

RECENT PRICE **32.00** P/E RATIO **6.0** (Trailing: 8.6 Median: NMF) RELATIVE P/E RATIO **0.39** DIV'D YLD **Nil** **VALUE LINE**

2015-17 PROJECTIONS

Price

Gain

Ann'l Total Return

High

45

(+40%)

9%

Low

30

(-5%)

-1%

Insider Decisions

F

M

A

M

J

J

A

S

O

to Buy

0

0

0

0

0

0

0

0

0

Options

0

1

0

0

0

0

0

0

0

to Sell

0

0

0

1

1

0

0

0

0

Institutional Decisions

1Q2012

2Q2012

3Q2012

to Buy

131

102

135

to Sell

149

156

101

Hld's(000)

58430

60588

65568

Percent shares traded

75

50

25

% TOT. RETURN 11/12

THIS STOCK

VL ARITH. INDEX

1 yr.

-43.6

14.2

3 yr.

-77.3

45.5

5 yr.

-88.6

35.5

2002	2003	2004	2005 <sup>A</sup>	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
--	--	--	1.06	1.87	6.41	15.27	24.24	29.86	31.98	<b>41.60</b>	<b>44.65</b>	Sales per sh <sup>A</sup>	<b>46.00</b>
--	--	--	d.07	.20	1.73	5.00	9.03	9.56	8.31	<b>7.60</b>	<b>7.55</b>	"Cash Flow" per sh	<b>7.30</b>
--	--	--	d.14	.07	1.43	4.24	7.53	7.68	5.55	<b>4.65</b>	<b>4.65</b>	Earnings per sh <sup>A B</sup>	<b>3.60</b>
--	--	--	--	--	--	--	--	--	--	<i>Nil</i>	<i>Nil</i>	Div'ds Decl'd per sh	<i>Nil</i>
--	--	--	.94	2.12	3.08	5.63	3.28	6.86	8.46	<b>4.60</b>	<b>4.00</b>	Cap'l Spending per sh	<b>4.00</b>
--	--	--	.29	5.69	13.96	18.54	31.13	40.25	42.13	<b>41.50</b>	<b>45.70</b>	Book Value per sh	<b>55.00</b>
--	--	--	45.21	72.33	78.58	81.60	85.23	85.84	86.49	<b>87.00</b>	<b>88.00</b>	Common Shs Outst'g <sup>C</sup>	<b>87.00</b>
--	--	--	--	NMF	NMF	NMF	19.3	16.5	19.4	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	<b>10.0</b>
--	--	--	--	NMF	NMF	NMF	1.29	1.05	1.23			Relative P/E Ratio	<b>.65</b>
--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	<i>Nil</i>
--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) <sup>A</sup>	<b>4000</b>
--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	d6.6	4.0	11.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	<i>Nil</i>	<i>Nil</i>	All Div'ds to Net Prof	<i>Nil</i>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>
--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>	
--	--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>	
--	--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>	
--	--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	--		3.4	10.2	24.5	59.5	129.6	156.1	<b>235.2</b>	<b>265</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--		56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	--		28.6	61.0	68.9	163.5	146.4	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	--		13.1	411.4	1097.3	1513.0	2652.8	3454.9	<b>3643.9</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	estimates		Avg Ann'l Div'd Yield	Nil	
--	--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	3620	3930	Sales (\$mill) ^	4000
--	--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	20.5%	19.0%	Operating Margin	16.0%
--	--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	265	255	Depreciation (\$mill)	325
--	--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	405	410	Net Profit (\$mill)	310
--	--	--	--		56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	16.0%	17.0%	Income Tax Rate	35.0%
--	--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	11.2%	10.4%	Net Profit Margin	7.8%
--	--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	1630	1575	Working Cap'l (\$mill)	2250
--	--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	470	470	Long-Term Debt (\$mill)	470
--	--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	3610	4020	Shr. Equity (\$mill)	4800
--	--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	10.0%	9.0%	Return on Total Cap'l	5.5%
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	11.0%	10.0%	Return on Shr. Equity	6.5%
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	11.0%	10.0%	Retained to Com Eq	6.5%
--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>
--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>
--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>
--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

		--	--	--	--	--	--	--	--	<i>estimates</i>		Avg Ann'l Div'd Yield	<i>Nil</i>	
--	--	--	--	48.1	135.0	504.0	1246.3	2066.2	2563.5	2766.2	<b>3620</b>	<b>3930</b>	Sales (\$mill) ^	<b>4000</b>
--	--	--	--	NMF	9.6%	32.1%	39.9%	39.2%	35.3%	28.3%	<b>20.5%</b>	<b>19.0%</b>	Operating Margin	<b>16.0%</b>
--	--	--	--	3.4	10.2	24.5	59.5	129.6	156.1	235.2	<b>265</b>	<b>255</b>	Depreciation (\$mill)	<b>325</b>
--	--	--	--	d6.6	4.0	111.7	348.3	640.1	664.2	483.6	<b>405</b>	<b>410</b>	Net Profit (\$mill)	<b>310</b>
--	--	--	--	--	56.7%	28.4%	24.9%	6.7%	12.8%	14.2%	<b>16.0%</b>	<b>17.0%</b>	Income Tax Rate	<b>35.0%</b>
--	--	--	--	NMF	2.9%	22.2%	27.9%	31.0%	25.9%	17.5%	<b>11.2%</b>	<b>10.4%</b>	Net Profit Margin	<b>7.8%</b>
--	--	--	--	d7.3	336.4	616.0	695.6	956.4	1114.8	1639.6	<b>1630</b>	<b>1575</b>	Working Cap'l (\$mill)	<b>2250</b>
--	--	--	--	28.6	61.0	68.9	163.5	146.4	210.8	619.1	<b>470</b>	<b>470</b>	Long-Term Debt (\$mill)	<b>470</b>
--	--	--	--	13.1	411.4	1097.3	1513.0	2652.8	3454.9	3643.9	<b>3610</b>	<b>4020</b>	Shr. Equity (\$mill)	<b>4800</b>
--	--	--	--	NMF	.9%	9.8%	20.9%	23.0%	18.1%	11.3%	<b>10.0%</b>	<b>9.0%</b>	Return on Total Cap'l	<b>5.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Return on Shr. Equity	<b>6.5%</b>
--	--	--	--	NMF	1.0%	10.2%	23.0%	24.1%	19.2%	13.3%	<b>11.0%</b>	<b>10.0%</b>	Retained to Com Eq	<b>6.5%</b>
--	--	--	--	--	--	--	--	--	--	--	<b>Nil</b>	<b>Nil</b>	All Div'ds to Net Prof	<b>Nil</b>

**First Solar's business continues to recover amid a challenging solar backdrop.** Third-quarter revenues of \$839 million came in lower than expected due to the company's ongoing transition from being a module manufacturer to a project-based business, which makes the timing of revenues unpredictable. However, continued improvements in the cost structure and manufacturing efficiency gains led to earnings per share of \$1.27, versus our estimate of \$1.05.

**Fourth-quarter guidance was narrowed.** Revenue expectations were reduced by about \$100 million at the midpoint, to \$3.5 billion-\$3.8 billion. Management attributed the reduction to Hurricane Sandy, which disrupted some of the company's construction sites and corresponding supply chains.

**The project pipeline continues to grow on the strength of emerging markets.** First Solar reported that its pipeline increased to 3.0 gigawatts, up from 2.9 gigawatts during the second quarter. More interesting was where the growth came from. With demand in North America and Europe not as robust as it

once was, First Solar has turned its attention to emerging markets. It recently embarked on its first major project in the Middle East, having been selected to construct a 13-megawatt PV power plant near Dubai. This could be the first phase of a much larger project that is expected to reach one gigawatt of clean energy capacity. FSLR also signed 75-megawatts worth of new deals in India in the third quarter.

**Close to \$9 billion of expected future revenue should provide a level of comfort for long-term investors.** That was the size of First Solar's backlog at the end of the third quarter. However, the company's backlog was down around \$500 million since the beginning of the year, having recognized \$2.3 billion of revenue during that time, but only adding \$1.8 billion in new bookings.

**First Solar is an Average selection for Timeliness.** Although these shares have regained some lost ground over the last few months, solar remains a challenging market. Plus, concerns over future profitability could resurface at any time and send the stock down.

*Steven Shnavder* *December 28, 2012*

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*Steven Shnavder                      December 28, 2012*

Company's Financial Strength	A
Stock's Price Stability	15
Price Growth Persistence	35
Earnings Predictability	35

(C) In millions.

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