
Capex=ΔPPE+Depr		(3,479,000)	2,862,445	2,908,707	3,379,599	3,299,055	
WCR	(278,000)	(194,000)	(206,610)	(219,007)	(234,337)	(248,397)	
ΔWCR		84,000	(12,610)	(12,397)	(15,330)	(14,060)	
Invested Capital	29,454,000	24,903,000	26,521,695	28,112,997	30,080,906	31,885,761	
ROIC			28%	26%	26%	26%	
RONIC (set = to WACC)							7%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.94	0.88	0.82	0.82
PV(FCF)			5,284,103	4,910,641	4,693,014	4,895,480	
Total PV(FCF)			19,783,237				
Continuation Value (CV)							123,212,385
PV(CV)			101,034,156				
Enterprise Value {=Total PV(FCF) + PV(CV)}			120,817,393				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	4,738,000	5,021,000	10,434,870	11,060,962	11,835,230	12,545,343	163,641,461
NPV			R157,475,543				
Customer equity			R157,475,543				
DCF VALUE			120,817,393				



Netcare - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		5.4%	6.5%	6.0%	7.0%	6.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	57.6%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%	58.3%
EBITDA Margin (% of Sales)	42.4%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%	41.7%
Depreciation (% of Sales)	5.4%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%
EBIT Margin (% of Sales)	15.9%	16.4%	36.8%	36.8%	36.8%	36.8%	36.8%	36.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			27.6%	25.7%	25.7%	25.7%	25.7%	25.7%
PPE (% of Sales)	133%	107%	107%	107%	107%	107%	107%	107%
WCR (% of Sales)	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	6.66%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	22,298,000	23,499,000	25,026,435	26,528,021	28,384,983	30,088,082	31,893,366	33,806,968
COGS + SG&A	12,842,000	13,701,000	14,591,565	15,467,059	16,549,753	17,542,738	18,595,302	19,711,021
EBITDA	4,738,000	5,021,000	10,434,870	11,060,962	11,835,230	12,545,343	13,298,064	14,095,948
Depreciation	1,193,000	1,156,000	1,231,140	1,305,008	1,396,359	1,480,141	1,568,949	1,663,086
EBIT	3,545,000	3,865,000	9,203,730	9,755,954	10,438,871	11,065,203	11,729,115	12,432,862
Taxes			2,300,933	2,926,786	3,131,661	3,319,561	3,518,734	3,729,859
NOPLAT			6,902,798	6,829,168	7,307,209	7,745,642	8,210,380	8,703,003
Depreciation	1,193,000	1,156,000	1,231,140	1,305,008	1,396,359	1,480,141	1,568,949	1,663,086
Capex		(3,479,000)	2,862,445	2,908,707	3,379,599	3,299,055	3,496,998	1,663,086
ΔWCR		84,000	(12,610)	(12,397)	(15,330)	(14,060)	(14,904)	1
Free Cash Flow		4,551,000	5,284,103	5,237,866	5,339,300	5,940,788	8,225,284	8,703,002
PPE	29,732,000	25,097,000	26,728,305	28,332,003	30,315,244	32,134,158	34,062,208	
Capex=ΔPPE+Depr		(3,479,000)	2,862,445	2,908,707	3,379,599	3,299,055	3,496,998	
WCR	(278,000)	(194,000)	(206,610)	(219,007)	(234,337)	(248,397)	(263,301)	
ΔWCR		84,000	(12,610)	(12,397)	(15,330)	(14,060)	(14,904)	
Invested Capital	29,454,000	24,903,000	26,521,695	28,112,997	30,080,906	31,885,761	33,798,907	
ROIC			28%	26%	26%	26%	26%	
RONIC (set = to WACC)								7%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.94	0.88	0.82	0.82
PV(FCF)				5,237,866	5,005,737	5,221,696	6,778,010	
Total PV(FCF)				22,243,309				
Continuation Value (CV)								130,605,128
PV(CV)				107,096,205				
Enterprise Value (=Total PV(FCF) + PV(CV))				129,339,514				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	2015	CV
EBITDA	4,738,000	5,021,000	10,434,870	11,060,962	11,835,230	12,545,343	13,298,064	173,459,949
NPV				R167,021,297				
Customer equity				R167,021,297				
DCF VALUE				129,339,514				



Nictus- 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		3.6%	4.0%	5.0%	6.0%	7.0%	5.0%
COGS + SG&A (% of Sales)	85.7%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%
EBITDA Margin (% of Sales)	14.3%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
Depreciation (% of Sales)	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT Margin (% of Sales)	4.1%	5.0%	13.3%	13.3%	13.3%	13.3%	13.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			10.0%	9.3%	9.3%	9.3%	9.3%
PPE (% of Sales)	17%	26%	26%	26%	26%	26%	26%
WCR (% of Sales)	-52%	-74%	-74%	-74%	-74%	-74%	-74%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	7.75%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	337,954	350,051	364,053	382,256	405,191	433,554	455,232
COGS + SGA	289,512	301,497	313,557	329,235	348,989	373,418	392,089
EBITDA	15,083	19,428	50,496	53,021	56,202	60,136	63,143
Depreciation	1,326	1,924	2,001	2,101	2,227	2,383	2,502
EBIT	13,757	17,504	48,495	50,920	53,975	57,753	60,641
Taxes			12,124	15,276	16,193	17,326	18,192
NOPLAT			36,371	35,644	37,783	40,427	42,449
Depreciation	1,326	1,924	2,001	2,101	2,227	2,383	2,502
Capex		33,900	5,574	6,746	8,080	9,621	2,502
ΔWCR		(84,861)	(10,398)	(13,518)	(17,032)	(21,063)	-
Free Cash Flow		52,885	43,196	44,517	48,962	54,253	42,449
PPE	57,350	89,326	92,899	97,544	103,397	110,634	
Capex=ΔPPE+Depr		33,900	5,574	6,746	8,080	9,621	
WCR	(175,092)	(259,953)	(270,351)	(283,869)	(300,901)	(321,964)	
ΔWCR		(84,861)	(10,398)	(13,518)	(17,032)	(21,063)	
Invested Capital	(117,742)	(170,627)	(177,452)	(186,325)	(197,504)	(211,329)	
ROIC			-21%	-20%	-20%	-20%	
RONIC (set = to WACC)							8%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.93	0.86	0.80	0.80
PV(FCF)			43,196	41,314	42,170	43,364	
Total PV(FCF)			170,044				
Continuation Value (CV)							547,514
PV(CV)			438,011				
Enterprise Value {=Total PV(FCF) + PV(CV)}			608,055				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	15,083	19,428	50,496	53,021	56,202	60,136	651,549
NPV			R630,599				
Customer equity			R630,599				
DCF VALUE			608,055				



Nictus- 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		3.6%	4.0%	5.0%	6.0%	7.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	85.7%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%	86.1%
EBITDA Margin (% of Sales)	14.3%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%
Depreciation (% of Sales)	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
EBIT Margin (% of Sales)	4.1%	5.0%	13.3%	13.3%	13.3%	13.3%	13.3%	13.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			10.0%	9.3%	9.3%	9.3%	9.3%	9.3%
PPE (% of Sales)	17%	26%	26%	26%	26%	26%	26%	26%
WCR (% of Sales)	-52%	-74%	-74%	-74%	-74%	-74%	-74%	-74%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	7.75%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	337,954	350,051	364,053	382,256	405,191	433,554	455,232	477,994
COGS + SGA	289,512	301,497	313,557	329,235	348,989	373,418	392,089	411,693
EBITDA	15,083	19,428	50,496	53,021	56,202	60,136	63,143	66,300
Depreciation	1,326	1,924	2,001	2,101	2,227	2,383	2,502	2,627
EBIT	13,757	17,504	48,495	50,920	53,975	57,753	60,641	63,673
Taxes			12,124	15,276	16,193	17,326	18,192	19,102
NOPLAT			36,371	35,644	37,783	40,427	42,449	44,571
Depreciation	1,326	1,924	2,001	2,101	2,227	2,383	2,502	2,627
Capex		33,900	5,574	6,746	8,080	9,621	2,502	2,627
ΔWCR		(84,861)	(10,398)	(13,518)	(17,032)	(21,063)	(16,098)	1
Free Cash Flow		52,885	43,196	44,517	48,962	54,253	58,547	44,570
PPE	57,350	89,326	92,899	97,544	103,397	110,634	116,166	
Capex=ΔPPE+Depr		33,900	5,574	6,746	8,080	9,621	8,034	
WCR	(175,092)	(259,953)	(270,351)	(283,869)	(300,901)	(321,964)	(338,062)	
ΔWCR		(84,861)	(10,398)	(13,518)	(17,032)	(21,063)	(16,098)	
Invested Capital	(117,742)	(170,627)	(177,452)	(186,325)	(197,504)	(211,329)	(221,896)	
ROIC			-21%	-20%	-20%	-20%	-20%	
RONIC (set = to WACC)								8%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor				1.00	0.93	0.86	0.80
PV(FCF)				43,196	41,314	42,170	43,364
Total PV(FCF)				170,044			
Continuation Value (CV)							574,890
PV(CV)				459,912			
Enterprise Value {=Total PV(FCF) + PV(CV)}				629,956			
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	15,083	19,428	50,496	53,021	56,202	60,136	63,143
NPV				R663,484			
Customer equity				R663,484			
DCF VALUE				629,956			



Spur - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		10.5%	11.0%	15.0%	15.0%	15.0%	10.0%
COGS + SG&A (% of Sales)	21.9%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
EBITDA Margin (% of Sales)	78.1%	78.3%	78.3%	78.3%	78.3%	78.3%	78.3%
Depreciation (% of Sales)	3.3%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
EBIT Margin (% of Sales)	31.1%	33.0%	75.2%	75.2%	75.2%	75.2%	75.2%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			56.4%	52.6%	52.6%	52.6%	52.6%
PPE (% of Sales)	33%	26%	26%	26%	26%	26%	26%
WCR (% of Sales)	23%	29%	29%	29%	29%	29%	29%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	9.55%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	295,838	326,774	362,719	417,127	479,696	551,650	606,816
COGS + SGA	64,735	70,796	78,584	90,371	103,927	119,516	131,467
EBITDA	101,738	118,068	284,136	326,756	375,769	432,135	475,348
Depreciation	9,746	10,280	11,411	13,122	15,091	17,354	19,090
EBIT	91,992	107,788	272,725	313,633	360,679	414,780	456,258
Taxes			68,181	94,090	108,204	124,434	136,877
NOPLAT			204,544	219,543	252,475	290,346	319,381
Depreciation	9,746	10,280	11,411	13,122	15,091	17,354	19,090
Capex		(4,181)	20,698	27,180	31,257	35,945	19,090
ΔWCR		29,360	10,577	16,010	18,412	21,174	-
Free Cash Flow		(14,899)	184,679	189,476	217,897	250,582	319,381
PPE	98,890	84,429	93,716	107,774	123,940	142,531	
Capex=ΔPPE+Depr		(4,181)	20,698	27,180	31,257	35,945	
WCR	66,798	96,158	106,735	122,746	141,158	162,331	
ΔWCR		29,360	10,577	16,010	18,412	21,174	
Invested Capital	165,688	180,587	200,452	230,519	265,097	304,862	
ROIC			113%	110%	110%	110%	
RONIC (set = to WACC)							10%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.83	0.76	0.76
PV(FCF)			184,679	172,961	181,568	190,604	
Total PV(FCF)			729,812				
Continuation Value (CV)							3,344,897
PV(CV)			2,542,122				
Enterprise Value {=Total PV(FCF) + PV(CV)}			3,271,934				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	101,738	118,068	284,136	326,756	375,769	432,135	3,783,549
NPV			R3,515,649				
Customer equity			R3,515,649				
DCF VALUE			3,271,934				



Spur - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		10.5%	11.0%	15.0%	15.0%	15.0%	10.0%	10.0%
COGS + SG&A (% of Sales)	21.9%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
EBITDA Margin (% of Sales)	78.1%	78.3%	78.3%	78.3%	78.3%	78.3%	78.3%	78.3%
Depreciation (% of Sales)	3.3%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
EBIT Margin (% of Sales)	31.1%	33.0%	75.2%	75.2%	75.2%	75.2%	75.2%	75.2%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			56.4%	52.6%	52.6%	52.6%	52.6%	52.6%
PPE (% of Sales)	33%	26%	26%	26%	26%	26%	26%	26%
WCR (% of Sales)	23%	29%	29%	29%	29%	29%	29%	29%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	9.55%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	295,838	326,774	362,719	417,127	479,696	551,650	606,816	667,497
COGS + SGA	64,735	70,796	78,584	90,371	103,927	119,516	131,467	144,614
EBITDA	101,738	118,068	284,136	326,756	375,769	432,135	475,348	522,883
Depreciation	9,746	10,280	11,411	13,122	15,091	17,354	19,090	20,999
EBIT	91,992	107,788	272,725	313,633	360,679	414,780	456,258	501,884
Taxes			68,181	94,090	108,204	124,434	136,877	150,565
NOPLAT			204,544	219,543	252,475	290,346	319,381	351,319
Depreciation	9,746	10,280	11,411	13,122	15,091	17,354	19,090	20,999
Capex		(4,181)	20,698	27,180	31,257	35,945	39,090	20,999
ΔWCR		29,360	10,572	18,412	21,174	16,233	16,233	1
Free Cash Flow		(14,899)	184,679	189,476	217,897	250,582	303,148	351,318
PPE	98,890	84,429	93,716	107,774	123,940	142,531	156,784	
Capex=ΔPPE+Depr		(4,181)	20,698	27,180	31,257	35,945	39,090	
WCR	66,798	96,158	106,735	122,746	141,158	162,331	178,564	
ΔWCR		29,360	10,572	18,412	21,174	16,233	16,233	
Invested Capital	165,688	180,587	200,452	230,519	265,097	304,862	335,348	
ROIC			113%	110%	110%	110%	105%	
RONIC (set = to WACC)								10%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.91	0.83	0.76	0.76
PV(FCF)				189,476	198,905	208,804	230,588	
Total PV(FCF)				827,773				
Continuation Value (CV)								3,679,387
PV(CV)				2,796,334				
Enterprise Value {=Total PV(FCF) + PV(CV)}				3,624,107				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	101,738	118,068	284,136	326,756	375,769	432,135	475,348	4,161,904
NPV				R3,908,088				
Customer equity				R3,908,088				
DCF VALUE				3,624,107				



Sun International - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		5.6%	7.0%	8.0%	9.0%	7.0%	5.0%
COGS + SG&A (% of Sales)	66.2%	68.2%	65.0%	65.0%	65.0%	65.0%	65.0%
EBITDA Margin (% of Sales)	33.8%	31.8%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation (% of Sales)	6.9%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
EBIT Margin (% of Sales)	27.5%	25.2%	27.4%	27.4%	27.4%	27.4%	27.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			20.6%	19.2%	19.2%	19.2%	19.2%
PPE (% of Sales)	82%	98%	86%	86%	86%	86%	86%
WCR (% of Sales)	-21%	-21%	-21%	-21%	-21%	-21%	-21%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	4.02%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	7,618,000	8,041,000	8,603,870	9,292,180	10,128,476	10,837,469	11,379,343
COGS + SGA	5,042,000	5,482,000	5,592,516	6,039,917	6,583,509	7,044,355	7,396,573
EBITDA	2,620,000	2,640,000	3,011,355	3,252,263	3,544,967	3,793,114	3,982,770
Depreciation	522,000	610,000	652,700	704,916	768,358	822,144	863,251
EBIT	2,098,000	2,030,000	2,358,655	2,547,347	2,776,608	2,970,971	3,119,519
Taxes			589,664	764,204	832,982	891,291	935,856
NOPLAT			1,768,991	1,783,143	1,943,626	2,079,679	2,183,663
Depreciation	522,000	610,000	652,700	704,916	768,358	822,144	863,251
Capex		2,259,000	174,028	1,296,862	1,487,573	1,431,878	863,251
ΔWCR		(106,000)	(119,560)	(146,205)	(177,639)	(150,598)	-
Free Cash Flow		(1,543,000)	2,367,223	1,337,401	1,402,050	1,620,543	2,183,663
PPE	6,229,000	7,878,000	7,399,328	7,991,274	8,710,489	9,320,223	
Capex=ΔPPE+Depr		2,259,000	174,028	1,296,862	1,487,573	1,431,878	
WCR	(1,602,000)	(1,708,000)	(1,827,560)	(1,973,765)	(2,151,404)	(2,302,002)	
ΔWCR		(106,000)	(119,560)	(146,205)	(177,639)	(150,598)	
Invested Capital	4,627,000	6,170,000	5,571,768	6,017,510	6,559,086	7,018,222	
ROIC			29%	32%	32%	32%	
RONIC (set = to WACC)							4%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.96	0.92	0.89	0.89
PV(FCF)			2,367,223	1,285,674	1,295,691	1,439,685	
Total PV(FCF)			6,388,272				
Continuation Value (CV)							54,274,082
PV(CV)			48,303,933				
Enterprise Value (=Total PV(FCF) + PV(CV))			54,692,205				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	2,620,000	2,640,000	3,011,355	3,252,263	3,544,967	3,793,114	88,101,238
NPV			R84,620,604				
Customer equity			R84,620,604				
DCF VALUE			54,692,205				



Sun International - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		5.6%	7.0%	8.0%	9.0%	7.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	66.2%	68.2%	65.0%	65.0%	65.0%	65.0%	65.0%	65.0%
EBITDA Margin (% of Sales)	33.8%	31.8%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Depreciation (% of Sales)	6.9%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
EBIT Margin (% of Sales)	27.5%	25.2%	27.4%	27.4%	27.4%	27.4%	27.4%	27.4%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			20.6%	19.2%	19.2%	19.2%	19.2%	19.2%
PPE (% of Sales)	82%	98%	86%	86%	86%	86%	86%	86%
WCR (% of Sales)	-21%	-21%	-21%	-21%	-21%	-21%	-21%	-21%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	4.02%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	7,618,000	8,041,000	8,603,870	9,292,180	10,128,476	10,837,469	11,379,343	11,948,310
COGS + SGA	5,042,000	5,482,000	5,592,516	6,039,917	6,583,509	7,044,355	7,396,573	7,766,401
EBITDA	2,620,000	2,640,000	3,011,355	3,252,263	3,544,967	3,793,114	3,982,770	4,181,908
Depreciation	522,000	610,000	652,700	704,916	768,358	822,144	863,251	906,413
EBIT	2,098,000	2,030,000	2,358,655	2,547,347	2,776,608	2,970,971	3,119,519	3,275,495
Taxes			589,664	764,204	832,982	891,291	935,856	982,649
NOPLAT			1,768,991	1,783,143	1,943,626	2,079,679	2,183,663	2,292,847
Depreciation	522,000	610,000	652,700	704,916	768,358	822,144	863,251	906,413
Capex		2,259,000	174,028	1,296,862	1,487,573	1,431,878	863,251	906,413
ΔWCR		(106,000)	(119,560)	(146,205)	(177,639)	(150,598)	(115,100)	1
Free Cash Flow		(1,543,000)	2,367,223	1,337,401	1,402,050	1,620,543	2,298,764	2,292,846
PPE	6,229,000	7,878,000	7,399,328	7,991,274	8,710,489	9,320,223	9,786,235	
Capex=ΔPPE+Depr		2,259,000	174,028	1,296,862	1,487,573	1,431,878	1,329,262	
WCR	(1,602,000)	(1,708,000)	(1,827,560)	(1,973,765)	(2,151,404)	(2,302,002)	(2,417,102)	
ΔWCR		(106,000)	(119,560)	(146,205)	(177,639)	(150,598)	(115,100)	
Invested Capital	4,627,000	6,170,000	5,571,768	6,017,510	6,559,086	7,018,222	7,369,133	
ROIC			29%	32%	32%	32%	31%	4%
RONIC (set = to WACC)								

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.96	0.92	0.89	0.89
PV(FCF)				1,337,401	1,347,822	1,497,610	2,042,214	
Total PV(FCF)				6,225,046				
Continuation Value (CV)								56,987,786
PV(CV)				50,719,130				
Enterprise Value (=Total PV(FCF) + PV(CV))				56,944,176				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	2,620,000	2,640,000	3,011,355	3,252,263	3,544,967	3,793,114	3,982,770	92,506,300
NPV				R89,121,690				
Customer equity				R89,121,690				
DCF VALUE				56,944,176				



Taste Holdings - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		46.4%	48.0%	49.0%	45.0%	45.0%	40.0%
COGS + SG&A (% of Sales)	39.1%	47.0%	47.0%	47.0%	47.0%	47.0%	47.0%
EBITDA Margin (% of Sales)	60.9%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Depreciation (% of Sales)	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
EBIT Margin (% of Sales)	15.1%	16.5%	51.7%	51.7%	51.7%	51.7%	51.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			38.8%	36.2%	36.2%	36.2%	36.2%
PPE (% of Sales)	7%	9%	9%	9%	9%	9%	9%
WCR (% of Sales)	37%	25%	25%	25%	25%	25%	25%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.97%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	136,345	199,607	295,418	440,173	638,251	925,464	1,295,650
COGS + SGA	53,376	93,745	138,743	206,726	299,753	434,642	608,499
EBITDA	22,155	35,612	156,676	233,447	338,498	490,822	687,151
Depreciation	1,578	2,579	3,817	5,687	8,246	11,957	16,740
EBIT	20,577	33,033	152,859	227,760	330,252	478,865	670,411
Taxes			38,215	68,328	99,075	143,659	201,123
NOPLAT			114,644	159,432	231,176	335,205	469,287
Depreciation	1,578	2,579	3,817	5,687	8,246	11,957	16,740
Capex		10,141	11,964	17,996	25,089	36,380	16,740
ΔWCR		(854)	23,636	35,710	48,864	70,853	-
Free Cash Flow		(6,708)	82,861	111,413	165,469	239,930	469,287
PPE	9,411	16,973	25,120	37,429	54,272	78,694	
Capex=ΔPPE+Depr		10,141	11,964	17,996	25,089	36,380	
WCR	50,095	49,241	72,877	108,586	157,450	228,303	
ΔWCR		(854)	23,636	35,710	48,864	70,853	
Invested Capital	59,506	66,214	97,997	146,015	211,722	306,997	
ROIC			173%	163%	158%	158%	
RONIC (set = to WACC)							11%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.90	0.81	0.73	0.73
PV(FCF)			82,861	100,398	90,472	121,083	
Total PV(FCF)			394,814				
Continuation Value (CV)							4,277,292
PV(CV)			3,122,423				
Enterprise Value (=Total PV(FCF) + PV(CV))			3,517,237				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	22,155	35,612	156,676	233,447	338,498	490,822	4,571,987
NPV			R3,618,826				
Customer equity			R3,618,826				
DCF VALUE			3,517,237				



Taste Holdings - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		46.4%	48.0%	49.0%	45.0%	45.0%	40.0%	40.0%
COGS + SG&A (% of Sales)	39.1%	47.0%	47.0%	47.0%	47.0%	47.0%	47.0%	47.0%
EBITDA Margin (% of Sales)	60.9%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%	53.0%
Depreciation (% of Sales)	1.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
EBIT Margin (% of Sales)	15.1%	16.5%	51.7%	51.7%	51.7%	51.7%	51.7%	51.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			38.8%	36.2%	36.2%	36.2%	36.2%	36.2%
PPE (% of Sales)	7%	9%	9%	9%	9%	9%	9%	9%
WCR (% of Sales)	37%	25%	25%	25%	25%	25%	25%	25%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	10.97%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	136,345	199,607	295,418	440,173	638,251	925,464	1,295,650	1,813,910
COGS + SGA	53,376	93,745	138,743	206,726	299,753	434,642	608,499	851,899
EBITDA	22,155	35,612	156,676	233,447	338,498	490,822	687,151	962,011
Depreciation	1,578	2,579	3,817	5,687	8,246	11,957	16,740	23,436
EBIT	20,577	33,033	152,859	227,760	330,252	478,865	670,411	938,575
Taxes			38,215	68,328	99,075	143,659	201,123	281,572
NOPLAT			114,644	159,432	231,176	335,205	469,287	657,002
Depreciation	1,578	2,579	3,817	5,687	8,246	11,957	16,740	23,436
Capex		10,141	11,964	17,996	25,089	36,380	16,740	23,436
ΔWCR		(854)	23,636	35,710	48,864	70,853	91,321	1
Free Cash Flow		(6,708)	82,861	111,413	165,469	239,930	377,966	657,001
PPE	9,411	16,973	25,120	37,429	54,272	78,694	110,172	
Capex=ΔPPE+Depr		10,141	11,964	17,996	25,089	36,380	48,218	
WCR	50,095	49,241	72,877	108,586	157,450	228,303	319,624	
ΔWCR		(854)	23,636	35,710	48,864	70,853	91,321	
Invested Capital	59,506	66,214	97,997	146,015	211,722	306,997	429,795	
ROIC			173%	163%	158%	158%	153%	
RONIC (set = to WACC)								11%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.81	0.73	0.73
PV(FCF)				111,413	149,110	194,833	276,578	
Total PV(FCF)				731,934				
Continuation Value (CV)								5,988,209
PV(CV)				4,371,393				
Enterprise Value {=Total PV(FCF) + PV(CV)}				5,103,326				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	22,155	35,612	156,676	233,447	338,498	490,822	687,151	6,400,782
NPV				R5,100,927				
Customer equity				R5,100,927				
DCF VALUE				5,103,326				



TELKOM - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		-39.9%	3.0%	4.0%	5.0%	6.0%	5.0%
COGS + SG&A (% of Sales)	82.8%	30.4%	35.0%	37.0%	40.0%	40.0%	40.0%
EBITDA Margin (% of Sales)	17.2%	69.6%	65.0%	63.0%	60.0%	60.0%	60.0%
Depreciation (% of Sales)	6.0%	11.1%	11.0%	13.0%	13.0%	13.0%	13.0%
EBIT Margin (% of Sales)	11.2%	119.3%	54.0%	50.0%	47.0%	47.0%	47.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			40.5%	35.0%	32.9%	32.9%	32.9%
PPE (% of Sales)	67%	101%	80%	85%	85%	85%	85%
WCR (% of Sales)	-10%	5%	5%	5%	5%	5%	5%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	10.04%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	62,278,000	37,427,000	38,549,810	40,091,802	42,096,393	44,622,176	46,853,285
COGS + SGA	51,580,325	11,366,928	13,492,434	14,833,967	16,838,557	17,848,870	18,741,314
EBITDA	10,697,675	48,793,928	25,057,377	25,257,836	25,257,836	26,773,306	28,111,971
Depreciation	3,733,000	4,152,000	4,240,479	5,211,934	5,472,531	5,800,883	6,090,927
EBIT	6,964,675	44,641,928	20,816,897	20,045,901	19,785,304	20,972,423	22,021,044
Taxes			5,204,224	6,013,770	5,935,591	6,291,727	6,606,313
NOPLAT			15,612,673	14,032,131	13,849,713	14,680,696	15,414,731
Depreciation	3,733,000	4,152,000	4,240,479	5,211,934	5,472,531	5,800,883	6,090,927
Capex	672,000		(2,857,673)	8,450,118	7,176,433	7,947,799	6,090,927
ΔWCR		6,115,000	1,927,491	77,100	100,230	126,289	-
Free Cash Flow		(2,635,000)	20,733,335	10,716,847	12,045,582	12,407,491	15,414,731
PPE	41,418,000	37,938,000	30,839,848	34,078,032	35,781,934	37,928,850	
Capex=ΔPPE+Depr		672,000	(2,857,673)	8,450,118	7,176,433	7,947,799	
WCR	(6,165,000)	(50,000)	1,927,491	2,004,590	2,104,820	2,231,109	
ΔWCR		6,115,000	1,977,491	77,100	100,230	126,289	
Invested Capital	35,253,000	37,888,000	32,767,339	36,082,622	37,886,753	40,159,958	
ROIC			41%	43%	38%	39%	
RONIC (set = to WACC)							10%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1	0.91	0.83	0.75	0.75
PV(FCF)			20,733,335	9,739,065	9,947,827	9,311,820	
Total PV(FCF)			49,732,046				
Continuation Value (CV)							153,536,233
PV(CV)			115,152,175				
Enterprise Value {=Total PV(FCF) + PV(CV)}			164,884,221				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	CV
EBITDA	10,697,675	48,793,928	25,057,377	25,257,836	25,257,836	26,773,306	210,003,966
NPV			R236,096,990				
Customer equity			R236,096,990				
DCF VALUE			164,884,221				



TELKOM - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		-39.9%	3.0%	6.0%	6.0%	6.0%	5.0%	5.0%
COGS + SG&A (% of Sales)	82.8%	30.4%	35.0%	37.0%	40.0%	40.0%	40.0%	40.0%
EBITDA Margin (% of Sales)	17.2%	69.6%	65.0%	63.0%	60.0%	60.0%	60.0%	60.0%
Depreciation (% of Sales)	6.0%	11.1%	11.0%	13.0%	13.0%	13.0%	13.0%	13.0%
EBIT Margin (% of Sales)	11.2%	119.3%	54.0%	50.0%	47.0%	47.0%	47.0%	47.0%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			40.5%	35.0%	32.9%	32.9%	32.9%	32.9%
PPE (% of Sales)	67%	101%	80%	85%	85%	85%	85%	85%
WCR (% of Sales)	-10%	5%	5%	5%	5%	5%	5%	5%

Cost of Capital	
Cost of Debt (rd)	
Target Div	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	10.04%
WACC	
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	62,278,000	37,427,000	38,549,810	40,862,799	43,314,567	45,913,441	48,209,113	50,619,568
COGS + SG&A	51,580,325	11,366,928	13,492,434	15,119,235	17,325,827	18,365,376	19,283,645	20,247,827
EBITDA	10,697,675	48,793,928	25,057,377	25,743,563	25,988,740	27,548,064	28,925,468	30,371,741
Depreciation	3,733,000	4,152,000	4,240,479	5,312,164	5,630,894	5,968,747	6,267,185	6,580,544
EBIT	6,964,675	44,641,928	20,816,897	20,431,399	20,357,846	21,579,317	22,658,283	23,791,197
Taxes			5,204,224	6,129,420	6,107,354	6,473,795	6,797,485	7,137,359
NOPLAT			15,612,673	14,301,980	14,250,492	15,105,522	15,860,798	16,653,838
Depreciation	3,733,000	4,152,000	4,240,479	5,312,164	5,630,894	5,968,747	6,267,185	6,580,544
Capex		672,000	(2,857,673)	9,205,695	7,714,896	8,177,790	8,218,506	8,218,506
ΔWCR		6,115,000	1,927,491	115,649	122,588	129,944	114,784	114,784
Free Cash Flow		(2,635,000)	20,733,335	10,292,799	12,043,901	12,766,535	15,746,014	16,653,838
PPE	41,418,000	37,938,000	30,839,848	34,733,379	36,817,382	39,026,424	40,977,746	40,977,746
Capex=ΔPPE+Depr		672,000	(2,857,673)	9,205,695	7,714,896	8,177,790	8,218,506	8,218,506
WCR	(6,165,000)	(50,000)	1,927,491	2,043,140	2,165,728	2,295,672	2,410,456	2,410,456
ΔWCR		6,115,000	1,927,491	115,649	122,588	129,944	114,784	114,784
Invested Capital	35,253,000	37,888,000	32,767,339	36,776,519	38,983,110	41,322,096	43,388,201	43,388,201
ROIC			41%	44%	39%	39%	38%	38%
RONIC (set = to WACC)							10%	10%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.91	0.83	0.75	0.75
PV(FCF)				10,292,799	10,945,041	10,543,225	11,817,382	11,817,382
Total PV(FCF)				43,598,447				
Continuation Value (CV)							157,979,223	165,878,184
PV(CV)								
Enterprise Value (=Total PV(FCF) + PV(CV))				124,408,638				
- Financial Debt				168,007,085				
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	10,697,675	48,793,928	25,057,377	25,743,563	25,988,740	27,548,064	28,925,468	216,081,004
NPV				R219,187,115				
Customer equity				R219,187,115				
DCF VALUE				168,007,085				



Truwoths - 2010							
Yellow cells are inputs							
Blue text is forecast or estimate							
Assumptions							
	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		10.5%	11.0%	12.0%	13.0%	15.0%	11.0%
COGS + SG&A (% of Sales)	45.4%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%
EBITDA Margin (% of Sales)	54.6%	54.9%	54.9%	54.9%	54.9%	54.9%	54.9%
Depreciation (% of Sales)	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
EBIT Margin (% of Sales)	33.5%	34.1%	53.3%	53.3%	53.3%	53.3%	53.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			40.0%	37.3%	37.3%	37.3%	37.3%
PPE (% of Sales)	9%	10%	10%	10%	10%	10%	10%
WCR (% of Sales)	33%	38%	38%	38%	38%	38%	38%
Cost of Capital							
Cost of Debt (rd)							
Target D/V							
Tax Rate							
Risk-Free Rate (rf)							
Unlevered beta							
Market Risk Premium							
Cost of Equity (re)							
Target E/V							
WACC	10.46%						
Levered beta							
Forecasts							
	2009	2010	2011	2012	2013	2014	CV
Sales	5,651,000	6,247,000	6,934,170	7,766,270	8,775,886	10,092,268	11,202,418
COGS + SGA	2,568,000	2,817,000	3,126,870	3,502,094	3,957,367	4,550,972	5,051,579
EBITDA	1,983,000	2,231,000	3,807,300	4,264,176	4,818,519	5,541,297	6,150,839
Depreciation	89,000	101,000	112,110	125,563	141,886	163,169	181,118
EBIT	1,894,000	2,130,000	3,695,190	4,138,613	4,676,632	5,378,127	5,969,721
Taxes			923,798	1,241,584	1,402,990	1,613,438	1,790,916
NOPLAT			2,771,393	2,897,029	3,273,643	3,764,689	4,178,805
Depreciation	89,000	101,000	112,110	125,563	141,886	163,169	181,118
Capex		192,000	180,090	207,881	241,765	293,396	181,118
ΔWCR		516,000	260,150	315,018	382,222	498,358	-
Free Cash Flow		(607,000)	2,443,263	2,499,693	2,791,542	3,136,104	4,178,805
PPE	527,000	618,000	685,980	768,298	868,176	998,403	
Capex=ΔPPE+Depr		192,000	180,090	207,881	241,765	293,396	
WCR	1,849,000	2,365,000	2,625,150	2,940,168	3,322,390	3,820,748	
ΔWCR		516,000	260,150	315,018	382,222	498,358	
Invested Capital	2,376,000	2,983,000	3,311,130	3,708,466	4,190,566	4,819,151	
ROIC			93%	87%	88%	90%	
RONIC (set = to WACC)							10%
Valuation							
	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.91	0.82	0.74	0.74
PV(FCF)			2,443,263	2,263,047	2,288,009	2,327,077	
Total PV(FCF)			9,321,395				
Continuation Value (CV)							39,961,795
PV(CV)							29,571,729
Enterprise Value {=Total PV(FCF) + PV(CV)}			38,893,124				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	1,983,000	2,231,000	3,807,300	4,264,176	4,818,519	5,541,297	43,527,026
NPV			R40,712,248				
Customer equity			R40,712,248				
DCF VALUE			38,893,124				



Truwoths - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		10.5%	11.0%	12.0%	13.0%	15.0%	11.0%	11.0%
COGS + SG&A (% of Sales)	45.4%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%	45.1%
EBITDA Margin (% of Sales)	54.6%	54.9%	54.9%	54.9%	54.9%	54.9%	54.9%	54.9%
Depreciation (% of Sales)	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
EBIT Margin (% of Sales)	33.5%	34.1%	53.3%	53.3%	53.3%	53.3%	53.3%	53.3%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			40.0%	37.3%	37.3%	37.3%	37.3%	37.3%
PPE (% of Sales)	9%	10%	10%	10%	10%	10%	10%	10%
WCR (% of Sales)	33%	38%	38%	38%	38%	38%	38%	38%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	10.46%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	5,651,000	6,247,000	6,934,170	7,766,270	8,775,886	10,092,268	11,202,418	12,434,684
COGS + SGA	2,568,000	2,817,000	3,126,870	3,502,094	3,957,367	4,550,972	5,051,579	5,607,252
EBITDA	1,983,000	2,231,000	3,807,300	4,264,176	4,818,519	5,541,297	6,150,839	6,827,432
Depreciation	89,000	101,000	112,110	125,563	141,886	163,169	181,118	201,041
EBIT	1,894,000	2,130,000	3,695,190	4,138,613	4,676,632	5,378,127	5,969,721	6,626,391
Taxes			923,798	1,241,584	1,402,990	1,613,438	1,790,916	1,987,917
NOPLAT			2,771,393	2,897,029	3,273,643	3,764,689	4,178,805	4,638,473
Depreciation	89,000	101,000	112,110	125,563	141,886	163,169	181,118	201,041
Capex		192,000	180,090	207,881	241,765	293,396	181,118	201,041
ΔWCR		516,000	260,150	315,018	382,222	498,358	420,282	1
Free Cash Flow		(607,000)	2,443,263	2,499,693	2,791,542	3,136,104	3,758,523	4,638,472
PPE	527,000	618,000	685,980	768,298	868,176	998,403	1,108,227	
Capex=ΔPPE+Depr		192,000	180,090	207,881	241,765	293,396	290,942	
WCR	1,849,000	2,365,000	2,625,150	2,940,168	3,322,390	3,820,748	4,241,031	
ΔWCR		516,000	260,150	315,018	382,222	498,358	420,282	
Invested Capital	2,376,000	2,983,000	3,311,130	3,708,466	4,190,566	4,819,151	5,349,258	
ROIC			93%	87%	88%	90%	87%	10%
RONIC (set = to WACC)								

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.91	0.82	0.74	0.74
PV(FCF)				2,499,693	2,527,266	2,570,419	2,788,929	
Total PV(FCF)				10,386,308				
Continuation Value (CV)								44,357,593
PV(CV)				32,824,619				
Enterprise Value (=Total PV(FCF) + PV(CV))				43,210,926				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	1,983,000	2,231,000	3,807,300	4,264,176	4,818,519	5,541,297	6,150,839	48,314,999
NPV				R45,437,983				
Customer equity				R45,437,983				
DCF VALUE				43,210,926				



Vodacom - 2010

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		6.1%	8.0%	10.0%	9.0%	9.0%	6.0%
COGS + SG&A (% of Sales)	55.1%	45.7%	55.0%	58.0%	60.0%	60.0%	60.0%
EBITDA Margin (% of Sales)	44.9%	54.3%	45.0%	42.0%	40.0%	40.0%	40.0%
Depreciation (% of Sales)	7.2%	7.1%	7.3%	7.3%	7.3%	7.3%	7.3%
EBIT Margin (% of Sales)	22.6%	25.3%	37.7%	34.7%	32.7%	32.7%	32.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			28.3%	24.3%	22.9%	22.9%	22.9%
PPE (% of Sales)	40%	37%	40%	40%	40%	40%	40%
WCR (% of Sales)	-18%	-5%	-5%	-5%	-5%	-5%	-5%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target EV	
WACC	6.65%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	CV
Sales	55,187,100	58,535,000	63,217,800	69,539,580	75,798,142	82,619,975	87,577,173
COGS + SGA	30,421,600	26,774,000	34,769,790	40,332,956	45,478,885	49,571,985	52,546,304
EBITDA	16,399,100	19,010,000	28,448,010	29,206,624	30,319,257	33,047,990	35,030,869
Depreciation	3,948,000	4,183,000	4,614,899	5,076,389	5,533,264	6,031,258	6,393,134
EBIT	12,451,100	14,827,000	23,833,111	24,130,234	24,785,992	27,016,732	28,637,736
Taxes			5,958,278	7,239,070	7,435,798	8,105,020	8,591,321
NOPLAT			17,874,833	16,891,164	17,350,195	18,911,712	20,046,415
Depreciation	3,948,000	4,183,000	4,614,899	5,076,389	5,533,264	6,031,258	6,393,134
Capex		3,721,900	8,519,019	7,605,101	8,036,689	8,759,991	6,393,134
ΔWCR		6,791,400	(232,400)	(313,740)	(310,603)	(338,557)	-
Free Cash Flow		(6,330,300)	14,203,113	14,676,192	15,157,372	16,521,536	20,046,415
PPE	21,844,100	21,383,000	25,287,120	27,815,832	30,319,257	33,047,990	
Capex=ΔPPE+Depr		3,721,900	8,519,019	7,605,101	8,036,689	8,759,991	
WCR	(9,696,400)	(2,905,000)	(3,137,400)	(3,451,140)	(3,761,743)	(4,100,299)	
ΔWCR		6,791,400	(232,400)	(313,740)	(310,603)	(338,557)	
Invested Capital	12,147,700	18,478,000	22,149,720	24,364,692	26,557,514	28,947,691	
ROIC			97%	76%	71%	71%	
RONIC (set = to WACC)							7%

Valuation	2009	2010	2011	2012	2013	2014	CV
Discount Factor			1.00	0.94	0.88	0.82	0.82
PV(FCF)			14,203,113	13,760,654	13,325,249	13,618,445	
Total PV(FCF)			54,907,461				
Continuation Value (CV)							301,300,332
PV(CV)			247,066,273				
Enterprise Value {=Total PV(FCF) + PV(CV)}			301,973,734				
- Financial Debt							
- Minority Interest							
+ Affiliates							
- Pension Obligations							
TOTAL EQUITY VALUE							
Estimated Shares Outstanding (millions)							
Equity Value (EUR per Share)							
CUSTOMER EQUITY CALCULATION							
EBITDA	16,399,100	19,010,000	28,448,010	29,206,624	30,319,257	33,047,990	431,745,343
NPV			R415,747,366				
Customer equity			R415,747,366				
DCF VALUE			301,973,734				



Vodacom - 2011

Yellow cells are inputs
Blue text is forecast or estimate

Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		6.1%	8.0%	10.0%	9.0%	9.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	55.1%	45.7%	55.0%	58.0%	60.0%	60.0%	60.0%	60.0%
EBITDA Margin (% of Sales)	44.9%	54.3%	45.0%	42.0%	40.0%	40.0%	40.0%	40.0%
Depreciation (% of Sales)	7.2%	7.1%	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
EBIT Margin (% of Sales)	22.6%	25.3%	37.7%	34.7%	32.7%	32.7%	32.7%	32.7%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			28.3%	24.3%	22.9%	22.9%	22.9%	22.9%
PPE (% of Sales)	40%	37%	40%	40%	40%	40%	40%	40%
WCR (% of Sales)	-18%	-5%	-5%	-5%	-5%	-5%	-5%	-5%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	6.65%
Levered beta	

Forecasts	2009	2010	2011	2012	2013	2014	2015	CV
Sales	55,187,100	58,535,000	63,217,800	69,539,580	75,798,142	82,619,975	87,577,173	92,831,804
COGS + SGA	30,421,600	26,774,000	34,769,790	40,332,956	45,478,885	49,571,985	52,546,304	55,699,082
EBITDA	16,399,100	19,010,000	28,448,010	29,206,624	30,319,257	33,047,990	35,030,869	37,132,722
Depreciation	3,948,000	4,183,000	4,614,899	5,076,389	5,533,264	6,031,258	6,393,134	6,776,722
EBIT	12,451,100	14,827,000	23,833,111	24,130,234	24,785,992	27,016,732	28,637,736	30,356,000
Taxes			5,958,278	7,239,070	7,435,798	8,105,020	8,591,321	9,106,800
NOPLAT			17,874,833	16,891,164	17,350,195	18,911,712	20,046,415	21,249,200
Depreciation	3,948,000	4,183,000	4,614,899	5,076,389	5,533,264	6,031,258	6,393,134	6,776,722
Capex		3,721,900	8,519,019	7,605,101	8,036,689	8,759,991	6,393,134	6,776,722
ΔWCR		6,791,400	(232,400)	(313,740)	(310,603)	(338,557)	(246,018)	1
Free Cash Flow		(6,330,300)	14,203,113	14,676,192	15,157,372	16,521,536	20,292,433	21,249,199
PPE	21,844,100	21,383,000	25,287,120	27,815,832	30,319,257	33,047,990	35,030,869	
Capex=ΔPPE+Depr		3,721,900	8,519,019	7,605,101	8,036,689	8,759,991	8,376,013	
WCR	(9,696,400)	(2,905,000)	(3,137,400)	(3,451,140)	(3,761,743)	(4,100,299)	(4,346,317)	
ΔWCR		6,791,400	(232,400)	(313,740)	(310,603)	(338,557)	(246,018)	
Invested Capital	12,147,700	18,478,000	22,149,720	24,364,692	26,557,514	28,947,691	30,684,552	
ROIC			97%	76%	71%	71%	69%	
RONIC (set = to WACC)								7%

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.94	0.88	0.82	0.82
PV(FCF)				14,676,192	14,211,818	14,524,521	16,726,737	
Total PV(FCF)				60,139,268				
Continuation Value (CV)								319,378,352
PV(CV)				261,890,249				
Enterprise Value {=Total PV(FCF) + PV(CV)}				322,029,517				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								

CUSTOMER EQUITY CALCULATION	2009	2010	2011	2012	2013	2014	2015	CV
EBITDA	16,399,100	19,010,000	28,448,010	29,206,624	30,319,257	33,047,990	35,030,869	457,650,064
NPV				R439,990,414				
Customer equity				R439,990,414				
DCF VALUE				322,029,517				



Woolworths - 2010															
Yellow cells are inputs															
Blue text is forecast or estimate															
Assumptions								Forecasts							
	2009	2010	2011	2012	2013	2014	CV		2009	2010	2011	2012	2013	2014	CV
Sales Growth (%/yr)		5.5%	6.0%	7.0%	7.0%	6.0%	6.0%	Sales	20,064,900	21,175,000	22,445,500	24,016,685	25,697,853	27,239,724	28,874,108
COGS + SG&A (% of Sales)	65.2%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%	COGS + SGA	13,076,700	14,501,100	15,371,166	16,447,148	17,598,448	18,654,355	19,773,616
EBITDA Margin (% of Sales)	34.8%	31.5%	31.5%	31.5%	31.5%	31.5%	31.5%	EBITDA	2,440,900	2,460,700	7,074,334	7,569,537	8,099,405	8,585,369	9,100,491
Depreciation (% of Sales)	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	Depreciation	318,100	359,600	381,176	407,858	436,408	462,593	490,348
EBIT Margin (% of Sales)	10.6%	9.9%	29.8%	29.8%	29.8%	29.8%	29.8%	EBIT	2,122,800	2,101,100	6,693,158	7,161,679	7,662,997	8,122,776	8,610,143
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	Taxes			1,673,290	2,148,504	2,298,899	2,436,833	2,583,043
NOPLAT (% of Sales)			22.4%	20.9%	20.9%	20.9%	20.9%	NOPLAT			5,019,869	5,013,175	5,364,098	5,685,943	6,027,100
								Depreciation	318,100	359,600	381,176	407,858	436,408	462,593	490,348
								Capex		500,700	504,638	560,540	599,777	612,426	490,348
								ΔWCR		(828,300)	93,750	115,938	124,053	113,774	-
								Free Cash Flow		687,200	4,802,657	4,744,557	5,076,675	5,422,336	6,027,100
								PPE	1,916,600	2,057,700	2,181,162	2,333,843	2,497,212	2,647,045	
PPE (% of Sales)	10%	10%	10%	10%	10%	10%	10%	Capex=ΔPPE+Depr		500,700	504,638	560,540	599,777	612,426	
WCR (% of Sales)	12%	7%	7%	7%	7%	7%	7%	WCR	2,390,800	1,562,500	1,656,250	1,772,188	1,896,241	2,010,015	
								ΔWCR		(828,300)	93,750	115,938	124,053	113,774	
								Invested Capital	4,307,400	3,620,200	3,837,412	4,106,031	4,393,453	4,657,060	
								ROIC			139%	131%	131%	129%	
								RONIC (set = to WACC)							11%
Cost of Capital								Valuation							
Cost of Debt (rd)									2009	2010	2011	2012	2013	2014	CV
Target D/V								Discount Factor			1.00	0.90	0.81	0.73	0.73
Tax Rate								PV(FCF)			4,802,657	4,266,265	4,104,724	3,942,241	
Risk-Free Rate (rf)								Total PV(FCF)			17,115,887				
Unlevered beta								Continuation Value (CV)							53,760,593
Market Risk Premium								PV(CV)			39,245,233				
Cost of Equity (re)								Enterprise Value {=Total PV(FCF) + PV(CV)}			56,361,120				
Target EV								- Financial Debt							
WACC	11.21%							- Minority Interest							
								+ Affiliates							
								- Pension Obligations							
Levered beta								TOTAL EQUITY VALUE							
								Estimated Shares Outstanding (millions)							
								Equity Value (EUR per Share)							
								CUSTOMER EQUITY CALCULATION							
								EBITDA	2,440,900	2,460,700	7,074,334	7,569,537	8,099,405	8,585,369	59,257,504
								NPV			R58,816,821				
								Customer equity			R58,816,821				
								DCF VALUE			56,361,120				

Woolworths - 2011								
Yellow cells are inputs Blue text is forecast or estimate								
Assumptions	2009	2010	2011	2012	2013	2014	2015	CV
Sales Growth (%/yr)		5.5%	6.0%	7.0%	7.0%	6.0%	6.0%	6.0%
COGS + SG&A (% of Sales)	65.2%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%
EBITDA Margin (% of Sales)	34.8%	31.5%	31.5%	31.5%	31.5%	31.5%	31.5%	31.5%
Depreciation (% of Sales)	1.6%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
EBIT Margin (% of Sales)	10.6%	9.9%	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%
Marginal Tax Rate			25.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPLAT (% of Sales)			22.4%	20.9%	20.9%	20.9%	20.9%	20.9%
PPE (% of Sales)	10%	10%	10%	10%	10%	10%	10%	10%
WCR (% of Sales)	12%	7%	7%	7%	7%	7%	7%	7%

Cost of Capital	
Cost of Debt (rd)	
Target D/V	
Tax Rate	
Risk-Free Rate (rf)	
Unlevered beta	
Market Risk Premium	
Cost of Equity (re)	
Target E/V	
WACC	11.21%
Levered beta	

Valuation	2009	2010	2011	2012	2013	2014	2015	CV
Discount Factor				1.00	0.90	0.81	0.73	0.73
PV(FCF)				4,744,557	4,564,904	4,384,206	4,294,246	
Total PV(FCF)				17,987,913				
Continuation Value (CV)								56,986,229
PV(CV)				41,599,947				
Enterprise Value (=Total PV(FCF) + PV(CV))				59,587,859				
- Financial Debt								
- Minority Interest								
+ Affiliates								
- Pension Obligations								
TOTAL EQUITY VALUE								
Estimated Shares Outstanding (millions)								
Equity Value (EUR per Share)								
CUSTOMER EQUITY CALCULATION								
EBITDA	2,440,900	2,460,700	7,074,334	7,569,537	8,099,405	8,585,369	9,100,491	62,812,954
NPV				R58,442,927				
Customer equity				R58,442,927				
DCF VALUE				59,587,859				