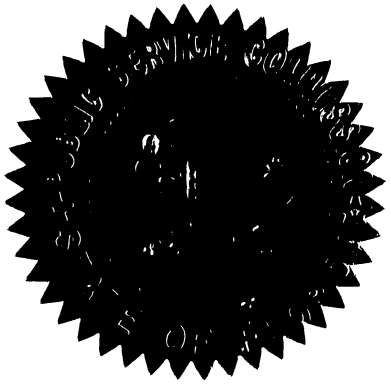
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080006-WS

In the Matter of:

WATER AND WASTEWATER INDUSTRY ANNUAL REESTABLISHMENT OF AUTHORIZED RANGE OF RETURN ON COMMON EQUITY FOR WATER AND WASTEWATER UTILITIES PURSUANT TO SECTION 367.081(4)(f), F.S.
_____/



PROCEEDINGS: HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Thursday, October 23, 2008

TIME: Commenced at 9:30 a.m.
Concluded at 1:35 p.m.

DATE: Thursday, October 23, 2008

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: MARY ALLEN NEEL, RPR, FPR

VOLUME 2

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APPEARANCES:

(As heretofore stated.)

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CHAIRMAN CARTER: Mr. Friedman, you're recognized.

MR. FRIEDMAN: We call back to the stand, so to speak, Pauline Ahern.

CHAIRMAN CARTER: Ms. Ahern.

THE WITNESS: Good afternoon.

CHAIRMAN CARTER: Oh, yeah, good afternoon. It is afternoon, isn't it?

Commissioners, while Ms. Ahern is coming, just for planning purposes, what I would like to do is, maybe we can truck on for at least an hour and see how far we get, and at that point in time, we'll maybe look for a good breaking point, and do that at that point in time. But I think we can kind of truck on for at least another hour here. That will hopefully give us some perspective, because what we have now, we're pretty much into the rebuttal portion of the case.

Oh, I didn't see the surrebuttal. We'll get through it.

Mr. Friedman.

Thereupon,

PAULINE M. AHERN

was called as a rebuttal witness on behalf of Utilities, Inc. and, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FRIEDMAN:

Q. Ms. Ahern, would you state your name, please.

A. It's Pauline M. Ahern, A-h-e-r-n.

Q. Ms. Ahern, you were previously sworn, were you not?

A. Yes, I was.

Q. In connection with this proceeding, did you prefile any rebuttal testimony?

A. Yes, I did.

Q. And in connection with that testimony, did you prefile an appendix and Exhibits PMA-2 through PMA-28?

A. Yes.

Q. Do you have any changes or corrections to your testimony?

A. I have one correction to the testimony. On page 21, line 2, the third word says "basis," and it should say "basic."

Q. Any other changes other than that?

A. No.

Q. Ms. Ahern, if I were to ask you the questions in the rebuttal testimony, would your responses be the

same as in your rebuttal testimony?

A. Yes, they would.

MR. FRIEDMAN: I would ask that Ms. Ahern's testimony be inserted into the record as though read.

CHAIRMAN CARTER: The prefiled testimony of the witness will be entered into the record as though read.

REBUTTAL TESTIMONY OF PAULINE M. AHERN, CRRA

I. INTRODUCTION

Q. Please state your name, occupation and business address.

A. My name is Pauline M. Ahern and I am a Principal of AUS Consultants. My business address is 155 Gaither Drive, Suite A, Mt. Laurel, New Jersey 08054.

Q. Are you the same Pauline M. Ahern who previously submitted direct testimony in this proceeding?

A. Yes, I am.

Q. Have you prepared exhibits which support your rebuttal testimony?

A. Yes, I have. They have been marked for identification as Exhibit (PMA-2)__ through (PMA-28)__.

II. PURPOSE

Q. What is the purpose of this testimony?

A. The purpose of this testimony is to rebut certain aspects of the direct testimony of James A. Rothschild, witness for the Office of the Public Counsel (OPC) on behalf of the Citizens of the State of Florida regarding his recommended changes to the current leverage formula as well as his recommended base common equity cost rate to be utilized in the leverage formula. Specifically, I will address OPC Witness Rothschild's erroneous assumption that the cost rate of common equity must move in tandem with interest rate levels; his suggested changes to the leverage formula, including his misinterpretation of the Modigliani / Miller principle; his unnecessary assumption that the debt cost rate must change as the level of debt in the capital structure changes; and his rejection of the Florida Public Service Commission's (FL PSC) recommendation of

the addition of a bond yield differential, private placement premium and small utility risk premium as well as a flotation cost adjustment to the base common equity cost rate to be applied in the leverage formula; his reliance upon retention growth plus reinvestment growth (BR + SV) in his application of the Discounted Cash Flow Model (DCF), and his application of the Capital Asset Pricing Model (CAPM). Finally, I will present a common equity cost rate analysis which demonstrates that the results of the leverage formula are reasonable for establishing a return on common equity for water and wastewater utilities in Florida.

III. SUMMARY

Q. Please summarize your rebuttal testimony.

A. My testimony describes the errors contained in the direct testimony of OPC Witness Rothschild with regard to the reasonableness of the leverage formula applied to the return on common equity of water and wastewater utilities in the state of Florida. In doing so, my testimony explains how the assumption made by OPC Witness Rothschild that the cost of common equity must move in tandem with the movement in interest rates is fundamentally correct if all else is equal, but in reality is incorrect due to the multiple factors that affect the common equity cost rate.

My testimony also explains why OPC Witness Rothschild is theoretically correct in assuming that the debt cost rate should change with the company's common equity ratio but will demonstrate why it is reasonable for the debt cost rate to remain constant for the entire spread of common equity ratios.

In addition, my testimony will demonstrate OPC Witness Rothschild's misinterpretation of the Modigliani / Miller principle and his subsequent misapplication

of the principle to the overall cost of capital for water and wastewater utilities.

Further, my testimony will also explain why it is necessary for the addition of a bond differential, private placement premium, a small utility risk premium, as well as a flotation cost adjustment to the common equity cost rate to be applied in the leverage formula.

I will also explain why OPC Witness Rothschild's DCF method of retention growth plus reinvestment growth (BR + SV) is flawed and should be disregarded in this proceeding and I will demonstrate how OPC Witness Rothschild's CAPM analysis is not really a CAPM analysis, and should also be disregarded.

Finally, I will demonstrate the reasonableness of the leverage formula with regard to the common equity cost rate of water and wastewater utilities in the state of Florida by an independent analysis of four cost of capital models; the DCF, CAPM, Risk Premium Model, and the Comparable Earnings Model applied to the market data of a proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index.

IV. OPC WITNESS ROTHSCHILD'S ASSUMPTION REGARDING COMMON EQUITY COST RATE AND INTEREST RATE LEVELS

Q. On page 6, lines 9-15 of his direct testimony, OPC Witness Rothschild asserts that, since interest rates have fallen between the 2001 leverage finding by the FL PSC and the current 2008 update to the leverage formula, that "one should be highly confident that the cost of equity has also dropped." Please comment.

A. Theoretically, OPC Witness Rothschild is correct, providing that all else is equal, meaning that all other capital market and economic conditions and factors which affect

investors' expected return rate on common equity capital, are identical in 2008 to those prevailing in 2001. However, all else is not equal. When the 2001 leverage formula was developed by the FL PSC Staff in the summer of 2001[1], the United States (U.S.) had not yet experienced: 1) the terrorist attacks of September 11, 2001 and their aftermath, including the continuing wars in Afghanistan and Iraq; 2) the recent run-up of energy prices and their effect on both the U.S. and world economies; 3) the recent mortgage and subsequent housing and credit crises in both the U.S. and the world; 4) the current weak U.S. economy which is facing a potential recession; 5) the current unemployment rate which is the highest in five years; 5) rising interest rates; and 6) the increased riskiness of the utility industry as evidenced by rising betas.

As can be gleaned from pages 1 and 2 of Exhibit (PMA-2)__ which show the Blue Chip Financial Forecasts (Blue Chip) of August 1, 2001 (used by FL PSC Staff in its 2001 leverage formulation) and September 1, 2008 (the most recently available), the consensus of 50 economists relative to Gross Domestic Product (GDP), a measure of the strength of the U.S. economy, indicates that the expected growth in the economy was greater in 2001 than currently in 2008. The August 1, 2001 Blue Chip shows an expected consensus average growth in GDP of 3.0% for the six quarters ending with the fourth quarter 2002 in contrast to currently expected growth in GDP of 1.5% for the six quarters ending with the fourth quarter 2009 based upon the September 1, 2008 Blue Chip. Likewise, expected inflationary pressures are greater in 2008 than they were in 2001, as the consensus Blue Chip expected inflation as measured by the GDP price

[1] See Attachment A to Order No. PSC-01-2514-FOF-WS issued December 24, 2001 which presents FL PSC Staff's leverage formula analysis based upon market data from the summer of 2001.

deflator was 2.0% for the six quarters ending with the fourth quarter 2002 compared with currently expected inflation of 2.5% for the six quarters ending with the fourth quarter 2009 as can be gleaned from the information shown on pages 1 and 2 of Exhibit (PMA-2)__ . The contrast in the GDP price deflator is even more pronounced for the third quarter 2001 relative to the third quarter 2008, as the August 1, 2001 Blue Chip consensus shows the GDP price deflator at 2.0% for the third quarter 2001 compared with 3.1% shown in the September 1, 2008 Blue Chip for the third quarter 2008. Similarly, another measure of inflation, the Consumer Price Index (CPI), also shows that expected inflation is currently greater in 2008 than in 2001. As can also be gleaned from the information shown on the August 1, 2001 Blue Chip, the CPI was expected to average 2.4% for the six quarters ending with the fourth quarter 2002 in contrast to the September 1, 2008 Blue Chip from which can be gleaned an average 3.0% expected CPI for the six quarters ending with the fourth quarter 2009. And, as with the GDP price deflator, the August 1, 2001 Blue Chip indicates a significantly lower expectation for CPI, 2.4% for the third quarter 2002 than the 5.7% shown for the third quarter 2008 shown in the September 1, 2008, Blue Chip.

Contributing to and evidence of the stressed U.S. economy and increasing inflationary pressures are the run-up in oil prices since 2001 as well as the highest U.S. unemployment rate in five years. Exhibit (PMA-3)__ demonstrates quite dramatically how U.S. oil prices have skyrocketed exponentially since 2001. In the summer of 2001, when the FL PSC prepared the 2001 leverage formula, oil cost approximately $25 per barrel in the U.S. The most recent price of a barrel of oil, August 29, 2008, was approximately $110, down from a high of about $134 in mid-July 2008. Since the U.S.

economy is heavily energy dependent, the high current price of oil has a significant impact on both GDP and the CPI. Further evidence of an economy under greater stress in 2008 than in 2001 is shown on Exhibit (PMA-4)__ which shows the Bureau of Labor Statistics reporting the U.S. unemployment rate of 6.1% in August 2008, the highest level in five years and in stark contrast to an unemployment rate of 4.9% in August 2001.

In addition, interest rates, as evidenced by Moody's A-rated public utility bond yields, are currently rising and expected to continue to rise, while interest rates were declining in 2001 as shown on Exhibit (PMA-5)__. Also, although the August 1, 2001 Blue Chip indicated expected rising interest rates over the six quarters ending with the fourth quarter 2002, the expected increase was, on average, smaller than the increase in interest rates currently anticipated by the September 1, 2008 Blue Chip for the six quarters ending with the fourth quarter 2009. For example, as shown on page 1 of Exhibit (PMA-2)__ , the August 1, 2001 Blue Chip, the 30-year U.S. Treasury bond was expected to fall from 5.66% on June 29, 2001 to 5.6% in the third quarter 2001 and then to rise 24 basis points to 5.9% by the fourth quarter 2002; the Aaa corporate bond was expected to rise from 7.17% on June 29, 2001 to 7.8% in the third quarter 2001 and then to rise 13 basis points by the fourth quarter 2002 and the Baa corporate bond was expected to fall from 7.98% on June 29, 2001 to 7.8% in the third quarter 2001 and then to rise 20 basis points by the fourth quarter 2002. In contrast, based upon the current September 1, 2008 shown on page 2 of Exhibit (PMA-2)__, the 30-year U.S. Treasury bond was expected to fall from 4.66% on July 25, 2008 to 4.6% in the third quarter 2008 and then to rise 44 basis points to 5.1% by the fourth quarter 2009; the Aaa

corporate bond was expected to fall from 5.78% on July 25, 2008 to 5.7% in the third quarter 2009 and then to rise 32 basis points by the fourth quarter 2009; and the Baa corporate bond was expected to fall from 7.27% on July 25, 2008 to 7.1% in the third quarter 2008 and then to rise 13 basis points by the fourth quarter 2009. Clearly, the magnitude of the expected rise in current interest rates is greater than that expected in 2001.

In addition, the currently expected total return on the stock market is higher in the next 3-5 years than it was in the summer of 2001. Exhibit (PMA-6)__ contains the Value Line Investment Survey (Value Line) Summary & Index cover sheets from August 3, 2001 and August 29, 2008. Page 1 shows that the expected price appreciation was 70% in August 2001 which translates to 14.10% per annum ((1.70^{25}) - 1) which, when added to the dividend yield of 1.90%, equates to a forecasted annual total return rate on the market as a whole of 16.09% as of August 3, 2001. In contrast, page 2 shows that the expected price appreciation was recently 75% on August 29, 2008, which translates to 15.02% per annum ((1.75^{25}) - 1) which, when added to the dividend yield of 2.30%, equates to a forecasted annual total return rate on the market as a whole of 17.32% as of August 29, 2008.

Regarding the stock market itself, the volatility of the Russell 2000 Index, which is comprised of small-cap securities including the majority of the gas distribution companies (LDCs) in the FL PSC Natural Gas Index as well as the majority of publicly traded water utilities, shown on Exhibit (PMA-7)__, indicates that the small-cap market is currently more volatile than in 2001. Exhibit (PMA-7)__ shows the volatility of the Russell 2000 Index for the twelve months ended June 30, 2001 and June 30, 2008 in

Columns 1 and 2, respectively, as measured by the coefficient of variation of the weekly closing index. The coefficient of variation, a standard measure of volatility and, hence, risk, for the twelve months ending June 30, 2001 was 5.27%, significantly lower than the 6.99% coefficient of variation in the weekly closing index of the Russell 2000 Index for the twelve months ending June 30, 2008. The data indicates that recent capital markets, especially for small cap companies such as the LDCs in Staff's Natural Gas Index and most water companies, have been more volatile and hence more risky than those prevailing in 2001.

This increased market volatility is also evident in the upswing in betas, a measure of systematic or non-diversifiable risk, for all AUS Utility Reports industries; electric, gas distribution and water companies, shown on Exhibit (PMA-8)__. The charts on page 1 plot the average adjusted betas as published by Value Line annually for the years 2000 through 2007 as well as June 2008. The charts on page 2 plot the average unadjusted betas for the same time periods. It is clear from the information on both pages that not only have the average betas of each utility group increased since 2000, the betas of the water utility industry exhibit the greatest increase, approaching those of the electric and gas distribution industries. The difference in the average beta of the FL PSC Staff's Natural Gas Index confirms the data presented on Exhibit (PMA-7)__. The average beta of the Index in the summer of 2001 was 0.61[2] while the average beta of the Index in 2008 is 0.87[3].

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2 Order No. PSC-01-2514-FOF-WS, Attachment A, p. 28.

3 Memo to: Office of Commission Clerk (Cole), from: Division of Economic Regulation (Springer, Maurey, Bulecza-Banks) / Office of the General Counsel (Hartman), re: Docket No. 080006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S., Attachment 1, Page 4 of 6.

In view of all the foregoing, it is clear that the current economic and capital market environment is not equivalent to that of 2001. In fact, in my opinion, it is more risky and there is no basis to assume that the cost rate of common equity must have declined since 2001 just because interest rates have declined.

V. OPC WITNESS ROTHSCHILD'S SUGGESTED CHANGES TO THE LEVERAGE FORMULA

Q. OPC Witness Rothschild summarizes his recommended changes to the leverage formula currently in effect on page 13, lines 7-16 of his direct testimony. Please comment.

A. OPC Witness Rothschild suggests three changes to the leverage formula. They are:

1. Calculate the cost of common equity for a natural gas index but using his applications of the DCF and CAPM.

2. Calculate the cost of debt for a natural gas index based upon its bond rating.

3. Calculate an overall cost of capital (OCC) based upon the average capital structure ratios of the natural gas index.

I will address OPC Witness Rothschild's first suggestion later in this testimony when I address his applications of the DCF and CAPM. On page 13 of his direct testimony, OPC Witness Rothschild appears to be recommending no change in the leverage formula regarding suggestions two and three. However, this is far from the case.

Q. How is OPC Witness Rothschild's suggestion for deriving the debt cost rate different from the current FL PSC methodology?

A. The current FL PSC leverage formula holds the debt cost rate constant over a common equity ratio range of 40% to 100% as noted on page 3 of its May 8, 2008 memo to the

Office of Commission Clerk (Cole). However, OPC Witness Rothschild recommends that the debt cost rate also be changed as the debt ratio changes. On page 25, OPC Witness Rothschild notes that, in theory and consistent with the Modigliani / Miller principle which provides the basis for the leverage formula, the debt cost rate is a function of the debt ratio with debt cost rising as the debt ratio rises. While theoretically valid, once again OPC Witness Rothschild is assuming that all else is equal. However, in my opinion, the FL PSC's assumption that the debt cost rate is constant over a common equity range of 40% to 100% is reasonable.

Q. Why is holding the debt rate constant over such a broad common equity range reasonable?

A. It is reasonable for two reasons. First, the revenue requirement formula under which utilities are regulated provides that the regulated utility will be compensated for prudently incurred operation and maintenance expenses, depreciation, taxes and a return on its investment, comprised of a senior capital (debt and / or preferred stock) component and a common equity component. The revenue requirement formula ensures that the regulated utility will receive sufficient earnings to compensate it for the expenses it incurs to service both its debt and preferred stock obligations. To that end, it is typical, in the rate base / rate of return paradigm, to utilize the embedded cost of senior capital in the derivation of the allowed overall rate of return. The embedded cost of senior capital is a function of many factors, including but not limited to the timing of the various issues of senior capital, the capital market conditions at the time of issuance, the credit / bond rating (or equivalent in the case of private placements) of the regulated utility at the time of issuance, and the level of issuance costs and any premia / discounts

at the time of issuance.

Second, the bond rating process itself indicates that bond ratings are not simply and exclusively a function of debt ratios, especially historical or point in time debt ratios. In November 2007, Standard & Poor's (S&P) published its electric, gas, and water utility ratings rankings lists in a framework consistent with the manner in which it presents its rating conclusions across all other corporate sectors. As S&P stated[4]:

> Incorporating utility ratings into a shared framework to communicate the fundamental credit analysis of a company furthers the goals of transparency and comparability in the ratings process.
>
> * * *
>
> The utilities rating methodology remains unchanged, and the use of the corporate risk matrix has not resulted in any changes to ratings or outlooks. The same five factors that we analyzed to produce a business risk score in the familiar 10-point scale are used in determining whether a utility possesses an "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" business risk profile.

Pages 1 through 9 of Exhibit (PMA-9)__ describe the utility bond rating process. S&P's new business risk/financial risk matrix is shown in Table 1 on page 11 of Exhibit (PMA-9)__, while financial risk indicative ratios for utilities are shown in Table 2 on page 12. Notwithstanding the metrics published in Table 2, S&P states:

> Note that even after we assign a company a business risk and a financial risk, the committee does not arrive by rote at a rating based on the matrix. The matrix is a guide – it is not intended to convey precision in the ratings process or reduce the decision to plotting intersections on a graph.

As shown on Exhibit (PMA-28)__, page 12, the average S&P bond rating

[4] Standard & Poor's – Ratings Direct – "U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix", November, 30, 2007, p. 2.

(issuer credit rating), business risk profile and financial risk profile of the six AUS Utility Reports water companies is A (A), Excellent and Intermediate, while the average for the FL PSC Staff's Natural Gas Index A/A- (A), Excellent and Intermediate.

The current leverage formula assumes that if the Florida water and wastewater utilities had bonds which were rated, they would be rated Baa3 by Moody's which is equivalent to a BBB- by S&P. As discussed above, the bond rating process is comprehensive, both qualitative and quantitative and does not focus exclusively on the debt ratio. On page 11 of Exhibit (PMA-9)__, Table 1, the Business Risk/ Financial Risk matrix indicates that utilities with a BBB- rating and a Weak business risk profile would likely have a Modest financial risk profile and those with a Strong business risk profile would likely have an Aggressive financial risk profile. The range of financial risk indicative ratios published by S&P on November 30, 2007 are shown on page 12 of Exhibit (PMA-9)__. The total debt to total capital indicative ratios for utilities with a Modest financial risk profile range from 25% to 40%, while those with an Aggressive financial risk profile range from 45% to 60%. It is clear, then, that utilities with BBB- bond ratings by S&P (and Baa3 by Moody's) could have debt ratios ranging from 25% to 60% and still maintain the BBB- (Baa3) bond rating.

In view of the foregoing, it is therefore reasonable to hold the debt rate constant over the common equity range of 40% to 100% in the leverage formula.

Q. How is OPC Witness Rothschild's suggestion for deriving the overall cost of capital (OCC) different from the current FL PSC methodology?

A. The current FL PSC leverage formula holds the after income tax OCC constant as the common equity ratio changes. In contrast, OPC Witness Rothschild recommends that

the before income tax OCC be held constant. On page 22, lines 1- 14 of his direct testimony, OPC Witness Rothschild correctly summarizes the Modigliani / Miller principle stating that "Modigliani and Miller showed that if it were not for income taxes and bankruptcy risk, the capital structure selected by a company would have no impact on the overall cost of capital." However, by holding the before income tax OCC constant, OPC Witness Rothschild has demonstrated the exact opposite, namely, that differing amounts of debt and equity in the capital structure have absolutely no impact on the revenue cost of capital. OPC Witness Rothschild has assumed a before income tax OCC of 10.61% (see page 12 lines 17-22 and Exhibit No. ___JAR-4, pages 1 and 2.) However, this violates the Modigliani / Miller principle. Using the information shown on Exhibit No. ___(JAR-4), I have produced Exhibit (PMA-10)__ which derives the debt cost rates and common equity cost rates for each of the equity ratios shown on page 3 of Exhibit No. ___(JAR-4). On the left half of the schedule, I have held the before income tax OCC constant at OPC Witness Rothschild's recommended 10.61%, while on the right side of Exhibit (PMA-10)__, I have held the after income tax OCC or 7.71% constant. The before income tax OCC when multiplied by rate base represents the revenue cost of capital, e.g., a before income tax OCC of 10.61% equates to $10.61 which must be recovered from ratepayers for each $100 of rate base. It is clear from the left side of Exhibit (PMA-10)__, that no matter what the common equity ratio, 100.00%, 40.00% or something in between, that by holding the before income tax OCC of 10.61% constant, the revenue cost of capital will be $10.61 / $100 rate base. In other words, various capital structure ratios have no impact on the revenue cost of capital because no matter what the common equity ratio, 100.00% or 40.00%, ratepayers will

be paying $10.61 per $100 of rate base. Hence, holding the before income tax OCC constant demonstrates that capital structure is irrelevant, contrary to the Modigliani/Miller principle when income taxes are taken into account, and provides no incentive to maintain a reasonable capital structure because there is no change in the revenue cost of capital, i.e., the rates recovered from ratepayers, as the common equity ratio changes as discussed below.

As OPC Witness Rothschild states in lines 7-9 on page 23 of his direct testimony, "[i]t is because investor owned water and wastewater companies do have to pay income taxes that the overall cost of capital becomes too high if a company uses an excessive percentage of common equity in the capital structure." It is precisely for this reason that it is necessary to hold the after income tax OCC constant, as is assumed by the current FL PSC leverage formula, because then the revenue cost of capital will vary with varying capital structure ratios. On the right half of Exhibit (PMA-10)__, it is clear that the before income tax OCC rises as the common equity ratio rises in contrast to OPC Witness Rothschild's constant after income tax OCC as the common equity ratio rises. For example, at a 40.00% common equity ratio, the before income tax OCC is 10.19% and the revenue cost of capital is $10.19 per $100 of rate base and rises to 12.55% at a 100.00% common equity ratio for a revenue cost of capital of $12.55 per $100 of rate base. The revenue cost of capital rises as the equity ratio rises, holding the after-income tax OCC constant, consistent with the Modigliani / Miller principle upon which the FL PSC leverage formula is based. Hence, OPC Witness Rothschild's recommendation that the before income tax OCC be held constant in the leverage formula should be rejected in this proceeding, because as OPC Witness Rothschild states on lines 9-12 of

his direct testimony: "[t]he Commission should be concerned that a company prudently do what it can to lower its income tax expenses. Investors might not care if these taxes are paid for by ratepayers, but the Commission should care that ratepayers not be charged incomes taxes that a company could reasonably have avoided." Continuing to hold the after income tax OCC constant in the FL PSC leverage formula accomplishes this goal.

Q. Do you have any comments on OPC Witness Rothschild's example of how his proposed leverage formula would be used for water utilities?

A. Yes, I do. On page 14, line 15 through page 16, line 3, OPC Witness Rothschild presents his suggestion for the application of his proposed leverage formula to water utilities. Curiously, in his example, he has correctly held the after tax OCC constant. However, his example is not accurate for three reasons. First, OPC Witness Rothschild's calculation on lines 7-10 on page 15 of his direct testimony incorrectly uses a debt cost rate of 7.63%, when he has stated, correctly, on line 22 on page 14, that the debt cost rate should be 7.36%. Second, contrary to his own adjustment of common equity cost rate for changes in the common equity ratio, he has applied his recommended 9.40% common equity cost rate which is applicable to a common equity ratio of 49.12% to a common equity cost ratio of 46.37%. The correct common equity cost rate to be applied to a 46.37% common equity ratio based upon the leverage formula and OPC Witness Rothschild's common equity cost rate of 9.40% is 9.60% as derived in the top half of Exhibit (PMA-11)__. Third, on lines 16 and 17 of page 15 of his direct testimony, OPC Witness Rothschild says that he calculated a debt cost rate applicable to a 65% common equity ratio by "taking the difference between this

company's ER of 65% and the comparative group's ER of 53.63% and multiplying this difference by 0.0197%." While a correct characterization of his suggested calculation in general terms, OPC Witness Rothschild actually took the difference between a common equity ratio of 65% and the comparative group's total debt ratio of 53.63% (line 9 on page 15 of his direct testimony). The correct calculation would have taken the difference between a common equity ratio of 65% and the comparative group's common equity ratio of 46.37%.

The bottom half of Exhibit (PMA-11)__ correctly shows the calculation of OPC Witness Rothschild's example for a water utility with a common equity ratio of 65% correctly using the 9.60% common equity cost rate applicable to a common equity ratio of 46.37% and the correct debt cost rate of 7.36% derived in the top half of Exhibit (PMA-10)__.

VI. OPC WITNESS ROTHSCHILD'S ASSERTION OF AN IMPROPER COST OF EQUITY CHANGE

Q. Do you agree that the 2008 leverage formula calculation reflects an "improper cost of equity change".

A. No. On pages 16-21 of his direct testimony, OPC Witness Rothschild asserts that the prime reason for what he terms the "improper cost of equity change" since the 2001 adoption of the current leverage formula is due to the FL PSC Staff's CAPM calculation. His main criticism of the FL PSC Staff's CAPM calculation is its derivation of the market return used to develop the market equity risk premium. The FL PSC Staff utilizes a quarterly DCF model for approximately 650 dividend paying Value Line companies using Value Line's five-year projected growth in earnings per

share (EPS) and dividends per share (DPS). While it is true that the quarterly model differs in application from the two-stage growth model the FL PSC Staff utilizes for the Natural Gas Index, the resulting market return 12.20% is reasonable relative to the arithmetic mean total market return for the years 1926-2007 as published by Morningstar's Ibbotson SBBI – 2008 Valuation Yearbook – Market Results for Stocks, Bonds, Bills, and Inflation – 1926-2007 (SBBI) of 12.3% which is appropriate for cost of capital purposes as will be discussed subsequently in relation to OPC Witness Rothschild's so called "CAPM" calculation. Given that both ratemaking and the cost of capital are prospective, it is also reasonable to assess an expected market return when developing the market return used in the CAPM. As previously discussed, the current Value Line expected total market return 3-5 years hence is 17.32%. Therefore, the 12.20% expected market return used by the FL PSC Staff is conservative.

Although the current 12.20% expected market return used by the FL PSC Staff is higher than that used in the 2001 leverage formula, 10.89%, it is my opinion that the 10.89% understated the expected market return in 2001 when compared with a 13.0% SBBI arithmetic mean total market return for the years 1926-2000 and the Value Line expected total market return in August 2001 of 16.09%. This is especially true given a currently less stable economic environment, the current potential for an economic recession, worsening economic indicators, and rising interest rates as discussed previously.

Q. On lines 9-11 on page 20 of his direct testimony, OPC Witness Rothschild claims that "the DCF method using short term earnings and dividends to compute growth is currently materially overstating the cost of equity." Please comment.

A. To evaluate whether or not either the simplified, single-stage growth or quarterly versions of the DCF model using what OPC Witness Rothschild characterizes as "short-term" growth in EPS and DPS "currently materially" overstates the cost of common equity as claimed by OPC Witness Rothschild, I calculated DCF cost rates using both versions of the DCF for the companies in FL PSC Staff's Natural Gas Index. The results are shown on Exhibit (PMA-12)__. As shown in column 6 on page 1, the quarterly DCF results in an average common equity cost rate of 8.58% and a median of 8.65% and the simplified DCF results in an average common equity cost rate of 8.63% and a median of 8.60% as shown in column 5. Both of these results are below the two-stage growth DCF results for the Natural Gas Index of 9.68% derived on page 3 of Attachment 1 to Staff's May 8, 2008 memo and used in conjunction with its CAPM results in the current calculation of the leverage formula. In fact, both DCF results are lower than OPC Witness Rothschild's own DCF results of 9.42%-9.43% for the Natural Gas Index shown on Exhibit No. ___(JAR-2), page 1. Hence, OPC Witness Rothschild provides no basis for his generalization the "the DCF method using short-term earnings and dividends to compute growth is currently materially overstating the cost of equity".

VII. COST OF EQUITY ADDERS

Q. OPC Witness Rothschild states on page 29 of his direct testimony that he believes that the four cost of common equity adders provided for in the 2001 Order and utilized by the FL PSC in the current 2008 leverage formula are inappropriate. Do you agree?

A. No. It is entirely appropriate to include the bond yield differential, the private placement premium, the small-utility risk premium and a flotation cost adjustment in

the derivation of the leverage formula.

Q. Why is it appropriate to add a bond yield differential to the cost of common equity in the leverage formula?

A. It is appropriate to include the bond yield differential in the cost of common equity calculation in the leverage formula because the bond yield differential reflected in the debt cost rate only compensates bond holders for the increased riskiness inherent in Baa3 public utility bonds relative to the riskiness inherent in A rated public utility bonds. I have previously demonstrated that it is neither necessary nor appropriate to change the debt cost rate as common equity ratios change. Consequently, there is no mechanism in the leverage formula to compensate common equity holders for the increased risk to which they are exposed for investing in the common shares of utilities with Baa3 rated bonds.

In addition, to not reflect the bond yield differential in the common equity cost rate is in contradiction to OPC Witness Rothschild's own testimony that the cost of common equity and interest rates move in the same direction and in approximately the same magnitude as he states on page 9, lines 1-4 of his direct testimony. Based upon his testimony on page 9, as the debt cost rate rises from 6.08%, the A-rated public utility bond yield, to 7.36%, the Baa3-rated public utility bond yield, or 128 basis points (1.28%), the common equity cost rate of 9.40% applicable to the 49.12% average common equity ratio of Natural Gas Index (see Exhibit No. ___(JAR-8), page 1) should rise approximately 128 basis points as well, to 10.68% (10.68% = 9.40% + 1.28%). Instead, OPC Witness Rothschild has assumed that the 9.40% common equity cost rate is equally applicable to a utility whose bonds are rated Baa3 by Moody's as it is to a

utility whose bonds are rated A2 by Moody's. Such an assumption is contrary to financial theory.

Moreover, financial theory indicates that there is an inverse relationship between the level of interest rates and equity risk premia. Exhibit (PMA-13)__ is an excerpt from Roger A. Morin's New Regulatory Finance concerning equity risk premium determinants. Dr. Morin presents a number of academic studies which demonstrate this inverse relationship, concluding that the equity risk premium falls as interest rates rise by an average of approximately 51 basis points (0.51%). The equity risk premium assumed by OPC Witness Rothschild for a utility whose bonds are rated A2 by Moody's, with a debt cost rate of 6.08% and a common equity cost rate of 9.40% is 3.32% (3.32% = 9.40% - 6.08%). Given that financial theory indicates that as interest rates rise, the equity risk premium falls by approximately 51 basis points (0.51%), a debt cost rate of 7.36%, or 128 basis points (1.28%) above the 6.08% debt cost rate, indicates that the equity risk premium applicable to a utility whose bonds are rated in Baa3 by Moody's should be approximately 65 basis points (0.65%) lower than the equity risk premium applicable to a utility whose bonds are rated A2 by Moody's. Since, the equity risk premium implicit in OPC Witness Rothschild's recommended common equity cost rate of 9.40% relative to a debt cost rate of 6.08% is 3.32%, this means that the implicit equity risk premium relative to a utility whose debt cost rate is 7.36% would be 2.67% (2.67% = 3.32% - 0.65%). However, by assuming that the 9.40% common equity cost rate is equally applicable to a utility with a debt cost rate of 7.36%, an equity risk premium of 2.04% (2.04% = 9.40% - 7.36%) is implied. A lower equity risk premium of 2.04% relative to a higher debt cost rate of 7.36%, compared

with a 3.32% equity risk premium relative to a lower debt cost rate of 6.08%, is at odds with the ~~basis~~ basic financial precept of risk and return, where investors demand greater compensation for assuming greater risk. Financial theory indicates that the equity risk premium, given 9.40% common equity cost rate and 6.08% debt cost rate adjusted to reflect a 7.36% debt cost rate should be 2.67%, 63 basis points (0.63%) greater than the equity risk premium implied in OPC Witness Rothschild's recommendation that his 9.40% common equity cost rate is applicable to a utility with a debt cost of 7.36%.

Q. Why is it appropriate to add a private placement premium to the cost of common equity in the leverage formula?

A. It is appropriate to include the private placement premium in the cost of common equity calculation in the leverage formula because investors in such debt demand compensation for the lack of liquidity relative to large, readily saleable publicly traded debt. Privately placed debt is typically held to maturity and does not, by definition, have a public market in which it is traded. Consequently, holders of privately placed debt therefore require a higher return than holders of publicly held debt and this higher return premium must also be reflected in common equity cost rate.

Q. Why is it appropriate to add a small-utility risk premium to the cost of common equity in the leverage formula?

A. It is appropriate to include the small-utility risk premium in the cost of common equity calculation in the leverage formula because size is a factor which affects business risk and must be reflected in the common equity cost rate in the leverage formula.

Q. Please explain why size has a bearing on risk.

A. Smaller companies are less capable of coping with significant events which affect sales,

revenues and earnings. The loss of revenues from a few larger customers, for example, would have a greater effect on a small company than on a much larger company with a larger customer base. The individual water and wastewater utilities within the FL PSC's jurisdiction are small regulated utilities. The ultimately allowed overall costs of capital and fair rates of return applied to those companies must reflect the impact of their small size on common equity cost rate. Size is an important factor which affects common equity cost rate, and the Florida water and wastewater utilities, including Utilities, Inc. on a consolidated basis are significantly smaller than the average company in the Natural Gas Utility Index whose market data are utilized in the leverage formula based upon market capitalization.

Table 1

	Market Capitalization(1) ($ Millions)
Ten Natural Gas Utilities In the Leverage Formula Natural Gas Index	$2,152.391
Utilities, Inc.	$356.392
Florida Water & Wastewater Utils.	$5.662
Utilities, Inc. Florida Subsidiaries	$6.518

(1) From page 1 of Exhibit (PMA-14)__.

I have also made a study of the market capitalization of the ten LDCs in the FL PSC's Natural Gas Index, Utilities, Inc., all Florida water and wastewater utilities filing 2007 Annual Reports to the FL PSC as well as the Florida operating subsidiaries of Utilities, Inc.. The results are shown on page 1 of Exhibit (PMA-14)__ which summarizes the market capitalizations as of August 29, 2008.

None of the common stock of Utilities, Inc. the Florida water and wastewater utilities nor Utilities, Inc.'s Florida subsidiaries is publicly traded. Consequently, I have assumed that if their common stocks were publicly traded, their common shares would be selling at the same market-to-book ratio as the ten LDCs in the Natural Gas Index, or 225.0% at August 29, 2008. Hence, the market capitalization of Utilities, Inc. is estimated at $356.392 million, of the Florida water and wastewater utilities is estimated at $5.662 million and that of the Florida subsidiaries of Utilities, Inc. is estimated at $6.518 as of August 29, 2008. In contrast, the market capitalization of the average LDC in the FL PSC Staff's Natural Gas Index was $2.152 billion on August 29, 2008. It is conventional wisdom, supported by actual returns over time, and a general premise contained in basic finance textbooks, that smaller companies tend to be more risky causing investors to expect greater returns as compensation for that risk.

Q. Does the financial literature affirm a relationship between size and common equity cost rate?

A. Yes. Exhibit (PMA-15)__ is an excerpt from Eugene F. Brigham's Fundamentals of Financial Management in which he states[5]:

> A number of researchers have observed that portfolios of small-firms have earned consistently higher average returns than those of large-firms stocks; this is called "small-firm effect." On the surface, it would seem to be advantageous to the small firms to provide average returns in a stock market that are higher than those of larger firms. In reality, it is bad news for the small firm; what *the small-firm effect means is that the capital market demands higher returns on stocks of small firms than on otherwise similar stocks of the large firms.* (italics added)

Q. What small-utility size premia are indicated by comparison of the size of Utilities, Inc., the Florida water and wastewater utilities and the Florida operating

[5] Eugene F. Brigham, Fundamentals of Financial Management, Fifth Edition, The Dryden Press, 1989, p. 623.

subsidiaries of Utilities, Inc. relative to the Natural Gas Index used in the leverage formula?

A. They are 265 basis points, or 2.65%, relative to Utilities, Inc. and 428 basis points, of 4.28%, relative to the average Florida water and wastewater utility as well as the Florida subsidiaries of Utilities, Inc. These premia is based upon data contained in Chapter 7 entitled, "Firm Size and Return" from SBBI. The determinations are based on the size premiums for decile portfolios of New York Stock Exchange (NYSE), American Stock Exchange (AMEX) and NASDAQ listed companies for the 1926-2007 period and related data shown on Exhibit (PMA-14)__. The average size premium for the 5th and 6th deciles between which the LDCs in the Natural Gas Index fall has been compared to the average size premium for the 9th and 10th decile between which Utilities, Inc. falls and the 10th decile in which all of the Florida water and wastewater utilities as well as the Florida subsidiaries of Utilities, Inc. fall, if their common stock were traded and sold at the August 29, 2008 average market/book ratio of 225.0% experienced by the ten LDCs in the Natural Gas Index. As shown on page 1 of Exhibit (PMA-14)__, the size premium spread between the ten LDCs in the Natural Gas Index and Utilities, Inc. is 2.65% and between the ten LDCs and the average Florida water and wastewater utility and the Florida operating subsidiaries of Utilities, Inc. is 4.28%. The 50 basis point leverage formula small-utility size premium is therefore an extremely conservatively reasonable estimate of the magnitude of an adjustment needed to reflect the business risk differential between Utilities, Inc., the Florida water and wastewater utilities and the Florida operating subsidiaries of Utilities, Inc. and the Natural Gas

Index.

Q. On page 32, at lines 14-21 of his direct testimony, OPC Witness Rothschild references a chart on Exhibit No. ___(JAR-3). Do you have any comment on this chart?

A. Yes. Exhibit No. ___(JAR-3) shows no such chart. Therefore, I believe OPC Witness Rothschild's reference is to the charts shown in Exhibit No. ___(JAR-7). OPC Witness Rothschild's statement that "the data indicates [sic] that if a small company has a lower beta it would also have a lower expected return and thus there is no reason for a small company to require a higher return just because of its size" is an apparent reference to the fact that the average beta of the FL PSC Staff's Natural Gas Index is either 0.87 or 0.88 (depending upon whether one is using the Staff's calculation or OPC Witness Rothschild's) relative to the betas of the ten deciles represented by the charts on Exhibit No. ___(JAR-7). However, such a comparison is a mismatch because the 0.87 or 0.88 average beta is calculated over a recent five-year period and the betas for the ten deciles shown on Exhibit No. ___(JAR-7) are calculated over an 82 years period, i.e., 1926-2007. Such a comparison is incorrect. Exhibit (PMA-16)__ is an excerpt from SBBI which compares betas for the 82 years with those derived over the five years ending December 2007 for each decile. Substantial differences are obvious. For every decile, except for the largest two deciles, i.e., 1 and 2, the long-term betas are substantially greater than those over the recent five years. It is also clear from page 2 of Exhibit (PMA-16)__ that the betas calculated over a recent five-year period are higher for the smallest deciles, the $8^{th} - 10^{th}$, than they are for the larger deciles.

Q. Do you have any additional comments regarding OPC Witness Rothschild's

rejection of a small-utility risk premium?

A. Yes. As stated previously, it is the common equity portion of the jurisdictional rate bases of the Florida water and wastewater utilities to which the common equity cost rate set in this proceeding will be applied. Therefore, the return on common equity must reflect the risks which the shareholder / shareholders in the regulated utility bear and thus require in order to invest in the utility. As discussed previously as well, one of those risks is that of small size. And it is the use to which invested capital is put which gives rise to the risk and the risk-appropriate rate of return. Hence, each utility operating in Florida should be evaluated on a stand-alone basis. To do otherwise would be discriminatory and confiscatory. It is a generally-accepted financial principle that the risk of any investment is directly related to the assets in which the capital is invested. The PSC must focus on the risk and return on common equity investment in rate base for any utility under its jurisdiction, because it is each utility's rates which will be set based upon the leverage formula determined in this proceeding and its is each individual utility's rate base which serves its ratepayers.

The risk or investment in each Florida water and wastewater utility is independent of the ownership or loaners of that capital. It is a basic financial principle that it is the use of the funds invested which gives rise to the risk of the investment, not the source of those funds. As Richard A. Brealey and Stewart C. Myers state in Principals of Corporate Finance (see Exhibit (PMA-17)__):

> *The true cost of capital depends on the use to which the capital is put.* (italics in original)
>
> * * * *
>
> Each project should be evaluated at its own opportunity cost of capital;

the true cost of capital depends on the use to which the capital is put.

Hence, each water and wastewater utility operating within the jurisdiction of the FL PSC must be viewed on its own merits. Therefore, the specific risk of investment in each utility, including its small size and greater financial risk, relative to the Natural Gas Index utilized to estimate the leverage formula is most important in order to establish an appropriate common equity cost rate. As Bluefield[6] so clearly states:

> A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding risks and uncertainties; . . .

Bluefield is clear then that it is the "risks and uncertainties" surrounding the property employed for the "convenience of the public" which determines the appropriate level of rates and not the source of the capital financing that property. In this proceeding, the properties employed "for the convenience of the public" are the rate bases of the Florida water and wastewater utilities. Therefore, it is the total investment risk of each water and wastewater utility and their respective rate bases that are relevant.

In view of all the foregoing, the 50 basis point small-utility size premium included in the leverage formula is conservatively reasonable and should be accepted in this proceeding.

Q. Why is it appropriate to add a flotation cost adjustment, or "financing costs adder" to use OPC Witness Rothschild term, to the cost of common equity in the

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6 Bluefield Water Works Improvement Co. v. Public Serv. Comm'n, 252 U.S. 679 (1922).

leverage formula?

A. It is appropriate to include a flotation cost adjustment in the cost of common equity calculation because there is no other place in the revenue requirement formula previously discussed in which to recover the costs of common equity financing. Just as using the embedded cost of senior capital to set the authorized rate of return typically includes the necessary costs of issuances which raise the effective cost rate to maturity of senior capital above its stated coupon or dividend rates, a flotation cost adjustment must be added to the cost of common equity cost rate in order to adequately provide for the recovery of the necessary costs of issuing new common equity.

VIII. OPC WITNESS ROTHSCHILD'S APPLICATION OF THE DCF AND CAPM

A. Discounted Cash Flow Model

Q. Please comment upon OPC Witness Rothschild DCF analysis.

A. OPC Witness Rothschild's DCF application utilizes the sustainable growth methodology for determining the growth rate component. He calculates sustainable growth for each company "by solving for the Future Expected Return on Book Equity multiplied by the Retention Rate" and then adding "an allowance for growth caused by the sale of new common stock above book value." (lines 10-13 on page 46 of his direct testimony) and by estimating "the future expected return on book equity by reviewing the return on book equity published by Value Line, and considering that forecast in the context of historic actual returns on equity." (lines 17-19 on page 46 of his direct testimony.) On Exhibit No. ___(JAR-2), page 1, it is clear that the return on equity (ROE) utilized in OPC Witness Rothschild's growth rate analysis is based upon five-year expectations by Value Line and the return on equity necessary to achieve Zack's

growth (presumable in five-year projected growth in earnings per share). His allowance for growth caused by the sale of new common stock above book value was also based upon five-year forecasts as is evident from lines 5-8 on page 47 of his direct testimony. Hence, OPC Witness Rothschild's sustainable growth methodology is both a short-term forecast and inconsistent with his own testimony on page 18, lines 16-18 where he states that "[a]s I have argued for decades, these historical to short-term future five-year growth rates are NOT the kind of growth rate applicable for use in the DCF formula because they are not long-term sustainable growth rates." Moreover, his sustainable growth methodology is inherently circular.

OPC Witness Rothschild is correct when he states in lines 17-20 of page 44 of his direct testimony: "[t]he cost of equity is the return investors expect to receive on their investment at market price, while the return on equity used to compute growth is equal to the return investors expect a company will be able to earn on its book value at the time the DCF computation was being made." However, his exclusive reliance upon the sustainable growth method is circular because it relies upon an expected ROE on book common equity which is then used in a DCF analysis to establish a common equity cost rate related to the market value of the common stocks. Thus, the resultant allowed ROE on book common equity is lower than the expected ROE used to derive the allowed ROE. Exhibit (PMA-18)__ is an excerpt from Roger A. Morin's book New Regulatory Finance which states the following regarding the sustainable growth method:

> There are three problems in the practical application of the sustainable growth method. The first is that it may be even more difficult to estimate what b, r, s and v investors have in mind than it is to estimate what g is they envisage. It would appear far more economical and expeditious to use available growth forecasts and obtain g directly instead of relying on four

> individual forecasts of the determinants of such growth. *It seems only logical that the measurement and forecasting errors inherent in using four different variables to predict growth far exceed the forecasting error inherent in the direct forecast of growth itself.*
>
> *Second, there is a potential element of circularity in estimating g by a forecast of b and ROE for the utility being regulated, since ROE is determined in large part by regulation. To estimate what ROE resides in the minds of investors is equivalent to estimating the market's assessment of the outcome of regulatory hearings.* Expected ROE is exactly what regulatory commissions set in determining an allowed rate of return. In other words, the method requires an estimate of return on equity before it can even be implemented. *Common sense would dictate the inconsistency of a return on equity recommendation that is different than the expected ROE that the method assumes the utility will earn forever.* For example, using an expected return on equity of 11% to determine the growth rate and using the growth rate to recommend a return on equity of 9% is inconsistent. *It is not reasonable to assume that this regulatory utility company is expected to earn 11% forever, but recommend a 9% return on equity. The only way this utility can earn 11% is that rates be set by the regulator so that the utility will, in fact, earn 11%....*
>
> Third, the empirical finance literature discussed earlier demonstrates that the sustainable growth method of determining growth is not as significantly correlated to measures of value, such as stock price and price/earnings ratios, as other historical measures or analysts' growth forecasts. *Other proxies for growth such as historical growth rates and analysts' growth forecasts outperform retention growth estimates.* (italics added)

In view of the foregoing, it is clear that OPC Witness Rothschild's application of the DCF is circular and ignores the basic principle of rate base /rate of return, namely, that the cost of equity which will be authorized in this proceeding will be applied to the jurisdictional book value rate bases of the various water utilities within the PSC's jurisdiction and become the allowed future earned return on book common equity, i.e., the expected ROE component of the sustainable growth method.

B. Capital Asset Pricing Model

Q. Please comment upon OPC Witness Rothschild's "CAPM".

A. OPC Witness Rothschild claims that he utilizes a CAPM. However, his application is not the application of the CAPM. In CAPM theory, the Security Market Line (SML) is a line that demonstrates the relationship between risk and return as measured by beta and the required rate of return for individual securities.[7] OPC Witness Rothschild's charts on Exhibit No. ___(JAR-7) show lines that do not represent the SML. Instead, he has merely plotted the compound annual returns from 1926 through 2007 for each of 10 portfolios of common stocks based upon size related to the betas of those deciles. The SML has its origin at the risk-free rate, i.e., the intercept, whereas OPC Witness Rothschild estimates an intercept that he claims to be the risk-free rate.

Q. The graphs on Exhibit No. ____(JAR-7) plot the compound returns for ten deciles based upon size from 1926 – 2007 related to the betas for the ten deciles calculated over the same 1926 – 2007 period. Please comment.

A. A comparison of five-year betas with those calculated from 1926-2007, i.e., 82 years, is incorrect. As discussed previously, Exhibit (PMA-16)__ compares betas for the 82 years with those derived over the five years ending December 2007 for each decile. Substantial differences are obvious. For every decile, except for the largest two deciles, i.e., 1 and 2, the long-term betas are substantially greater than those over the recent five years. Drawing inferences from compound returns and rolling 82-year betas to impute a return related to current five-year betas is a mismatch. Moreover, basing such an

[7] Eugene F. Brigham, Fundamentals of Financial Management, 5th Ed., The Dryden Press, 1989, p. 129.

analysis upon compound, or geometric, returns is not appropriate for cost of capital purposes.

Q. Why is the geometric mean return inappropriate when estimating the cost of capital?

A. The arithmetic mean return is appropriate for cost of capital purposes precisely because it captures the effect of changing economic conditions on risk premia over time. Because historical total returns and equity risk premium spreads differ in size and direction over time, the arithmetic mean provides insight into the variance and standard deviation of returns. The prospect for variance, i.e., standard deviation, captured in the arithmetic mean, provides the valuable insight needed by investors and rate of return analysts alike to estimate the expected risk of stocks. Absent such insight, investors cannot meaningfully evaluate prospective risk.

As noted on pages 77 through 83 of SBBI, shown in Exhibit (PMA-19)__, the arithmetic mean calculated over a very long period of time is the correct mean to use when estimating the cost of capital. SBBI[8] states:

> The equity risk premium data presented in this book are arithmetic average risk premia as opposed to geometric average risk premia. The arithmetic average equity risk premium can be demonstrated to be most appropriate when discounting future cash flows. For use as the expected equity risk premium in either the CAPM or the building block approach, the arithmetic mean or the simple difference of the arithmetic means of stock market returns and riskless rates is the relevant number. This is because both the CAPM and the building block approach are additive models, in which the cost of capital is the sum of its parts. The geometric average is more appropriate for reporting past performance, since it represents the compound average return.

[8] Id., p. 77.

> The argument for using the arithmetic average is quite straightforward. In looking at projected cash flows, the equity risk premium that should be employed is the equity risk premium that is expected to actually be incurred over the future time periods. Graph 5-3 shows the realized equity risk premium for each year based on the returns of the S&P 500 and the income return on long-term government bonds. (The actual, observed difference between the return on the stock market and the riskless rate is known as the realized equity risk premium.) There is considerable volatility in the year-by-year statistics. At times the realized equity risk premium is even negative.

As Ibbotson Associates[9] states in their 1999 Yearbook (see Exhibit (PMA-20)__:

> The expected equity risk premium should always be calculated using the arithmetic mean. The arithmetic mean is the rate of return which, when compounded over multiple periods, gives the mean of the probability distribution of ending wealth values....Stated another way, the arithmetic mean is correct because an investment with uncertain returns will have a higher expected ending wealth value than an investment which earns, with certainty, its compound or geometric rate of return every year....*Therefore, in the investment markets, where returns are described by a probability distribution, the arithmetic mean is the measure that accounts for uncertainty, and is the appropriate one for estimating discount rates and the cost of capital.* (italics added)

Ex-post (historical) total returns and equity risk premium spreads differ in size and direction over time. This is precisely why the arithmetic mean is important as it provides insight into the variance and standard deviation of returns. This prospect for variance, as captured in the arithmetic mean, provides the valuable insight needed by investors to estimate future risk when making a current investment. Absent such valuable insight into the potential variance of returns, investors cannot meaningfully evaluate prospective risk. If investors relied upon the geometric mean of ex-post spreads, they would have no insight into the potential variance of future returns because

[9] Ibbotson Associates, Stocks, Bonds, Bills and Inflation - 1999 Yearbook, pp. 157-158.

the geometric mean relates the change over many periods to a constant rate of change, thereby obviating the year-to-year fluctuations, or variance, *critical to risk analysis*.

The arithmetic mean return is appropriate for cost of capital purposes precisely because it captures the effect of changing economic conditions on risk premia over time. Because historical total returns and equity risk premium spreads differ in size and direction over time, the arithmetic mean provides insight into the variance and standard deviation of returns. The prospect for variance, i.e., standard deviation, captured in the arithmetic mean, provides the valuable insight needed by investors and rate of return analysts alike to estimate the expected risk of stocks. Absent such insight, investors cannot meaningfully evaluate prospective risk.

The financial literature is quite clear on this point, that risk is measured by the variability of expected returns, i.e., the probability distribution of returns. Exhibit (PMA-21)__ is an excerpt from Weston and Brigham[10] who provide the standard financial textbook definition of the riskiness of an asset when they state:

> The riskiness of an asset is defined in terms of the likely variability of future returns from the asset. (emphasis added)

And Morin[11] states on page 133 (see Exhibit (PMA-22)__):

> The geometric mean answers the question of what constant return you would have to achieve in each year to have your investment growth match the return achieved by the stock market. The arithmetic mean answers the question of what growth rate is the best estimate of the future amount of money that will be produced by continually reinvesting in the stock market. It is the rate of return which, compounded over multiple periods, gives the mean of the probability distribution of ending wealth. (emphasis added)

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[10] J. Fred Weston and Eugene F. Brigham, Essentials of Managerial Finance, 3rd Ed., The Dryden Press, 1974, p. 272.

[11] Roger A. Morin, New Regulatory Finance, Public Utility Reports, 2006, p. 133.

In addition, Brealey and Myers[12] note (see Exhibit (PMA-23)__):

> The proper uses of arithmetic and compound rates of return from past investments are often misunderstood. . . Thus the arithmetic average of the returns correctly measures the opportunity cost of capital for investments. . . *Moral*: If the cost of capital is estimated from historical returns or risk premiums, use arithmetic averages, not compound annual rates of return. (italics in original)

As previously discussed, investors gain insight into relative riskiness by analyzing expected future variability. This is accomplished by the use of the arithmetic mean of a distribution of returns / premia because it takes into account all of the returns / premia, hence, providing meaningful insight into the variance and standard deviation of those returns / premia.

Q. Can it be demonstrated that the arithmetic mean takes into account all of the returns and therefore, that the arithmetic mean is appropriate to use when estimating the opportunity cost of capital?

A. Yes. Exhibit (PMA-24)__, which consists of three pages, graphically demonstrates this premise. Page 1 charts the returns on large company stocks for each and every year, 1926 through 2007 from SBBI. It is clear from looking at the variation of these returns that stock market returns, and hence, equity risk premia, vary.

The distribution of each and every one of those returns for the entire period from 1926 through 2007 is shown on page 2. There is a clear bell-shaped pattern to the probability distribution of returns. The arithmetic mean of this distribution of returns takes into account all of the returns in the distribution and thus the potential variance

[12] Richard A. Brealey and Stewart C. Myers, Principles of Corporate Finance, The McGraw-Hill Companies., Inc., 1996, pp. 146-147.

and standard deviation likely to be experienced in the future when estimating the rate of return based upon such historical returns. In contrast, page 3 of Exhibit (PMA-24)__, demonstrates that when the geometric mean is calculated, only two of the returns are taken into account, namely the initial and terminal years, which, in this case, are 1926 and 2007. Based only upon those two years, a constant rate of return is calculated by the geometric average. That constant return, when represented graphically, would be a flat line over the entire 1926 to 2006 time period which is obviously far different from reality, based upon the probability distribution of returns shown on page 2 and demonstrated on page 1.

In view of all the foregoing, it should be clear that the arithmetic mean long-term historical risk premium takes the standard deviation of returns which is critical to risk analysis into account. The geometric mean is appropriate only when measuring historical performance and should not be used to estimate the investors' required rate of return.

Q. On page 50 at line 22 through page 51, lines 4 of his direct testimony, OPC Witness Rothschild states that the average beta for the natural gas index, 0.88, indicates that the non-diversifiable risk for the LDCs is 88% of the average, with average risk implied as the risk of the market whose beta is 1.00 by definition. Please comment.

A. OPC Witness Rothschild is incorrect. Beta accounts for very little of total risk. Beta is a measure of market or systematic, non-diversifiable risk and not of non-systematic, company-specific or diversifiable risk. Exhibit (PMA-25)__ shows the R-squared (R^2), or coefficient of determination, of the betas for a proxy group of six AUS Utility

Reports water companies (which will be discussed subsequently) and the Florida PSC natural gas index. As shown, the average R^2 is approximately .19 for the water companies and .31 for the LDCs, which indicates that beta accounts for only about 19% and 31% of total risk for the two groups, respectively, with the remainder or 81% and 69%, being company-specific, diversifiable risk. Page 4 of Exhibit (PMA-25)__ shows the distribution of R^2 for the approximately 5,000 companies included in SBBI. It is clear from Graph 6-4, that most of the 5,000 companies have R^2 of less then 0.30

Q. What is the significance of the R^2, or coefficient of determination statistic?

A. It is an indication of the percentage of the total risk of a stock attributable to non-diversifiable risk. In other words, for the two groups, the non-diversifiable risk is equal to about 19% and 31% of their total risk, respectively, and not 88% as suggested by OPC Witness Rothschild.

Q. Does the academic literature substantiate that the coefficient of determination, or R^2, which represents that portion of a company's risk that is non-diversifiable and not its beta?

A. Yes. Exhibit (PMA-26)__ is an excerpt from Jack Clark Francis' book Investments: Analysis and Management which shows clearly on pages 3 and 4 that the coefficient of determination represents systematic, or non-diversifiable risk. As explained previously, for the group of water utilities and LDCs, respectively, that is equal to approximately 19% and 31% and not 88%.

Q. Did OPC Witness Rothschild calculate an equity risk premium in his "CAPM" analysis?

A. No. He never calculated an equity risk premium which is an integral component of the

CAPM formula. He merely deducted the interest rate on long-term inflation indexed U.S. Treasury Bonds from a spot yield on 30-year U.S. Treasury Bonds to estimate the expected rate of inflation with which to reduce the 1926-2007 returns for companies with an average beta of 0.88. In addition, he did not begin his analysis with a risk-free rate, i.e., the intercept and first component of the CAPM formula. Hence, his so-called "CAPM" is not really a CAPM.

Q. OPC Witness Rothschild cites SBBI as comparison with his CAPM results. Please comment.

A. The 9.66% return discussed by SBBI is based upon a geometric mean return. As discussed previously, OPC Witness Rothschild's use of the geometric mean is incorrect for cost of capital purposes. Exhibit (PMA-27)__ contains the pages from SBBI in which the Ibbotson-Chen supply model is discussed. It is very clear from the information shown on pages 5 and 6 of Exhibit (PMA-27)__, that the 9.66% equity return is based upon the geometric mean which includes an equity risk premium of 4.24% "on a geometric basis." Also, on page 7, SBBI states:

> The supply side equity risk premium calculated earlier is a geometric calculation. An arithmetic calculation, as mentioned earlier in the chapter, is most appropriate when discounting future cash flows. For use as the expected equity risk premium in either the CAPM or the buildup approach, the arithmetic calculation is the relevant number.

On page 7 of Exhibit (PMA-27)__, SBBI also shows the conversion of the 4.24% geometric mean equity risk premium to an arithmetic mean equity risk premium. The conversion results in an arithmetic mean equity risk premium of 6.23% which is 1.99 percentage points greater than the geometric mean of 4.24%. Hence, an increase of equity risk premium of 1.99% and SBBI's emphasis upon the arithmetic mean for cost

of capital estimation purposes, a properly derived common equity cost rate using the Ibbotson-Chen method is 11.67% (9.66% + 1.99%). This implies a CAPM cost rate applicable to the LDCs with an average beta of 0.88 of 10.92% (11.67% - 6.23% = R_F,, of 5.44%. And, 5.44% + 0.88 * (11.67% - 5.44%) = 10.92%, thereby confirming the gross inadequacy of OPC Witness Rothschild's so called "CAPM" cost rate.

IX. REASONABLENESS OF THE FL PSC STAFF'S LEVERAGE FORMULA

Q. Are the results of the FL PSC Staff's leverage formula reasonable ?

A. In view of all of the foregoing, it is my opinion that the results of the FL PSC Staff's leverage formula are reasonable. In my direct testimony in this proceeding I stated at lines 18-21 on page 2 that "based upon my experience as an expert witness on rate of return in numerous rate proceedings (see Exhibit (PMA-1)__ accompanying my direct testimony) and current capital market conditions, it is my opinion that the results of leverage formula are reasonable for establishing a return on equity for water and wastewater utilities in Florida." Exhibit (PMA-28)__ provides an analysis of the cost rate of common equity utilizing the applications of the DCF, Risk Premium Model (RPM), CAPM and Comparable Earnings Model (CEM) which I typically include in testimony on rate of return in the numerous rate proceedings listed on Exhibit (PMA-1)__ accompanying my direct testimony. A description of my application of these models is provided in Appendix A accompanying this rebuttal testimony. It is clear, especially from the DCF results and the CAPM results for both the proxy group of Six AUS Utility Reports water companies and the Florida PSC Natural Gas Index, that the DCF cost rate of 9.68% and CAPM cost rate of 11.40% are reasonable, if not conservative, prior to giving consideration to the bond yield differential, the private

placement premium, the small-utility risk premium and adjustment for common equity ratio. And as stated in the Hope decision[13]:

> Under the statutory standard of 'just and reasonable' it is the result reached, not the method employed which is controlling... It is not theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

[13] Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944).

BY MR. FRIEDMAN:

Q. Ms. Ahern, would you give a brief summary of your rebuttal testimony, please?

A. Yes, I will. Mr. Chairman, Your Honors, my rebuttal testimony will rebut certain aspects of the direct testimony of OPC witness James Rothschild. Specifically, I will address his recommended changes to the current leverage formula and the recommended base common equity cost rate of 9.4 percent which he proposes.

I will also describe that the reasonableness of the current leverage formula as applied to the average water and wastewater utility in Florida, explaining how Mr. Rothschild's assumption that the cost of common equity must move in tandem with the movement in interest rates is incorrect, given the multiple factors that affect the cost of equity over and above interest rate levels.

I will also explain why although Mr. Rothschild is correct in his application of the Modigliani/Miller principle, assuming that the debt cost rate should change as common equity cost rate changes, staff's assumption of a constant debt cost rate over the entire range of common equity ratio is reasonable.

I also will demonstrate that holding the

before income tax overall rate of return or cost of capital constant across of range of common equity ratios of 40 to 100 percent is theoretically incorrect and results in the same revenue cost of capital regardless of the common equity ratio.

I also will address the necessity for staff's adders, the bond yield differential, the private placement premium, the small utility premium, and although not an adder, after the cost of equity is determined, staff's flotation cost adjustment to both the DCF and the Capital Asset Pricing Model. And I will also address the flaws in his applications of the DCF and CAPM.

And finally, I will demonstrate the reasonableness of the results of the 208 application of the leverage formula based upon an independent analysis of the cost of common equity for water and wastewater utilities.

That concludes my summary. Thank you.

MR. FRIEDMAN: I have no other questions.

CHAIRMAN CARTER: Mr. Friedman, is she ready for cross-examination?

MR. FRIEDMAN: Yes, Mr. Chairman.

CHAIRMAN CARTER: Mr. Beck, you're next.

MR. BECK: Thank you, Mr. Chairman.

CROSS-EXAMINATION

BY MR. BECK:

Q. Good afternoon, Ms. Ahern.

A. Good afternoon.

Q. Could I ask you please to turn to your exhibit accompanying your rebuttal testimony, and specifically Exhibit PMA-28?

A. Yes.

Q. Page 11 of PMA-28.

A. Yes, I'm there.

Q. Okay. This exhibit shows one of the models that you've used to determine cost of equity; is that correct?

A. To determine the reasonableness of the leverage formula's results, yes.

Q. Is this not a model to estimate the cost of equity?

A. Yes, but it I'm not recommending a cost of equity in this proceeding.

Q. Let me go through the lines of the exhibit to determine the process that's used. Line number 1 is the prospective yield on AAA-rated corporate bonds; is that right?

A. Correct.

Q. And then number 2 makes an adjustment to that

to develop line number 3; is that correct?

A. Correct.

Q. Okay. And then you have another line, line 4, for another adjustment that leads you to line 5, which is the adjusted prospective bond yield; is that correct?

A. Correct.

Q. And to that, you add the equity risk premium in line 6?

A. Correct.

Q. To develop the risk premium derived common equity cost rate?

A. Correct.

Q. Okay. So line 7 is the sum of lines 5 and 6; is that right?

A. Yes.

Q. And again, line 5 is directly related to line 1, which is the yield on corporate bonds, AAA-rated; is that right?

A. Correct.

Q. Okay. Now, suppose that the yield on AAA-rated corporate bonds was 6.87 rather than 5.87 percent as shown in your exhibit. Are you with me?

A. Yes.

Q. Okay. If that were to go up 1 percent, what would be the relationship -- what would happen to the

return on equity?

A. Well, all else equal, assuming that the equity risk premium would also remain the same, the equity risk premia on line 6, and assuming that the spreads between corporate debt and A-rated utility bonds remained the same, and assuming that the bond ratings were the same, your math would be correct.

Q. That the cost of equity would go up with the --

A. If you add 100 basis points to line 1, it would flow through and add 100 basis points to line 7, assuming that none of the other items changed.

Q. And likewise, if we reduced line 1 by 100 basis points, then the cost of equity would decrease as well, would it not?

A. Correct, all else equal.

Q. Let me ask you to turn to page 19 of your rebuttal testimony.

A. Okay.

Q. Okay. And on lines 8 through 9, you state, "I have previously demonstrated that it is neither necessary nor appropriate to change the debt cost rate as common equity ratios change." Do you see that?

A. Correct, given the context of the leverage formula, yes.

Q. Could you turn to page 2, lines 18 through 20?

A. Yes.

Q. There you say that OPC witness Rothschild is theoretically correct in assuming that the debt cost rate should change with the company's common equity ratio; is that right?

A. That's the beginning of that sentence, but it continues to say that I will demonstrate why it is reasonable to hold the debt rate constant.

Q. But on page 19, you said it's not appropriate to do so, to change the cost of debt as the common equity rate changes, did you not?

A. Yes, but I think that's just semantics, I think based on the testimony where I do demonstrate that it is not necessary because it is typical in utility rate cases to hold the debt rate constant at an embedded debt cost rate. I've testified in numerous cases, and Mr. Rothschild has testified in numerous cases, and I believe you will find that in almost all utility rate cases, the debt cost rate is considered to be an embedded debt cost rate.

The debt cost rate is not strictly a function of the debt ratio, as Mr. Rothschild would have us believe, or I should say the debt cost rate related to a bond rating is not solely a function of the debt ratio.

There are many factors that go into the bond rating process. There are many factors that go into any given company's embedded cost rate.

Q. Ms. Ahern --

A. It could be the timing of their issuances -- if I may continue, I'm trying to show why it is not necessary and it may not appropriate, given the typical ratemaking principles of allowing rates of return, total rates of return based on embedded debt cost rates.

You also may have a company with an A bond rating that could have a common equity ratio that goes anything, from 40 to 100 percent. Just because it's -- I think the average in Mr. Rothschild's analysis is 49.12. The proxy companies have an average A bond rating.

But some of these companies -- let me look at his exhibit. If you look on Exhibit JAR-8 and you look at the line that he shows there, some of the companies -- there's a company with an A- with a 44.4. There's a company with a BBB which has a higher common equity ratio, and based on his presumption, that should not be. And the reason it isn't is because the bond rating process is very comprehensive, and the debt ratio is not the sole determinant of the bond rating, and therefore, the debt ratio is not the sole determinant of the debt

cost rate.

Q. Okay. So, Ms. Ahern, taking your testimony on page 19 that we took and then at page 2, I take it that you feel it's not appropriate to do what is theoretically correct, and that is to assume that the debt cost rate should change with a company's common equity ratio.

A. Given the context of the leverage formula in ratemaking, correct. I said it, and I stand by it.

MR. BECK: Thank you. That's all I have.

CHAIRMAN CARTER: Thank you, Mr. Beck. Commissioners, anything further? Staff?

MS. HARTMAN: No further questions.

CHAIRMAN CARTER: Thank you. Mr. Friedman.

MR. FRIEDMAN: I have no redirect.

CHAIRMAN CARTER: Thank you very kindly. Okay. Let's look at the exhibits.

MR. FRIEDMAN: We would move Ms. Ahern's Exhibits 15 through -- that have been marked for identification 15 through 42.

CHAIRMAN CARTER: Mr. Beck.

MR. BECK: No objection.

CHAIRMAN CARTER: No objection. Show it done.

(Exhibit Numbers 15 through 42 were admitted into the record.)

CHAIRMAN CARTER: Okay. Now we have -- let me flip over. I need to turn to another page here.

Okay. That completes your rebuttal case.

MR. FRIEDMAN: That's correct, Mr. Chairman.

CHAIRMAN CARTER: Staff, anything further on rebuttal?

MS. BRUBAKER: Not with regard to this witness, but we do note that there is surrebuttal for Mr. Rothschild.

CHAIRMAN CARTER: Okie-dokie. That's a technical term.

Well, thank you, Ms. Ahern. Let's move on then and move into surrebuttal.

MR. BECK: Thank you, Mr. Chairman. The citizens recall James A. Rothschild.

CHAIRMAN CARTER: Mr. Rothschild.

Thereupon,

JAMES A. ROTHSCHILD

was called as a surrebuttal witness on behalf of the Citizens of the State of Florida and, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BECK:

Q. Mr. Rothschild, you're the same James A. Rothschild who is sponsoring surrebuttal testimony in

this case; is that correct?

A. Yes.

Q. And you had some changes, or did you have changes and corrections that were filed ahead of time to your surrebuttal testimony?

A. Yes.

Q. Do you have any other changes or corrections to make to your surrebuttal testimony?

A. No.

Q. With those changes, if I were to ask you the same questions here today, would your answers be the same?

A. Yes.

MR. BECK: Mr. Chairman, I move Mr. Rothschild's surrebuttal testimony into the record.

CHAIRMAN CARTER: The prefiled surrebuttal testimony will be entered into the record as though read.

BY MR. BECK:

Q. Mr. Rothschild, you also have a number of exhibits to your surrebuttal testimony which you marked JAR-12 through 14 and have identified in the staff's exhibit list as Exhibits 43 through 45 for identification; is that correct?

A. Yes.

SURREBUTTAL TESTIMONY

OF

James A. Rothschild

Q. ARE YOU THE SAME JAMES A. ROTHSCHILD WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF THIS SURREBUTTAL TESTIMONY?

A. The purpose of this surrebuttal testimony is to respond to the rebuttal testimony filed by Ms. Ahern in this proceeding.

I. RELATIONSHIP BETWEEN COST OF EQUITY AND INTEREST RATES

Q. ON PAGE 1 OF HER TESTIMONY, MS. AHERN SAYS THAT YOU MADE AN "ERRONEOUS ASSUMPTION THAT THE COST RATE OF COMMON EQUITY MUST MOVE IN TANDEM WITH INTEREST RATE LEVELS." PLEASE RESPOND.

A. In addition to making the quoted statement on page 1 of her testimony, Ms. Ahern further elaborates on this in a section that starts on page 3, line 16 of her testimony. In this section, Ms. Ahern attempts to cast doubt on the statement about the relationship between interest rates and the cost of equity by saying that

the cost of equity and the cost of debt only move together if all else is equal. She then lists things like the war with Afghanistan and Iraq, the recent run-up in energy prices, mortgage and credit crisis, etc. that make 2001 and 2008 different.

First, I'd like to start by correcting a mischaracterization of my testimony made by Ms. Ahern. What I said in my direct testimony was that the cost of equity proposed for use in these proceedings was based on a cost of equity determination that was 1.33% higher than the cost of equity found appropriate by this commission in 2001 and that:

> Between the 2001 leverage formula finding made by this Commission and Staffs updated determination of the findings in that prior decision, long-term U.S. treasury interest rates dropped by about 0.95%. As stated earlier, with such a large drop in long-term interest rates, one should be highly confident that the cost of equity has also dropped. An increase in the computed cost of equity in the face of such a large drop in interest rates should be carefully analyzed. It is a strong indication that something must be wrong with the underlying computations that develop the leverage formula. Later in this testimony I will show that the difference this improper result from the updated leverage formula is primarily due to severe deficiencies in the approach to the CAPM that has been used to develop the leverage formula.

[Rothschild direct, page 6]

Therefore, an objective reading of my direct testimony shows that I pointed out that since the cost of debt dropped substantially between 2001 and 2008, it was "... a strong indication that something must be wrong with the computation..." Ms. Ahern's conclusion that I somehow said, "... the cost rate of common equity must move in tandem with interest rate levels..." is a mischaracterization of my testimony. (Ahern rebuttal, page 2).

Q. ON PAGES 5-7 OF HER REBUTTAL TESTIMONY, MS. AHERN IDENTIFIES VARIOUS DIFFERENCES BETWEEN THE CAPITAL MARKETS IN 2001 AND 2008. PLEASE COMMENT.

A. When examining any two points in time, there are always differences in the capital markets. However, the reason people look to interest-based equity costing methods such as CAPM or risk premium is because any impact of these differences is felt in both the equity markets and the bond markets. Ms. Ahern has not provided any reason why any of the differences in the capital markets would have had any difference in their impact on bond returns compared to stock returns let alone changes that would be so largely different in impact between the cost of bonds and the cost of common equity that it would have caused one to see a substantial increase in cost while the other to see a substantial decrease.

Further, the above actual quote from my testimony shows that, in contrast to Ms. Ahern's random observations that were not tied in any way to a different impact on bonds than stocks, I not only showed that there was such a substantial inconsistency between the change in Staff's computation of the cost of equity and the actual change in the cost of debt between 2001 and 2008, but I also explained why. I showed that the inconsistency between the indicated change in the cost of equity and the cost of debt between 2001 and 2008 was due to an identifiable error in the old leverage formula result. See page 6 to 9 of my direct testimony in this case.

Q. DOES MS. AHERN RELY ON AN ANALYSIS THAT ASSUMES THE COST OF EQUITY AND INTEREST RATES MOVE IN TANDEM?

A. Yes. In addition to Ms. Ahern's misrepresentation of my testimony, it is additionally strange that she took the position of arguing against the position that interest rates and the cost of equity move in tandem because both her CAPM and her risk premium methods are specifically tied "IN TANDEM" to changes in interest rates. Therefore, her answers from these methods do, in fact, have results that change in tandem. Therefore, her testimony regarding the rejection of the concept that interest rates and the cost of equity move in tandem is really rebuttal to her suggested cost of equity procedures and not my overview observation.

II. RELATIONSHIP BETWEEN COST OF DEBT AND LEVEL OF COMMON EQUITY IN THE CAPITAL STRUCTURE

Q. IN YOUR DIRECT TESTIMONY, ON PAGE 11, YOU RECOMMEND TO THE COMMISSION THAT THE DETERMINATION OF HOW THE COST OF EQUITY CHANGES WITH CHANGES IN THE LEVEL OF COMMON EQUITY IN THE CAPITAL STRUCTURE SHOULD CONSIDER THAT THE COST OF DEBT CHANGES WITH CHANGES IN THE LEVEL OF COMMON EQUITY. DOES MS. AHERN AGREE?

A. No. On pages 9-10 of her rebuttal testimony, while she agrees with me that both "… in theory and consistent with the Modigliani/Miller principle which provides

the basis for the leverage formula, the debt cost rate is a function of the debt ratio with debt cost rising as the debt ratio rises." But, in spite of her acknowledgement of how the Modigliani/Miller principle works, she still goes on to argue for rejecting this important principle and instead irresponsibly testifies that it is somehow reasonable to make the "... assumption that the debt cost rate is constant over a common equity range of 40% to 100%...[1]"

Q. COULD MS. AHERN PROVIDE ANY LOGICAL BASIS FOR HER RECOMMENDATION TO REJECT THE MODIGLIANI/MILLER PRINCIPLE?

A. No. She attempts to criticize me on page 10, line 6, for being wrong because I had been assuming "... that all else is equal." A close examination of the situation shows that her criticisms are completely hollow. Indeed, the entire premise behind the leverage formula in the first place is that the leverage formula only makes sense to use if the cost of capital to water and wastewater companies remains the same from company to company --- in other words, the leverage formula is only expected to apply if all the relevant factors that bring rise to the desire to use the leverage formula are in fact equal.

Rather than merely assign the same cost of capital to all water and wastewater utilities, the concept behind the leverage formula starts out by recognizing that companies use different capital structures. Because companies use different capital structures, even if the overall cost of capital were the same from company

[1] See page 10, lines 7-8 of Ms. Ahern's Rebuttal Testimony

to company, the cost of equity will be different because of variations in the capital structures actually used. In other words, two water companies that both have the same business risk will have different financial risk if they use different capital structures. The Modigliani/Miller principle tells us that as the percentage of common equity goes up, financial risk goes down such that both the cost of debt and the cost of equity go down. It also tells us that before considering taxes and bankruptcy risk, the sum of the weighted cost of equity and the weighted cost of debt (i.e. the overall cost of capital) remains the same. This is specifically why the derivation of the leverage formula, whether done by Staff or by me, assumes that the cost of capital would remain the same irrespective of changes in the capital structure of a Florida water or wastewater company. It then first determines an overall cost of capital for a theoretical water or wastewater company that is using a capital structure containing 40% common equity and 60% debt. It then holds this overall cost of capital constant while computing the cost of equity that would be necessary to hold the overall cost of capital constant. While the actual cost of equity is the desired input into the leverage formula starting point, rather than using the actual embedded cost of debt of the comparative companies, the cost of debt that is used for the starting point is the current rate that it would cost to obtain debt. Using the current cost of equity and current cost of debt is correct for this computation because it is current cost rates that have relevance in the capital structure interplay as expressed in the Modigliani/Miller principle. Both Ms. Ahern and I agree that the current cost of debt should be used as the starting point, but where Ms. Ahern goes wrong is

when she argues for deviating from the Modigliani/Miller principle by failing to model for anticipated changes in the cost of debt that are expected to occur in response to changes in capital structure.

Q. CAN YOU PROVIDE AN EXAMPLE THAT PROVES WHY MS. AHERN IS WRONG?

A. Yes. Assume there are two different water companies that both start brand new regulated water utility businesses, call them Company A and Company B. Assume that Company A when it goes into business starts with a capital structure made up of 40% common equity and 60% debt and does so at a time when the Florida PSC has determined the cost of equity applicable to a water company with 40% common equity in the capital structure is 9.50%. Since such a company is a new company, debt that is actually issued would be issued at a rate equal to the current cost of debt consistent with its bond rating so that if the cost rate on BBB rated debt were 6.0%, the company would be able to issue debt for about 6.0%. Since the Florida PSC uses this 40% equity and 60% debt capital structure and uses the current cost of equity and cost of debt, the overall cost of capital allowed to this Company A would be computed as follows:

Type of Capital	Amount	Cost Rate	Weighted Cost
Common Equity	40%	9.00%	3.60%
Debt	60%	6.00%	3.60%
Totals	100%		7.20%

In the above example, before addressing the income tax expense issue, the overall cost of capital that would both be allowed to Company A and would likewise be held constant when quantifying the leverage formula is the 7.20% overall cost of capital. So far, based on the hypothetical situation, Ms. Ahern and I would see it the same way. Now, to show what happens if Ms. Ahern's bad advice to hold the cost of debt constant were to be used, consider the following. If Company B came along at the same time Company A did, was also a new start-up water company in Florida, but had a capital structure containing 65% common equity and 35% debt, Ms. Ahern's incorrect recommendation to violate the Modigliani/Miller principles and hold the cost of debt constant would result in the following determination of the cost of equity for Company B:

Type of Capital	Amount	Cost Rate	Weighted Cost
Common Equity	65%	7.846%	5.10%
Debt	35%	6.00%	2.10%
Totals	100%		7.20%

In the above example, if Ms. Ahern's incorrect method of holding the cost of debt constant were used to determine the overall cost of capital to allow to Company B, the allowed return on equity in order to think the overall cost of capital was being kept at 7.20% would be an allowed return on equity of 7.846%. Yet, as we know both from the Modigliani/Miller principles and real world observations,

Company B that was identical to Company A but for capital structure would be able to issue debt at a lower interest rate than Company A. While the actual amount of the reduction in interest rates will vary depending upon financial conditions prevailing at the time, it is reasonable to assume for purposes of this exercise, that Company B could issue debt at a cost rate of 5.50% at a time when Company A could issue debt at a cost rate of 6.00%[2] Look what would really happen to Company B. Although it would be allowed a cost of capital of 7.20%, it would only experience the following cost of capital:

Type of Capital	Amount	Cost Rate	Weighted Cost
Common Equity	65%	7.846%	5.10%
Debt	35%	5.50%	1.93%
Totals	100%		7.03%

The effect of this would be for Company B to earn more than the intended 7.846% cost of equity because rates would have been set to provide Company B with a return on capital of 7.20% instead of 7.03%. In fact, as shown below, with a 65% equity/35% debt capital structure, actual cost of debt of 5.50% and allowed overall cost of capital of 7.20%, Company B would earn a return on equity of 8.11%, which is 0.264% higher than the 7.846% that would have been intended

[2] One could quibble about whether or not the reduction in the cost of debt would be 0.50%, or a slightly different number. But, for purposes of this example, the key factor that cannot be responsibly rebutted is that the cost of debt to startup Company B would be less than for startup Company A.

by the Commission.

Type of Capital	Amount	Cost Rate	Weighted Cost
Common Equity	65%	8.11%	5.27%
Debt	35%	5.50%	1.93%
Totals	100%		7.20%

In other words, if the Commission were to adopt Ms. Ahern's bad advice and as a result misuse the Modigliani/Miller principles, it would be using a methodology that would provide a windfall gain to investors in the form of a higher return on equity than the Commission would have intended.

Q. ON PAGE 10 OF HER REBUTTAL TESTIMONY, MS. AHERN ATTEMPTS TO DEFEND HER POSITION BY SAYING THAT WHEN DETERMINING THE OVERALL COST OF CAPITAL, IT IS TYPICAL FOR THE COMMISSION TO USE THE EMBEDDED COST OF DEBT IN THE COMPUTATION OF THE OVERALL COST OF CAPITAL. DOES THIS SOLVE THE PROBLEM?

A. No, not at all. In the above example, the embedded cost of debt and the new cost of debt were the same, yet by making the mistake of failing to change the cost of debt when deriving the leverage formula resulted in providing an inadequately small downward adjustment to the cost of equity. The bottom line is that to get the right answer, both the expectation of the lower cost of debt must be modeled

into the determination of the leverage formula and then when computing the overall cost of capital for the subject company both the cost of equity derived from the leverage formula that is consistent with the subject company's capital structure and the actual embedded cost of debt of the subject company must both be used.

Q. OF WHAT RELEVANCE ARE MS. AHERN'S COMMENTS ON PAGE 11 OF HER REBUTTAL TESTIMONY THAT "BOND RATINGS ARE NOT SIMPLY AND EXCLUSIVELY A FUNCTION OF DEBT RATIOS...."

A. Once a decision is made to use the leverage formula approach and to base that on the principles of Modigliani/Miller, these comments by Ms. Ahern are irrelevant. The entire basis for using the leverage formula approach in the first place is to allow one cost of equity determination to be applied to all water and wastewater companies in proceedings where the leverage formula use is not challenged by either the Company or other parties. As is correctly noted on page 11 of Ms. Ahern's rebuttal testimony, in addition to considering financial parameters that are a function of the capital structure, Standard & Poor's does consider business risk. A company with an excellent business risk rating would be likely to have a lower cost of debt for any given capital structure than a company with a weak business risk position. However, the relevance of that factor would come into play on whether or not the leverage formula result is or is not applicable to the company in question. It would have absolutely nothing to do with how to determine the leverage formula or any of the results obtained from the formula.

III. B X R APPROACH TO DCF

Q. DOES MS. AHERN COMMENT ON YOUR APPROACH TO THE DCF METHOD IN THIS PROCEEDING?

A. Yes. Starting on page 28 of her rebuttal testimony, she provides a discussion of my recommended DCF approach. On page 29, she claims that my recommended approach to the DCF method is based on the short-term forecasts she thinks I have advised against. Additionally, she claims that the approach I have used is somehow circular. She is wrong on both counts.

Q. PLEASE COMMENT ON MS. AHERN'S CLAIM THAT YOUR APPROACH VIOLATES YOUR ADVICE ON THE USE OF SHORT-TERM FORECASTS.

A. On page 29 of her testimony, Ms. Ahern provides a quote from page 18, lines 16-18 of my direct testimony. I will repeat the quote she provided, and will highlight that section in bold, but will also provide material from my direct testimony that appeared immediately before and immediately after that quote so it can be put into proper context:

> While the CAPM method is also dependent upon a DCF result to compute the risk premium, growth in the implementation of the DCF method is not based on the two- stage approach, but is instead computed by Staff by averaging the five year growth rate in dividends and earnings forecast by Value Line (based on over 600 companies) to occur between the average of the three most recent historical years and a three year period a few years into the future.

As I have argued for decades, the historical to short-term future five-year growth rates are NOT the kind of growth rate applicable for use in the DCF formula because they are not long-term sustainable growth rates. Growth rates from any base period are subject to distortion depending on how atypical the three-year average base period is compared to what is expected for the future. Value Line itself apparently knows better than to use these growth rates in a DCF method, because when it advises investors what total return to expect for the future, it does NOT add these growth rates to the dividend yield as it would if it believed these growth rates to be a credible DCF approach. Therefore, I am not surprised that the results of such an inherently flawed approach to the DCF would result in vastly inconsistent results when comparing the computational results from 2001 to 2008.

Putting the portion of my testimony that Ms. Ahern quoted into its proper context shows that her criticisms are totally without foundation. I was, am, and will be opposed to the use of short-term, five-year earnings per share and/or dividends per share growth rates in a constant growth form of the DCF model because these growth rates are purely and simply unsustainable growth rates. However, determining what growth rate is sustainable by determining what future expected return on book equity is anticipated by investors can produce a sustainable growth rate. This approach of applying the "b x r" approach to quantify future sustainable growth was used both in the Staff report when it applied the DCF method and in my testimony.

Q. PLEASE COMMENT ON MS. AHERN'S CLAIM THAT YOUR APPROACH TO THE DCF METHOD IS SOMEHOW CIRCULAR.

A. In making this statement, Ms. Ahern shows her fundamental misunderstanding of the DCF method. She apparently has lost sight of the fact that DCF stands for "Discounted Cash Flow". The basic principle behind the DCF method is to find

the discount rate (cost of equity) that equates the future expected cash flows to the current stock price. Ms. Ahern should know that future cash flows that investors will receive would come from future dividends until such time as an investor sells the stock. At the time the stock is sold, the investor receives proceeds from the sale of the stock and a corresponding one-time cash flow from the sale of the stock. Both the dividends and the future stock price a company will receive are highly dependent upon the level of earnings a company will achieve. The level of future earnings a regulated utility will earn, and therefore the cash flow investors will expect to receive, are directly related to how high of an earned return on equity a commission gives a company the opportunity to earn. Therefore, Ms. Ahern should know that any accurate approach to the DCF method must recognize that the results of regulation are what is a key determinant to what future cash flows will be. This is true whether future cash flows are measured by quantifying growth through use of the b x r (or retention rate times future expected return on book equity) method, or if it is based on quantifying earnings per share growth or dividends per share growth.

Q. **ARE B X R GROWTH RATES MORE OR LESS SUSCEPTIBLE TO CHANGES IN THE ALLOWED RETURN ON EQUITY THAN B X R GROWTH RATES?**

A. Five year earnings per share growth rates of the kind used by Ms. Ahern are far more susceptible to a change in the allowed return on equity than b x r growth rates. Here is why. Assume a company that in the past has been allowed to earn a

return on equity of 9.25% convinces a commission to increase its authorized return on equity to 9.75%. Such a change, if it were accompanied by other ratemaking computations that result in investors changing future expectations for return on equity actually increasing from 9.25% to 9.75% would result in an increased expectation in earnings per share. How much the increase in earnings per share would be is easy to estimate. If investors expected a company to earn $2.00 per share five years from now when it earned the 9.25% return on equity, the earnings expectation would have to change from $2.00 to approximately $2.11 ($2.00 x 9.75/9.25)[3]. Now, if a company in which investors were expecting $2.00 in earnings per share five years from now had investors who were expecting a 5% per year earnings per share growth rate over the next five years when earnings per share expectations were at the $2.00 level, then earnings per share at the beginning of the five year period would have to be $2.00/((1.05)^5), or $1.567. Or, said another way, $1.0567 grown at a compound rate of 5% for 5 years becomes $2.00. Now look what happens to the computation of the growth rate if the allowed return on equity is increased from 9.25% to 9.75% and there is a corresponding increase in future expected return on book equity. Even though we said the DCF method that obtained an indicated cost of equity of 9.75% based upon a 5% earnings per share growth rate when investors were thought to expect future earnings per share of $2.00, the higher earnings that would result from the

[3] This computation is approximate rather than exact because higher earnings in the year prior to the fifth year would be added to book value if dividends were not increased. The higher book value would mean earnings per share would be that much higher by the fifth year, making the earnings per share required to produce the 9.75% earned return on equity a bit higher than the $2.11 I've shown. However, I have not included this effect to make the computations easier to follow without hurting the integrity of the example.

now higher allowed return on equity would produce a new growth rate of 6.13% (the compound rate of growth required for $1.567 to grow to $2.11 in 5 years). Therefore, if it were somehow felt to be circular because a change in the future expected earned return on equity from 9.25% to 9.75% would increase the b x r growth rate, it would be just as circular to rely upon a five-year earnings per share growth rate because it, too, would increase in response to investors' changed earnings expectations.

Q. ARE YOU THEN SAYING THAT BOTH B X R AND A FIVE –YEAR EARNINGS PER SHARE GROWTH RATE COMPUTATION ARE CIRCULAR?

A. No, actually neither is circular. Remember that the DCF method is implemented by finding the discount rate that equates the current stock price with investor's future cash flow expectations. As long as the stock price and the future expectations of investors are measured from the same point in time, there is no circularity in either method. Actually, the proper mathematical term for factors such as this where one influences the other is an iteration. Even those of us who may not be familiar with this mathematical term do iterations all the time. For example, if a room is cold we increase the setting of the thermostat. The thermostat turns on a furnace until it gets information that the temperature has risen and it no longer needs to have the furnace on. A sailboat captain sailing a compass course turns the boat to one direction to get back on course and then turns the wheel straight again once arriving to the desired course.

Q. IF NEITHER THE B X R METHOD NOR THE FIVE YEAR EARNINGS PER SHARE METHOD HAS ANY CIRCULARITY, DOES THAT MAKE IT ACCEPTABLE TO USE THE FIVE YEAR EARNINGS PER SHARE COMPUTATION AS AN INICATOR OF FUTURE EXPECTED GROWTH IN THE CONSTANT GROWTH FORM OF THE DCF MODEL?

A. No. The constant growth form of the DCF model only has mathematical integrity if the best estimate for the future expected level of growth in earnings, dividends, book value, and stock price all share the same growth rate as the best estimate of what is expected for the future. This is not to say that they would actually grow at the same rate, but it does mean that investors have no basis for thinking any one is likely to grow more rapidly than another.

The b x r method is merely a way that estimates future expected growth in a way that is sustainable. It is not susceptible to beginning or ending point errors like 5-year growth rates are, and it provides an estimate of growth that is equally credible for earnings per share, dividends per share, book value per share, and stock price per share. This is why it is the only approach to the constant growth form of the DCF model that is mathematically derivable.

Q. WHY IS IT SO IMPORTANT TO USE A GROWTH RATE IN THE CONSTANT GROWTH FORM OF THE DCF MODEL THAT IS EQUALLY REPRESENTATIVE OF WHAT INVESTOS EXPECT FOR

FUTURE EARNINGS PER SHARE, DIVIDENDS PER SHARE, BOOK VALUE PER SHARE, AND STOCK PRICE PER SHARE GROWTH?

A. While the reason constant growth is required as the input into the constant growth form of the DCF model could be shown mathematically by illustrating the algebraic derivation of the constant growth form of the DCF model, there is a simple example that readily shows the deficiency of using five year earnings per share growth as an indicator in an environment of non-constant growth.

The constant growth form of the DCF model recognizes that the total return received by investors is the sum of the dividend yield and a future expected growth rate. Given this, consider what happens if growth rates are unequal:

1. If dividends grow less rapidly then earnings, but stock price grows at the same rate as dividends, then the dividend yield declines. Yet, the constant growth form of the DCF model has no mechanism to quantify the impact of a declining dividend yield on the future expected total return. Hence, in this scenario, the constant growth DCF result looses meaning.

2. If earnings grow more rapidly than dividends, then the retention rate keeps increasing. Other things being equal, a higher and higher retention rate causes earnings per share growth rate to become higher and higher. Yet, the constant growth form of the DCF model has no mechanism to quantify the impact of an increasing growth rate on the expected total return investors expect to receive.

3. If stock price is expected by investors to grow more rapidly than dividends, then the dividend yield would be expected to go down. Yet, there is no mechanism in the constant growth form of the DCF model to accurately compute the impact of such an expected change. The same but opposite effect would occur if stock price were expected to grow less rapidly than dividends.

IV. CAPM ANALYSIS

Q. WHAT DOES MS. AHERN SAY ABOUT YOUR CAPM ANALYSIS?

A. Ms. Ahern discusses my CAPM method starting on page 31 of my testimony. The first thing she claims is that my CAPM is somehow not a CAPM method because "(I)n CAPM theory, the Security Market Line (SML) is a line that demonstrates the relationship between risk and return as measured by beta and the required rate of return for individual securities."

Q. IS THAT A VALID CRITICIZM OF YOUR APPROACH TO CAPM?

A. No. The graph on page 2 of Exhibit No. ___ (JAR-7) is specifically the development of the Security Market Line that was quantified by showing the actual relationship between earned returns and betas for all of the roughly 1,000 companies included in the Ibbotson Associates (Now IBES Morningstar) 2008

Yearbook.

Q. SINCE YOU DID PROVIDE THE SML, WHAT BASIS DID MS. AHERN USE TO CLAIM YOU DID NOT CREATE THE SML?

A. Ms. Ahern did what I would call loophole rebuttal. She found a textbook source that happened to define the SML as the very same relationship I graphed, but happened to use the word "... individual securities..." in the definition. Never mind that the SML shown in my graph shows the very same relationship, Ms. Ahern created a phantom difference anyhow. The data that I used was aggregated by Ibbotson Associates by compiling the average betas for each company in the group and the average returns earned by each group. In other words, the data does include the impact of each individual company.

Q. MS. AHERN ALSO SAYS ON LINES 10-11 OF PAGE 31 OF HER TESTIMONY THAT "THE SML HAS ITS ORIGIN AT THE RISK-FREE RATE, I.E., THE INTERCEPT, WHEREAS OPC WITNESS ROTHSCHILD ESTIMATES AN INTERCEPT THAT HE CLAIMS TO BE THE RISK-FREE RATE. IS THIS A PROBLEM?

A. No. By CAPM theory, the relationship between beta and cost of equity is supposed to be linear. Therefore, if the true relationship were actually linear, extending the least squares line as defined by the actual historical SML were indeed the true relationship, the line projection would pass through the intercept at the risk free rate. In other words, whether I had actually used some externally determined risk free rate or the risk free rate defined by the data, the results would

have been essentially identical. As I stated on page 54 of my direct testimony "(t)he most accurate risk free rate to use with the analysis is the one that is defined by the data itself. This way, the true historical actual relationship between beta and the cost of equity is maintained." I go on to explain on page 55 of my direct testimony that "(t)he compound annual return actually achieved by investors in US. Treasury Bills from 1926-2007 was 4.70%, or only 25 basis points higher than the result consistent with the actual return versus actual beta data used in my CAPM analysis. This small difference is an excellent confirmation of the integrity of the CAPM theory." So whether I had obtained the risk free rate by directly using the average U.S. Treasury Bill return from 1926 to 2007 or used the derivation of the risk free rate as implied by the data, the difference would have been slight.

Q. IS THE SHORT-TERM TREASURY RATE THE CORRECT RATE TO USE AS A RISK FREE RATE?

A. From the perspective of the SML, it is the only security that has a beta at or very near zero. A longer-term treasury would be incorrect to plot at the intercept because its beta is above zero. It is also reasonable to use short-term treasuries as a proxy for the risk free rate IF AND ONLY IF the actual treasury yield over a long period of time is used. At any given spot point in time, the yield on risk free treasuries is often distorted due to factors such as whether the U.S. Federal Reserve is artificially increasing interest rates to slow down the economy or is artificially decreasing interest rates to stimulate the economy.

Q. IS MS. AHERN'S INCORRECT CLAIM THAT YOU DID NOT BASE YOUR CAPM ON AN SML THE ONLY UNFAIR CRITICISM OF YOUR CAPM SHE MADE?

A. No. On page 31 of Ms. Ahern's testimony, she claims that I was incorrect to compare the Value Line 5 year betas to the betas calculated from 1926-2007, i.e. 82 years. Once again, it is Ms. Ahern that is incorrect. She is wrong because she ignored the point I explain on page 55 of my direct testimony. On lines 9-10 of page 55, I am asked the question "DO THESE HISTORICAL ACTUAL RETURNS FROM 1926-2007 AUTOMATICALLY EQUATE TO THE COST OF EQUITY". My answer was "(n)o". I go on to explain that I specifically adjusted the data obtained from 1926-2007 to make it applicable to the current financial environment.

Q. DID MS. AHERN STILL MORE INCORRECT CRITICISMS OF YOUR CAPM APPROACH?

A. Yes. In spite of the detailed explanation of the correctness of using the compound, or geometric average to quantify historical actual returns on pages 51 to 52 of my direct testimony, Ms. Ahern has not yet given up on her invalid argument about the arithmetic average.

Ms. Ahern's try at using the arithmetic average is an old trick that has been used by unscrupulous investment advisors for years. Attached to this testimony is an

article entitled "Financial Advisers and Fuzzy Math[4]" which explains that the arithmetic method is an invalid approach to quantifying returns that has been used specifically to overstate actual investment returns.

Additionally, I have attached to this testimony an article entitled "The Difference in Averaging[5]" from Value Line that correctly explains that the arithmetic method overstates returns while the geometric averaging method is the correct method.

Furthermore, Ms. Ahern must know that if the SML is computed using arithmetic average returns instead of geometric returns, the resulting line is no longer linear and the zero beta intercept result is way above the risk free rate. All of this merely provides additional proof of what should already be obvious: the arithmetic average of historical returns is an invalid method of quantifying historical actual returns. It serves to mislead investors or analyses based upon those results.

Q. ON PAGE 38 OF HER TESTIMONY, MS. AHERN CLAIMS THAT THE 9.66% RETURN DISCUSSED BY SBBI IS BASED UPON GEOMETRIC MEAN RETURNS. IS THIS A CORRECT DESCRIPTION OF WHAT SBBI HAS REALLY SAID?

A. No. Ms. Ahern is misrepresenting her source. On page 57 of my direct testimony, I provide a full in-context quote from SBBI. What the complete quote

[4] See Exhibit No.___(JAR-13)
[5] See Exhibit No.___(JAR-14)

shows that in the opinion of SBBI, assuming historical inflation rates the future expected return on equity is 9.66%. As explained in that quote, this 9.66% is the same answer whether the geometric or arithmetic averaging method is used.

Q. ON PAGE 32 OF HER REBUTTAL TESTIMONY, MS. AHERN SAYS THAT "THE ARITHMETIC MEAN RETURN IS APPROPRIATE FOR COST OF CAPITAL PURPOSES PRECISELY BECASUSE IT CAPTURES THE EFFECT OF CHANGING ECONOMIC CONDITIONS ON RISK PREMIA OVER TIME." IS THIS CORRECT?

A. No. The arithmetic mean is inappropriate for cost of capital purposes and even if someone wanted to use arithmetic means to capture the effect of changing economic conditions that is way beside the point of any analysis that anyone has or generally does propose in the context of a CAPM analysis. Ms. Ahern's statement is also wrong because simply knowing the arithmetic average says absolutely nothing about how risky an investment may be. For example, if the arithmetic average return over 6 years was 10.0%, merely knowing this does not provide any information if the 10% annual average return was obtained from an investment that earned exactly 10% in each of the six years, or from an investment that earned 0% in 3 years and 20% in three years, or if the 10% average return was earned in any one of a number of different ways. In fact, merely knowing that the arithmetic average return averaged 10% for six years is such a misleading number that it does not even tell anyone if there was a total profit or total loss over the six years.

Q. HOW COULD A SIX-YEAR ARITHMETIC AVERAGE RETURN OF 10% BE MEASURED IF AN INVESTOR EXPERIENCED A LOSS OVER THE SIX YEARS?

A. Suppose an investor started out with an investment of $100 and incurred a loss of 90% in the first year. Such an investor would have an investment value of only $10 after the end of the first year. Then, assume the investor proceeded to earn a return of 150% in the second year. If this happened, the $10 balance at the end of the first year would become $25 at the end of the second year. Further assume that this investor then proceeded to exactly break even in the remaining 4 years. Such an investor would have started with an investment of $100, ended up with an investment of only$25, for a net loss over the six years of $75. Yet, the arithmetic average of the returns over the six years would be (-90%+150% +0% +0%+0%+0%+0%)/6, which equals an annual average return rate of 10%.

A measurement technique that could come to a conclusion that the average annual return on an investment that declined from $100 to $25 over six years was somehow actually a positive return of 10% is seriously wrong.

Q. IF KNOWING THE ARITHMETIC AVERAGE IN AND OF ITSELF SAYS NOTHING ABOUT EITHER THE RISKINESS OF AN INVESTMENT OR EVEN WHETHER OR NOT AN INVESTMENT WAS PROFITABLE, IS THERE ANY BASIS AT ALL FOR MS. AHERN'S CLAIM THAT

ARITHMETIC AVERAGES PROVIDE INSIGHT INTO VARIANCE AND STANDARD DEVIATION OF RETURNS?

A. While Ms. Ahern's comments about the potential use of arithmetic returns to get an estimate of risk are irrelevant because they have not even been proposed as the way to quantify risk, it could be possible to use arithmetic returns to measure risk. Actually, for that matter, one could use time interval geometric returns as a measure of risk also[6]. If one wanted to compute the variability of annual returns, one could do this by examining the variation in annual returns over a number of years. However, this fact is in no way connected with what method properly quantifies actual returns that were earned. Among the key facts Ms. Ahern improperly ignored are that a) the variability of returns that could be computed from arithmetic returns ARE NOT AND SHOULD NOT be used to quantify risk in the CAPM. Instead, risk is independently quantified from betas. Betas are computed by regressing the weekly percentage change in a stock price compared to the weekly percentage change in a broad stock index. Betas are NOT computed from the arithmetic average of anything. Therefore, Ms. Ahern's defense of the use of the arithmetic average because annual percentage change data could be used to get some insights into risk is a very strange argument indeed.

[6] By "time interval" geometric returns what I mean is geometric return comparisons for multi-year periods, such as a series of geometric returns over a string of 5-year periods. Actually, annual arithmetic returns are nothing but geometric returns over one year, since arithmetic returns could be computed over any time period. For example, an annual arithmetic return is nothing but the geometric result of monthly arithmetic returns, monthly arithmetic returns are nothing but geometric monthly returns from daily arithmetic returns, etc.

Q. ON PAGE 37 OF HER TESTIMONY, MS. AHERN DISCUSSES THE RELATIONSHIP BETWEEN BETA AND THE COEFFICENT OF DETERMINATION. PLEASE COMMENT.

A. On page 37 of her testimony, Ms. Ahern criticizes my use of beta because "... beta is a measure of market or systematic, non-diversifiable risk and not of non-systematic, company-specific or diversifiable risk." What Ms. Ahern fails to explain is that the entire premise behind the CAPM method in the first place is that the only kind of risk for which investors are rewarded is precisely this non-diversifiable risk that is quantified by beta, not by R2.

The Nobel laureate William Sharpe, one of the originators of the Capital Asset Model explains in one of his textbooks the following regarding beta, market risk and return:

> Market risk is related to the risk of the market portfolio and to the beta of the security in question. Securities with larger betas will have larger amounts of market risk. In the world of the CAPM, securities with larger betas will have larger expected returns. Therese two relationships together imply that securities with larger market risks should have larger expected returns.
>
> Non-market risk is not related to beta. This means that there is no reason why securities with larger amounts of non-market risks should have larger expected returns[7].

Q. DOES MS. AHERN PROVIDE A FINANCIAL SOURCE THAT SHE CLAIMS SUPPORTS HER MISCONCEPTION ABOUT THE CORREC

[7] Sharpe F. William, Investments fifth edition, 1995, p.277.

RISK MESUREMENT TO USE?

A. Yes. On page 37, she references Investments: Analysis and Management by Jack Clark Francis. She includes three pages from that book in her Exhibit (PMA-26).

Q. DOES THE SOURCE MS. AHERN HAS PROVIDED HAVE THE SAME MISCONCEPTION ABOUT HOW TO USE THE CAPM THAT MS. AHERN HAS?

A. No. On the contrary. Her source correctly recognizes that it is beta, not r squared that measures the non-diversifiable risk. This source also correctly recognizes that in order to experience the non-diversifiable risk, investors need to invest in portfolios of stocks in contrast to making an investment that is concentrated in only a few securities. However, this source in no way contradicts the use of beta with CAPM.

The message is simple. If one accepts the principles of the CAPM method, then one accepts, as I do, the generally accepted concept that investors are only rewarded for taking non-diversifiable risks. Yes, those investors who want to assume greater risk by not diversifying can (and do) take on larger risks. But, those larger risks in aggregate average out (some investors do very well, while others do very poorly). Because they average out, risks created through an investor's failure to diversify add nothing to the cost of equity. Because they add nothing to the cost of equity, in the process of balancing the interests of investors and ratepayers, the Commission must ignore these non-diversifiable risks.

V. BOND DIFFERENTIAL, PRIVATE PLACMENT PREMIUM, SMALL UTILITY RISK PREMIUM, FLOTATION COST ADJUSTMENT

Q. DOES MS. AHERN TAKE A POSITION ON YOUR RECOMMENDATION TO EXCLUDE COST OF CAPITAL ADDERS FOR THE BOND DIFFERENTIAL, PRIVATE PLACEMENT PREMIUM, SMALL UTILITY RISK PREMIUM AND FLOTATION COST ADJUSTMENT.

A. Yes, Ms. Ahern expresses her disagreement with what I have explained is the correct position on these issues. However, it should first be pointed out that she has failed to put this disagreement in the proper context. She failed to note that the net result of my recommendation to exclude various additions to the cost of equity computation but at the same time make an addition to the cost of equity that had not been contemplated by the Commission produces a much smaller difference in the end result. As I testified on pages 28-29 of my direct testimony:

> The 2001 Order allows for additions to the cost of equity computed from the comparative gas companies for:
>
> Bond Yield Differential
> Private Placement Premium
> Small-Utility Risk Premium
> Financing Costs
>
> All the above adders are inappropriate. However, one adder which is actually

larger than any of the other ones and was omitted but should have been included in the second stage of the DCF model is the increment to growth caused by sales of new common stock above book value. After excluding the four above-listed improper additions to the cost of equity and adding the impact of sales of new common stock above book value, the results of the DCF method as applied to the comparative gas companies changes from the 9.68% obtained by Staff to the 9.42% to 9.43% shown on my Exhibit JAR-2.

Q. HAS MS. AHERN PROVIDED SPECIFIC REBUTTAL TO THE TESTIMONY YOU PROVIDED ON PAGES 29 AND 30 OF YOUR DIRECT TESTIMONY THAT EXPLAINS WHY THE PROPOSED BOND DIFFERENTIAL IS INAPPROPRIATE?

A. On page 19 of her rebuttal testimony, Ms. Ahern incorrectly states that "(i)t is appropriate to include the bond yield differential in the cost of common equity calculation in the leverage formula because the bond yield differential reflected in the debt cost rate only compensates bond holders for the increased riskiness inherent in Baa3 public utility bonds relative to the riskiness inherent in A rated public utility bonds." In the typical style that Ms. Ahern has frequently used in her rebuttal testimony, she is completely wrong because she has only considered part of the story. The starting point for the leverage formula is the overall cost of capital for the comparative gas companies that was computed using the actual cost of equity for the comparative group and the cost of debt as it would currently be if these companies issued debt today. Then, this overall cost of capital is held

constant when determining what cost of equity and cost of debt would be applicable to a capital structure containing an alternative level of common equity. See page 15 of my direct testimony. By holding the overall cost of capital constant, the cost of equity goes up when the common equity ratio goes down and goes down when the common equity ratio goes up. This accounted-for change in the cost of equity is exactly the same as the change in the cost of equity concurrent with expected changes in the bond rating. Therefore, if a separate adder were made as Ms. Ahern suggests, this would be entirely unfair because it would represent a double-count of the effect.

Q. ON PAGE 19 OF HER REBUTTAL TESTIMONY, MS. AHERN CLAIMS THAT IN YOUR COMPUTATIONS ON EXHIBIT NO. ____ (JAR-8), (PAGE 1) YOU HAVE "ASSUMED THAT THE 9.40% COMMON EQUITY COST RATE IS EQUALLY APPLICABLE TO A UTILITY WHOSE BONDS ARE RATED BAA3 AS IT IS TO A UTILITY WHOSE BONDS ARE RATED A2 BY MOODY'S. IS SHE CORRECT?

A. No. Ms. Ahern is misrepresenting my testimony. The leverage graph works by starting with the computation of an overall cost of capital at a starting-point capital structure. Then, the cost of equity that is required to keep the overall cost of capital constant is computed. The result of these computations is that the cost of equity applicable to capital structures with a lower percentage of common equity have a higher cost of equity and capital structures with a higher percentage common equity have a lower cost of equity.

Q. DOES MS. AHERN PROVIDE ANY REBUTTAL TO YOUR EXPLANATION OF WHY IT IS INAPPROPRIATE TO MAKE AN ADDITION FOR PRIVATE PLACEMENT PREMIUM OR FINANCING COSTS?

A. No, instead of providing any rebuttal to my arguments, she just explains that she would like to have a private placement premium. She provides no evidence that a private placement premium even exists. On page 31 of my direct testimony, I explain why the private placement premium is inappropriate, and provide a paper prepared on behalf of the Federal Reserve of San Francisco that explains that a private placement premium is improper. Ms. Ahern's testimony adds nothing of substance to the issue.

As for flotation costs, I cover that topic on page 32 to 33 of my direct testimony. Once again, Ms. Ahern's rebuttal testimony does not address the issues I presented. Therefore, her discussion on the topic adds nothing of substance to the issue.

Q. **STARTING ON PAGE 23 OF HER TESTIMONY, MS. AHERN ARGUES IN FAVOR OF A SMALL UTILITY RISK PREMIUM. PLEASE RESPOND.**

A. In her testimony, Ms. Ahern presents a quote from a textbook published in 1989 that claimed to believe in a small-firm premium. It is extremely important to note

that the quote she provided talks about small firms in general and does NOT talk about whether or not the small firm effect would or would not be applicable to utility companies. What Ms. Ahern failed to note is that since 1989, data showing that whatever risk small firms have in comparison to large firms is already expressed in the firms beta. In other words, small firms on average have higher betas than large firms. This is a very important distinction because it means that whatever effect on risk that is brought about by size, it is already captured by beta. It also means that since regulated utility companies do not have unusually high betas, if there is a small firm effect it is offset by other risk reducing characteristics inherent in utility companies. It only makes sense that the risks typically faced by small firms would not be replicated for a regulated public utility. An unregulated small firm is more likely to have one or only a few key products that could be subject to obsolescence, or could be vulnerable to attack from a larger and more powerful competitor. However, regulated water and wastewater utility companies need not fear competition because they have the protection of territorial monopolies and because they have products that have no chance of becoming obsolete.

VI. REASONABLENES OF END RESULT

Q. ON PAGE 39 OF HER TESTIMOMY, MS. AHERN IS ASKED A QUESTION ABOUT THE REASONABLENESS OF THE FL PSC

STAFF'S LEVERAGE FORMULA. PLEASE RESPOND.

A. Ms. Ahern answers this question by stating that the 9.68% DCF result and the 11.40% CAPM result are both reasonable. I agree that the 9.68% DCF result is reasonable, although it could be improved slightly. However, the 11.40% CAPM result is not reasonable. It is a much higher result than is justified by the current interest rate environment could possibly justify, how much higher this result is than a reasonable DCF result further reinforces the inaccuracy of an arithmetic average based CAPM. Consider that this 11.40% is higher than the approximately 11.00% interest rate AIG has been forced to pay on its emergency financings that were provided for it to avert bankruptcy.

VII. PROBLEM WITH FORMULA IMPLEMENTATION

Q. **DID MS. AHERN CORRECTLY IDENTIFY AN INADVERTENT TRANSPOSITION OF NUMBERS IN YOUR TESTIMONY?**

A. Yes. On page 15 of her rebuttal testimony, she identified an inadvertent number reversal in a hypothetical example that I had prepared. The hypothetical example was supposed to have used a debt cost of 7.36%, but the number 7.63% was entered in its place. That item should be fixed. Following is the correction:

Marginal Cost of Investor Capital

Average Water and Wastewater Utility

Capital Component	Ratio	Marginal Cost Rate	Weighted Marginal Cost
Rate Common Equity	46.37%	9.40%	4.36%
Total Debt	53.63%	7.36%	3.95%
Total	100.00%		8.31%

Because the above was only an illustration of a hypothetical example, the correction has no impact whatsoever on any of the recommendations in my testimony.

VIII. DR. MORIN

Q. MS. AHERN CITES DR. ROGER MORIN AS AN AUTHORITY ON COST OF CAPITAL. IS DR. MORIN AN INDEPENDENT AUTHORITY ON COST OF CAPITAL?

A. Dr. Morin is a company-sponsored cost of capital witness who has testified on behalf of utility companies in hundreds of cases.

Q. HAVE YOU HAD THE OPPORTUINTY TO PERFORM A DETAILED ANALYSIS OF ANY OF THESE COST OF CAPITAL TESTIMONIES FILED BY DR. MORIN?

A. Yes, on numerous occasions. I have exposed many flaws in Dr. Morin's cost of capital testimonies. For example, I have included as JAR-12 in this testimony a

copy of an evaluation of Dr. Morin's testimony that I filed in a Nova Scotia Power case a few years ago.

Q. HOW DID THE COMMISSION IN NOVA SCOTIA RULE?

A. In Nova Scotia Power Incorporated's 2005 rate case the Nova Scotia Utility and Review Board said the following in its decision:

> The Board believes that an ROE of 9.50% to 9.60%, as recommended by Mr. Rothschild and Mr. Gorman respectively, fairly represents an appropriate ROE. The ROE of 11.2%, as recommended by Dr. Morin, is, in the opinion the Board, too high given the current economic climate[8].

VIIII. CONCLUDING REMARKS

Q. IS THERE ANYTHING YOU WOULD LIKE TO SAY IN CONCLUSION?

A. Yes. The concept of a leverage formula as a way of streamlining the rate proceedings for the numerous water and wastewater companies in Florida is a creative, innovative approach. For it to work in a way that is fair to both investors and ratepayers this must be done properly. To do this properly requires a relatively sophisticated understanding of finance. My direct testimony in this proceeding has correctly identified numerous problems with the earlier attempts at the leverage graph computation. Specifically, the earlier leverage graph formula was overly simplistic because it incorrectly failed to consider that not only does the cost of equity change as the percentage of common equity in the capital

[8] Nova Scotia Utility and Review Board Decision in case NSUARB-NSPI_P-881, page 79

structure changes, but the cost of debt changes as well. Also, the original formula incorrectly failed to consider that the real-world impact of income taxes is a critical part of the proper dynamic in capital structure selection. Completing the task of appropriate implementation of the creative, innovative leverage graph approach requires that these items be fixed.

My direct testimony shows the appropriate method to deal with the critical problems with the leverage formula so it can truly accomplish what was initially intended.

Q. DOES THIS CONCLUDE YOUR SURREBUTTTAL TESTIMONY?

A. Yes.

BY MR. BECK:

Q. Would you please provide a summary of your surrebuttal testimony?

A. Yes. I'll just make it very brief and say that anything that I felt was a substantive comment made by Ms. Ahern in her rebuttal testimony is covered in this testimony. I would encourage and stress that anybody who has any inkling to think that Ms. Ahern has made a point in her rebuttal testimony, to please read the surrebuttal that I've done. I think the answers put the material in context and that if there's any lingering questions about them, of course, please ask, and I'll be happy to discuss it further.

The only thing I would add is that the concept of the -- it is true that just because you know the capital structure doesn't necessarily mean you know for sure what the bond rating is. There is variation. But in order to use the whole concept of a leverage formula, one has to deal with an average response. You can't have it both ways. You can't have absolute precision and have a -- and use a leverage formula. The leverage formula is a great approach. It's a very practical approach, and as I discussed earlier, has the safety valves on an individual company by company basis.

And with that, I would encourage everybody who

has any doubts about the surrebuttal to please ask.

MR. BECK: We tender Mr. Rothschild for cross-examination.

CHAIRMAN CARTER: Thank you, Mr. Beck. Mr. Friedman.

MR. FRIEDMAN: No questions.

CHAIRMAN CARTER: Staff.

MS. HARTMAN: No questions.

CHAIRMAN CARTER: Commissioners, anything from the bench? Mr. Beck.

MR. BECK: We haven't used our hour yet. No, I have no questions. I have no questions. Thank you.

CHAIRMAN CARTER: I was beginning to like you.

Let's deal with the exhibits shown on the list, Commissioners. Mr. Beck moves Exhibits 43 through 45; is that correct?

MR. BECK: Yes, sir.

CHAIRMAN CARTER: Any objections? Any objection, Mr.Friedman? Mr. Beck is moving Exhibits 43 through 45.

MR. FRIEDMAN: No objection.

CHAIRMAN CARTER: Without objection, show it done.

(Exhibits Number 43, 44, and 45 were admitted into the record.)

CHAIRMAN CARTER: Staff, anything further in surrebuttal?

MS. HARTMAN: Nothing further.

CHAIRMAN CARTER: Thank you, Mr. Rothschild. Staff, let's deal with concluding matters.

Commissioners, before I go to staff for concluding matters, anything further from the bench?

Hearing none, staff, our concluding matters, or procedures, concluding matters or concluding procedures.

MS. HARTMAN: We would note that the transcript is due October 28th and briefs are due November 7th.

CHAIRMAN CARTER: Okay. Anything further from either of the parties. Mr. Beck, anything further?

MR. BECK: No, sir.

CHAIRMAN CARTER: Mr. Friedman?

MR. FRIEDMAN: Nothing further.

CHAIRMAN CARTER: Just one final thing just for the record. Just in case, out of a tremendous abundance of caution, for the record, staff's Exhibits 1 and 2 have been entered without objection; right? No objection from the parties?

MR. BECK: That's correct.

CHAIRMAN CARTER: So show those entered. Let

me just take a moment to look over here to make sure, staff, that we've got all of these exhibits included. I notice that we've got Exhibits 1 and 2 which were staff exhibits, and without objection, show those in. Exhibit 3 was Pauline Ahern's exhibit stipulated by the parties, including then for Mr. Rothschild, Exhibits 4 through 14 entered in without objection. On rebuttal, Ahern Exhibits 15 through 42, without objection, entered into the record. On surrebuttal for Rothschild, Exhibits 43 through 45 entered in without objection. Exhibit 46, which is the staff's exhibit, the compilation of the -- I call it the WAW utilities. Without objection, show it done. Exhibit 47, which is the Rothschild deposition entered in.

Are there any further concluding matters from the parties? Let me go to the parties first before I got to staff. Have we covered all the exhibits?

MR. BECK: Yes, sir.

MR. FRIEDMAN: Yes, sir.

CHAIRMAN CARTER: Staff, any further concluding matters?

MS. HARTMAN: Nothing.

CHAIRMAN CARTER: Anything further from the bench?

Thank you, Commissioner Argenziano.

COMMISSIONER ARGENZIANO: Thank you.

CHAIRMAN CARTER: Thank you. And with that, Commissioners, we are adjourned.

(Proceedings concluded at 1:35 p.m.)

CERTIFICATE OF REPORTER

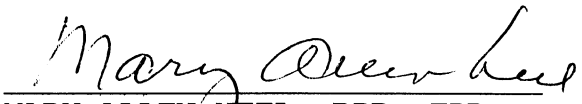
STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 257 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 28th day of October, 2008.



MARY ALLEN NEEL, RPR, FPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

Comprehensive Exhibit List for Entry into Hearing Record

Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
Staff				
1		Exhibit List - 1	Comprehensive Exhibit List	
2		Staff's Composite Exhibits – 2 stipulated	**Request for Production of Documents** 1) Utilities Inc.' s response to Office of Public Counsel's First Request for Production of Documents (No. 1) **Additional Item:** 2) DN 080006-WS Recommendation filed May 8, 2008	
Utilities Inc. (Direct)				
3	Pauline M. Ahern	PMA-1	Educational Background & Experience	
Office of Public Counsel (Direct)				
4	James A. Rothschild	JAR-1	Resumé of James A. Rothschild	
5	James A. Rothschild	JAR-2	Discounted Cash Flow (DCF) Cost of Equity	
6	James A. Rothschild	JAR-3	Capital Asset pricing Model (CAPM)	
7	James A. Rothschild	JAR-4	Recommended Leverage Formula	

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS **EXHIBIT** 1
COMPANY FL PSC Staff
WITNESS Exhibit List-1
DATE 10/23/08

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D.#	Witness	I.D. # As Filed	Exhibit Description	Entered
8	James A. Rothschild	JAR-5	Beta vs DCF ROE for Companies used in Staff Analysis	
9	James A. Rothschild	JAR-6	Modigliani-Miller Theorem	
10	James A. Rothschild	JAR-7	Average Betas of 10 Groups of Companies from 1926 - 2007	
11	James A. Rothschild	JAR-8	Average Equity Ratio of Comparative Gas Companies	
12	James A. Rothschild	JAR-9	Selected Financial Data of Comparative Companies	
13	James A. Rothschild	JAR-10	Simplified Version of the DCF Method	
14	James A. Rothschild	JAR-11	External Financing Rate	
Utilities Inc. (Rebuttal)				
15	Pauline M. Ahern	Appendix A	Appendix A to the Rebuttal Testimony of Pauline M. Ahern	
16	Pauline M. Ahern	PMA-2	Blue Chip Financial Forecasts, Aug. 1, 2001	
17	Pauline M. Ahern	PMA-3	Weekly U. S. Spot Price for Oil	
18	Pauline M. Ahern	PMA-4	Labor Force Statistics	
19	Pauline M. Ahern	PMA-5	Moody's A-Rate Public Utility Bonds Yields	
20	Pauline M. Ahern	PMA-6	Value Line, Aug. 3, 2001	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	Witness	I.D. # As Filed	Exhibit Description	Entered
21	Pauline M. Ahern	PMA-7	Calculation of Mean, Standard Deviation, and Coefficient of Variation of Russell 2000	
22	Pauline M. Ahern	PMA-8	Comparison of Adjusted Rates	
23	Pauline M. Ahern	PMA-9	S&P Corporate Ratings Criteria Utilities	
24	Pauline M. Ahern	PMA-10	Comparison of the Impact on Revenue Cost of Capital of Holding Before Income Tax	
25	Pauline M. Ahern	PMA-11	Correct Deviation of Cost Rate of Common Equity	
26	Pauline M. Ahern	PMA-12	Indicated Common Equity Cost Rate	
27	Pauline M. Ahern	PMA-13	New Regulatory Finance by Roger A. Morin, Ph.D., pp. 128-129	
28	Pauline M. Ahern	PMA-14	Deviation of Investment Risk	
29	Pauline M. Ahern	PMA-15	Fundamentals of Financial Management by Eugene F. Brigham, pp. 622-623	
30	Pauline M. Ahern	PMA-16	Ibbotson SBBI 2008 Valuation Yearbook, p. 119	
31	Pauline M. Ahern	PMA-17	Principles of Corporate Finance by Brealey and Myers, pp. 622-623	
32	Pauline M. Ahern	PMA-18	New Regulatory Finance by Roger A. Morin, Ph. D., pp. 303-307	
33	Pauline M. Ahern	PMA-19	Ibbotson SBBI 2008 Valuation Yearbook, pp. 77-83	
34	Pauline M. Ahern	PMA-20	SBBI 1999 Yearbook, pp. 157-158	

Comprehensive Exhibit List for Entry into Hearing Record				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
35	Pauline M. Ahern	PMA-21	Essentials of Managerial Finance by Weston and Brigham, p. 272	
36	Pauline M. Ahern	PMA-22	New Regulatory Finance by Roger A. Morin, Ph. D., p. 133-143	
37	Pauline M. Ahern	PMA-23	Principles of Corporate Finance by Brealey and Myers, pp. 146-147	
38	Pauline M. Ahern	PMA-24	Total Returns on Large Company Stocks	
39	Pauline M. Ahern	PMA-25	Coefficients of Determination and Ibbotson SBBI Valuation Yearbook, pp. 111-113	
40	Pauline M. Ahern	PMA-26	Investments: Analysis and Management by Jack Clark Francis, pp. 273-275	
41	Pauline M. Ahern	PMA-27	Ibbotson SBBI 2007 Valuation Yearbook, pp. 92-97	
42	Pauline M. Ahern	PMA-28	Brief Summary of Common Equity Cost Rate	
Office of Public Counsel (Surrebuttal)				
43	James A. Rothschild	JAR-12	Evaluation of Dr. Morin's Testimony	
44	James A. Rothschild	JAR-13	"Financial Advisors and Fuzzy Math"	
45	James A. Rothschild	JAR-14	"The Difference in Averaging"	

HEARING EXHIBITS				
Exhibit Number	**Witness**	**Party**	**Description**	**Moved In/Due Date of Late Filed**
46				
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HEARING EXHIBITS				
Exhibit Number	**Witness**	**Party**	**Description**	**Moved In/Due Date of Late Filed**
57				
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HEARING EXHIBITS

Exhibit Number	Witness	Party	Description	Moved In/Due Date of Late Filed
69				
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HEARING EXHIBITS				
Exhibit Number	**Witness**	**Party**	**Description**	**Moved In/Due Date of Late Filed**
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				

EXHIBIT NO. _____

DOCKET NO: 080006-WS

WITNESS: VARIOUS

PARTY: WATER AND WASTEWATER UTILITIES

DESCRIPTION: STAFF'S STIPULATED COMPOSITE EXHIBITS - 2

DOCUMENTS:

Request for Production of Documents

1) Utilities Inc.' s response to Office of Public Counsel's First Request for Production of Documents (No. 1) *[Bates Stamp Nos. 00000001 – 00000584]*

Additional Item:

2) DN 080006-WS - Recommendation filed May 8, 2008 *[Bates Stamp Nos. 00000585 – 00000595]*

PROFFERED BY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS **EXHIBIT** 2
COMPANY FL PSC Staff
WITNESS Staff's Composite Exhibits-2-Stipulated
DATE 10/23/08

1

Utilities Inc.' s response to Office of Public Counsel's First Request for Production of Documents (No. 1)

HEARING EXHIBIT 00000001

Utilities, Inc.

DOCKET NO. 08006-WS

WORKPAPERS

of

Pauline M. Ahern, CRRA

HEARING EXHIBIT 00000002

Utilities, Inc.

DOCKET NO. 08006-WS

WORKPAPERS
of Pauline M. Ahern

1. Morningstar, Inc. Stocks, Bonds, Bills and Inflation - 2008 Yearbook – Valuation Edition, p. 28 and Ibbotson Associates, Stocks, Bonds, Bills and Inflation - 2001 Yearbook – Valuation Edition, p. 14.

2. Supporting data from yahoo.finance.com.

3. Standard & Poor's Stock Guides, June, July and August, 2008.

4. Supporting data from Reuters Company Research, August 29, 2008.

5. Standard & Poor's Ratings Direct, "Issuer Ranking: U.S. Investor-Owned Water Utilities, Strongest to Weakest", August 5, 2008 and "Issuer Ranking: U.S. Natural Gas Distributors and Integrated Gas Companies, Strongest to Weakest", August 7, 2008.

6. Value Line Summary & Index (Standard Edition), June 27, July 25 and August 29,2008.

7. AUS Risk Premium Study - 1928-2007.

8. Supporting data from Value Line Investment Survey (Standard Edition).

Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 1 of Pauline M. Ahern, CRRA

Stocks, Bonds, Bills and Inflation - 2008 Yearbook – Valuation Edition

Morningstar, Inc.

p. 28

and

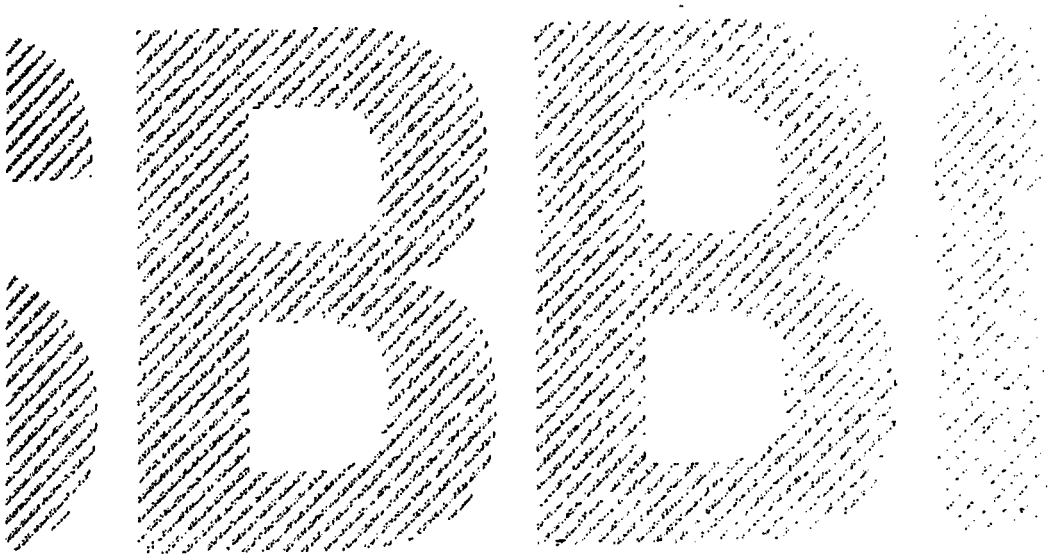
Stocks, Bonds, Bills and Inflation - 2001 Yearbook – Valuation Edition

Ibbotson Associates

p. 14

Ibbotson® SBBI®
2008 Valuation Yearbook

Market Results for
Stocks, Bonds, Bills, and Inflation
1926–2007



MORNINGSTAR®

HEARING EXHIBIT 00000005

Table 2-1
Total Returns, Income Returns, and Capital Appreciation of the Basic Asset Classes
Summary Statistics of Annual Returns

from 1926 to 2007

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Large Company Stocks				
Total Returns	10.4%	12.3%	20.0%	0.03
Income	4.2	4.2	1.6	0.89
Capital Appreciation	6.0	7.8	19.3	0.03
Ibbotson Small Company Stocks				
Total Returns	12.5	17.1	32.6	0.06
Mid-Cap Stocks*				
Total Returns	11.3	14.0	24.4	–0.02
Income	4.0	4.0	1.7	0.89
Capital Appreciation	7.1	9.8	23.7	–0.02
Low-Cap Stocks*				
Total Returns	11.7	15.5	29.0	0.03
Income	3.7	3.7	2.0	0.89
Capital Appreciation	7.9	11.6	28.4	0.02
Micro-Cap Stocks*				
Total Returns	12.5	18.5	38.8	0.08
Income	2.6	2.6	1.8	0.91
Capital Appreciation	9.9	15.8	38.3	0.07
Long-Term Corporate Bonds				
Total Returns	5.9	6.2	8.4	0.08
Long-Term Government Bonds				
Total Returns	5.5	5.8	9.2	–0.08
Income	5.2	5.2	2.7	0.96
Capital Appreciation	0.1	0.4	8.0	–0.23
Intermediate-Term Government Bonds				
Total Returns	5.3	5.5	5.7	0.15
Income	4.7	4.7	2.9	0.96
Capital Appreciation	0.5	0.5	4.4	–0.19
Treasury Bills				
Total Returns	3.7	3.8	3.1	0.91
Inflation	3.0	3.1	4.2	0.65

Total return is equal to the sum of three component returns: income return, capital appreciation return, and reinvestment return

*Source: ©2008 CRSP®, Center for Research in Security Prices. Graduate School of Business, The University of Chicago used with permission. All rights reserved. www.crsp.chicagogsb.edu
See Chapter 7 for details on decile construction

HEARING EXHIBIT 00000006

Stocks, Bonds, Bills, and Inflation

SBBI

Valuation Edition
2001 Yearbook

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Ibbotson Associates

Table 1-1

Total Returns, Income Returns, and Capital Appreciation of the Basic Asset Classes
Summary Statistics of Annual Returns

from 1926 to 2000

Series	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
Large Company Stocks				
Total Returns	11.0%	13.0%	20.2%	0.00
Income	4.4	4.4	1.4	0.86
Capital Appreciation	6.4	8.3	19.5	0.01
Ibbotson Small Company Stocks				
Total Returns	12.4	17.3	33.4	0.08
Mid-Cap Stocks*				
Total Returns	11.6	14.5	25.0	-0.03
Income	4.3	4.3	1.6	0.86
Capital Appreciation	7.1	9.9	24.3	-0.02
Low-Cap Stocks*				
Total Returns	11.7	15.7	30.0	0.04
Income	3.9	3.9	1.9	0.87
Capital Appreciation	7.6	11.6	29.3	0.04
Micro-Cap Stocks*				
Total Returns	12.2	18.4	39.6	0.11
Income	2.7	2.7	1.8	0.90
Capital Appreciation	9.4	15.6	39.1	0.11
Long-Term Corporate Bonds				
Total Returns	5.7	6.0	8.7	0.07
Long-Term Government Bonds				
Total Returns	5.3	5.7	9.4	-0.06
Income	5.2	5.2	2.8	0.96
Capital Appreciation	-0.1	0.3	8.2	-0.22
Intermediate-Term Government Bonds				
Total Returns	5.3	5.5	5.8	0.14
Income	4.8	4.8	3.0	0.96
Capital Appreciation	0.3	0.4	4.5	-0.23
Treasury Bills				
Total Returns	3.8	3.9	3.2	0.92
Inflation	3.1	3.2	4.4	0.65

Total return is equal to the sum of three component returns; income return, capital appreciation return, and reinvestment return.

*Source: Center for Research in Security Prices, University of Chicago. See Chapter 6 for details on decile construction.

HEARING EXHIBIT 00000008

Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 2 of Pauline M. Ahern, CRRA

Supporting data from

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:09PM ET - U.S. Markets close in 51mins.

American States Water Company (AWR)

At 2:53PM ET: **39.57** ↑ 0.06 (0.15%)

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Ownership
Major Holders
Insider Transactions
Insider Roster

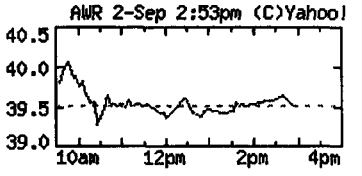
Financials
Income Statement
Balance Sheet
Cash Flow

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AMER ST WATER (NYSE: AWR)

NEW Real-time: **39.45** ↓ 0.06 (0.15%) 1:52pm ET Help

Last Trade:	**39.57**	Day's Range:	**39.28 - 40.24**
Trade Time:	**2:53PM ET**	52wk Range:	**31.78 - 46.14**
Change:	↑ 0.06 (0.15%)	Volume:	**83,571**
Prev Close:	**39.51**	Avg Vol (3m):	**114,383**
Open:	**39.80**	Market Cap:	**682.70M**
Bid:	**N/A**	P/E (ttm):	**24.26**
Ask:	**N/A**	EPS (ttm):	**1.63**
1y Target Est:	**43.00**	Div & Yield:	**1.00 (2.50%)**



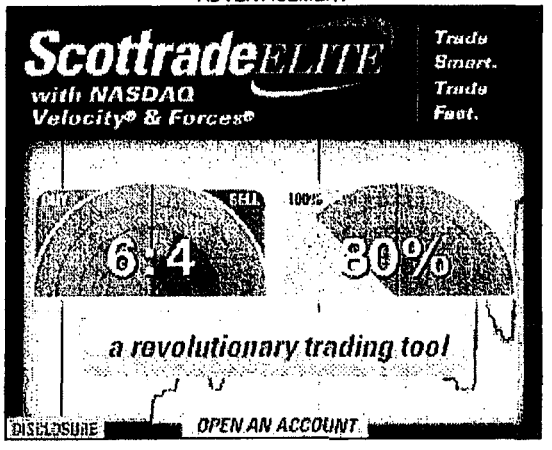
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- American States Water Company to Present at 2008 Southern California Investor Conference
  Marketwire (Fri, Aug 29)
- AMERICAN STATES WATER CO Files SEC form 8-K, Entry into a Material Definitive Agreement, Creation of a Direct Financi
  EDGAR Online (Thu, Aug 28)
- AMERICAN STATES WATER CO Files SEC form 8-K, Other Events, Financial Statements and Exhibits
  EDGAR Online (Tue, Aug 26)
- American States Water Company Announces Approval by CPUC of Conservation Rate Design and Revenue Adjustment Mechanism
  Business Wire (Tue, Aug 26)
- AMERICAN STATES WATER CO Financials
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- Water Utilities Making Waves
  at Investopedia (Thu, Aug 21)
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Aqua America Inc. (WTR)

At 2:58PM ET: **17.88** ↓0.41 (2.24%)

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Competitors
Industry
Components

Analyst Coverage
Analyst Opinion
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Star Analysts

Ownership
Major Holders
Insider Transactions
Insider Roster

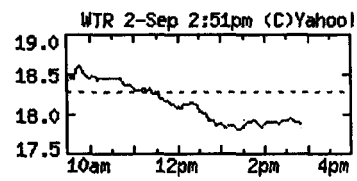
Financials
Income Statement
Balance Sheet
Cash Flow

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AQUA AMERICA INC (NYSE: WTR)

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Last Trade:	**17.88**	Day's Range:	**17.79 - 18.63**
Trade Time:	**2:58PM ET**	52wk Range:	**14.46 - 25.10**
Change:	↓0.41 (2.24%)	Volume:	**964,561**
Prev Close:	**18.29**	Avg Vol (3m):	**1,095,910**
Open:	**18.50**	Market Cap:	**2.41B**
Bid:	**N/A**	P/E (ttm):	**26.22**
Ask:	**N/A**	EPS (ttm):	**0.68**
1y Target Est:	**23.29**	Div & Yield:	**0.54 (3.00%)**



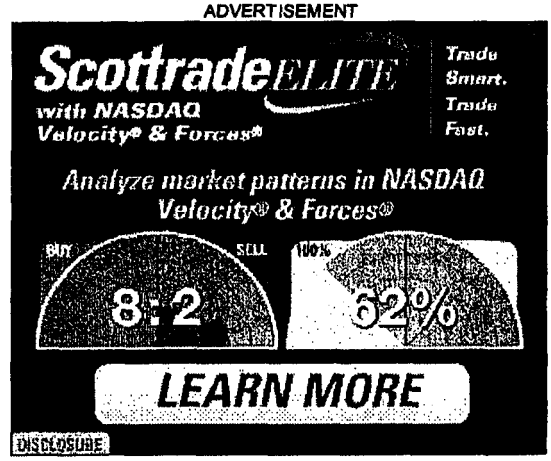
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- Water Stocks To Tap Into For August 21
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- AQUA AMERICA INC Financials
  EDGAR Online Financials (Sat, Aug 16)
- Water Stocks: Long-Term Liquid Assets
  at CNBC (Thu, Aug 14)
- Coverage initiated on Aqua America by Jesup & Lamont
  Briefing.com (Thu, Aug 14)
- Go with the Flow: Top Water Stock Picks
  at CNBC (Mon, Aug 11)
- Aqua Wastewater Management Renews Contract to Provide Grease Removal and Septic Service for Wawa Stores
  Business Wire (Fri, Aug 8)
- AQUA AMERICA INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Thu, Aug 7)
- New Star Analyst Rankings for AQUA AMERICA INC
  StarMine (Thu, Aug 7)

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California Water Service Group (CWT)

At 2:53PM ET: **39.22** ↓ 0.07 (0.18%)

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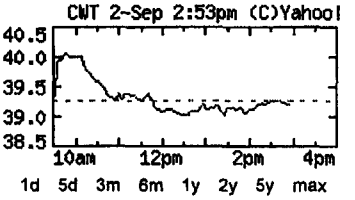
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CALIFORNIA WATER SVC (NYSE: CWT)

NEW Real-time: **39.14** ↓ 0.15 (0.38%) **3:04pm ET**Help

Last Trade:	**39.22**	Day's Range:	**39.00 - 40.12**
Trade Time:	**2:53PM ET**	52wk Range:	**30.84 - 44.50**
Change:	↓ 0.07 (0.18%)	Volume:	**91,988**
Prev Close:	**39.29**	Avg Vol (3m):	**167,181**
Open:	**40.00**	Market Cap:	**812.48M**
Bid:	**N/A**	P/E (ttm):	**25.39**
Ask:	**N/A**	EPS (ttm):	**1.55**
1y Target Est:	**43.50**	Div & Yield:	**1.17 (3.00%)**



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- Five Utility Bulls For August 20
  at Investopedia (Wed, Aug 20)
- CALIFORNIA WATER SERVICE GROUP Financials
  EDGAR Online Financials (Tue, Aug 19)
- CALIFORNIA WATER SERVICE GROUP Files SEC form 8-K, Other Events
  EDGAR Online (Fri, Aug 15)
- Coverage initiated on California Water by Jesup & Lamont
  Briefing.com (Thu, Aug 14)
- CALIFORNIA WATER SERVICE GROUP Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Wed, Aug 6)
- California Water Service Group, Q2 2008 Earnings Results Transcript
  at Seeking Alpha (Thu, Jul 31)
- 2008 Second Quarter Earnings Results Analyst Teleconference Call scheduled for 11:00 am ET today

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:09PM ET - U.S. Markets close in 51mins.

SJW Corp. (SJW)

At 2:53PM ET: **27.58** ↓ 0.29 (1.04%)

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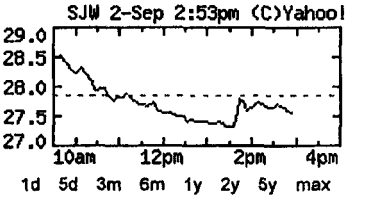






S J W CP (NYSE: SJW)

NEW Real-time: **27.60** ↓ 0.37 (1.33%) **2:57pm ET** help



Last Trade:	**27.58**	Day's Range:	**27.30 - 28.54**
Trade Time:	**2:53PM ET**	52wk Range:	**23.30 - 38.64**
Change:	↓ 0.29 (1.04%)	Volume:	**61,561**
Prev Close:	**27.87**	Avg Vol (3m):	**108,606**
Open:	**28.10**	Market Cap:	**507.91M**
Bid:	**N/A**	P/E (ttm):	**24.65**
Ask:	**N/A**	EPS (ttm):	**1.12**
1y Target Est:	**37.00**	Div & Yield:	**0.65 (2.30%)**

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- SJW Corp. Q2 2008 Earnings Call Transcript
  at Seeking Alpha (Sat, Aug 9)
- SJW CORP Financials
  EDGAR Online Financials (Thu, Aug 7)
- 3 Winners You Don't Know About
  at Motley Fool (Tue, Aug 5)
- SJW CORP Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Fri, Aug 1)
- Tap Into Water Stocks For July 30
  at Investopedia (Wed, Jul 30)
- SJW Earnings Call scheduled for 1:00 pm ET today
  CCBN (Thu, Jul 24)
- SJW CORP Files SEC form 8-K, Results of Operations and Financial Condition, Other Events, Financial Statements and Ex
  EDGAR Online (Thu, Jul 24)
- SJW net income up 16% in Q2
  at bizjournals.com (Wed, Jul 23)
- SJW Corp. Announces Second Quarter Financial Results
  Business Wire (Wed, Jul 23)

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Southwest Water Co. (SWWC)

At 2:53PM ET: **11.65** ↓ 0.17 (1.44%)

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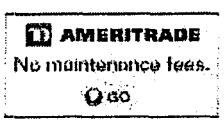
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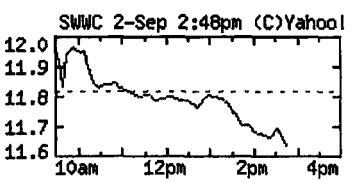




SOUTHWEST WATER CO (NasdaqGS: SWWC)

NEW Real-time: **11.60** ↓ 0.22 (1.86%) **3:04pm ET**help

Last Trade:	**11.65**	Day's Range:	**11.62 - 11.97**
Trade Time:	**2:53PM ET**	52wk Range:	**9.41 - 14.84**
Change:	↓ 0.17 (1.44%)	Volume:	**33,665**
Prev Close:	**11.82**	Avg Vol (3m):	**108,041**
Open:	**11.95**	Market Cap:	**286.50M**
Bid:	**11.63** x 600	P/E (ttm):	**N/A**
Ask:	**11.66** x 500	EPS (ttm):	**-0.51**
1y Target Est:	**16.00**	Div & Yield:	**0.24 (2.00%)**



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- SouthWest Water to Present at 2008 Southern California Investor Conference
  Marketwire (Thu, Aug 28)
- SOUTHWEST WATER CO Files SEC form 8-K, Other Events, Financial Statements and Exhibits
  EDGAR Online (Fri, Aug 22)
- SouthWest Water Company Declares Cash Dividends
  Business Wire (Fri, Aug 22)
- SOUTHWEST WATER CO Financials
  EDGAR Online Financials (Tue, Aug 19)
- New Star Analyst Rankings for SOUTHWEST WATER CO
  StarMine (Tue, Aug 12)
- SouthWest Water Earnings Call scheduled for 4:30 pm ET today
  CCBN (Mon, Aug 11)
- SOUTHWEST WATER CO Files SEC form 8-K, Other Events, Financial Statements and Exhibits
  EDGAR Online (Mon, Aug 11)
- SouthWest Water Company Reports Second Quarter 2008 Results

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:09PM ET - U.S. Markets close in 51mins.

York Water Co. (YORW)

At 2:41PM ET: **14.22** ↑ 0.12 (0.85%)

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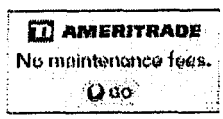
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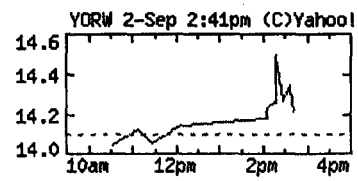








YORK WATER CO (THE (NasdaqGS: YORW)



Last Trade:	**14.22**	Day's Range:	**14.05 - 14.50**
Trade Time:	**2:41PM ET**	52wk Range:	**13.80 - 17.46**
Change:	↑ 0.12 (0.85%)	Volume:	**4,802**
Prev Close:	**14.10**	Avg Vol (3m):	**7,375.76**
Open:	**14.06**	Market Cap:	**160.67M**
Bid:	**14.22 x 100**	P/E (ttm):	**26.00**
Ask:	**14.32 x 100**	EPS (ttm):	**0.55**
1y Target Est:	**20.00**	Div & Yield:	**0.48 (3.40%)**

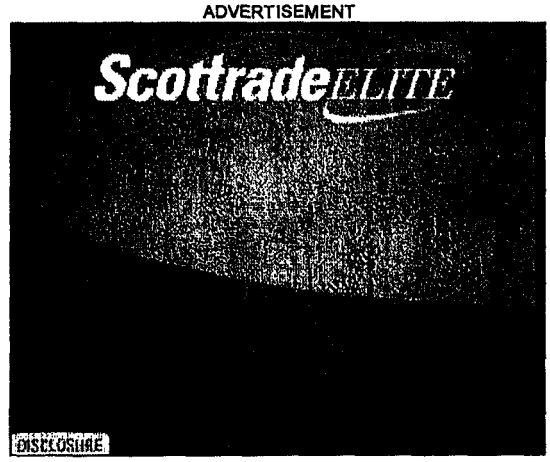
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- YORK WATER CO Financials
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- New Star Analyst Rankings for YORK WATER CO (THE
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- YORK WATER CO Files SEC form 8-K, Results of Operations and Financial Condition, Financial Statements and Exhibits
  EDGAR Online (Fri, Aug 8)
- York Water Company Announces Second Quarter and Six Month Earnings
  Marketwire (Fri, Aug 8)
- York Water upgraded by Janney Mntgmy Scott
  Briefing.com (Fri, Jul 25)
- Tap Into Water Stocks For July 21
  at Investopedia (Mon, Jul 21)
- YORK WATER CO Files SEC form 8-K, Change in Directors or Principal Officers
  EDGAR Online (Wed, Jul 2)
- YORK WATER CO Files SEC form 8-K, Change in Directors or Principal Officers
  EDGAR Online (Wed, Jun 25)
- Market Spotlight: Water Utilities

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:01PM ET - U.S. Markets close in 59mins.

AGL Resources Inc. (ATG)

At 2:46PM ET: **33.08** ↑ 0.02 (0.06%)

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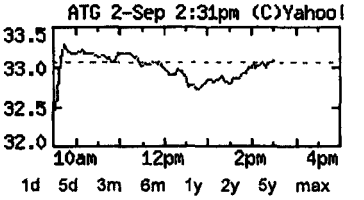
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ATLANTA GAS LIGHT (NYSE: ATG)

NEW Real-time: **33.14** ↑ 0.08 (0.24%) **3:01PM ET**help



Last Trade:	**33.08**	Day's Range:	**32.47 - 33.37**
Trade Time:	**2:46PM ET**	52wk Range:	**32.20 - 41.16**
Change:	↑ 0.02 (0.06%)	Volume:	**559,200**
Prev Close:	**33.06**	Avg Vol (3m):	**624,581**
Open:	**33.37**	Market Cap:	**2.54B**
Bid:	**N/A**	P/E (ttm):	**16.15**
Ask:	**N/A**	EPS (ttm):	**2.05**
1y Target Est:	**39.72**	Div & Yield:	**1.68 (5.10%)**

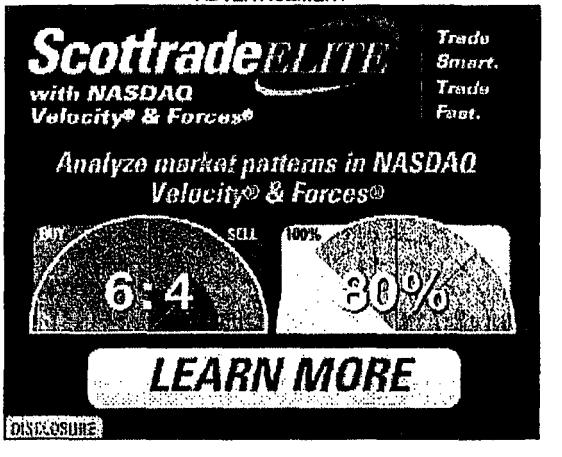
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- 5 Dynamic Dividend Stocks
  at Motley Fool (Fri, Aug 22)
- AGL RESOURCES INC Financials
  EDGAR Online Financials (Wed, Aug 6)
- AGL Resources, Inc. Q2 2008 Earnings Call Transcript
  at Seeking Alpha (Wed, Aug 6)
- TSC Ratings' Updates: Foundry Networks
  at TheStreet.com (Tue, Aug 5)
- AGL Resources Board of Directors Declares Quarterly Dividend
  PR Newswire (Fri, Aug 1)
- AGL RESOURCES INC Files SEC form 8-K, Other Events, Financial Statements and Exhibits
  EDGAR Online (Thu, Jul 31)
- AGL Resources dips to $11M Q2 loss
  at bizjournals.com (Thu, Jul 31)
- AGL Resources Earnings Call scheduled for 9:00 am ET today
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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Atmos Energy Corp. (ATO)

At 2:51PM ET: **27.49** ↓ 0.05 (0.18%)

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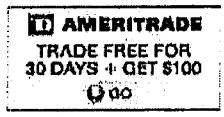
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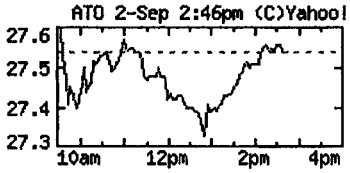




ATMOS ENERGY CP (NYSE: ATO)

NEW Real-time: **27.46** ↓ 0.08 (0.29%) 3:04pm ETHelp

Last Trade:	**27.49**	Day's Range:	**27.32 - 27.81**
Trade Time:	**2:51PM ET**	52wk Range:	**25.00 - 29.63**
Change:	↓ 0.05 (0.18%)	Volume:	**332,298**
Prev Close:	**27.54**	Avg Vol (3m):	**385,780**
Open:	**27.81**	Market Cap:	**2.49B**
Bid:	**N/A**	P/E (ttm):	**14.31**
Ask:	**N/A**	EPS (ttm):	**1.92**
1y Target Est:	**29.25**	Div & Yield:	**1.30 (4.70%)**



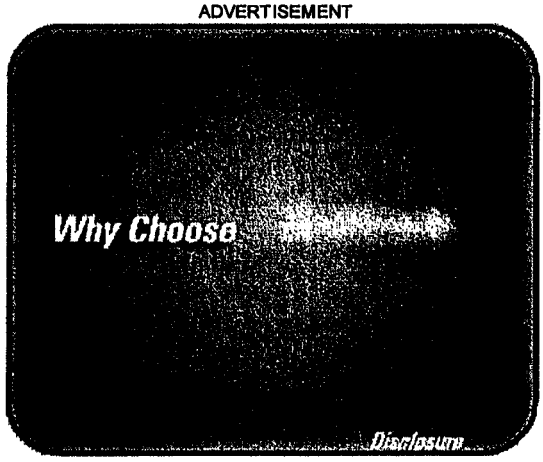
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- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- Atmos Energy Advises Customers to Sign Up for Other Utilities' Budget Billing Plans to Combat Overall Higher Energy Prices
  Business Wire (Wed, Aug 27)
- Atmos Energy Corporation CEO to Speak at Lehman Brothers Conference
  Business Wire (Mon, Aug 25)
- Enbridge Energy to conduct pipeline research
  AP (Fri, Aug 22)
- Enbridge and Atmos Energy to Solicit Interest From Shippers in Proposed Texas Gas Pipeline
  GlobeNewswire (Fri, Aug 22)
- ATMOS ENERGY CORP Financials
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- Analysts' Upgrades, Downgrades: Consolidated Edison
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Equitable Resources Inc. (EQT)

At 2:52PM ET: **47.43** ↓ 2.48 (4.97%)

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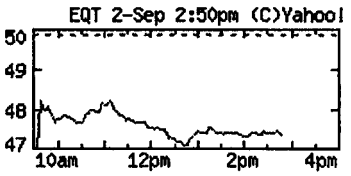
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EQUITABLE RES INC (NYSE: EQT)

NEW Real-time: 47.36 ↓ 2.55 (5.11%) 3:05pm ET Help

Last Trade:	**47.43**	Day's Range:	**47.01 - 48.40**
Trade Time:	**2:52PM ET**	52wk Range:	**46.79 - 76.14**
Change:	**↓ 2.48 (4.97%)**	Volume:	**829,907**
Prev Close:	**49.91**	Avg Vol (3m):	**1,390,020**
Open:	**47.69**	Market Cap:	**6.21B**
Bid:	**N/A**	P/E (ttm):	**26.84**
Ask:	**N/A**	EPS (ttm):	**1.77**
1y Target Est:	**84.71**	Div & Yield:	**0.88 (1.80%)**



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- [$$] Don't Get Swept Away With Hurricane Plays
  at RealMoney by TheStreet.com (Tue, Aug 26)
- Equitable Resources to Present at Lehman Brothers CEO Energy/Power Conference
  PR Newswire (Mon, Aug 25)
- Outlook for Natural Gas E&P Stocks Analyzed in Wall Street Transcript Oil & Gas Exploration & Production Report
  Wall Street Transcript (Wed, Aug 20)
- [$$] In Natural Gas, Perspective Is Everything
  at RealMoney by TheStreet.com (Mon, Aug 18)
- Equitable Resources CEO Talks Nat Gas
  at CNBC (Wed, Aug 13)
- FTC antitrust chief leaving for law firm
  Reuters (Thu, Aug 7)
- EQUITABLE RESOURCES INC /PA/ Financials
  EDGAR Online Financials (Thu, Aug 7)
- El Paso's Tennessee Gas Pipeline Announces 300 Line Expansion Project

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Dow ↓ 0.47% Nasdaq ↓ 1.11% streaming quotes: ON

GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Laclede Group Inc. (LG)

At 2:52PM ET: **44.43** ↓ 0.50 (1.11%)

More On LG

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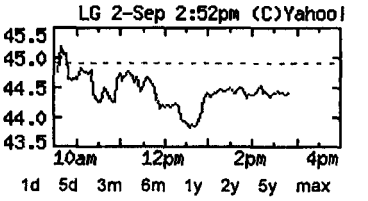
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LACLEDE GROUP INC (NYSE: LG)

NEW Real-time: **44.43** ↓ 0.50 (1.11%) **2:56pm ET**Help



Last Trade:	**44.43**	Day's Range:	**43.82 - 45.18**
Trade Time:	**2:52PM ET**	52wk Range:	**30.60 - 47.98**
Change:	↓ 0.50 (1.11%)	Volume:	**219,636**
Prev Close:	**44.93**	Avg Vol (3m):	**162,400**
Open:	**44.64**	Market Cap:	**976.17M**
Bid:	**N/A**	P/E (ttm):	**11.73**
Ask:	**N/A**	EPS (ttm):	**3.79**
1y Target Est:	**N/A**	Div & Yield:	**1.50 (3.30%)**

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- LACLEDE GROUP INC Financials
  EDGAR Online Financials (Sat, Aug 30)
- Five Utility Bulls For August 20
  at Investopedia (Wed, Aug 20)
- LACLEDE GROUP INC Files SEC form 8-K, Temporary Suspension of Trading Under Registrant's Employee Benefit Plans, Fina
  EDGAR Online (Mon, Aug 18)
- 3 Stocks Hitting High Notes
  at Motley Fool (Wed, Aug 13)
- LACLEDE GROUP INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Thu, Aug 7)
- New Star Analyst Rankings for Laclede Group Inc
  StarMine (Mon, Aug 4)
- Laclede Group earnings outpace expectations
  at bizjournals.com (Fri, Aug 1)
- LACLEDE GROUP INC Files SEC form 8-K, Regulation FD Disclosure, Financial Statements and Exhibits
  EDGAR Online (Fri, Aug 1)
- The Laclede Group Reports Strong Third

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Nicor Inc. (GAS)

At 2:52PM ET: **45.98** ↑ 0.09 (0.20%)

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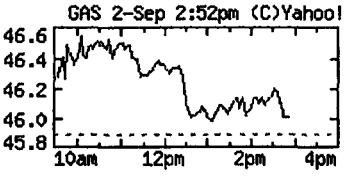




NICOR INC (NYSE: GAS)

NEW Real-time: **46.00** ↑ 0.11 (0.24%) **3:07pm ET**help

Last Trade:	**45.98**	Day's Range:	**45.97 - 46.61**
Trade Time:	**2:52PM ET**	52wk Range:	**32.35 - 46.84**
Change:	↑ 0.09 (0.20%)	Volume:	**767,994**
Prev Close:	**45.89**	Avg Vol (3m):	**714,930**
Open:	**46.13**	Market Cap:	**2.08B**
Bid:	**N/A**	P/E (ttm):	**14.86**
Ask:	**N/A**	EPS (ttm):	**3.094**
1y Target Est:	**42.31**	Div & Yield:	**1.86 (4.10%)**



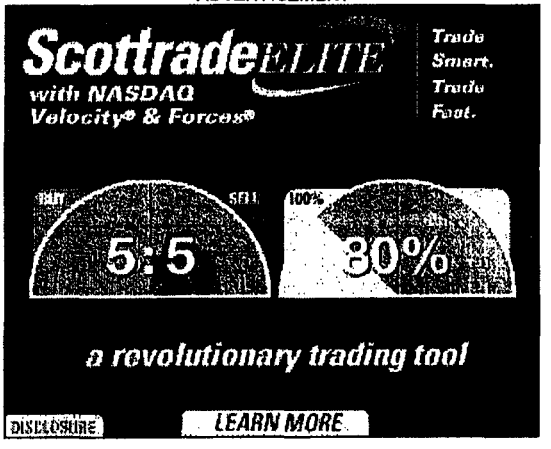
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- LIHEAP's Early Enrollment for Senior Citizens and Persons with Disabilities Begins September 2nd
  Business Wire (Thu, Aug 28)
- 3 Stocks Hitting High Notes
  at Motley Fool (Wed, Aug 27)
- [$$] Fund Fills Up on Natural-Gas Firm Nicor
  at Barron's Online (Tue, Aug 26)
- Nicor Ready To Break Higher?
  at Investopedia (Thu, Aug 21)
- S&P 500 Earnings Leaderboard: Biggest Surprises Season to Date
  at CNBC (Mon, Aug 18)
- NICOR INC Files SEC form 8-K, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet A
  EDGAR Online (Tue, Aug 12)
- S&P 500 Earnings Leaderboard: Biggest Surprises Season to Date
  at CNBC (Mon, Aug 11)
- NICOR INC Financials
  EDGAR Online Financials (Sat, Aug 9)
- Stocks Fall Despite Oil-Price Drop

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:08PM ET - U.S. Markets close in 52mins.

Northwest Natural Gas Co. (NWN)

At 2:51PM ET: **48.75** ↑ 0.02 (0.04%)

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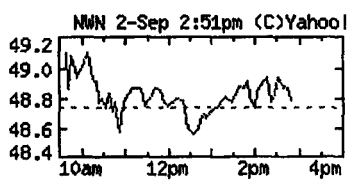
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NORTHWEST NAT GAS (NYSE: NWN)

NEW Real-time: 48.79 ↑ 0.06 (0.12%) **3:06pm ET** help



Last Trade:	**48.75**	Day's Range:	**48.22 - 49.23**
Trade Time:	**2:51PM ET**	52wk Range:	**41.07 - 50.89**
Change:	↑ 0.02 (0.04%)	Volume:	**53,863**
Prev Close:	**48.73**	Avg Vol (3m):	**156,665**
Open:	**N/A**	Market Cap:	**1.29B**
Bid:	**N/A**	P/E (ttm):	**18.49**
Ask:	**N/A**	EPS (ttm):	**2.64**
1y Target Est:	**53.00**	Div & Yield:	**1.50 (3.10%)**

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- NW Natural seeks rate hike
  at bizjournals.com (Tue 1:55pm)
- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- NORTHWEST NATURAL GAS CO Financials
  EDGAR Online Financials (Thu, Aug 14)
- NORTHWEST NATURAL GAS CO Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Wed, Aug 6)
- Gill Ranch Storage, LLC, Files Application for Certificate of Public Convenience and Necessity for Underground Storage Facility Near Fresno
  Business Wire (Wed, Jul 30)
- New Star Analyst Rankings for NORTHWEST NAT GAS
  StarMine (Mon, Jul 28)
- Northwest Natural Gas Company Q2 2008 Earnings Call Transcript
  at Seeking Alpha (Fri, Jul 25)
- Q2 earnings higher for NW Natural
  at bizjournals.com (Fri, Jul 25)
- Q2 2008 NW Natural Earnings Release -

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:08PM ET - U.S. Markets close in 52mins.

Piedmont Natural Gas Co. Inc. (PNY)

At 2:53PM ET: **28.95** ↑ 0.10 (0.35%)

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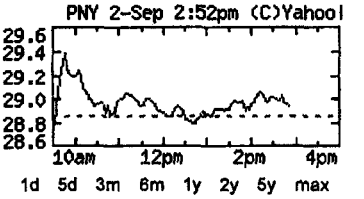
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PIEDMONT NAT GAS CO (NYSE: PNY)

NEW Real-time: 29.04 ↑ 0.19 (0.66%) 3:07pm ETHelp

Last Trade:	**28.95**	Day's Range:	**28.79 - 29.52**
Trade Time:	**2:53PM ET**	52wk Range:	**24.01 - 29.20**
Change:	↑ 0.10 (0.35%)	Volume:	**205,222**
Prev Close:	**28.85**	Avg Vol (3m):	**364,985**
Open:	**29.08**	Market Cap:	**2.12B**
Bid:	**N/A**	P/E (ttm):	**18.86**
Ask:	**N/A**	EPS (ttm):	**1.54**
1y Target Est:	**28.60**	Div & Yield:	**1.04 (3.60%)**



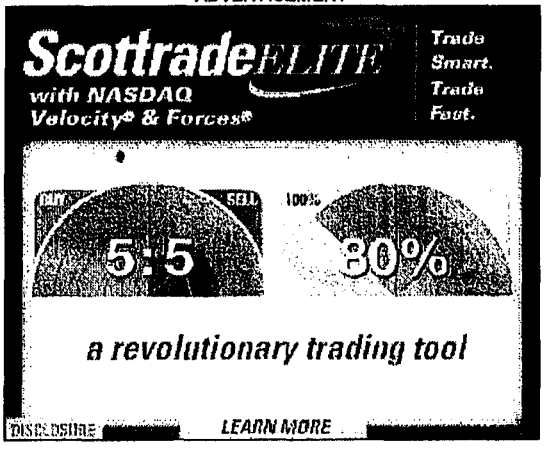
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- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- Webcast Alert: Piedmont Natural Gas Announces Third Quarter 2008 Earnings *Conference Call*
  PR Newswire (Tue, Aug 26)
- 5 Stocks That Just Won't Quit
  at Motley Fool (Fri, Aug 22)
- Duke Energy defends Save-a-Watt as hearings begin
  at bizjournals.com (Tue, Jul 29)
- Dukeâ□□s Ruff testifies at Save-A-Watt hearing
  at bizjournals.com (Tue, Jul 29)
- The Next 5 Stocks to Buy?
  at Motley Fool (Mon, Jun 23)
- PIEDMONT NATURAL GAS CO INC Financials
  EDGAR Online Financials (Thu, Jun 19)
- Piedmont upgraded by Hilliard Lyons
  Briefing.com (Mon, Jun 16)
- PIEDMONT NATURAL GAS CO INC Files SEC form 8-K, Regulation FD Disclosure, Other Events

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Tue, Sep 2, 2008, 3:12PM ET - U.S. Markets close in 48mins.

South Jersey Industries, Inc. (SJI)

At 2:56PM ET: **35.66** ↓ 0.01 (0.03%)

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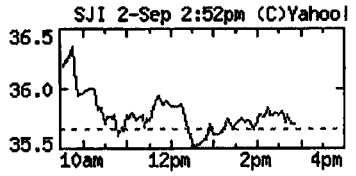
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SOUTH JERSEY IND (NYSE: SJI)

NEW Real-time: **35.70** ↑ 0.03 (0.08%) **3:00pm ET**help

Last Trade:	**35.66**	Day's Range:	**35.51 - N/A**
Trade Time:	**2:56PM ET**	52wk Range:	**31.83 - 39.36**
Change:	↓ 0.01 (0.03%)	Volume:	**146,974**
Prev Close:	**35.67**	Avg Vol (3m):	**172,808**
Open:	**36.44**	Market Cap:	**1.05B**
Bid:	**N/A**	P/E (ttm):	**29.54**
Ask:	**N/A**	EPS (ttm):	**1.21**
1y Target Est:	**40.33**	Div & Yield:	**1.08 (3.00%)**



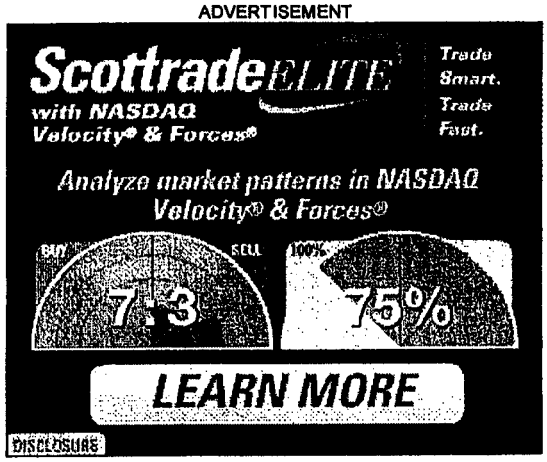
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- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- South Jersey Industries sets quarterly dividend
  AP (Thu, Aug 28)
- SOUTH JERSEY INDUSTRIES INC Files SEC form 8-K, Regulation FD Disclosure
  EDGAR Online (Thu, Aug 28)
- SJI Declares Quarterly Dividend
  Business Wire (Thu, Aug 28)
- SOUTH JERSEY INDUSTRIES INC Financials
  EDGAR Online Financials (Wed, Aug 20)
- Analysts' Upgrades, Downgrades: Consolidated Edison
  at TheStreet.com (Mon, Aug 11)
- New Star Analyst Rankings for SOUTH JERSEY IND
  StarMine (Sat, Aug 9)
- SOUTH JERSEY INDUSTRIES INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Fri, Aug 8)
- South Jersey Industries Inc. Q2 2008 Earnings Call Transcript

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Southwest Gas Corp. (SWX)

At 2:53PM ET: **30.05** ↓ 0.30 (0.99%)

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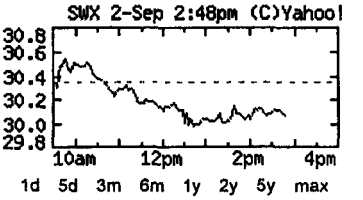
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SOUTHWEST GAS CP (NYSE: SWX)

NEW Real-time: **30.04** ↓ 0.31 (1.02%) **3:07pm ET**help

Last Trade:	**30.05**	Day's Range:	**29.49 - 30.85**
Trade Time:	**2:53PM ET**	52wk Range:	**25.14 - 31.74**
Change:	↓ 0.30 (0.99%)	Volume:	**134,340**
Prev Close:	**30.35**	Avg Vol (3m):	**198,581**
Open:	**30.60**	Market Cap:	**1.31B**
Bid:	**N/A**	P/E (ttm):	**16.17**
Ask:	**N/A**	EPS (ttm):	**1.858**
1y Target Est:	**34.50**	Div & Yield:	**0.90 (3.00%)**



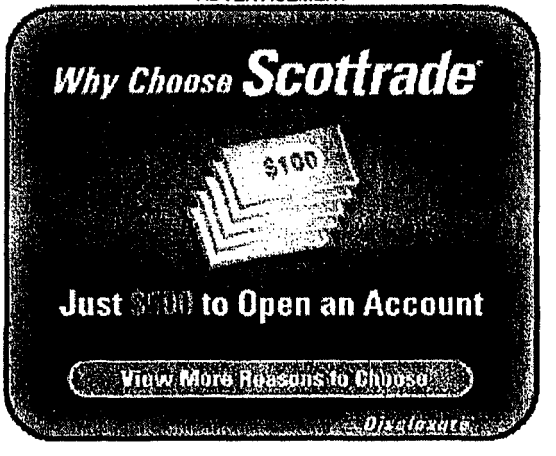
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- SOUTHWEST GAS CORP Financials
  EDGAR Online Financials (Thu, Aug 14)
- Southwest Gas Earnings Call scheduled for 1:00 pm ET today
  CCBN (Thu, Aug 7)
- New Star Analyst Rankings for SOUTHWEST GAS CP
  StarMine (Thu, Aug 7)
- SOUTHWEST GAS CORP Files SEC form 8-K, Results of Operations and Financial Condition
  EDGAR Online (Wed, Aug 6)
- Southwest Gas Corporation Reports Second Quarter 2008 Results
  PR Newswire (Wed, Aug 6)
- Q2 2008 Southwest Gas Earnings Release - After Market Close
  CCBN (Wed, Aug 6)
- SOUTHWEST GAS CORP Files SEC form 8-K, Change in Directors or Principal Officers, Amendments to Articles of Inc. or B
  EDGAR Online (Thu, Jul 31)
- Robert L. Boughner Elected as Director of

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WGL Holdings Inc. (WGL)

At 2:53PM ET: **32.30** ↑ 0.10 (0.31%)

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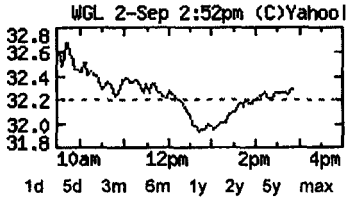
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WGL HOLDINGS INC (NYSE: WGL)

NEW Real-time: **32.33** ↑ 0.13 (0.40%) **3:08PM ET** help

Last Trade:	**32.30**	Day's Range:	**31.93 - N/A**
Trade Time:	**2:53PM ET**	52wk Range:	**30.26 - 36.22**
Change:	↑ 0.10 (0.31%)	Volume:	**559,171**
Prev Close:	**32.20**	Avg Vol (3m):	**528,297**
Open:	**32.62**	Market Cap:	**1.61B**
Bid:	**N/A**	P/E (ttm):	**14.07**
Ask:	**N/A**	EPS (ttm):	**2.30**
1y Target Est:	**31.67**	Div & Yield:	**1.42 (4.40%)**



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Quotes delayed, except where indicated otherwise. For consolidated real-time quotes (*incl. pre/post market data*), sign up for a free trial of Real-time Quotes.

HEADLINES — Filter Headlines

- WGL Holdings, Inc. F3Q08 (Qtr End 06/30/08) Earnings Call Transcript
  at Seeking Alpha (Mon, Aug 18)
- WGL HOLDINGS INC Financials
  EDGAR Online Financials (Thu, Aug 14)
- WGL HOLDINGS INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Wed, Aug 6)
- Earnings roundup: Cisco, West Pharma
  AP (Tue, Aug 5)
- WGL Holdings shares down on 3Q loss
  AP (Tue, Aug 5)
- WGL HOLDINGS INC Files SEC form 8-K, Results of Operations and Financial Condition, Financial Statements and Exhibits
  EDGAR Online (Tue, Aug 5)
- WGL Holdings, Inc., Reports Third Quarter Fiscal Year 2008 Earnings; Revises Earnings Guidance
  Business Wire (Mon, Aug 4)
- Q3 2008 WGL Holdings Earnings Release - After Market Close
  CCBN (Mon, Aug 4)

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CNBC
Gas demand

HEARING EXHIBIT 00000025

Utilities, Inc.

DOCKET NO. 08006-WS

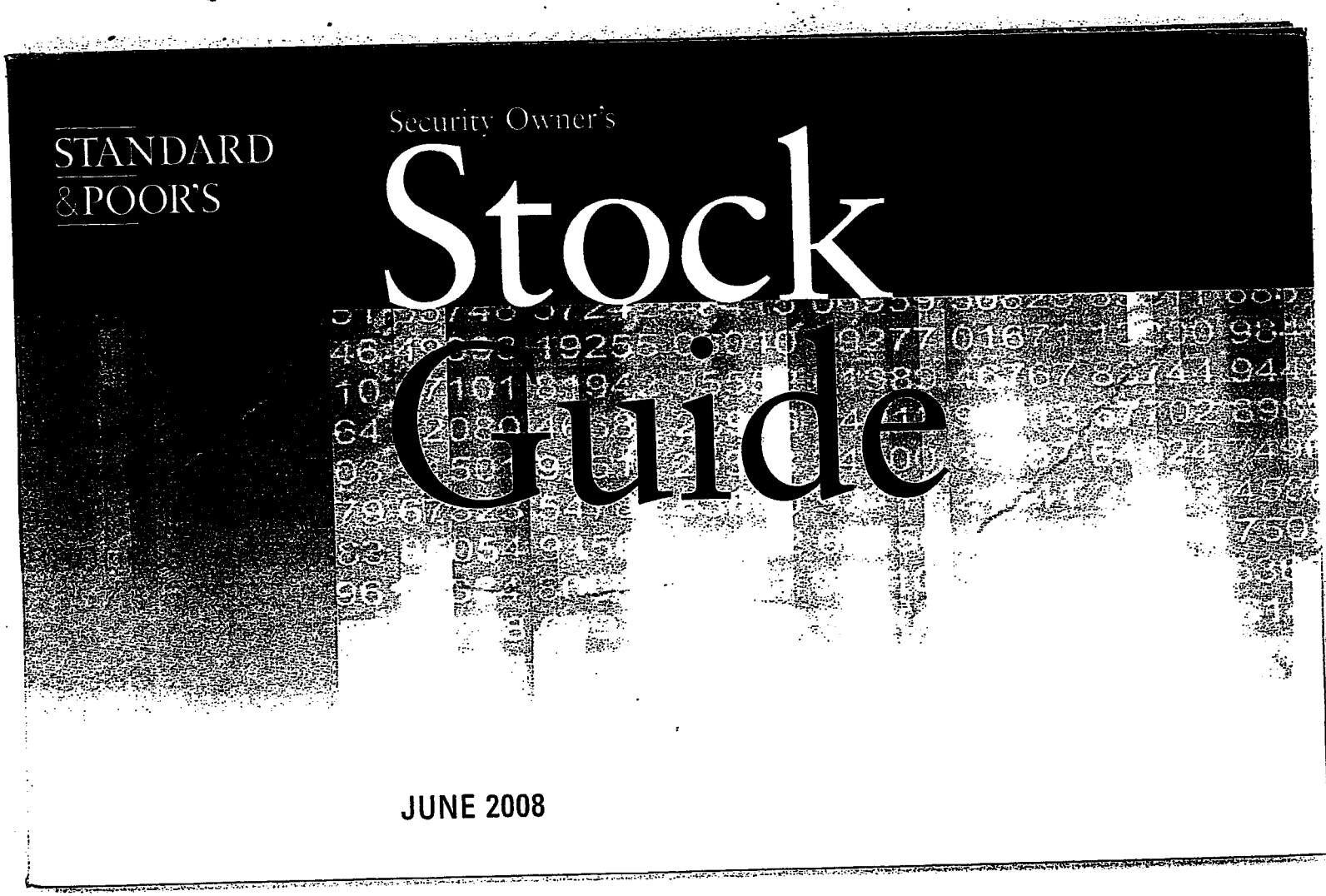
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Standard & Poor's

Stock Guide

June, July and August 2008

HEARING EXHIBIT 00000026



HEARING EXHIBIT 00000027

Common and Convertible Preferred

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May. Sales In 100s	May, 2008 Last Sale Or Bid High	May, 2008 Last Sale Or Bid Low	May, 2008 Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	APEI	Amer Public Education	NDS	NR	186	8304	Education Services	...	...	46.98	29.23	44.94	27.56	25494	39.81	32.02	37.09	...	53	3	0.0	0.0	...
2	ARII	Amer Railcar Ind	NDS	NR	172	15878	Constr & Farm Mach/Hvy Truck	40.96	22.01	43.46	12.95	26.00	14.50	21439	21.55	17.64	20.93	0.6	12	4	-46.2	0.0	2006
3	ARL	Amer Realty Investors	NY	NR	14	123	Real Estate Mgmt & Develop	24.45	1.37	10.50	7.00	13.04	8.71	1899	13.04	10.75	11.94	...	5	NM	25.1	9.5	....
4	ARP	Amer Reprographics	NY,P	NR	260	41907	Office Services & Supplies	39.00	13.00	35.34	14.33	19.97	13.49	73071	19.97	15.83	18.29	...	11	5	-40.0	7.2	....
5	ASI	Amer Safety Ins Hldgs	NY,P	B	99	5867	Property/Casualty Insurance	19.65	3.25	24.21	17.45	21.06	14.71	20699	17.55	14.71	16.30	...	13	...	-22.9	4.5	....
6◆1	ASEI	Amer Science & Engr	Ch,NDS	B-	251	5240	Aerospace & Defense	93.86	2.00	73.40	0.01	57.99	42.10	37141	52.25	42.10	51.22	1.6	24	NM	-0.9	9.9	2007
7	AMS	Amer Shared Hosp Sv	AS,Ch,P	B-	28	934	Health Care Services	12.12	0.18	6.80	1.80	2.99	1.71	2134	2.89	2.29	2.50	...	15	-12	-58.0	-23.2	2001
8	AQQ	Amer Spectrum Rity	AS,P	NR	10	4	Real Estate Mgmt & Develop	80.36	5.00	28.75	18.25	33.99	22.01	509	33.99	24.47	33.49	...	d	NM	49.5	57.6	....
◆9	AWR	Amer States Water	NY,Ch	B+	304	9891	Water Utilities	43.79	8.66	46.14	33.57	40.25	31.78	17726	36.07	33.16	33.75	3.0	18	16	-5.5	8.9	1931
10◆3	AMSC	Amer Superconductor	NDS	C	263	28171	Electrical Component & Equip	75.12	2.09	32.74	9.20	36.98	15.51	272901	36.98	24.16	35.28	...	d	33	106	59.2	....
¶11◆3	AMT	Amer Tower'A'	NY,Ch	NR	1143	399873	Wireless Telecom Svcs	55.50	0.60	46.53	36.34	46.10	32.10	672344	46.10	42.84	45.72	...	93	NM	6.7	37.0	....
12◆4	AVD	Amer Vanguard	NY,AS,Ch,P	B+	172	14759	Fertilizers & Ag Chemicals	27.75	0.18	20.30	11.51	17.97	12.10	50310	17.97	12.83	13.37	0.7	64	14	0.2	1.7	1996
13	AWK	Amer Water Works Co	NY,Ch,P	NR	...	...	Water Utilities	...	...	...	...	22.45	20.22	183550	22.45	20.51	21.50	...	d	...	0.0	0.0	....
14	AMWD	Amer Woodmark	NDS	A-	206	14171	Building Products	48.75	1.02	46.10	18.00	24.05	15.60	19555	24.05	18.91	22.53	1.6	33	-13	-39.0	-11.4	1996
15	UHAL	AMERCO	NDS	NR	184	6854	Trucking	106.95	1.36	89.98	57.03	71.98	47.53	8883	59.92	55.11	59.51	...	22	NM	-15.2	3.3	....
¶16◆3	AEE	Ameren Corp	NY,Ph,Ch,P,B	A-	762	126013	Multi-Utilities	56.77	19.87	55.00	47.10	54.29	40.92	200425	48.39	44.87	45.45	5.6	14	...	-6.8	-0.9	1906
17◆4	AMX	America Movil'L'ADS	NY,Ph,Ch,P,B	NR	1201	609366	Wireless Telecom Svcs	46.15	3.84	69.15	41.89	67.39	49.02	1555241	60.00	55.65	59.77	0.8	15	NM	1.2	49.1	2001
18	CRMT	America's Car-Mart	NDS	B-	121	8575	Automotive Retail	25.70	0.20	14.20	10.27	16.70	9.02	15924	16.70	13.55	16.49	...	18	-14	22.8	-7.7	....
#19◆7	ACF	AmeriCredit Corp	NY,Ch	B	489	157787	Consumer Finance	64.90	1.06	29.46	9.54	16.00	8.96	297336	14.94	12.60	13.59	...	15	45	-48.7	-18.3	....
20	APU	AmeriGas Partners L.P.	NY,Ph,Ch,P,B	NR	117	4207	Gas Utilities	35.00	12.75	36.89	31.20	36.88	25.00	15908	36.09	33.76	34.28	7.5	16	22	-2.4	11.1	1995
◆21◆8	AGP	AMERIGROUP Corp	NY	NR	586	60526	Managed Health Care	49.30	8.50	39.44	23.35	41.00	23.64	155253	28.23	24.01	27.61	...	11	12	9.2	-11.5	....
¶22◆8	AMP	Ameriprise Financial	NY,Ph,Ch,P,B	NR	1149	190132	Asset Mgmt & Custody Banks	55.79	32.00	69.25	51.31	57.55	45.18	606985	51.55	45.18	47.26	1.3	11	4	-22.6	0.0	2005
¶23◆7	ABC	AmerisourceBergen Corp	NY,Ph,Ch,P,B	A-	328	152821	Health Care Distributors	48.96	4.93	56.56	42.21	48.60	38.42	235246	42.98	40.64	41.33	0.7	15	7	-20.2	8.8	2001
24◆8	ASCA	Ameristar Casinos	NDS	B	225	24264	Casinos & Gaming	33.41	0.93	38.00	24.25	27.92	15.29	89170	18.80	16.52	17.82	2.4	25	11	-38.6	-9.9	2004
25	AMN	Ameron Intl	NY,Ph,Ch,P,B	A-	306	7678	Building Products	80.56	11.00	116.47	24.84	124.49	73.36	16184	116.95	95.20	114.67	1.0	15	28	47.0	53.3	1939
¶26	AME	AMETEK, Inc	NY,Ph,Ch,P,B	A	702	86008	Electrical Component & Equip	34.08	2.75	48.45	30.67	53.12	37.09	127292	53.12	48.46	51.30	0.5	23	22	38.1	26.3	1942
¶27◆1	AMGN	Amgen Inc	NDS	B+	2043	810447	Biotechnology	86.92	0.25	76.95	46.21	48.91	39.16	1429009	44.16	41.58	44.03	...	11	12	-20.3	-11.2	....
28	AMCS	AMICAS Inc	NDS	C	88	32332	Health Care Technology	37.37	0.93	3.58	2.34	3.05	1.70	51829	2.90	2.03	2.75	...	d	-31	-12.4	-12.5	....
29◆9	AMKR	Amkor Technology	NDS	B-	477	113484	Semiconductor Equipment	65.31	1.13	16.29	7.60	12.70	6.14	906070	12.70	10.61	10.66	...	8	NM	-25.2	44.1	....
◆30◆10	AHS	AMN Healthcare Svcs	NY,Ch,P	NR	349	36624	Health Care Services	37.40	8.90	29.10	16.40	17.41	14.25	47775	17.41	14.57	17.41	...	16	...	-22.1	6.2	....
31◆11	AMPL	Ampal-Amer Israel'A'	Ch,P,NDS,B	NR	78	2045	Multi-Sector Holdings	35.00	1.25	8.50	4.27	7.71	5.43	6946	6.33	5.43	5.58	...	63	50	5.0	11.6	....
32	AP	Ampco-Pittsburgh	NY,Ph,Ch	B	233	7744	Industrial Machinery	37.33	4.57	54.46	22.99	50.88	29.00	17826	48.40	41.94	46.66	1.5	12	NM	23.9	63.3	1966
#33◆12	APH	Amphenol Corp'A'	NY,Ph,Ch,B	B+	854	172778	Elect Equip Manufacturers	35.24	0.64	47.24	30.60	48.24	34.18	192976	48.24	45.21	46.63	0.1	20	33	32.5	30.7	2005
34◆12	AMR	AMR Corp	NY,Ph,Ch	B-	531	268167	Airlines	89.93	1.25	41.00	13.65	16.49	6.00	3620391	10.15	6.00	7.19	...	d	NM	-74.5	-17.5	....
35	AAR	AMR Corp 7.875% 'PINES'	NY	BBB-	4	9.5		25.25	2.43	24.90	18.06	23.38	13.43	7861	19.20	13.43	15.16	13.0	..	...	-32.2	2.9	1999
36	AMY	AmREIT 'A'	AS,Ph,Ch,P	NR	30	1170	Retail REITs	8.82	6.05	9.25	6.56	8.04	5.91	1478	7.75	6.65	7.08	7.0	d	-23	-9.7	1.9	2002
37	AXR	AMREP Corp	NY,Ph,Ch	B	121	1208	Diversif Comm & Prof Svcs	137.51	3.25	149.99	20.90	58.25	27.94	6957	56.57	46.18	50.01	...	17	34	-10.7	39.8	....
◆38◆11	AMSG	AmSurg Corp	NDS	B+	379	29713	Health Care Facilities	29.99	3.16	26.00	21.63	29.76	21.96	30878	27.34	24.67	27.28	...	17	11	11.2	0.2	....
39◆14	AFSI	AmTrust Financial Svcs	NDS	NR	296	25079	Property/Casualty Insurance	9.57	7.50	22.08	8.31	17.50	12.07	82449	16.38	14.13	14.96	1.1	21	1	-4.0	0.0	2007
40◆	AMLN	Amylin Pharmeceuticals	NDS	C	542	149294	Biotechnology	51.54	0.28	53.25	35.55	37.38	23.75	542127	32.84	27.11	31.77	...	d	1	-30.7	24.2	....
¶41◆8	APC	Anadarko Petroleum	NY,Ph,Ch,P,B	A-	1419	398064	Oil & Gas Exploration & Prod	56.97	4.59	68.00	38.40	81.36	50.91	1358373	81.36	62.70	74.97	0.5	16	32	52.2	26.3	1966

S&P 500 ‖ MidCap 400 ◆ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 1. [2]ASE,Ph:Cycle 1. [3]CBOE,P,Ph:Cycle 1. [4]ASE,Ph:Cycle 2. [5]Ph:Cycle 3. [6]ASE,CBOE,P,Ph:Cycle 2. [7]ASE,CBOE,P:Cycle 2. [8]ASE,CBOE,P:Cycle 3. [9]ASE,CBOE,P,Ph:Cycle 3. [10]Ph:Cycle 1. [11]ASE:Cycle 3. [12]CBOE,P:Cycle 1. [13]ASE,CBOE:Cycle 2. [14]CBOE:Cycle 3. [51]Incl curr amts [52]Pfd in $M,all held by RWE [53]Incl liabs subj to compromise [54]Ea ADS rep 20'L'Ord shrs,no par [56]Incl current amts [58]Stk distr of Sabre Hldgs Corp [67]Issue debt only [68]Excl 1M'B',4M'C',11M'D'shrs

◆Stock Splits & Divs By Line Reference Index [1]1-for-4 F [2]2-for-1,'04 [3]3-for-2,'06 [32]2-for-1,'04 [2]2-for-1,'07 [36]3-for-2

Index	Period $	Latest Payment Date	Ex. Div.	Total $ Se Per 2008	Ind. Rate	Pay 200
1	None Paid			...	NIL	...
2	Q0.03	7-11-08	6-25	0.09	0.12	0
3	Div Omitted 8-11-99			...	NIL	...
4	None Paid			...	NIL	...
5	Div Postponed 7-16-03			...	NIL	...
6	Q0.20	6-6-08	5-15	0.40	0.80	0
7	Div Suspended 9-21-07			...	NIL	0.
8◆	Div Omitted 3-25-03			...	NIL	...
9	Q0.25	6-1-06	5-8	0.50	1.00	0.9
10	None Paid			...	NIL	...
11	None Paid			...	NIL	...
12◆	S0.05	4-15-08	3-27	0.05	0.10	0
13	None Paid			...	NIL	...
14◆	Q0.09	6-20-08	6-4	0.18	0.36	0
15	None Paid			...	NIL	...
16	Q0.63½	6-30-06	6-9	1.27	2.54	2
17◆	1.867	11-13-07	11-1	...	0.363	12
18◆	None Paid			...	NIL	...
19	None Paid			...	NIL	...
20	Q0.64	5-18-06	5-7	1.25	2.56	12
21◆	None Paid			...	NIL	...
22	Q0.15	5-16-08	4-30	0.30	0.60	0
23◆	Q0.07½	6-2-06	5-15	0.15	0.30	h0.2
24◆	Q0.105	3-14-06	2-27	0.105	0.42	0
25	Q0.30	5-20-06	4-22	0.55	1.20	0
26◆	Q0.06	6-30-06	6-12	0.12	0.24	0
27	None Paid			...	NIL	...
28	0.	3-5-01	3-6	...	NIL	...
29	None Paid			...	NIL	...
30	None Paid			...	NIL	...
31	0.21	12-28-85	12-13	...	NIL	...
32	Q0.18	4-30-08	4-11	0.33	0.72	0
33◆	Q0.015	7-2-08	6-9	0.045	0.06	0
34	h[56]	3-15-00	3-16	...	NIL	...
35	Q0.492	4-30-08	4-11	0.984	1.969	1.9
36	M0.041	6-30-06	6-16	0.248	0.497	0.
37	1.00	8-24-07	8-8	...	1.00	1
38◆	None Paid			...	NIL	...
39	Q0.04	7-15-08	6-27	0.12	0.16	0
40	None Paid			...	NIL	...
41◆	Q0.09	6-25-08	6-9	0.18	0.36	0

HEARING EXHIBIT 00000028

Ir Bid w	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea.Yr. Since
.02	37.09	...	53	3	0.0	0.0	....
.64	20.93	0.6	12	4	-46.2	0.0	2006
.75	11.94	...	5	NM	26.1	9.6	....
.83	18.29	...	11	5	-40.0	7.2	....
.71	16.30	...	13	...	-22.9	4.5	....
.10	51.22	1.6	24	NM	-0.9	9.9	2007
.29	2.50	...	15	-12	-58.0	-23.2	2001
.47	33.49	...	d	NM	49.5	57.6	....
L16	33.75	3.0	18	16	-5.5	8.9	1931
L16	35.28	...	d	33	106	59.2	....
.84	45.72	...	93	NM	6.7	37.0	....
.83	13.37	0.7	64	14	0.2	1.7	1996
.51	21.50	...	d	...	0.0	0.0	....
.91	22.53	1.6	33	-13	-39.0	-11.4	1996
5.11	59.51	...	22	NM	-15.2	3.3	....
4.87	45.45	5.6	14	...	-8.8	-0.9	1906
5.65	59.77	0.6	15	NM	1.2	49.1	2001
3.55	16.48	...	18	-14	22.6	-7.7	....
2.60	13.59	...	15	45	-48.7	-18.3	....
3.76	34.28	7.5	16	22	-2.4	11.1	1995
4.01	27.61	...	11	12	9.2	-11.5	....
5.18	47.26	1.3	11	4	-22.6	0.0	2005
0.64	41.33	0.7	15	7	-20.2	8.8	2001
6.52	17.82	2.4	25	11	-38.6	-9.9	2004
5.20	114.57	1.0	15	28	47.0	53.3	1939
8.48	51.30	0.5	23	22	36.1	26.3	1942
1.58	44.03	...	11	12	-20.3	-11.2	....
2.03	2.75	...	d	-31	-12.4	-12.5	....
0.61	10.66	...	8	NM	-25.2	44.1	....
4.57	17.41	...	16	...	-22.1	6.2	....
5.2	5.68	...	63	50	5.0	11.6	....
41.3	46.66	1.5	12	NM	23.9	63.3	1966
45.2	46.63	0.1	20	33	32.5	30.7	2005
6.2	7.19	...	d	NM	-74.5	-17.5	....
13.4	15.16	13.0	..	....	-32.2	2.9	1999
6.8	7.06	7.0	d	-23	-9.7	1.9	2002
46.1	50.01	...	17	34	-10.7	39.9	....
24.2	27.28	...	17	11	11.2	0.2	....
14.1	14.96	1.1	21	1	-4.0	0.0	2007
27.1	31.77	...	d	1	-30.7	24.2	....
6.2	74.97	0.5	16	32	52.2	26.3	1986

CBOE,P,Ph:Cycle 2. 7ASE,CBOE,P:Cycle 2.
d is $3M,all held by RWE

0000029

Common and Convertible Preferred Stocks

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2006	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2006 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid			...	NIL	....	26.9	34.8	NA	3-31-06	....	17736	0.72	0.75	0.70	8	Dc	v0.64	....	0.70	3 Mo Mar	0.12	v0.18
2	Q0.03	7-11-06	6-25	0.09	0.12	0.12	298	453	61.3	9-30-07	275	21302	1.71	1.85	1.56	5	Dc	Pv1.74	....	1.74			
3	Div Omitted 8-11-99			....	NIL	....	Total Assets $1758M			12-31-07	[51]1239	11218	....	....	....	....	Dc	Pv2.35	....	2.35			
4	None Paid			....	NIL	....	25.7	150	147	12-31-07	321	45559	1.54	1.58	1.49	7	Dc	v1.51	E1.60†	1.51			
5	Div Postponed 7-16-03			....	NIL	....	Total Assets $932M			3-31-06	38.8	10604	1.99	2.10	1.90	4	Dc	Pv2.56	....	1.21	3 Mo Mar	v0.65	v0.55
6	Q0.20	6-6-06	5-15	0.40	0.80	0.40	134	222	60.6	12-31-07	10.1	9081	2.22	2.47	2.05	4	Mr	....	....	2.15	9 Mo Dec	v1.79	v1.56
7	Div Suspended 9-21-07			...	NIL	0.143	9.46	17.3	14.6	3-31-08	19.8	5200	....	....	....	....	Dc	Pv0.19	....	0.17	3 Mo Mar	0.05	v0.03
8◆	Div Omitted 3-25-03			....	NIL	....	Total Assets $216M			9-30-07	184	1379	....	....	....	....	Dc	vd1.77	....	d1.77			
9	Q0.25	6-1-06	5-8	0.50	1.00	0.95½	0.77	59.8	103	3-31-08	267	17245	1.75	1.86	1.72	5	Dc	v1.61	....	1.91	3 Mo Mar		v0.30
10	None Paid			....	NIL	....	197	153	33.3	12-31-07	....	41500	d0.71	d0.60	d0.76	9	Mr	....	....	d0.94	9 Mo Dec	vd0.71	vd0.61
11	None Paid			....	NIL	....	128	331	306	3-31-08	4433	396000	0.48	0.67	0.25	17	Dc	v0.13	E0.49†	0.18	3 Mo Mar	v0.05	v0.10
12◆	S0.05	4-15-06	3-27	0.05	0.10	0.07	5.00	134	60.5	9-30-07	55.1	26394	0.82	1.00	0.75	4	Dc	v0.21	....	0.21			
13	None Paid			....	NIL	....	13.5	430	774	12-31-07	4796	[52]*160000	....	....	....	....	Dc	vd2.14	....	d2.14			
14◆	Q0.09	6-20-06	6-4	0.18	0.36	0.30	55.4	136	52.4	1-31-08	26.1	14201	0.29	0.35	0.22	5	Ap	v2.04	....	0.69	9 Mo Jan	v1.64	v0.29
15	None Paid			....	NIL	....	Total Assets $3953M			12-31-07	[53]1314	20059	2.50	2.56	2.44	2	Mr	....	....	2.73	9 Mo Dec	v4.63	v3.64
16	Q0.63½	6-30-06	6-9	1.27	2.54	2.54	186	2303	3510	12-31-07	5066	209400	3.10	3.29	3.00	9	Dc	v2.98	E3.14†	3.04	3 Mo Mar	v0.60	v0.66
17◆	1.867	11-13-07	11-1	....	0.363	†2.23	1620	7878	9641	3-31-08	7759	±35160000	3.55	4.13	3.02	11	Dc	v....	E3.97†	NIL			
18◆	None Paid			....	NIL	....	Total Assets $185M			1-31-08	40.5	11753	1.04	1.08	1.01	4	Ap	v0.35	....	0.92	9 Mo Jan	v0.18	v0.75
19	None Paid			....	NIL	....	Total Assets $18149M			3-31-08	[55]1251	114692	0.93	1.19	0.83	10	Je	v2.73	E0.83†	1.32	9 Mo Mar	v2.06	v0.65
20	Q0.64	5-18-06	5-7	1.25	2.56	†2.66	14.1	540	NA	3-31-06	930	57005	2.41	2.78	1.85	6	Sp	v3.26	E2.20†	3.51	6 Mo Mar	v2.89	v3.25
21◆	None Paid			....	NIL	....	619	1133	692	3-31-06	361	53539	2.43	2.60	2.30	12	Dc	v2.16	....	2.41	3 Mo Mar	v0.40	v0.65
22	Q0.15	5-16-06	4-30	0.30	0.60	0.56	Total Assets $109854M			3-31-08	2018	223400	3.87	4.22	3.70	5	Dc	v3.39	E4.23†	3.54	3 Mo Mar	v0.66	v0.83
23◆	Q0.07½	6-2-06	5-15	0.15	0.30	h0.22½	591	6606	8234	3-31-08	1223	161218	2.81	2.88	2.75	15	Sp	v2.50	E2.62†	2.68	6 Mo Mar	v1.30	v1.46
24◆	Q0.105	3-14-06	2-27	0.105	0.42	0.41	119	155	155	9-30-07	1597	57121	1.22	1.31	1.12	13	Dc	v0.71	....	0.71			
25	Q0.30	5-20-06	4-22	0.55	1.20	0.90	159	463	144	3-02-06	56.2	9166	6.55	6.85	6.25	2	Nv	v7.40	....	7.53	3 Mo Feb	0.94	v1.07
26◆	Q0.06	6-30-06	6-12	0.12	0.24	0.24	124	950	892	3-31-08	667	106692	2.46	2.50	2.45	9	Dc	v2.12	....	2.26	3 Mo Mar	v0.48	v0.62
27	None Paid			....	NIL	....	8647	14527	5954	3-31-08	9177	1088000	4.17	4.36	4.00	22	Dc	v2.82	E4.15†	2.92	3 Mo Mar	0.94	v1.04
28	0....	3-5-01	3-6	....	NIL	....	72.0	86.0	19.2	3-31-06	....	42868	d0.01	d0.01	d0.02	4	Dc	vd0.02	....	d0.03	3 Mo Mar	v	vd0.01
29	None Paid			....	NIL	....	414	970	613	3-31-08	1602	182581	1.33	1.47	1.20	5	Dc	v1.11	E1.26†	1.29	3 Mo Mar	v0.18	v0.36
30	None Paid			....	NIL	....	7.84	250	149	3-31-06	118	33832	1.16	1.24	1.10	9	Dc	v1.05	....	1.10	3 Mo Mar	v0.23	v0.28
31	0.21	12-28-95	12-13	....	NIL	....	Total Assets $400M			3-31-06	284	57703	....	....	....	....	Dc	Pv0.16	....	0.09	3 Mo Mar	vd0.11	vd0.18
32	Q0.18	4-30-08	4-11	0.33	0.72	0.55	71.6	224	NA	3-31-08	....	10178	....	....	....	....	Dc	Pv3.88	....	3.93	3 Mo Mar	v0.95	v1.00
33◆	Q0.015	7-2-06	6-9	0.045	0.06	0.06	180	1274	491	3-31-08	852	176663	2.32	2.35	2.30	10	Dc	v1.94	E2.35†	2.05	3 Mo Mar	v0.43	v0.54
34	h[56]....	3-15-00	3-16	....	NIL	....	4519	7513	9572	3-31-08	[57]8745	249456	d6.10	d0.58	d10.09	14	Dc	v1.76	Ed6.00‡	0.17	3 Mo Mar	v0.29	vd1.32
35	Q0.492	4-30-08	4-11	0.984	1.969	1.96½	Co opt to redm fr 7-13-2004 at $25				....	....	....	....	....	....	Dc	....	....	....	Due 7-13-2039		
36	M0.041	6-30-06	6-18	0.248	0.497	0.497	Total Assets $333M			12-31-07	166	[58]6152	0.67	0.67	0.67	1	Dc	Pvd1.02	....	d1.02			
37	1.00	8-24-07	8-8	....	1.00	1.00	Total Assets $300M			1-31-06	24.2	5995	....	....	....	....	Ap	v6.78	....	3.02	9 Mo Jan	v5.84	v2.06
38◆	None Paid			....	NIL	....	24.1	115	35.7	3-31-08	200	31417	1.54	1.57	1.53	20	Dc	v1.42	E1.56†	1.45	3 Mo Mar	v0.34	v0.37
39	Q0.04	7-15-06	6-27	0.12	0.16	0.07	Total Assets $1654M			9-30-07	123	59959	1.71	1.75	1.65	3	Dc	v0.71	....	0.71			
40	None Paid			....	NIL	....	1033	1226	260	3-31-06	900	137073	d1.99	d1.73	d2.28	22	Dc	vd1.59	Ed1.91‡	d1.72	3 Mo Mar	vd0.36	vd0.51
41◆	Q0.09	6-25-06	6-9	0.18	0.36	0.36	1308	4308	4654	3-31-08	13358	468123	5.49	7.26	2.86	28	Dc	v8.07	E4.73†	8.46	3 Mo Mar	0.22	v0.61

◆Stock Splits & Divs By Line Reference Index [1]1-for-4 REVERSE,'04 [12]3-for-2,'04 [2]2-for-1,'05 [4]4-for-3,'06 [14]2-for-1,'04 [17]3-for-1,'05 [18]3-for-2,'05 [21]2-for-1,'05 [23]2-for-1,'05 [24]2-for-1,'05 [28]2-for-1,'04 [3]3-for-2,'06 [32]2-for-1,'04 [2]2-for-1,'07 [38]3-for-2,'04 [41]2-for-1,'06

S&P 500] MidCap 400 ◇ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1[+]	CRA	Applera Corp-Celera Grp	NY,P	C	412	74097	Biotechnology	276.00	6.00	17.00	11.39	16.46	12.05	106424	13.72	12.05	12.86	...	d	45	-5.6	9.0	....
2	DIGA	Applied Digital Solutions	NDS	C	56	10355	IT Consulting & Other Svcs	180.00	1.10	2.33	0.41	0.96	0.44	68373	0.85	0.60	0.85	...	d	-16	-41.0	-39.1	....
◇3	AIT	Applied Indus Technologies	NY,Ph,Ch,P	A--	502	38656	Trading Cos & Distributors	31.56	2.84	35.68	22.72	32.20	22.05	76176	27.89	23.81	27.57	2.2	13	45	-1.8	12.6	1957
◇4[n2]	AMAT	Applied Materials	NDS	B	1595	1040861	Semiconductor Equipment	57.50	0.03	23.00	17.35	21.75	16.13	4313022	20.13	18.64	19.81	1.2	26	NM	6.0	7.1	2005
5	AMCC	Applied Micro Circuits	NDS	C	267	52732	Semiconductors	439.00	4.12	15.86	8.69	9.83	8.46	284883	9.83	8.01	9.81	....	NM	72	-12.4	-4.5	....
◇6[n3]	APSG	Applied Signal Technology	NDS	B--	168	8930	Aerospace & Defense	39.20	3.00	18.65	12.25	15.85	10.73	16346	15.85	11.42	15.47	3.2	30	-13	2.2	-0.7	2003
7	AREX	Approach Resources	NDS	NR	90	8236	Oil & Gas Exploration & Prod	....	....	13.64	11.68	23.57	9.20	28917	23.57	19.08	22.44	....	52	2	0.0	0.0	....
#8[n4]	AHG	Apria Healthcare Grp	NY	B	499	49778	Health Care Services	36.75	2.56	34.36	20.11	24.03	15.31	115755	20.42	15.31	16.86	....	8	-2	-14.4	-18.5	....
9	ATS	APT Satellite Hldg Ltd ADS[n1]	NY,P	NR	11	685	Alternative Carriers	19.37	1.10	4.95	1.36	2.25	1.25	2686	1.68	1.41	1.55	....	d	....	-24.4	-5.8	....
#10[n5]	ATR	AptarGroup Inc	NY,Ph,Ch,P,B	A	635	64517	Metal & Glass Containers	31.14	4.00	44.75	28.72	45.89	32.67	81237	45.89	42.49	44.72	1.2	21	1	20.3	22.2	1993
#11[n6]	WTR	Aqua America	NY	A	454	62103	Water Utilities	29.79	1.99	26.62	18.86	22.00	16.53	296588	19.48	18.53	17.08	2.9	23	3	-23.3	-4.2	1939
#12[n7]	ILA	Aquila Inc	NY,Ch,P,To	C	387	328258	Multi-Utilities	37.85	1.07	4.81	3.45	3.88	3.17	499174	3.88	3.59	3.81	....	17	NM	-15.0	-14.0	....
13	ARSD	Arabian American Dev	NDS,BB	C	8	993	Commodity Chemicals	9.50	0.00	8.95	2.83	8.00	4.50	3325	6.74	4.50	5.52	....	17	NM	-15.0	-14.0	....
14[n8]	ARA	Aracruz Celulose S.A.ADS[n2]	NY,Ph,Ch,P,B	NR	201	28982	Paper Products	62.69	4.68	80.24	49.01	92.22	56.78	98486	92.22	78.19	90.74	1.3	20	24	57.3	45.4	1995
15	AREX	Arbinet-thexchange Inc	NDS	NR	62	13721	Alternative Carriers	29.90	4.06	6.80	4.84	6.07	3.29	27341	4.55	3.35	3.80	....	NIL	1	-31.7	-31.4	2008
◇16[n9]	ARB	Arbitron Inc	NY,Ph,Ch,P,B	NR	365	33295	Advertising	45.90	19.65	55.63	34.81	51.30	36.49	44325	51.30	45.22	49.86	0.8	35	....	-3.0	8.2	2005
17	ABR	Arbor Realty Trust	NY	NR	213	14751	Mortgage REITs	31.20	18.05	34.45	13.91	18.80	13.46	66230	17.98	13.90	14.05	17.7	5	5	-43.9	-10.1	2004
18	KAD	Arcadia Resources	AS,BB	NR	30	41388	Health Care Services	4.20	0.09	2.40	0.61	1.30	0.46	25522	0.78	0.55	0.75	....	d	....	-50.0	-28.9	....
19[n4]	MT	ArcelorMittal A'	NY,Ph,Ch,P,B	NR	280	60576	Steel	43.86	0.70	83.88	39.59	103.14	55.53	744372	103.14	86.20	99.33	1.2	61	58	72.7	60.5	2005
20[n10]	ACGL	Arch Capital Group	NDS	B--	593	44314	Reinsurance	70.59	11.00	77.30	63.25	73.22	65.00	84535	71.86	67.86	70.36	....	7	29	-2.0	17.2	....
◇21	ARJ	Arch Chemicals	NY,Ph,Ch,P,B	B--	406	24874	Specialty Chemicals	37.21	12.31	48.02	29.29	40.75	30.35	34070	40.75	34.00	38.03	2.1	36	-1	12.4	19.8	1999
#22[n11]	ACI	Arch Coal	NY,Ph,Ch,B	B+	577	139062	Coal & Consumable Fuels	56.44	2.37	45.22	27.18	68.68	32.98	1522999	45.00	39.07	39.70	1.3	12	45	12.9	27.2	1927
#23[n6]	ADM	Archer-Daniels-Midland	NY,Ph,Ch,P,B	A+	1199	436100	Agricultural Products	46.71	3.32	47.33	30.20	48.95	38.11	930898	68.68	53.29	64.91	0.6	24	57	57.4	39.5	1997
◇24	ACAT	Arctic Cat	NDS	B+	231	13096	Leisure Products	29.20	2.11	20.77	10.54	12.44	6.42	24618	8.63	7.05	7.91	3.5	d	-2	-57.3	-28.0	1992
25	RDEA	Ardea Biosciences Inc	NDS	NR	28	7176	Pharmaceuticals	396.00	1.54	15.50	4.15	16.25	11.19	4237	15.30	13.00	14.40	....	d	84	188	61.2	....
26	ARDNA	Arden Group Cl'A'	NDS	B+	113	470	Food Retail	141.03	4.81	170.00	113.00	159.50	117.30	336	139.33	117.30	117.30	0.9	13	1	-10.0	13.8	2003
27[n12]	ARNA	Arena Pharmaceuticals	NDS	NR	250	67698	Biotechnology	47.00	3.48	14.78	7.76	8.68	4.85	232511	5.83	4.85	5.13	....	d	-29	-63.4	-9.5	....
28	ARD	Arena Resources	NY,AS	NR	370	30306	Oil & Gas Exploration & Prod	23.85	0.12	45.35	18.41	57.60	29.25	183906	57.60	39.77	50.07	....	37	88	96.2	110	....
29	ARCC	Ares Capital	NDS	NR	247	56922	Asset Mgmt & Custody Banks	20.02	14.44	20.55	14.03	14.78	10.90	220215	12.67	11.31	12.39	13.6	7	4	-26.7	-1.1	2005
30	AGX	Argan Inc	AS,Ch,P,BB	C	15	1120	Construction & Engineering	136.87	1.01	13.94	6.00	14.97	10.56	1566	13.49	11.31	12.50	....	d	Neg	100	29.9	....
31	AGII	Argo Group Intl Holdings	NDS	B-	360	22578	Property/Casualty Insurance	58.79	8.99	58.83	37.49	42.06	33.08	21499	38.75	34.48	36.59	....	6	3	-21.6	7.9	....
32	STST	ARGON ST	NDS	NR	186	13871	Aerospace & Defense	38.39	18.70	29.44	15.18	24.85	15.26	36983	24.85	17.35	24.14	....	40	5	1.1	-11.4	....
33[n13]	ARBA	Ariba Inc	NDS	C	350	60002	Internet Software & Services	1100.06	5.40	13.30	7.50	14.97	8.26	394382	14.97	11.32	14.84	....	d	43	62.4	33.1	....
34	RAMS	Aries Maritime Transport	NDS	NR	45	7196	Marine	16.50	9.07	10.45	5.91	7.77	4.98	10775	6.25	5.38	5.80	9.0	d	4	-30.5	0.0	2005
35	ARKR	Ark Restaurants	NDS	B	43	1254	Restaurants	43.48	1.12	37.90	29.83	37.57	24.07	760	28.00	24.97	26.50	5.6	12	19	-20.1	7.9	2004
◇36	ABFS	Arkansas Best	NDS	B	409	30120	Trucking	50.67	4.12	44.97	21.49	42.45	17.94	151635	42.45	34.00	37.16	1.6	15	12	-5.9	5.7	2003
37	ATB	Arlington Tankers	NY	NR	136	8066	Oil & Gas Storage & Transp	25.39	18.75	29.90	19.72	24.32	18.93	12328	24.32	21.95	23.27	9.9	60	5	-5.2	18.2	2005
38	ARMH	ARM Holdings ADS[n3]	NDS	NR	111	44147	Semiconductors	50.00	1.75	10.07	6.92	7.58	4.78	92852	6.69	5.88	6.23	1.7	25	17	-23.5	2.8	2004
39[n14]	AWI	Armstrong World Indus	NY	NR	239	21660	Building Products	42.50	30.00	57.48	35.04	40.98	26.25	72355	36.57	30.68	32.48	....	14	2	-31.4	0.0	2008
◇40[n15]	AROL	ArQule Inc	NDS	C	215	34022	Biotechnology	40.37	1.92	10.59	5.47	6.09	3.48	67573	4.55	3.65	4.26	....	d	-18	-51.5	-12.8	....
41•	ARRY	Array BioPharma	NDS	NR	244	43506	Biotechnology	15.89	2.10	14.59	7.81	8.69	5.03	56219	6.64	5.50	6.22	....	d	-27	-51.3	-0.1	....

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 3. [2]ASE,CBOE,P,Ph:Cycle 1. [3]ASE,Ph:Cycle 2. [4]ASE,CBOE:Cycle 3. [5]ASE:Cycle 1. [6]CBOE,P,Ph:Cycle 3. [7]ASE,CBOE:Cycle 1. [8]CBOE:Cycle 2. [9]ASE,CBOE:Cycle 2. [10]ASE:Cycle 3. [11]CBOE:Cycle 1. [12]ASE,CBOE,Ph:Cycle 1. [13]ASE,CBOE,P,Ph:Cycle 2. [14]CBOE:Cycle 3. [15]Ea ADS rep 8 Ord shr, HK$0.10 [n1]Ea ADS rep 10 CRS' pref,no par [n2]Pfd in $M [n3]Incl current amts [n4]Ea ADS rep 3 ord, 1p

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1◆		None Paid			....	NIL
2◆		None Paid			....	NIL
3◆	Q0.15		5-30-08	5-13	0.30	0.60
4	Q0.06		6-5-08	5-13	0.12	0.24
5◆		None Paid			....	NIL
6	Q0.12½		5-16-08	4-30	0.25	0.50
7		None Paid			....	NIL
8		None Paid			....	NIL
9	0.051		7-8-02	5-10	....	0.051
10◆	Q0.13		5-21-08	4-28	0.26	0.52
11◆	Q0.12½		6-1-08	5-14	0.25	0.50
12	Div Postponed 11-13-02				....	NIL
13		None Paid			....	NIL
14	1.214		5-21-08	5-5	2.092	2.924
15	0.40		3-28-08	3-10	0.40	NIL
16	Q0.10		7-1-08	6-11	0.30	0.40
17	Q0.62		5-27-08	5-13	1.24	2.48
18		None Paid			....	NIL
19	0.37½		6-16-08	6-2	0.75	1.40
20		None Paid			....	NIL
21	Q0.20		6-13-08	5-13	0.40	0.80
22◆	Q0.09		6-13-08	5-28	0.18	0.36
23	Q0.13		6-5-08	5-13	0.26	0.52
24	Q0.07		6-2-08	5-15	0.14	0.28
25		None Paid			....	NIL
26	Q0.25		7-18-08	6-26	0.75	1.00
27		None Paid			....	NIL
28◆		None Paid			....	NIL
29	Q0.42		6-30-08	6-12	0.84	1.68
30		None Paid			....	NIL
31◆	Div Deferred 2-5-03				....	NIL
32		None Paid			....	NIL
33◆		None Paid			....	NIL
34	Div Suspened 3-25-088				....	0.40
35	Q0.44		5-1-08	4-22	0.88	1.76
36	Q0.15		5-20-08	5-2	0.30	0.60
37	Q0.56		5-6-08	4-30	1.12	2.24
38	0.071		6-2-08	4-30	0.071	0.12
39	4.50		3-31-08	3-7	4.50	NIL
40		None Paid			....	NIL
41		None Paid			....	NIL

◆Stock Splits & Divs By Line Reference Index [1]1-f [2]1-for-6 REVERSE,'04

HEARING EXHIBIT 00000030

	% Annualized					
	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
2.88	...	d	45	-5.6	9.0	....
0.85	...	d	-16	-41.0	-39.1	....
7.57	2.2	13	45	-1.6	12.6	1957
9.81	1.2	26	NM	6.0	7.1	2005
9.81	...	NM	72	-12.4	-4.5	....
5.47	3.2	30	-13	2.2	-0.7	2003
2.44	...	52	2	0.0	0.0	....
6.85	...	8	-2	-41.4	-18.5	....
1.55	...	d	...	-24.4	5.8	....
4.72	1.2	21	1	20.3	22.2	1993
7.08	2.9	23	3	-23.3	-4.2	1939
3.81	...	54	NM	-11.2	1.6	....
5.52	...	17	NM	-15.0	.140	....
0.74	1.3	20	24	57.3	45.4	1995
3.80	...	Nil	1	-31.7	-31.4	2006
9.86	0.8	35	...	-3.0	8.2	2005
4.05	17.7	5	5	-43.9	-10.1	2004
0.75	...	d	...	-50.0	-28.9	....
9.33	1.2	61	58	72.7	60.5	2005
0.36	...	7	29	-2.0	17.2	....
8.03	2.1	36	-1	12.4	19.8	1999
4.91	0.6	24	57	57.4	39.5	1997
9.70	1.3	12	45	12.9	27.2	1927
7.91	3.5	d	-2	-57.3	-28.0	1982
4.40	...	d	84	188	61.2	....
17.30	0.9	13	1	-10.0	13.8	2003
5.13	...	d	-29	-63.4	-8.6	....
0.07	...	37	88	95.2	110	....
2.29	13.6	7	4	-26.7	-1.1	2005
2.50	...	d	Neg	100	29.9	....
9.59	...	6	3	-21.6	7.9	....
4.76	...	40	5	1.1	-11.4	....
0.04	...	d	43	62.4	33.1	....
5.00	9.0	d	4	-30.8	0.0	2005
2.50	6.6	12	19	-20.1	7.9	2004
3.76	1.6	15	12	-5.9	5.7	2003
3.27	9.9	60	5	-5.2	16.2	2005
6.23	1.7	25	17	-23.5	2.8	2004
3.46	...	14	2	-31.4	0.0	2006
4.28	...	d	-18	-51.5	-12.8	....
4.72	...	d	-27	-51.3	-0.1	....

CBDE P Ph:Cycle 3.
[1]Ea ADS rep 8 Ord shr, HK$0.10

00000031

Common and Convertible Preferred Stocks

Splits Dividends ◆ Latest Payment Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid			...	Nil	....	338	415	31.7	3-31-08	....	79980	0.02	0.07	...	6	Je	vd0.25	....	d0.18	9 Mo Mar	vd0.15	vd0.06
2◆	None Paid			...	Nil	....	14.5	60.0	55.5	9-30-07	16.7	p70416	.0.11	0.11	0.11	1	Dc	vd0.12	....	d0.12			
3◆ Q0.15	5-30-08	5-13	0.30	0.60	0.54	70.5	569	171	3-31-08	25.0	42296	2.19	2.25	2.16	7	Je	v1.93	....	2.18	9 Mo Mar	v1.37	v1.62
4 Q0.06	6-5-08	5-13	0.12	0.24	0.23	1905	6191	2353	1-27-08	202	1353612	0.78	0.96	0.68	24	Oc	v1.20	E0.76↓	1.10	3 Mo Jan	v0.29	v0.19
5◆	None Paid			...	Nil	....	117	200	49.4	12-31-07	....	64993	d0.00	0.01	d0.01	5	Mr	vd1.70	E0.35↑	d1.70			
6 Q0.12½	5-16-08	4-30	0.25	0.50	0.50	37.3	97.6	20.2	2-01-08	4.88	12589	0.61	0.66	0.59	7	Oc	v0.55	....	0.52	3 Mo Jan	v0.15	v0.12
7	None Paid			...	Nil	....	4.79	17.1	22.0	12-31-07	....	★20623	1.18	1.31	1.08	4	Dc	v0.24	....	0.43	3 Mo Mar	d0.06	v0.13
8	None Paid			...	Nil	....	21.0	438	537	3-31-08	417	44171	1.98	2.05	1.93	10	Dc	v1.95	E1.99↑	1.98	3 Mo Mar	0.44	v0.47
9 0.051	7-8-02	5-10	...	0.051	....	54.4	78.3	48.6	6-30-07	91.8	413265	...	...	...	...	Dc	...	....	d0.20			
10◆ Q0.13	5-21-08	4-28	0.26	0.52	0.50	335	1114	622	3-31-08	147	68013	2.29	2.40	2.22	9	Dc	v1.98	....	2.09	3 Mo Mar	v0.41	v0.52
11◆ Q0.12½	6-1-08	5-14	0.25	0.50	0.48	16.5	110	174	3-31-08	1213	133630	0.75	0.81	0.70	9	Dc	v0.71	E0.75	0.69	3 Mo Mar	v0.13	v0.11
12 Div Postponed 11-13-02			...	Nil	....	28.2	495	406	3-31-08	1034	376004	0.05	0.07	0.03	2	Dc	vd0.01	....	0.07	3 Mo Mar	vd0.06	v0.02
13	None Paid			...	Nil	....	4.79	22.5	19.6	12-31-07	9.08	22902	...	...	...	...	Dc	v0.33	....	0.33			
14 1.214	5-21-08	5-5	2.092	2.924	2.356	538	1371	520	3-31-08	1603	103059	5.29	6.30	4.64	9	Dc	Pv4.30	....	4.46	3 Mo Mar	0.97	v1.13
15 0.40	3-28-08	3-10	0.40	Nil	....	48.4	79.5	26.3	9-30-07	....	25669	0.03	0.03	0.03	1	Dc	v.	....	Nil			
16 Q0.10	7-1-08	6-11	0.30	0.40	0.40	25.3	57.5	58.1	3-31-08	45.0	28191	1.42	1.44	1.41	6	Dc	v1.35	....	1.41	3 Mo Mar	v0.52	v0.58
17 Q0.62	5-27-08	5-13	1.24	2.48	2.46	Total Assets $2921M			12-31-07	2004	20606	2.32	2.52	2.21	4	Dc	v4.44	E2.59↓	3.99	3 Mo Mar	0.97	v0.52
18	None Paid		...	Nil	....	1.54	34.3	13.9	12-31-07	33.3	127118	d0.10	d0.10	d0.10	1	Mr	...	....	d0.60	9 Mo Dec	vd0.05	vd0.17
19 0.37½	6-16-08	6-2	0.75	1.40	0.975	NIL	...	...	3-31-07	....	±1385288	9.16	10.20	7.65	11	Dc	v1.62	....	1.62			
20	None Paid		...	Nil	....	Total Assets $14962M			3-31-08	300	64650	10.31	11.00	9.00	10	Dc	v11.28	E10.50↑	11.46	3 Mo Mar	2.59	v2.79
21 Q0.20	6-13-08	5-13	0.40	0.80	0.80	107	590	410	3-31-08	135	24859	2.56	2.65	2.38	6	Dc	v1.43	....	1.06	3 Mo Mar	v0.60	v0.23
22◆ Q0.09	6-13-08	5-28	0.16	0.36	0.27	13.2	617	745	3-31-08	1058	143497	2.64	2.98	2.43	21	Dc	v1.21	E2.66↑	1.57	3 Mo Mar	v0.20	v0.56
23 Q0.13	6-5-08	5-13	0.26	0.52	0.46	3826	25229	15885	3-31-08	6026	643923	2.99	3.11	2.91	9	Je	v3.30	E3.25↑	3.68	9 Mo Mar	v1.83	v2.21
24 Q0.07	6-2-08	5-15	0.14	0.26	0.28	1.05	227	118	12-31-07	....	±17936	d0.24	d0.23	d0.27	6	Mr	Pvd0.18	....	d0.18			
25	None Paid		...	Nil	....	46.3	67.6	5.10	12-31-07	....	10188	d3.80	d3.60	d4.02	3	Dc	vd2.55	....	d2.55			
26 Q0.25	7-18-08	6-26	0.75	1.00	1.00	78.8	113	42.9	12-29-07	1.23	3161	...	...	...	...	Dc	v9.24	....	9.28	3 Mo Mar	v2.05	v2.07
27	None Paid		...	Nil	....	339	353	37.4	9-30-07	62.1	[3]72172	d2.97	d2.53	d3.20	18	Dc	vd1.18	....	d1.18			
28◆	None Paid		...	Nil	....	6.69	33.2	20.9	3-31-08	40.5	35107	2.04	2.48	1.30	9	Dc	Pv1.02	....	1.35	3 Mo Mar	v0.18	v0.51
29 Q0.42	6-30-08	6-12	0.84	1.68	1.66	Net Asset Val $15.84			6-30-07	[4]552	★72058	1.47	1.70	1.33	11	Dc	....	....	1.74	6 Mo Jun	v0.80	v0.93
30	None Paid		...	Nil	....	66.8	116	99.7	1-31-08	4.13	11120	...	...	...	...	Ja	vd0.29	....	d0.29			
31◆ Div Deferred 2-5-03			...	Nil	2.545	Total Assets $5100M			3-31-08	369	p30700	4.39	4.94	4.05	8	Dc	Pv5.58	....	6.05	3 Mo Mar	0.73	v1.20
32	None Paid		...	Nil	....	7.26	126	49.3	12-30-07	....	21773	0.94	0.98	0.92	6	Sp	v0.65	....	0.61	3 Mo Dec	v0.23	v0.19
33◆	None Paid		...	Nil	....	72.5	111	156	3-31-08	....	85486	0.44	0.46	0.43	11	Sp	vd0.21	....	d0.49	6 Mo Mar	d0.13	d0.41
34 Div Suspened 3-25-068			...	0.40	0.63	18.4	25.7	28.1	3-31-07	284	28400	0.22	0.34	0.05	4	Dc	vd0.31	....	d0.31			
35 Q0.44	5-1-08	4-22	0.88	1.76	14.58	12.1	18.4	7.97	12-29-07	0.66	3596	2.35	2.35	2.35	1	Sp	v3.61	....	2.17	3 Mo Dec	v1.84	v0.40
36 Q0.15	5-20-08	5-2	0.30	0.60	0.60	196	411	238	3-31-08	1.58	24876	2.53	2.73	2.41	9	Dc	v2.26	E2.56↑	2.41	3 Mo Mar	v0.19	v0.34
37 Q0.56	5-6-08	4-30	1.12	2.24	2.33	15.8	16.9	4.02	3-31-08	229	15500	1.18	1.20	1.15	4	Dc	v0.76	....	0.39	3 Mo Mar	v0.25	vd0.16
38 0.071	6-2-08	4-30	0.071	0.12	0.084	112	310	125	3-31-08	NIL	1301123	0.31	0.32	0.31	3	Dc	v0.24	E0.25↑	0.23	3 Mo Mar	v0.05	v0.04
39 4.50	3-31-08	3-7	4.50	NIL	....	160	1239	445	3-31-08	481	57139	2.28	2.34	2.18	3	Dc	Pv2.56	....	2.37	3 Mo Mar	v0.46	v0.27
40	None Paid		...	Nil	....	56.5	58.5	25.4	3-31-08	....	43833	d1.57	d1.51	d1.63	9	Dc	vd1.33	....	d1.25	3 Mo Mar	vd0.40	vd0.32
41	None Paid		...	Nil	....	86.5	93.0	35.1	3-31-08	15.0	47535	d1.99	d1.93	d2.04	10	Je	vd1.36	....	d1.74	9 Mo Mar	d0.97	d1.35

◆Stock Splits & Divs By Line Reference Index [2]1-for-10 REVERSE,'04 [3]3-for-2,'04 3-for-2,'06 [5]1-for-4 REVERSE,'07 [10]2-for-1,'07 [11]3-for-1,'05 [22]2-for-1,'06 [88]2-for-1,'07 [31]1-for-1.54 REVERSE,'07 [33]1-for-6 REVERSE,'04

40 CAG-CAP

S&P 500 ▮ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales In 100s	May, 2008 Last Sale Or Bid High	May, 2008 Last Sale Or Bid Low	May, 2008 Last Sale Or Bid Last	% Annualized % Div Yield	% Annualized P-E Ratio	% Annualized EPS 5 Yr. Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex-Yr. Since
1	CGI.A	Cagle's Inc 'A'	AS	C	27	924	Packaged Foods & Meats	24.62	1.25	12.35	7.08	9.72	5.50	97	6.25	5.50	5.90	....	7	NM	-25.8	-15.0	....
2	CAP	CAI International	NY,Ch,NDS	NR	46	5711	Marine Ports & Services	....	....	15.96	10.45	18.29	7.90	10044	18.29	14.64	17.25	....	26	3	16.2	0.0	....
3	DVR	Cal Dive Intl	NY	NR	315	41150	Oil & Gas Equipment & Svcs	13.13	11.85	18.62	11.68	14.89	9.05	144729	14.89	10.70	13.98	....	16	4	-9.2	0.0	....
4	CALM	Cal-Maine Foods	NDS	B	294	16748	Packaged Foods & Meats	22.80	1.24	31.45	8.30	40.75	20.75	164758	35.33	29.27	31.20	10.3	6	44	146.1	66.7	1998
5	CLMS	Calamos Asset Mgmt'A'	NDS	NR	296	20576	Asset Mgmt & Custody Banks	44.10	18.00	34.61	20.08	29.67	14.46	51386	20.72	17.97	20.23	2.2	22	5	-17.5	-3.8	2005
6	CCC	Calgon Carbon	NY,Ph,Ch,P,B	C	322	47244	Commodity Chemicals	30.75	4.00	16.96	5.43	18.98	12.63	116782	18.98	13.81	17.72	....	44	25	84.4	25.5	....
7	CFNB	Calif First Natl Bancorp	NDS	B-	39	1742	Specialized Finance	57.62	3.37	15.44	9.01	12.24	8.30	375	12.25	8.12	9.50p	5.1	14	-4	-35.2	0.0	1994
8	CPKI	Calif Pizza Kitchen	NDS	NR	298	31611	Restaurants	23.41	9.47	25.23	14.28	16.91	9.32	108911	16.91	13.48	13.91	....	30	16	-42.4	-4.7	....
9	CWT	Calif Water Svc Grp	NY,Ch,P	B+	249	10814	Water Utilities	45.76	10.93	45.37	34.23	41.23	32.90	27225	38.70	35.07	36.44	3.2	25	2	-1.4	3.6	1931
10	CALP	Caliper Life Sciences	NDS	NR	104	28155	Life Sciences Tools & Svcs	202.00	2.71	6.43	4.04	5.65	3.11	13570	3.80	3.11	3.58	....	d	21	-20.4	-16.9	....
11	ELY	Callaway Golf	NY,Ph,Ch,P,B	B	456	65743	Leisure Products	38.50	2.21	19.49	13.76	18.20	12.10	244782	14.89	12.10	12.70	2.2	11	96	-28.9	4.0	1993
12	CALD	Calldus Software	NDS	NR	98	19202	Application Software	20.74	2.81	10.11	4.71	8.56	3.52	20188	6.56	5.36	6.06	....	d	-44	-21.9	-20.2	....
13	KAL	Callisto Pharmaceuticals	AS	NR	11	1892	Biotechnology	5.80	0.59	1.00	0.29	0.62	0.23	7236	0.30	0.23	0.26	....	d	5	-61.5	-35.2	....
14	CPE	Callon Petroleum	NY	B-	219	17870	Oil & Gas Exploration & Prod	22.38	1.12	17.21	11.50	27.40	13.42	50165	27.40	19.33	25.92	....	66	NM	82.2	22.8	....
15	CPN	Calpine Corp	NY,Ph,Ch,P	NR	103	71209	Ind Power Prod & Energy Trad	....	....	....	....	23.36	15.00	551170	23.36	19.05	22.90	....	4	1	0.0	0.0	....
16	CLMT	Calumet Specialty Prd Ptnrs L	NDS	NR	76	7797	Oil & Gas Refining & Mktng	44.21	21.70	55.26	32.87	37.88	11.19	72365	16.91	11.19	15.85	11.4	12	-4	-67.0	0.0	2006
17	CADA	CAM Commerce Solutions	NDS	B-	55	1312	Systems Software	28.87	0.50	45.25	21.32	42.38	32.77	1974	39.00	34.69	36.23	3.4	26	NM	34.4	36.2	2005
18	CBM	Cambrex Corp	NY,Ph,Ch,P,B	C	273	30980	Life Sciences Tools & Svcs	58.30	1.33	26.17	7.36	10.99	5.25	52207	6.41	5.25	6.15	....	14	NM	-50.5	-9.1	1989
19	CAC	Camden National	AS,NDS	A	86	1882	Regional Banks	47.97	10.12	46.34	28.03	34.96	27.82	1482	33.49	28.42	30.56	5.7	10	6	-16.8	-1.5	1997
20	CPT	Camden Property Trust	NY,Ph,Ch,P,B	B+	501	51462	Residential REITs	81.35	20.12	79.99	44.76	55.54	39.82	142419	53.95	48.47	49.26	5.7	58	31	-31.3	3.1	1993
21	CCJ	Cameco Corp	NY,Ph,Ch,To,Mo	B	493	240168	Coal & Consumable Fuels	45.34	1.69	58.00	34.22	44.00	30.78	580186	44.00	33.65	40.95	0.6	31	36	-20.5	26.4	1991
22	CAM	Cameron Intl	NY,Ch,P	B	1132	206344	Oil & Gas Equipment & Svcs	28.90	2.31	53.82	24.29	57.23	37.00	830108	57.23	45.50	53.23	....	21	59	49.9	53.1	....
23	CPB	Campbell Soup	NY,Ph,Ch,P,B	B+	824	157988	Packaged Foods & Meats	62.87	5.50	42.65	34.17	36.40	30.19	439681	36.40	32.66	33.48	5.0	NA	1	-32.2	1.9	1890
24	CM	Canadian Imperial Bk Commerce	NY,Ph	B+	237	210084	Diversified Banks	99.60	7.57	107.45	70.00	78.48	56.25	354798	78.48	68.56	69.82	5.0	NA	1	-32.2	1.9	1890
25	CNI	Canadian Natl Railway	NY,Ph,Ch,P,To,Mo,B	A	502	333798	Railroads	51.17	2.41	58.49	41.57	58.50	41.89	281010	58.50	51.36	55.41	1.6	15	33	5.6	24.8	1996
26	CNQ	Canadian Natural Resources	NY,Ch,P,To	B+	581	396927	Oil & Gas Exploration & Prod	64.38	5.70	87.17	44.56	108.55	57.07	627035	108.55	80.00	97.95	0.4	20	50	48.6	50.0	2001
27	CP	Canadian Pacific Railway	NY,Ch,To	NR	314	91178	Railroads	57.73	10.00	90.15	51.21	76.18	55.37	111786	76.15	68.05	73.16	1.3	16	29	3.1	27.1	2002
28	CSIQ	Canadian Solar	NDS	NR	98	7724	Electrical Component & Equip	16.73	9.43	31.44	8.50	48.91	14.74	919191	48.91	25.93	39.71	....	d	3	24.0	38.0	....
29	SNG	Canadian Superior Energy	AS,Ph,Ch,To	NR	56	47127	Oil & Gas Exploration & Prod	3.65	0.64	3.58	1.79	4.40	2.87	133153	4.40	3.00	4.13	....	NIL	....	24.0	38.0	....
30	CTC.A	Canadian Tire 'A'	To,Mo	t A+	41	974	General Merchandise Stores	75.22	9.50	87.75	67.40	74.78	55.78	80237	67.96	59.00	59.90	1.4	12	14	-24.1	1.6	1995
31	CNR	CanArgo Energy	AS,Ph	C	27	29137	Oil & Gas Exploration & Prod	158.40	0.03	1.55	0.35	1.09	0.18	149994	0.38	0.18	0.34	....	d	-26	-54.1	-24.8	....
32	CFW	Cano Petroleum	AS,P	NR	96	26336	Oil & Gas Exploration & Prod	768.00	0.45	8.85	4.15	8.41	3.85	74803	8.41	5.07	8.00	....	d	....	55.3	21.9	....
33	CAJ	Canon Inc ADR	NY,Ph,Ch	NR	303	58989	Office Electronics	57.32	2.80	60.16	45.68	54.99	36.44	74603	54.99	49.86	54.11	1.8	14	-1	-5.4	15.5	1949
34	CMN	Cantel Medical	NY,P	B+	159	10062	Health Care Equipment	32.75	0.44	20.91	12.85	14.76	8.85	29504	11.80	8.85	10.70	....	21	11	-39.9	-29.6	....
35	ECP	Canterbury Park Holding	AS	B	37	1105	Casinos & Gaming	23.10	1.37	14.69	10.01	12.05	8.10	2267	9.65	8.10	9.50	....	15	1	-30.8	-16.3	....
36	CBNJ	Cape Bancorp	NDS	NR	12	1558	Regional Banks	....	....	....	....	10.15	9.44	1936	10.11	9.44	9.89	....	NM	1	0.0	0.0	....
37	CPLA	Capella Education	NDS	NR	389	15984	Education Services	26.68	23.29	75.38	24.46	69.81	50.82	38026	66.68	59.41	64.91	....	NM	4	54.6	0.0	....
38	CAA	Capital Alliance Income Tr	AS	NR	1	....	Mortgage REITs	24.00	7.01	10.50	3.75	4.56	2.56	62	4.56	3.60	4.40e	....	d	Nov	-44.7	-28.9	2006
39	CCBG	Capital City Bank Grp	NDS	A	140	4860	Regional Banks	39.33	9.60	36.40	24.60	30.19	24.76	8294	27.74	25.02	26.76	2.8	31	-14	-7.4	-2.9	1996
40	COF	Capital One Financial	NY,Ph,Ch,P,B	A	1252	344136	Consumer Finance	90.04	4.62	83.84	44.40	57.68	37.41	1473085	57.68	47.23	48.12	3.1	9	-7	-38.9	-13.2	1995
41	CPLP	Capital Product Ptnrs L.P.	NDS	NR	59	11085	Oil & Gas Storage & Transp	....	....	32.50	20.80	24.93	16.35	5768	22.07	19.50	20.32	7.7	26	2	-15.5	0.0	2007

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 1. [2]P,Ph:Cycle 2. [3]Ph:Cycle 2. [4]ASE,P:Cycle 1. [5]ASE,CBOE,P:Cycle 1. [6]CBOE:Cycle 2. [7]CBOE,Ph:Cycle 3. [8]P:Cycle 1. [9]ASE,CBOE,P,Ph:Cycle 3. [10]ASE,CBOE:Cycle 2. [11]Vc:Cycle 3. [12]Ch,P,To,B [13]CBOE:Cycle 3. [14]ASE,P,Ph:Cycle 3. [15]ASE,CBOE,Ph:Cycle 1. [16]Ph:Cycle 3. [17]ASE,CBOE,P:Cycle 3. [51]Incl current amts [52]73% owned by Helix Energy Solutions [53]Pfd in $M [54]Incl 13.1 Sub Uts [55]Oct'97 & prior pricing in $Cdn [56]Non-vtg [57]ADRs rep 1 shrs com par 50 yen [58]Incl 8.8M sub uts

Common and Convertible Pref

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1		Div Postponed 2-21-01		....	....	NIL
2		None Paid		....	....	NIL
3		None Paid		....	....	NIL
4◆		None Paid		....	....	0.845
5	Q0.11		5-28-08	5-9	0.22	0.44
6		Div Omitted 10-24-05		....	....	NIL
7	Q0.12		4-4-08	3-18	0.24	0.48
8◆		None Paid		....	....	NIL
9	Q0.293		5-16-08	5-2	0.585	1.17
10		None Paid		....	....	NIL
11	Q0.07		7-3-08	6-9	0.14	0.28
12		None Paid		....	....	NIL
13		None Paid		....	....	NIL
14	0.06¼		8-31-94	8-4	....	NIL
15		None Paid		....	....	NIL
16	Q0.45		5-15-08	5-1	1.08	1.80
17	Q0.31		7-14-08	7-1	0.92	1.24
18		Div Omitted 4-06-07		....	....	NIL
19	Q0.25		4-30-08	4-11	0.49	1.00
20	Q0.70		4-17-08	3-27	1.39	2.80
21◆	Q0.06		7-15-08	6-26	0.169	g0.24
22◆		None Paid		....	....	NIL
23	Q0.22		4-28-08	4-3	0.44	0.88
24	gQ0.67		7-28-08	6-25	g2.61	g3.48
25◆	Q0.229		6-30-08	6-5	0.453	g0.92
26◆	Q0.098		7-1-08	6-11	0.291	g0.40
27	Q0.246		7-28-08	6-25	0.712	g0.99
28		None Paid		....	....	NIL
29		None Paid		....	....	NIL
30	qQ0.21		9-2-08	7-29	q0.80½	q0.84
31		None Paid		....	....	NIL
32		None Paid		....	....	NIL
33◆	0.601		4-7-08	12-26	0.601	1.031
34◆		None Paid		....	....	NIL
35	0.25		7-13-07	6-20	....	0.25
36		None Paid		....	....	NIL
37		None Paid		....	....	NIL
38		Div Omitted 6-3-05		....	....	NIL
39◆	Q0.18½		6-23-08	6-5	0.37	0.74
40	Q0.37½		5-21-08	5-8	0.75	1.50
41	Q0.40		5-15-08	5-20	0.79½	1.60

◆Stock Splits & Divs By Line Reference Index [42]

HEARING EXHIBIT 00000032

Bid / Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
5.90	...	7	NM	-25.8	-15.0	....
17.25	...	26	3	16.2	0.0	....
13.98	...	16	4	-9.2	0.0	....
31.20	10.3	6	44	146	68.7	1998
20.23	2.2	22	5	-17.5	-3.8	2005
17.72	...	44	25	84.4	25.5	....
9.50s	5.1	14	-4	-35.2	0.0	1994
13.91	...	30	6	-42.4	-4.7	....
36.44	3.2	25	2	-1.4	3.6	1931
3.58	...	d	21	-20.4	-16.9	....
12.70	2.2	11	96	-28.9	4.0	1993
6.08	...	d	-44	-21.9	20.2	....
0.26	...	d	5	-61.5	-35.2	....
25.92	...	66	NM	82.2	22.5	....
22.90	...	4	1	0.0	0.0	....
15.85	11.4	12	4	-67.0	0.0	2006
36.23	3.4	26	NM	34.4	36.2	2005
6.15	...	14	NM	-50.5	-9.1	1989
30.56	3.3	10	6	-16.6	-1.5	1997
49.26	5.7	58	31	-31.3	3.1	1993
40.95	0.6	31	36	-20.5	26.4	1991
53.23	...	21	59	49.9	53.1	....
33.48	2.6	17	-8	-13.1	4.9	1992
69.82	5.0	NA	1	-32.2	1.9	1990
56.41	1.6	15	33	5.6	24.8	1996
97.95	0.4	20	50	48.6	50.0	2001
73.16	1.3	16	29	3.1	27.1	2002
39.71	...	d	3	326	0.0	....
4.13	...	NIL	...	24.0	36.0	....
59.90	1.4	12	14	-24.1	1.6	1998
0.34	...	d	-28	-54.1	-24.8	....
8.00	...	d	...	55.3	21.9	....
54.11	1.8	14	-1	-5.4	15.5	1949
10.70	....	21	11	-39.9	-29.6	....
9.50	...	15	1	-30.8	-16.3	....
9.89	...	NM	1	0.0	0.0	....
64.91	...	NM	4	54.6	0.0	....
4.40s	...	d	Neg	-44.7	-28.9	2006
26.76	2.8	31	-14	-7.4	-2.9	1996
48.12	3.1	9	-7	-38.9	-13.2	1995
20.32	7.7	28	2	-15.5	0.0	2007

BO[illegible]Ph:Cycle 3. [6]P:Cycle 1.
E,[illegible]DE,P:Cycle 3. [51]Incl current amts
[illegible]outs

00033

Common and Convertible Preferred Stocks

Splits/Dividends ◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007
1	Div Postponed 2-21-01			...	NIL	....
2	None Paid			...	NIL	....
3	None Paid			...	NIL	....
4◆	None Paid			...	0.845	0.05
5	Q0.11	5-28-08	5-9	0.22	0.44	0.44
6	Div Omitted 10-24-05			...	NIL	....
7	Q0.12	4-4-08	3-18	0.24	0.48	0.47
8◆	None Paid			...	NIL	....
9	Q0.293	5-16-08	5-2	0.585	1.17	1.16
10	None Paid			...	NIL	....
11	Q0.07	7-3-08	6-9	0.14	0.28	0.28
12	None Paid			...	NIL	....
13	None Paid			...	NIL	....
14	0.06¼	8-31-94	8-4	...	NIL	....
15	None Paid			...	NIL	....
16	Q0.45	5-15-08	5-1	1.08	1.80	2.46
17	Q0.31	7-14-08	7-1	0.92	1.24	0.78
18	Div Omitted 4-06-07			...	NIL	†14.03
19	Q0.25	4-30-08	4-11	0.49	1.00	0.96
20	Q0.70	4-17-08	3-27	1.39	2.80	2.73
21◆	Q0.06	7-15-08	6-26	0.169	g0.24	0.169
22◆	None Paid			...	NIL	....
23	Q0.22	4-28-08	4-3	0.44	0.88	0.82
24	gQ0.87	7-28-08	6-25	g2.61	g3.48	g3.11
25◆	Q0.229	6-30-08	6-5	0.453	g0.92	0.78
26◆	Q0.098	7-1-08	6-11	0.291	g0.40	0.286
27	Q0.246	7-28-08	6-25	0.712	g0.99	0.768
28	None Paid			...	NIL	....
29	None Paid			...	NIL	....
30	gQ0.21	9-2-08	7-29	g0.60½	g0.84	g0.72
31	None Paid			...	NIL	....
32	None Paid			...	NIL	....
33◆	0.601	4-7-08	12-26	0.601	1.031	0.429
34◆	None Paid			...	NIL	....
35	0.25	7-13-07	6-20	...	0.25	0.25
36	None Paid			...	NIL	....
37	None Paid			...	NIL	....
38	Div Omitted 6-3-05			...	NIL	....
39◆	Q0.18¼	6-23-08	6-5	0.37	0.74	0.71
40	Q0.37¼	5-21-08	5-8	0.75	1.50	0.107
41	Q0.40	5-15-08	5-20	0.79½	1.60	0.38½

Index	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.
1	6.34	48.1	28.0	9-30-07	15.3	4664
2	34.2	80.4	88.5	3-31-08	[1]p165	17145
3	52.6	230	151	3-31-08	295	[53]105736
4◆	85.8	225	127	3-01-08	90.2	±23712
5	898	950	38.7	3-31-08	525	±20112
6	35.1	197	116	3-31-08	12.9	40240
7	Total Assets $338M			3-31-08	5.57	11388
8◆	12.4	48.8	153	3-30-08	....	25335
9	2.97	51.1	78.6	3-31-08	288	[53]20717
10	17.9	71.1	56.5	9-30-07	....	47539
11	39.3	680	366	3-31-08	....	66274
12	37.7	67.6	30.7	3-31-08	....	29756
13	d0.23	8.80	3.52	9-30-07	NIL	46863
14	3.18	34.0	34.2	9-30-07	391	20863
15	843	3168	3604	12-31-06	3351	417873
16	0.04	229	240	9-30-07	38.9	[54]±32232
17	23.1	32.6	5.28	12-31-07	....	4114
18	40.0	178	92.6	3-31-08	119	29084
19	Total Deposits $1133M			3-31-08	705	p7704
20	Total Assets $4892M			3-31-08	[51]2911	53150
21◆	130	1275	676	12-31-07	708	344431
22◆	744	3255	1874	3-31-08	745	216664
23	95.0	1878	2380	1-27-08	1780	379587
24	Total Deposits $2302M			j1-31-08	5313	380650
25◆	325	1308	1559	3-31-08	5901	478700
26◆	20.7	2155	3520	12-31-07	10810	540252
27	69.3	879	1150	j3-31-08	4153	153631
28	30.8	175	83.3	9-30-07	10.0	27270
29	14.0	54.0	41.0	12-31-07	....	140312
30	NA	3116	2109	j12-29-07	1341	±81471
31	7.08	8.99	7.89	9-30-07	11.2	242121
32	0.85	7.54	12.0	12-31-07	42.0	37518
33◆	7505	23411	10859	3-31-08	106	1261015
34◆	14.2	83.6	32.0	1-31-08	59.8	16290
35	7.05	11.0	7.19	12-31-07	....	4122
36	Total Deposits $792M			12-31-07	40.0	13314
37	131	150	36.9	3-31-08	....	16767
38	Total Assets $13.9M			12-31-07	3.66	381
39◆	Total Deposits $2010M			3-31-08	92.7	17175
40	Total Assets $147155M			3-31-08	31508	p374700
41	Total Assets $280M			12-31-07	274	[56]±22318

Index	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	...	...	...	...	Mr	....	....	0.82	3 Mo Jun	vd0.37	v0.33
2	1.39	1.41	1.35	4	Dc	v0.85	....	0.67	3 Mo Mar	vd0.19	v0.31
3	1.14	1.28	1.10	9	Dc	Pv1.24	....	0.89	3 Mo Mar	v0.36	v0.01
4◆	...	...	...	...	My	Pv1.55	....	5.63	9 Mo Feb	±0.78	±4.86
5	0.90	1.00	0.85	7	Dc	Pv1.22	....	0.92	3 Mo Mar	v0.32	v0.02
6	0.42	0.46	0.40	7	Dc	v0.30	....	0.40	3 Mo Mar	v0.05	v0.21
7	5.57	11388	...	...	Je	v0.86	....	0.67	9 Mo Mar	v0.65	v0.46
8◆	0.64	0.70	0.62	15	Dc	v0.50	....	0.47	3 Mo Mar	v0.12	v0.09
9	1.64	1.70	1.58	7	Dc	v1.50	....	1.43	3 Mo Mar	v0.08	v0.01
10	d0.11	d0.09	d0.15	6	Dc	vd0.34	....	d0.34			
11	1.10	1.18	1.01	12	Dc	v0.81	E1.13†	0.95	3 Mo Mar	0.48	v0.61
12	0.01	0.04	d0.04	3	Dc	vd0.43	....	d0.19	3 Mo Mar	vd0.12	vd0.09
13	d0.32	d0.32	d0.32	1	Dc	vd0.10	....	d0.10			
14	1.30	1.75	0.71	8	Dc	v0.39	....	0.39			
15	...	...	...	...	Dc	v5.62	....	5.62	No pro-forma EPS		
16	1.46	1.91	1.05	2	Dc	v2.63	E1.28†	2.63			
17	1.50	1.50	1.50	1	Sp	v1.12	....	1.40	6 Mo Mar	0.43	0.71
18	0.48	0.60	0.40	4	Dc	v7.30	E0.44†	0.14	3 Mo Mar	v7.31	v0.15
19	...	...	...	...	Dc	Pv3.09	....	3.17	3 Mo Mar	0.72	v0.80
20	1.01	1.29	0.61	3	Dc	v2.51	E0.85†	2.56	3 Mo Mar	v0.22	v0.27
21◆	1.69	1.85	1.53	2	Dc	Pv1.12	....	1.32	3 Mo Mar	v0.16	v0.36
22◆	2.60	2.70	2.52	22	Dc	v2.17	E2.58†	2.27	3 Mo Mar	v0.44	v0.55
23	2.05	2.08	2.02	14	Jl	v2.16	E2.00†	2.13	6 Mo Jan	v1.44	v1.41
24	7.57	7.68	7.50	3	Oc	....	....	NA	3 Mo Jan	v2.11	vd4.39
25◆	3.52	3.61	3.29	11	Dc	v4.20	E3.70†	4.21	3 Mo Mar	v0.61	v0.62
26◆	4.97	5.66	4.00	5	Dc	v4.78	E4.90†	4.78			
27	4.49	4.55	4.44	6	Dc	v6.01	E4.54†	5.77	3 Mo Mar	v0.80	v0.56
28	2.34	2.89	1.86	5	Dc	vd0.23	....	d0.23			
29	d0.05	d0.05	d0.05	1	Dc	v....	....	NIL			
30	...	...	...	...	Dc	Pv5.12	....	5.12			
31	0.04	0.04	0.04	1	Dc	vd0.22	....	d0.22			
32	d0.00	0.04	d0.03	3	Je	vd0.13	....	d0.13			
33◆	3.55	3.60	3.51	2	Dc	v3.38	E3.95†	1.42	3 Mo Mar	v0.97	v0.81
34◆	0.56	0.59	0.55	3	Jl	v0.52	....	0.51	6 Mo Jan	v0.26	v0.25
35	...	...	...	...	Dc	v0.62	....	0.62			
36	...	...	...	...	Dc	pv0.09	....	0.09			
37	1.65	1.70	1.62	12	Dc	v1.33	....	0.59	3 Mo Mar	v0.23	v0.31
38	...	...	...	...	Dc	vd7.72	....	d7.72			
39◆	1.49	1.57	1.43	5	Dc	v1.66	....	0.85	3 Mo Mar	v0.38	v0.42
40	5.23	6.23	4.35	12	Dc	v3.97	E5.60†	3.81	3 Mo Mar	v1.63	v1.47
41	1.60	1.69	1.46	5	Dc	Pv0.95	....	0.72	3 Mo Mar	0.58	v0.35

◆Stock Splits & Divs By Line Reference Index [42]2-for-1,'04 [43]3-for-2,'07 [21]3-for-1,'05 [2]2-for-1,'06 [22]2-for-1,'05 [2]2-for-1,'07 [25]3-for-2,'04 [2]2-for-1,'06 [26]2-for-1,'04 [2]2-for-1,'05 [33]3-for-2,'06 [34]3-for-2,'05 [35]5-for-4,'05

S&P 500 ▮ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr. Growth%	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	SMD	Singing Machine	AS	NR	5	461	Consumer Electronics	31.94	0.08	1.60	0.29	0.35	0.20	664	0.34	0.21	0.23	...	2	1	-67.6	-33.4	....
2[o1]	SHI	Sinopec Shanghai Petrochem ADS	[5]NY,Ph	NR	57	1689	Commodity Chemicals	64.60	5.31	102.77	44.55	61.88	31.37	39885	43.65	36.92	40.72	4.4	95	1	-36.2	8.5	2003
3	SVA	Sinovac Biotech	AS,Ph,Ch,P	NR	29	12744	Biotechnology	7.92	0.75	9.50	2.25	5.22	3.08	33626	4.55	3.64	4.09	...	22	5	50.9	26.9	....
4	SIRF	SIRF Technology Hldg	NDS	NR	373	48084	Semiconductors	42.50	8.75	34.15	16.20	25.20	4.57	515843	8.04	5.85	7.27	...	d	Neg	-66.5	-19.6	....
5[o3]	SIRI	Sirius Satellite Radio	NDS	C	415	504592	Broadcasting & Cable TV	69.43	0.38	4.26	2.66	3.89	2.36	4539940	2.89	2.52	2.52	...	d	39	-14.0	-25.0	....
6[o4]	SIRO	Strona Dental Sys	NDS	NR	236	18650	Health Care Equipment	43.47	22.42	44.20	24.71	33.80	23.91	79894	29.96	25.45	29.66	...	d	1	-15.3	0.0	....
7[o5]	SIRT	Sirtris Pharmaceuticals	NDS	NR	134	9280	Pharmaceuticals	....	....	21.99	9.81	22.50	9.50	84394	22.50	22.27	22.48	...	d	3	73.7	0.0	....
8	SIX	Six Flags	NY,Ch,P	C	192	70211	Leisure Facilities	41.62	0.62	6.80	1.91	2.50	1.46	367452	2.50	1.78	2.05	...	d	-28	-66.9	-21.5	1998
9	SIX.PB	Six Flags 7.25% Cv Dep Pfd	NY,P	D	42	10482		33.38	11.52	24.95	13.85	16.00	9.50	8647	13.40	10.82	12.86	14.1	..	...	....	....	2001
10	SJW	SJW Corp	NY,AS,Ch,P	A–	196	8647	Water Utilities	45.33	3.89	43.00	27.65	35.11	27.79	29391	32.29	29.43	31.06	2.1	36	-3	-1.5	16.0	1932
11[o1]	SKM	SK Telecom ADS[53]	NY,Ph,Ch,P,B	NR	360	178277	Wireless Telecom Svcs	52.62	4.29	33.60	22.26	28.49	19.85	225538	24.65	22.00	22.72	3.3	10	...	-14.9	5.2	1997
◆12[o6]	SKX	Skechers U.S.A. Cl'A'	NY,Ch	B	357	30158	Footwear	40.30	3.25	38.03	17.36	25.20	16.05	39582	14.39	11.81	13.46	...	23	1	-13.5	0.0	....
13	SKH	Skilled Hithcare Grp'A'	NY,Ch	NR	200	18752	Health Care Facilities	....	....	16.81	13.02	15.49	9.83	100092	10.95	9.60	9.72	...	NIL	1	3.6	36.3	....
14[o7]	SKIL	SkillSoft plc ADS[54]	NDS	NR	147	88022	Internet Software & Services	63.87	1.95	10.22	6.04	11.42	8.03	100092	10.95	9.60	9.72	2.7	d	Neg	-20.2	-9.2	1960
◆15[o8]	SKY	Skyline Corp	NY,Ph,Ch,P,.B	B–	227	7747	Homebuilding	45.39	11.12	41.42	26.93	34.90	25.11	29450	30.20	25.50	26.72	2.7	d	Neg	-20.2	-9.2	1960
◆16[o9]	SKYW	SkyWest Inc	NDS	A–	541	57120	Airlines	34.10	0.56	29.50	21.27	27.19	14.84	147767	19.95	14.84	15.46	0.8	7	18	-42.9	-4.8	1987
◆17[o10]	SWKS	Skyworks Solutions	NDS	C	541	147095	Semiconductors	78.25	0.54	9.55	5.56	10.37	6.49	839403	10.37	8.18	10.33	...	24	NM	45.5	17.5	....
18[o11]	SLG	SL Green Realty	NY,Ph,Ch,P	A–	590	69491	Office REITs	143.00	17.12	158.86	87.39	100.98	74.60	133911	100.98	92.59	99.70	3.2	54	32	-26.3	21.1	1997
19	SLI	SL Industries	AS,P	B–	58	4289	Electrical Component & Equip	19.50	2.87	24.00	12.23	22.50	12.00	3032	17.93	12.00	14.65	...	10	NM	-13.8	-4.9	....
¶20[o12]	SLM	SLM Corp	NY,Ph,Ch,B	B	869	510212	Consumer Finance	58.35	1.34	58.00	18.68	24.13	14.70	2226036	24.13	18.27	22.67	...	15	Neg	-59.8	-21.6	1983
21	JSM	SLM Corp 6.0% Sr Notes	NY	BBB–	10	575		25.85	20.50	24.84	16.21	20.00	14.86	12557	19.01	17.77	18.80	8.1	..	...	-4.7	-2.5	2004
22	SMBL	Smart Balance	NDS,BB	NR	93	44528	Packaged Foods & Meats	8.65	7.45	14.10	8.75	11.25	4.85	63918	9.45	6.85	8.28	...	d	3	-16.8	0.0	....
23	SMOD	SMART Modular Tech	NDS	NR	209	36419	Electronic Manufactur Svcs	13.54	6.98	15.89	6.86	10.40	4.90	94435	6.60	5.04	5.38	...	10	...	-62.9	0.0	....
24	MVE	Smart Move	AS	NR	3	56	Trucking	4.80	4.40	4.71	0.50	0.84	0.20	5534	0.72	0.22	0.48	...	d	-3	-87.2	0.0	....
25	MVE.WS	Smart Move Wrrt	AS,P	NR	1	3		0.80	0.50	0.88	0.01	0.16	0.02	476	0.05	0.02	0.03	...	...	...	...	...	....
26	SPRO	SmartPros Ltd	AS,P,NDS	NR	14	325	HR & Employment Services	4.90	2.25	9.27	3.42	6.04	2.90	5200	4.48	2.90	3.80	...	9	5	-26.2	-2.3	....
27	SPROW	SmartPros Ltd Wrrt	AS,NDS	NR	1			0.80	0.15	2.15	0.50	0.75	0.20	224	0.40	0.20	0.20[o]	...	..	...	...	...	....
28	SNN	Smith & Nephew plc ADS[57]	NY,Ch	NR	139	7030	Health Care Equipment	84.35	30.55	67.83	51.54	69.20	52.00	29237	59.50	52.00	53.85	1.1	d	Neg	-11.7	3.4	2000
29	SWHC	Smith & Wesson Holding	AS,Ch,P,NDS	NR	201	16590	Leisure Products	14.85	0.04	22.80	5.55	7.77	3.72	152723	7.48	5.41	5.77	...	29	12	-58.7	16.5	....
◆30	AOS	Smith (A.O.)	NY,Ph,Ch,P,.B	B+	390	22244	Electrical Component & Equip	58.06	3.29	52.48	32.09	39.02	29.25	62398	36.66	30.81	36.15	2.0	12	18	-6.2	7.3	1983
¶31[o13]	SII	Smith Intl	NY,Ph,Ch,B	B+	1087	184489	Oil & Gas Equipment & Svcs	46.48	0.43	76.99	36.13	84.46	53.39	537829	84.46	72.89	78.92	0.8	21	44	42.2	39.7	2005
◆32[o14]	SMSI	Smith Micro Software	NDS	B–	244	17535	Application Software	32.00	0.17	21.20	7.32	9.15	4.44	96135	9.15	7.50	8.44	...	NM	76	-46.9	23.2	....
¶33[o15]	SFD	Smithfield Foods	NY,Ch	B	551	105467	Packaged Foods & Meats	34.64	0.55	35.79	24.40	32.18	23.75	258343	32.18	28.45	31.29	...	25	22	-2.6	0.7	....
34	SMTX	SMTC Corp	NDS	NR	14	2382	Electronic Manufactur Svcs	150.62	0.72	8.05	1.39	2.98	1.09	11508	2.64	1.93	2.57	...	NM	NM	-45.2	39.4	....
¶35	SJM	Smucker (J.M.)	NY,Ph,Ch,P,.B	A	586	31961	Packaged Foods & Meats	64.27	15.67	64.32	46.57	52.95	42.75	33454	52.95	49.16	52.79	2.4	16	9	-7.2	4.2	1949
36[o16]	SSCC	Smurfit-Stone Container	NDS	C	463	252446	Paper Packaging	25.75	9.00	14.06	8.85	10.90	5.09	1562843	7.06	5.09	6.73	...	22	15	-47.0	-15.6	....
¶37[o5]	SNA	Snap-On Inc	NY,Ph,Ch,P,B	B+	741	50899	Household Appliances	48.85	13.58	57.81	44.58	62.21	37.88	99268	62.21	57.96	61.92	1.9	15	11	18.2	24.6	1939
38	SNC	SNC-Lavalin Group	To,Mo	NR	56	257	Construction & Engineering	33.50	0.41	51.04	30.00	58.50	38.30	97417	58.50	50.25	56.95	0.9	36	21	47.2	35.2	1986
39[o1]	SOAP	Soapstone Networks	NDS	NR	101	7953	Application Software	698.00	2.28	13.96	6.65	9.20	5.25	15209	7.13	5.25	5.33	...	9	NM	-22.6	-14.6	....
40	SQM	Sociedad Quimica Y Minera ADS[58]	[17]NY,Ph	NR	116	23703	Fertilizers & Ag Chemicals	14.03	1.58	20.64	12.36	37.66	13.20	165654	37.66	28.48	34.04	0.9	NA	1	110	63.1	1994

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 3. [2]Ch,P,,B [3]ASE,CBOE,P:Cycle 3. [4]ASE,CBOE,Ph:Cycle 3. [5]ASE:Cycle 3. [6]ASE:Cycle 1. [7]ASE,CBOE:Cycle 2. [8]CBOE:Cycle 2. [9]P:Cycle 1. [10]Ph:Cycle 2. [11]CBOE,Ph:Cycle 1. [12]ASE,CBOE,P:Cycle 1. [13]ASE,CBOE,P,Ph:Cycle 1. [14]ASE,Ph:Cycle 1. [15]ASE,CBOE,Ph:Cycle 1. [16]CBOE,P:Cycle 2. [17]Ch,P [51]Redeem pfd stk in $M
[52]Fr 2-15-04,Co auto Cv opt if com exceeds $25.02 [53]Ea ADS rep 0.11 com,500 won [54]Ea ADS rep 1 ord, par IR 37.5p [55]If com exceeds $11.25 for 30 trad'g days,as defined
[56]If com at least $9.50 for 5 con trad days [57]Ea ADS rep 5 Ord,10 pence [58]Incl 7.2M exchangeable shs of subsid [59]Ea ADS rep 1 Sr'B'shr,no-par

Common and Convertible Prefen

Splits Dividends

◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $- So Far 2008	Total $- Ind. Rate
1		None Paid		...	NIL
2		None Paid		...	1.284
3		None Paid		...	NIL
4		None Paid		...	NIL
5		None Paid		...	NIL
6		None Paid		...	NIL
7		None Paid		...	NIL
8		None Paid		...	NIL
9	Q0.453	2-15-08	1-30	0.453	NIL
10◆	Q0.16¼	6-1-08	5-8	0.32¼	0.645
11	0.953	4-11-08		0.953	1.025
12		None Paid		...	NIL
13		None Paid		...	NIL
14		None Paid		...	NIL
15	Q0.18	4-1-08	3-12	0.36	0.72
16	Q0.03	7-7-08	6-26	0.09	0.12
17		None Paid		...	NIL
18	Q0.788	4-15-08	3-27	1.575	3.15
19	Div Omitted 5-23-01			...	NIL
20	Div Suspended 4-16-07			...	NIL
21	Q0.37½	6-16-08	5-28	0.75	1.50
22		None Paid		...	NIL
23		None Paid		...	NIL
24		None Paid		...	NIL
25	Terms&trad. basis should be checked in detail				
26		None Paid		...	NIL
27	Terms&trad. basis should be checked in detail				
28	0.369	5-9-08	4-16	0.369	0.595
29		None Paid		...	NIL
30	Q0.18	5-15-08	4-28	0.36	0.72
31◆	Q0.12	7-14-08	6-11	0.34	0.48
32		None Paid		...	NIL
33		None Paid		...	NIL
34◆		None Paid		...	NIL
35	Q0.32	6-2-08	5-14	0.62	1.28
36		None Paid		...	0.436
37	Q0.30	6-9-08	5-15	0.60	1.20
38◆	gQ0.12	5-29-08	5-13	g0.24	g0.48
39	2.00	6-22-07	6-7	...	NIL
40◆	0.431	5-26-08	5-1	0.431	0.431

◆Stock Splits & Divs By Line Reference Index [103]-for-

HEARING EXHIBIT 00000034

May, 2008

Last Sale Or Bid High	Low	Last	%Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
0.34	0.21	0.23	...	2	1	-67.6	-33.4	....
43.65	36.92	40.72	4.4	95	1	-36.2	8.5	2003
4.55	3.64	4.09	...	22	5	50.9	26.9	....
8.04	5.85	7.27	...	d	Neg	-66.5	-19.6	....
2.88	2.52	2.52	...	d	39	-14.0	-25.0	....
29.96	25.45	29.66	...	d	1	-15.3	0.0	....
22.50	22.27	22.48	...	d	3	73.7	0.0	....
2.50	1.78	2.05	...	d	-28	-66.9	-21.5	1998
13.40	10.92	12.85	14.1	..	..	..	..	2001
32.29	29.43	31.06	2.1	36	-3	-1.5	16.0	1932
24.65	22.00	22.72	3.3	10	..	-14.9	5.2	1997
25.20	22.00	24.05	...	13	NM	-25.0	23.7	....
14.39	11.81	13.46	...	23	1	-13.5	0.0	....
10.95	9.50	9.72	...	NIL	1	3.6	36.3	....
30.20	25.50	26.72	2.7	d	Neg	-20.2	-9.2	1960
19.95	14.84	15.46	0.8	7	18	-42.9	-4.8	1987
10.37	8.18	10.33	...	24	NM	45.5	17.5	....
100.98	92.59	99.70	3.2	54	32	-26.3	21.1	1997
17.93	12.00	14.65	...	10	NM	-13.8	-4.9	....
24.13	18.27	22.57	...	15	Neg	-59.8	-21.6	1983
19.01	17.77	18.60	8.1	..	..	-4.7	-2.5	2004
9.45	6.85	8.28	...	d	3	-16.8	0.0	....
6.60	5.04	5.38	...	10	..	-62.9	0.0	....
0.72	0.22	0.48	...	d	13	-87.2	0.0	....
0.05	0.02	0.03	...	..	..	..	..	....
4.48	2.90	3.80	...	9	5	-26.2	-2.3	....
0.40	0.20	0.20e	...	..	..	..	..	....
69.50	52.00	53.85	1.1	d	Neg	-11.7	3.4	2000
7.48	5.41	5.77	...	29	12	-58.7	16.5	....
36.66	30.81	35.15	2.0	12	18	-6.2	7.3	1983
84.46	72.89	78.92	0.8	21	44	42.2	39.7	2005
9.15	7.50	8.44	...	NM	76	-46.9	23.2	....
32.18	28.45	31.29	...	25	22	-2.6	0.7	....
2.64	1.93	2.57	...	NM	NM	-45.2	39.4	....
52.95	49.16	52.79	2.4	16	9	-7.2	4.2	1949
7.06	5.09	6.73	...	22	15	-47.0	-15.6	....
82.21	57.96	61.92	1.9	15	11	18.2	24.6	1939
58.50	50.25	56.95	0.9	36	21	47.2	36.2	1986
7.13	5.25	5.33	...	9	NM	-22.6	14.6	....
37.66	26.48	34.04	0.9	NA	1	110	63.1	1994

E: Cycle 1: [7]ASE,CBOE;Cycle 2. [8]CBOE;Cycle 2.
O: Cycle 2. [17]Ch,P [51]Redeem pfd stk in $M
trad: days,as defined

00035

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1			None Paid		...	NIL	....	0.96	16.4	12.2	12-31-07	....	30606	....	....	....	...	Mr	....	....	0.11	9 Mo Dec	vd0.11	vd0.03
2			None Paid		...	1.284	0.523	118	1358	1248	3-31-08	78.9	7155786	10.57	10.57	10.57	1	Dc	v3.15	E0.43[4]	NA	3 Mo Mar	NIL	NIL
3			None Paid		...	NIL	....	17.0	39.1	20.4	12-31-07	4.10	40282	0.23	0.26	0.21	2	Dc	v0.19	....	0.19			
4			None Paid		...	NIL	....	120	182	42.9	3-31-08	....	60334	d0.22	d0.02	d0.72	15	Dc	v0.08	....	d0.32	3 Mo Mar	vd0.05	vd0.46
5			None Paid		...	NIL	....	439	679	1073	12-31-07	1279	1499285	d0.30	d0.23	d0.36	17	Dc	vd0.39	Ed0.27[1]	d0.39			
6			None Paid		...	NIL	....	99.8	294	162	12-31-07	515	54733	1.55	1.63	1.47	7	Sp	....	....	d0.14	No pro-forma EPS		
7			None Paid		...	NIL	....	118	120	NA	3-31-08	6.71	28757	d1.61	d1.55	d1.67	...	Dc	vd1.74	....	d1.77	3 Mo Mar	d0.28	vd0.31
8			None Paid		...	NIL	....	105	244	226	9-30-07	2241	[51]94690	d0.82	d0.40	d1.30	3	Dc	vd2.90	Ed1.65[1]	d2.90			
9	Q0.453		2-15-08	1-30	0.453	NIL	1.81¼	Cv into 1.199 Com $20.85[**22]				....	....	....	....	....	...	Dc	....	....	....	Arrears $0.4531 to 5-15-08		
10◆	Q0.16¼		6-1-08	5-8	0.32¼	0.645	0.60¼	1.72	27.6	34.2	3-31-08	217	18377	1.29	1.35	1.24	2	Dc	v0.84	....	0.87	3 Mo Mar	v0.12	v0.15
11	0.953		4-11-08		0.953	1.025	0.944	1243	5037	3465	12-31-06	2473	72000	1.96	1.98	1.95	2	Dc	v.	E2.24[4]	NIL			
12			None Paid		...	NIL	....	152	607	181	3-31-08	16.3	±45844	2.04	2.12	1.98	6	Dc	Pv1.63	....	1.81	3 Mo Mar	0.52	v0.70
13			None Paid		...	NIL	....	5.01	150	95.1	12-31-07	452	±36957	0.97	1.01	0.94	10	Dc	v0.35	....	0.59	3 Mo Mar	d0.01	v0.23
14			None Paid		...	NIL	....	93.5	307	277	1-31-08	197	111679	0.25	0.26	0.24	6	Ja	v.	....	NIL			
15	Q0.18		4-1-08	3-12	0.36	0.72	0.72	116	158	23.9	2-29-08	....	5391	....	....	....	...	My	v0.31	....	d0.42	9 Mo Feb	v0.04	vd0.69
16	Q0.03		7-7-08	6-26	0.09	0.12	0.12	618	1156	423	3-31-08	1708	58352	2.37	2.72	2.03	7	Dc	v2.49	E2.35[4]	2.43	3 Mo Mar	v0.53	v0.47
17			None Paid		...	NIL	....	228	496	163	3-28-08	200	161165	0.68	0.72	0.67	16	Sp	v0.36	....	0.43	6 Mo Mar	v0.15	v0.22
18	Q0.788		4-15-08	3-27	1.575	3.15	2.80	Total Assets $11430M			3-31-08	5758	58284	4.07	4.07	4.07	1	Dc	v10.90	E1.85[4]	10.49	3 Mo Mar	v2.55	v2.14
19	Div Omitted 5-23-01				...	NIL	....	0.73	58.3	27.7	12-31-07	6.00	5855	....	....	....	...	Dc	v1.43	....	1.43			
20	Div Suspended 4-16-07				...	NIL	0.25	Total Assets $150816M			3-31-08	112485	★★467377	1.56	1.65	1.45	6	Dc	vd2.28	E1.52[1]	d2.60	3 Mo Mar	v0.26	vd0.28
21	Q0.37½		6-16-08	5-28	0.75	1.50	1.50	Co opt to redeem fr 12-15-08 at $25				....	....	....	....	....	...	Dc	....	....	....	Due 12-15-2043		
22			None Paid		...	NIL	....	37.6	66.4	21.3	12-31-07	120	30361	0.04	0.13	d0.04	3	Dc	vd4.12	....	d4.12			
23			None Paid		...	NIL	....	155	369	117	2-29-08	81.2	60941	0.51	0.58	0.45	8	Au	v0.88	E0.58[4]	0.78	6 Mo Feb	v0.45	v0.35
24			None Paid		...	NIL	....	1.69	2.54	3.95	9-30-07	5.26	10980	....	....	....	...	Dc	vd0.39	....	d0.39			
25	Terms&trad. basis should be checked in detail							Wrrts expire 12-7-2011				....	2800	....	....	....	...	Dc	....	....	....	Callable fr 12-7-08 at $0.01[**55]		
26			None Paid		...	NIL	....	10.0	12.2	6.57	12-31-07	....	5021	....	....	....	...	Dc	v0.43	....	0.43			
27	Terms&trad. basis should be checked in detail				...	NIL	....	Wrrts expire 10-19-2009				....	900	....	....	....	...	Dc	....	....	....	Callable fr 4-19-2005 at $0.25[**56]		
28	0.369		5-9-08	4-16	0.369	0.595	0.563	171	2008	2510	3-29-08	37.0	892000	2.95	3.10	2.84	7	Dc	Pv1.71	....	d0.02	3 Mo Mar	0.48	v0.46
29			None Paid		...	NIL	....	3.66	124	69.4	1-31-08	119	40407	0.20	0.27	0.13	8	Ap	v0.31	E0.20	0.26	9 Mo Jan	v0.19	v0.14
30	Q0.18		5-15-06	4-28	0.36	0.72	0.70	46.6	808	439	3-31-06	417	±30053	2.89	2.98	2.80	6	Dc	v2.85	....	2.95	3 Mo Mar	±0.63	v0.73
31◆	Q0.12		7-14-08	6-11	0.34	0.48	0.38	148	3993	1295	3-31-08	794	200808	3.78	3.90	3.65	22	Dc	v3.20	E3.74[1]	3.29	3 Mo Mar	v0.63	v0.72
32			None Paid		...	NIL	....	25.2	47.0	10.6	3-31-08	....	30415	0.64	0.71	0.57	7	Dc	v0.10	....	0.03	3 Mo Mar	v0.06	vd0.01
33			None Paid		...	NIL	....	63.9	3240	1586	1-27-08	3324	134398	1.22	1.40	1.12	8	Ap	v1.49	E1.26[4]	1.27	9 Mo Jan	v1.16	v0.94
34◆			None Paid		...	NIL	....	0.33	73.6	51.7	9-30-07	21.5	[88]13869	0.35	0.35	0.35	1	Dc	Pv0.18	....	0.02	3 Mo Mar	v0.19	v0.03
35	Q0.32		6-2-08	5-14	0.62	1.28	1.18	327	854	243	1-31-08	790	55588	3.19	3.21	3.15	4	Ap	v2.76	E3.22[1]	3.08	9 Mo Jan	v2.01	v2.33
36			None Paid		...	0.438	....	10.0	1053	986	3-31-08	3472	256000	0.08	0.25	d0.10	12	Dc	vd0.45	E0.30[1]	d0.29	3 Mo Mar	vd0.22	vd0.06
37	Q0.30		6-9-08	5-15	0.60	1.20	1.11	114	1264	655	3-29-08	502	57651	4.03	4.25	3.90	4	Dc	v3.09	E4.00[1]	3.40	3 Mo Mar	v0.66	v0.97
38◆	gQ0.12		5-29-08	5-13	g0.24	g0.48	g0.36	1036	3437	3194	3-31-08	2063	150966	....	....	....	...	Dc	v1.00	....	1.60	3 Mo Mar	vd0.13	v0.47
39	2.00		6-22-07	6-7	...	NIL	2.00	104	107	6.62	3-31-08	....	14792	d1.56	d1.56	d1.56	1	Dc	v4.16	....	0.57	3 Mo Mar	v0.42	vd0.25
40◆	0.431		5-28-08	5-1	0.431	0.431	0.355	166	1058	280	3-31-08	502	±259200	0.81	0.81	0.81	1	Dc	....	....	NA	3 Mo Mar	0.16	v0.25

◆Stock Splits & Divs By Line Reference Index [**3]3-for-1,'04 [**2]2-for-1,'06 [**12]2-for-1,'05 [**41]1-for-5 REVERSE,'04 [**38]3-for-1,'06 [**40]10-for-1,'06

Common and Convertible Prefe

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Corp. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales In 000s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr %Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
1	SBN	SoftBrands Inc	AS,P	NR	40	7972	Systems Software	2.42	0.75	2.34	1.58	1.90	0.85	6316	1.25	1.04	1.12	...	d	...	-44.0	-14.0	....
2	SWH	Software HOLDRs Tr Dep Receipt	AS,B	NR	19	2008		99.93	20.08	46.07	37.31	44.40	35.00	7456	43.62	39.76	43.39	0.4	..	...	5.3	8.1	2008
3	SOHU	Sohu.com Inc	NDS	NR	343	22484	Internet Software & Services	43.40	0.52	64.83	20.94	88.11	35.75	572217	88.11	70.05	87.52	...	92	...	241	67.6	....
4	SOLF	Solarfun Power Hldgs ADS	NDS	NR	72	6764	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	2233226	29.17	12.72	22.80	...	20	3	136	0.0	.....
5	SLH	Solera Holdings	NY,P	NR	292	53848	Application Software	....	....	25.57	15.41	27.75	20.96	113715	27.75	23.47	27.27	...	d	2	54.9	0.0	....
6	XPL	Solitario Resources	AS,To	C	29	8791	Precious Metals & Minerals	4.23	2.67	8.10	3.50	8.10	4.75	1256	5.74	5.11	5.11	...	d	-21	7.4	0.0	....
7	SOA	Solutia Inc	NY,Ch,P	NR	35	21228	Diversified Chemicals	....	....	21.75	17.00	20.50	9.46	71123	14.00	11.02	13.77	...	d	2	0.0	0.0	....
8	SNSTA	Sonesta Intl Hotels	NDS	C	25	796	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	423	29.74	23.69	27.25	0.7	d	NM	20.8	1.1	2005
9	SAH	Sonic Automotive'A'	NY,Ch	B+	336	34289	Automotive Retail	39.75	4.68	33.10	19.33	21.71	15.82	72529	20.94	18.13	18.65	2.6	9	2	-38.3	-2.0	2003
10	SONC	Sonic Corp	NDS	B+	436	56206	Restaurants	24.75	1.07	26.19	20.02	23.33	18.53	202162	22.92	18.54	19.18	...	20	11	-21.1	-5.5	....
11	SOFO	Sonic Foundry	NDS	C	37	2177	Systems Software	64.96	0.10	4.77	1.18	1.49	0.60	13587	0.95	0.63	0.69	...	d	-19	-71.0	-20.4	....
12	SNCI	Sonic Innovations	NDS	NR	143	22278	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	3.50	28044	4.40	3.50	4.00	...	d	1	-60.8	-1.6	....
13	SNIC	Sonic Solutions	NDS	NR	247	27524	Application Software	23.67	1.00	19.35	7.38	10.94	7.73	28479	10.25	9.01	9.60	...	d	NM	-23.3	-14.4	....
14	SNWL	SonicWALL Inc	NDS	B-	340	55884	Internet Software & Services	86.66	1.79	11.53	7.50	10.91	7.42	109368	8.12	7.47	8.00	...	NM	NM	-2.2	9.2	....
15	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	601	61496	Paper Packaging	40.00	6.33	44.91	28.45	34.76	25.97	92469	34.76	31.70	34.62	3.1	14	6	-18.2	12.4	1925
16	SONO	SonoSite Inc	NDS	B-	289	21101	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	37185	32.95	28.99	30.72	...	37	NM	8.2	-0.5	....
17	SONS	Sonus Networks	NDS	NR	347	163832	Communications Equipment	93.66	0.18	9.03	5.13	5.95	2.92	773868	4.55	3.73	4.29	...	72	91	-49.8	-0.4	....
18	SNE	Sony Corp ADR	NY,Ph,Ch,P,B	NR	408	156622	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	39.52	173624	50.81	44.55	50.39	0.4	14	...	-11.7	10.6	1947
19	BID	Sotheby's	NY,Ph,Ch,P,B	B-	631	70227	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.67	23.75	620086	29.22	23.83	26.82	2.2	10	NM	-42.3	25.7	2007
20	FIRE	Sourcefire Inc	NDS	NR	103	10424	Systems Software	....	....	18.83	7.23	8.49	4.96	16714	7.75	6.04	7.54	...	d	3	-45.0	0.9	....
21	LNUX	SourceForge Inc	NDS	NR	126	41592	Application Software	320.00	0.54	5.56	2.05	2.55	1.48	58713	1.85	1.55	1.56	...	12	NM	-64.0	-4.5	....
22	TSFG	South Financial Group	NDS	B+	421	53588	Regional Banks	32.98	5.31	27.47	15.29	18.02	5.44	624376	8.86	5.44	5.51	0.7	d	Neg	-75.7	-39.0	1994
23	SJI	South Jersey Indus	NY,Ph,Ch,P,B	A-	346	17525	Gas Utilities	34.26	6.95	41.27	31.20	39.25	31.90	32523	39.25	36.36	39.25	2.8	19	10	0.2	13.7	1952
24	STXX	South Texas Oil	NDS,BB	NR	5	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	4.18	4915	6.00	4.18	4.49	...	d	1	-52.0	64.4	....
25	SOCB	Southcoast Financial	NDS	NR	42	1997	Regional Banks	24.04	3.17	21.14	12.55	16.00	12.48	1008	16.00	13.07	14.38	...	45	-17	-29.0	-13.4	....
26	SO	Southern Co	NY,Ph,Ch,P,B	A-	1129	348223	Electric Utilities	37.40	8.93	39.35	33.16	40.60	33.71	726383	37.23	35.95	36.20	4.6	16	2	5.3	6.6	1948
27	SSE	Southern Conn Bancorp	AS	NR	22	410	Regional Banks	11.38	6.06	8.12	6.65	7.50	6.73	314	7.45	7.00	7.056	...	NA	1	-4.9	-3.1	....
28	PCU	Southern Copper	NY,Ph,Ch,P,B	B	674	56379	Diversified Metals & Mining	58.36	4.21	143.25	49.16	125.79	73.25	411927	119.75	103.17	110.23	6.2	25	32	35.0	83.9	1996
29	SUG	Southern Union	NY,Ph,Ch,P,B	B	501	90339	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.56	173424	27.17	25.30	26.60	2.3	14	...	-22.8	5.6	2006
30	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	935	635973	Airlines	23.32	0.51	16.96	12.12	13.66	11.02	1418504	13.66	12.21	13.05	0.1	33	12	-8.9	-3.6	1976
31	OKSB	Southwest Bancorp(OK)	NDS	A	236	11219	Regional Banks	28.67	3.66	28.63	16.10	18.52	14.06	10106	18.29	16.10	16.96	2.2	11	8	-30.3	-0.4	1981
32	SWX	Southwest Gas	NY,Ph,Ch,P,B	B+	463	35140	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	54071	31.74	28.90	31.18	2.9	16	12	-17.5	10.6	1956
33	SGB	Southwest Georgia Fini	AS,Ch,P,B	B+	15	29	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.61	76	18.50	17.30	18.30	3.1	34	-11	-0.7	-4.7	1981
34	SWWC	Southwest Water Co	NDS	B+	154	12095	Water Utilities	19.07	1.49	16.41	11.53	12.75	10.18	25601	11.48	10.18	10.30	2.3	86	-18	-20.0	2.0	1960
35	SWN	Southwestern Energy	NY,Ch	B	916	310673	Oil & Gas Exploration & Prod	22.14	0.64	26.50	15.57	50.00	23.77	876796	50.00	39.56	44.34	...	55	30	85.0	71.1	2006
36	SOV	Sovereign Bancorp	NY	B	582	231036	Thrifts & Mortgage Finance	26.60	0.83	26.70	9.92	13.26	6.48	2823966	9.18	7.25	9.14	...	14	Neg	-60.3	-23.8	1987
37	SSS	Sovran Self Storage	NY,Ph,P,B	B+	334	18217	Specialized REITs	60.00	17.50	63.93	39.75	46.50	33.56	20535	45.83	42.75	44.19	5.7	23	4	-12.3	5.0	1995
38	DSP	SP Acquisition Hldgs	AS,P	NR	30	24486		....	....	9.29	9.00	9.77	8.84	28124	9.29	9.11	9.23	...	..	...	0.0	0.0	....
39	DSP.U	SP Acquisition Hldgs Unit	AS	NR	21	10995		....	....	10.20	9.70	10.25	9.70	1196	10.00	9.76	9.90	...	..	...	....	....	....
40	SBSA	Spanish Broadcasting Sys'A'	NDS	C	151	34680	Broadcasting & Cable TV	42.00	3.90	4.95	1.67	2.08	1.33	25236	1.75	1.35	1.41	...	d	90	-70.3	-45.0	....

S&P 500 ‡ MidCap 400 ◆ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 1. [2]ASE,CBOE,Ph:Cycle 3. [3]ASE,Ph:Cycle 3. [4]ASE:Cycle 3. [5]ASE,CBOE,P:Cycle 3. [6]Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE,CBOE,P,Ph:Cycle 1. [9]P:Cycle 2. [10]CBOE:Cycle 2. [11]ASE,CBOE:Cycle 3. [12]Ph:Cycle 3. [13]ASE,CBOE,P,Ph:Cycle 3. [14]CBOE:Cycle 3. [51]Ea ADS rep 5 Ord Shr [52]Incl liabs subj to compromise [53]ADR equal 1 ord shr, 50y [54]Subsid pfd in $M [55]Incl 12M shrs subj to conv

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1			None Paid		...	NIL
2			None Paid		...	0.281
3			None Paid		...	NIL
4			None Paid		...	NIL
5			None Paid		...	NIL
6			None Paid		...	NIL
7			None Paid		...	NIL
8	S0.10		7-1-08	6-16	1.20	0.20
9	Q0.12		7-15-08	6-11	0.36	0.48
10◆			None Paid		...	NIL
11			None Paid		...	NIL
12			None Paid		...	NIL
13			None Paid		...	NIL
14			None Paid		...	2.00
15	Q0.27		6-10-08	5-14	0.53	1.08
16			None Paid		....	NIL
17			None Paid		...	NIL
18	S0.119		6-9-08		0.119	0.215
19	Q0.15		6-13-08	5-28	0.30	0.60
20			None Paid		...	NIL
21			None Paid		...	NIL
22	Q0.01		9-1-08	7-11	0.39	0.04
23◆	Q0.27		7-2-08	6-6	0.54	1.08
24			None Paid		...	NIL
25◆	10%Stk		6-22-07	5-30	...	NIL
26	Q0.42		6-6-08	5-1	0.82¼	1.68
27◆	5%Stk		5-9-05	4-22	...	ST
28◆	Q1.70		6-3-08	5-12	3.10	6.80
29◆	Q0.15		4-11-08	3-26	0.30	0.60
30	Q0.005		6-26-08	6-10	0.014	0.018
31	Q0.09½		7-1-08	6-13	0.283	0.38
32	Q0.22½		9-2-08	8-13	0.66½	0.90
33◆	Q0.14		4-30-08	4-3	0.28	0.56
34◆	Q0.06		7-18-08	6-26	0.18	0.24
35◆	Div Postponed 6-26-00				...	NIL
36◆	Div Suspended 1-23-09				...	NIL
37	Q0.63		4-22-08	4-4	1.26	2.52
38			None Paid		...	NIL
39			None Paid		...	NIL
40			None Paid		...	NIL

◆Stock Splits & Divs By Line Reference Index [10]3-f [34]1.33-for-1,'04 :5%,'04 :5%,'05 [36]2-for-1,'05 :2-for-1,

HEARING EXHIBIT 00000036

...08			% Annualized				
...le Or Bid			%Div	P-E	EPS 5 Yr	Total Return		Cash Divs.
Low	Last		Yield	Ratio	Growth	12 Mo	36 Mo	Ea. Yr. Since
1.04	1.12		...	d	...	-44.0	-14.0	....
39.78	43.39		0.4	..	...	5.3	8.1	2006
70.05	87.52		...	92	...	241	67.8	....
12.72	22.80		...	20	3	136	0.0	....
23.47	27.27		...	d	2	54.9	0.0	....
5.11	5.11		...	d	-21	7.4	0.0	....
11.02	13.77		...	d	2	0.0	0.0	....
23.69	27.25		0.7	d	NM	20.8	1.1	2005
18.13	18.65		2.6	9	2	-38.3	-2.0	2003
18.54	19.18		...	20	11	-21.1	-5.5	....
0.63	0.69		...	d	-19	-71.0	-20.4	....
3.50	4.00		...	d	1	-50.8	-1.6	....
9.01	9.60		...	d	NM	-23.3	-14.4	....
7.47	8.00		...	NM	NM	-2.2	9.2	....
31.70	34.62		3.1	14	6	-18.2	12.4	1925
28.99	30.72		...	37	NM	8.2	-0.5	....
3.73	4.29		...	72	91	-49.8	-0.4	....
44.55	50.39		0.4	14	...	-11.7	10.6	1947
23.83	26.82		2.2	10	NM	-42.3	25.7	2007
6.04	7.64		...	d	3	-45.0	0.0	....
1.55	1.56		...	12	NM	-64.0	-4.5	....
5.44	5.51		0.7	d	Neg	-75.7	-39.0	1994
36.36	38.25		2.8	19	10	0.2	13.7	1952
4.18	4.49		...	d	1	-52.0	64.4	....
13.07	14.38		...	45	-17	-29.0	-13.4	....
35.95	36.20		4.6	16	2	5.3	6.6	1948
7.00	7.05s		..	NA	1	-4.9	-3.1	....
117	110.23		0.2	25	32	35.0	83.9	1996
30	26.60		2.3	14	...	-22.8	5.6	2006
21	13.06		0.1	33	12	-8.9	-3.6	1976
10	16.96		2.2	11	8	-30.3	-0.4	1981
90	31.18		2.9	16	12	-17.5	10.6	1956
30	18.30		3.1	34	-11	-0.7	-4.7	1981
18	10.30		2.3	86	-18	-20.0	2.0	1960
58	44.34		...	55	30	85.0	71.1	2006
25	9.14		...	14	Neg	-60.3	-23.8	1987
75	44.19		5.7	23	4	-12.3	5.0	1995
11	9.23		....	....	....	0.0	0.0	....
76	9.90		...	..	....	....	....	....
35	1.41		....	d	90	-70.3	-45.0	....

ycle 1, 7CBOE,Ph:Cycle 3.
Stk 52Incl liabs subj to compromise

EXHIBIT GMM-2
0000037

Splits&Dividends ◆ Latest Payment				Total $			Financial Position MR-$				Capitalization		2008 Street Estimates ($/Shr)				Earnings $ Per Shr. Years				Interim Earnings $ per Shr.		
Index	Period $	Date	Ex. Div.	So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt MR-$	Shs. 000 Com.	Mean	High	Low	# of Ests.	End	2007	2008	Last 12 Mos.	Period	Prior	Curr.
1		None Paid		...	NIL	....	9.94	31.9	44.7	12-31-07	15.2	41791	...	...	...	...	Sp	vd0.09	....	d0.11	3 Mo Dec	v	vd0.02
2		None Paid		...	0.281	†0.008	Receipts Val based on Software Ind Co's				...	3609	...	...	...	...	Dc	....	....	....	Expire 12-31-2040		
3		None Paid		...	NIL	....	160	206	92.6	3-31-08	1.26	37759	2.52	3.07	1.61	14	Dc	v0.90	....	0.95	3 Mo Mar	v0.12	v0.55
4		None Paid		...	NIL	....	45.7	293	144	9-30-07	0.93	48005	...	...	...	...	Dc	v0.42	E1.16†	0.42			
5		None Paid		....	NIL	....	107	216	115	12-31-07	619	64806	1.17	1.18	1.16	3	Je	vd2.82	....	d1.27	6 Mo Dec	d1.32	0.23
6		None Paid		...	NIL	....	7.77	7.97	1.73	12-31-07	....	29634	...	...	...	...	Dc	vd0.13	....	d0.13			
7		None Paid		...	NIL	....	173	1231	1627	12-31-07	531018	p104460	...	...	...	...	Dc	Pvd1.99	....	d1.99			
8	S0.10	7-1-08	6-16	1.20	0.20	0.20	25.5	38.5	10.1	9-30-07	33.6	3698	...	...	...	...	Dc	vd0.01	....	d0.01			
9	Q0.12	7-15-08	6-11	0.36	0.48	0.48	5.11	1665	1493	3-31-08	783	±40423	2.40	2.45	2.33	10	Dc	v2.13	....	2.04	3 Mo Mar	v0.44	v0.35
10◆		None Paid		...	NIL	....	19.1	60.8	92.0	2-29-08	735	59916	1.05	1.07	1.03	15	Au	v0.91	....	0.98	6 Mo Feb	v0.29	v0.36
11		None Paid		...	NIL	....	6.17	9.90	5.15	12-31-07	0.47	35571	d0.19	d0.17	d0.22	3	Sp	vd0.18	....	d0.24	6 Mo Mar	d0.10	d0.16
12		None Paid		...	NIL	....	14.1	51.4	27.1	3-31-08	10.0	26849	d0.04	0.05	d0.12	3	Dc	v0.03	....	d0.02	3 Mo Mar	v0.03	vd0.02
13		None Paid		...	NIL	....	65.2	101	65.1	12-31-07	3.50	26383	d0.18	0.02	d0.38	6	Mr	....	E0.26†	0.41	3 Mo Jun		v0.16
14		None Paid		...	2.00	....	147	205	130	3-31-08	NIL	60988	0.26	0.30	0.20	9	Dc	v0.43	E0.08	0.43	3 Mo Mar		v
15	Q0.27	6-10-08	5-14	0.53	1.08	1.02	74.0	1074	755	3-30-08	796	99500	2.45	2.47	2.40	6	Dc	v2.10	E2.45†	1.71	3 Mo Mar	v0.52	v0.13
16		None Paid		...	NIL	....	313	415	28.5	3-31-08	225	16770	0.81	0.84	0.78	5	Dc	v0.40	E0.84†	0.50	3 Mo Mar	vd0.03	v0.07
17		None Paid		...	NIL	....	376	539	125	3-31-08	....	271138	0.06	0.09	0.05	7	Dc	vd0.09	E0.06†	d0.09			
18	S0.119	6-9-08		0.119	0.215	0.215	7289	49740	40103	12-31-07	6603	1003126	3.02	3.25	2.80	2	Mr	v3.51	E3.04†	3.51			
19	Q0.15	6-13-08	5-28	0.30	0.60	0.50	81.4	1061	687	3-31-08	212	67345	2.21	2.55	2.00	6	Dc	Pv3.25	....	2.69	3 Mo Mar	±0.37	vd0.19
20		None Paid		....	NIL	....	103	126	28.2	3-31-08	....	24985	d0.04	0.04	d0.13	6	Dc	vd0.32	....	d0.07	3 Mo Mar	d0.39	vd0.14
21		None Paid		...	NIL	....	54.1	62.9	8.35	1-31-08	....	68466	0.06	0.08	0.05	6	Jl	v0.13	....	0.13	6 Mo Jan	0.02	0.02
22	Q0.01	8-1-08	7-11	0.39	0.04	0.72	Total Deposits $8789M			3-31-08	742	72630	d0.33	0.31	d1.27	13	Dc	v0.99	Ed1.11†	d2.06	3 Mo Mar	v0.27	vd2.78
23◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005	11.9	318	285	3-31-08	358	29729	2.25	2.32	2.15	6	Dc	v2.10	....	2.01	3 Mo Mar	v0.92	v0.83
24		None Paid		...	NIL	....	2.19	6.42	6.46	12-31-07	24.9	16483	...	...	...	...	Dc	vd0.45	....	d0.45			
25◆	10%Stk	6-22-07	5-30	...	NIL	....	Total Deposits $309M			3-31-08	107	4792	0.54	0.54	0.54	1	Dc	v0.30	....	0.32	3 Mo Mar	v0.14	v0.18
26	Q0.42	6-6-08	5-1	0.82½	1.68	1.59½	281	4826	5443	3-31-08	14888	547767212	2.32	2.35	2.26	17	Dc	v2.28	E2.33†	2.23	3 Mo Mar	v0.45	v0.47
27◆	5%Stk	5-9-05	4-22	....	ST	....	Total Deposits $107M			3-31-08	1.59	3058	...	...	...	...	Dc	vNIL	....	NA	3 Mo Mar	vd0.01	v0.11
28◆	Q1.70	6-3-08	5-12	3.10	6.80	6.80	1584	2858	992	3-31-08	1289	294466	8.53	9.77	7.32	9	Dc	v7.53	....	4.39	3 Mo Mar	v1.87	v1.92
29◆	Q0.15	4-11-08	3-26	0.30	0.60	0.40	32.7	894	1435	3-31-08	2950	124003	1.87	1.92	1.74	8	Dc	v1.75	E1.86	1.77	3 Mo Mar	v0.62	v0.64
30	Q0.005	6-26-08	6-10	0.014	0.018	0.018	3122	5050	5781	3-31-08	2079	731758	0.29	0.53	d0.05	15	Dc	v0.84	E0.40†	0.77	3 Mo Mar	v0.12	v0.05
31	Q0.09½	7-1-08	6-13	0.283	0.38	0.36	Total Deposits $1824M			3-31-08	328	14524	1.28	1.32	1.26	4	Dc	Pv1.46	....	1.51	3 Mo Mar	v0.31	v0.36
32	Q0.22½	9-2-08	8-13	0.66½	0.90	0.85	17.4	401	471	3-31-08	1264	43277	2.07	2.17	1.92	6	Dc	v1.95	....	1.92	3 Mo Mar	v1.17	v1.14
33◆	Q0.14	4-30-08	4-3	0.28	0.56	0.55	Total Deposits $225M			3-31-08	10.0	2548	...	...	...	...	Dc	v0.66	....	0.54	3 Mo Mar	v0.38	v0.29
34◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23	2.95	61.5	46.1	12-31-07	145	24435	0.36	0.40	0.30	3	Dc	v0.12	....	0.12			
35◆	Div Postponed 6-26-00			....	NIL	....	0.47	397	652	3-31-08	1076	341963	1.32	1.65	0.87	23	Dc	v0.64	....	0.80	3 Mo Mar	0.15	v0.31
36◆	Div Suspended 1-23-09			...	NIL	0.32	Total Deposits $48845M			3-31-08	24349	482443	0.68	0.90	0.40	13	Dc	vd2.85	E0.66†	d2.73	3 Mo Mar	v0.09	v0.21
37	Q0.63	4-22-08	4-4	1.26	2.52	2.49	Total Assets $1186M			3-31-08	482	21851	1.93	1.98	1.90	2	Dc	v1.81	E1.98†	1.78	3 Mo Mar	v0.44	v0.41
38		None Paid		...	NIL	....	1.32	....	18.9	6-30-07	0.25	554000	...	...	...	...	Dc	....	....	....			
39		None Paid		....	NIL	....	....	....	....	....	....	±40000	....	....	....	....	Dc	....	....	....			
40		None Paid		...	NIL	....	61.1	101	29.9	12-31-07	337	±65805	d0.06	d0.01	d0.11	2	Dc	vd0.12	Ed0.14†	d0.12			

◆Stock Splits & Divs By Line Reference Index: 103-for-2,'04 :3-for-2,'06 232-for-1,'05 :10%,'04 :10%,'05 :10%,'06 :10%,'07 :10%,'04 :5%,'05 2392-for-1,'06 :5%,'04 :5%,'05 3362-for-5,'04 :341.33-for-1,'04 :5%,'04 :5%,'05 3652-for-1,'05 :2-for-1,'05 :2-for-1,'08 :5%,'06

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-99 High	Price Range 1998-99 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	May, 2008 May. Sales In 100s	May, 2008 Last Sale Or Bid High	May, 2008 Last Sale Or Bid Low	May, 2008 Last Sale Or Bid Last	% Annualized: %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
#1[1,4]	ADVS	Advent Software	NDS	B–	405	27337	Application Software	76.50	4.66	58.27	32.29	55.34	36.97	60332	44.04	36.97	42.97	....	68	NM	18.3	28.6	....
2	ANX	ADVENTRX Pharmaceuticals	AS	NR	41	11707	Biotechnology	5.38	0.15	2.98	0.39	0.69	0.36	37650	0.52	0.40	0.44	....	d	1	-83.8	-40.8	....
3	ABCO	Advisory Board	NDS	NR	339	19373	Diversil Comm & Prof Svcs	58.84	22.55	69.46	46.70	65.80	42.21	46208	48.55	42.21	46.17	....	32	5	-9.1	0.8	....
4[3]	ACM	Aecom Technology	NY,Ch,P	NR	324	46473	Construction & Engineering	....	....	38.25	20.60	32.54	19.98	259810	32.54	27.31	32.21	....	29	2	-40.7	0.0	....
5[3]	ANW	Aegean Marine Petrol Nwk	NY,Ph,Ch,P,B	NR	136	23058	Marine Ports & Services	17.44	14.53	48.63	13.70	44.43	22.23	58060	44.43	36.37	41.75	0.1	NM	4	132	0.0	2007
6[4]	AEG	AEGON N.V. Ord[51]	NY,Ph,Ch,P,B	NR	222	133419	Life & Health Insurance	82.56	1.24	21.91	16.62	17.58	13.08	170673	16.51	14.85	15.24	5.1	9	1	-21.3	9.2	1997
7	AED	AEGON N.V. 6.5% Perp Cap Secs	NY,P	A–	15	348		26.12	23.33	26.05	19.50	24.00	20.00	5822	22.55	21.09	21.09	7.7	....	6	-8.5	0.0	2006
8	AEPI	AEP Industries	NDS	C	146	4760	Metal & Glass Containers	68.05	2.77	54.18	30.87	33.10	24.52	3406	28.70	24.52	26.20	....	6	NM	-41.0	15.3	....
9[5]	AER	AerCap Holdings N.V.	NY	NR	137	73586	Aerospace & Defense	25.10	21.85	32.82	18.54	21.12	14.22	106207	18.72	14.80	15.03	....	6	1	-50.4	0.0	....
10	ACY	Aerocentury Corp	AS	B–	26	428	Aerospace & Defense	10.25	2.05	24.50	6.58	26.57	10.75	2227	15.00	10.75	10.93	....	6	NM	-36.2	53.0	....
#11[6]	ARO	Aeropostale Inc	NY,Ch,P	NR	676	76494	Apparel Retail	23.64	2.33	31.86	18.29	36.02	20.76	476043	36.02	31.32	34.94	....	20	5	-13.6	24.3	....
12	AIM	Aerosonic Corp	AS	B	21	1155	Aerospace & Defense	29.50	0.87	8.45	4.30	5.24	3.35	812	4.55	3.35	3.45	....	d	3	-52.2	-6.3	....
13[7]	AVAV	AeroVironment Inc	NDS	NR	194	9329	Aerospace & Defense	....	....	26.93	17.97	26.89	18.44	22442	26.89	22.82	26.58	....	28	1	25.3	0.0	....
†14[8]	AES	AES Corp	NY,Ph,Ch	† B-	936	586558	Ind Power Prod & Energy Trad	72.81	0.92	24.24	16.69	22.48	15.70	943205	20.00	17.24	19.48	....	17	NM	-17.8	10.0	....
15	AES.PC	AES Tr III 6.75% Cv Pfd	NY,Ch	B–	79	5066		110.00	5.85	51.00	45.15	49.50	45.25	2405	49.50	47.31	49.19	6.9	....	....	....	....	2000
†16[9]	AET	Aetna Inc	NY,Ph,Ch,P,B	NR	1521	435740	Managed Health Care	52.48	5.75	60.00	39.02	59.80	39.55	696362	47.31	42.43	47.16	0.1	12	32	-11.1	8.6	2001
17	ATRM	Aetrium Inc	NDS	C	54	2635	Semiconductor Equipment	28.25	0.58	6.24	3.25	6.00	2.90	6087	3.42	2.90	3.16	....	40	NM	-28.7	6.0	....
†18[9]	ACS	Affiliated Computer Svcs'A'	NY,Ch,P	B+	837	90688	Data Process/Outsourced Svcs	63.66	4.25	61.67	39.46	57.40	40.43	199101	57.40	52.26	54.20	....	15	–1	-7.0	2.2	....
#19[10]	AMG	Affiliated Managers Grp	NY,Ch	B+	838	46691	Asset Mgmt & Custody Banks	108.56	8.91	136.51	98.57	118.36	77.59	110494	108.36	95.54	102.50	....	24	24	-20.0	15.7	....
20	AFFM	Affirmative Insurance Hldg	NDS	NR	76	11523	Property/Casualty Insurance	18.75	11.28	18.73	9.05	10.30	6.48	2257	8.58	7.50	7.76	1.0	35	4	-48.5	-14.9	2004
21	AFFY	Affymax Inc	NDS	NR	101	6735	Biotechnology	37.20	29.30	41.00	20.35	23.06	13.14	7153	16.85	13.55	14.91	....	d	....	-54.8	0.0	....
#22[6]	AFFX	Affymetrix Inc	NDS	B–	464	75597	Life Sciences Tools & Svcs	163.50	4.50	31.95	20.00	23.85	10.08	459774	12.41	10.92	12.06	....	33	–15	-53.8	-39.3	....
†23[11]	AFL	AFLAC Inc	NY,Ph,Ch,P,B	A	1531	307870	Life & Health Insurance	49.65	1.31	63.91	45.18	68.81	56.75	500179	68.22	65.01	67.13	1.4	17	18	29.2	19.0	1973
◆24[6,12]	ATAC	Aftermarket Technology	NDS	B–	361	23123	Auto Parts & Equipment	27.25	1.62	35.00	20.31	27.97	18.27	31390	23.38	21.51	22.39	....	11	26	-25.4	12.5	....
#25[13]	AG	AGCO Corp	NY,Ch	B–	898	95375	Constr & Farm Mach/Hvy Truck	36.31	1.66	71.95	26.67	71.94	49.80	482609	61.51	54.66	60.43	....	19	–3	41.9	48.2	....
26	AGF.B	AGF Management'B'	To	NR	34		Asset Mgmt & Custody Banks	29.00	2.95	40.00	25.99	29.95	19.00	70065	25.24	21.92	22.75	4.4	10	35	-35.7	14.6	1976
27	FEED	AgFeed Industries	NDS	NR	17	727	Agricultural Products	3.00	2.00	16.38	1.98	21.31	8.40	280947	21.31	13.16	15.37	....	61	....	181	0.0	....
†28[6]	A	Agilent Technologies	NY,Ch	B–	1016	280931	Elect Equip Manufacturers	162.00	10.50	40.42	30.26	37.83	28.79	624580	37.50	29.89	37.39	....	20	NM	–2.4	16.1	....
◆29[6,14]	AGYS	Agilysys Inc	NDS	B+	316	23827	Technology Distributors	21.25	1.48	23.86	12.83	15.70	9.60	50238	11.50	9.68	10.44	1.1	2	NM	-51.5	-12.0	1965
#30[15]	ATG	AGL Resources	NY,Ph,Ch,P,B	A	561	50459	Gas Utilities	40.09	9.25	44.67	35.24	39.13	33.45	114892	36.50	34.06	35.70	4.7	13	5	-12.5	5.0	1939
31[16]	AEM	Agnico Eagle Mines[52]	NY,Ph,Ch,P,To,B	B–	365	96439	Gold	45.67	2.62	59.45	33.25	83.45	52.81	413177	73.24	59.37	70.69	0.3	68	NM	108	81.8	1983
32	ADC	Agree Realty	NY,Ch,P	A	190	3982	Retail REITs	37.70	12.67	36.00	27.29	31.04	25.08	7526	27.76	25.06	26.06	7.7	13	–5	-19.5	3.1	1994
33	GRO	Agria Corp ADS[53]	NY,Ch,P	NR	61	12297	Agricultural Products	....	....	17.00	7.00	11.75	3.52	60193	5.02	4.06	4.82	....	3	....	0.0	0.0	....
34[3]	AGU	Agrium Inc	NY,Ph,Ch,P,To,B	† B	468	106960	Fertilizers & Ag Chemicals	31.83	6.75	76.14	30.13	95.47	50.86	812687	91.00	75.23	87.42	0.1	19	NM	125	67.9	1995
◆35[6,17]	AIRM	Air Methods	NDS	B	362	12014	Health Care Services	56.13	1.37	59.50	21.62	51.50	34.79	46951	41.54	34.79	38.54	....	19	22	-10.9	79.4	....
†36[6,12]	APD	Air Products & Chem	NY,Ph,Ch,P,B	A	1379	181950	Industrial Gases	72.45	7.25	105.02	68.58	103.22	80.73	237721	103.22	96.22	101.92	1.7	20	16	32.0	21.4	1954
37	AYR	Aircastle Ltd	NY	NR	234	71011	Trading Cos & Distributors	33.45	25.75	41.31	23.30	26.64	10.98	199628	16.90	12.55	12.83	17.1	7	1	-64.6	0.0	2007
#38[6,18]	ARG	Airgas Inc	NY,Ph,Ch	B+	659	64574	Industrial Gases	43.43	0.84	55.89	39.00	61.30	37.84	196185	61.30	47.65	59.17	0.8	22	22	38.6	36.5	2003
39[3,20]	AMCN	AirMedia Group ADS[54]	NDS	NR	96	20849	Advertising	....	....	25.15	15.60	26.51	14.75	79998	21.96	16.58	17.52	....	NM	....	0.0	0.0	....
40	ANS	AirNet Systems	NY,AS,P	C	34	5419	Air Freight & Logistics	29.50	2.05	3.69	1.65	2.80	1.38	12560	2.80	2.59	2.79	....	5	Neg	-21.4	-18.2	....
41	AIRN	Airspan Networks	NDS	NR	75	25851	Communications Equipment	49.01	0.40	5.05	1.51	1.81	0.63	76944	1.17	0.65	0.88	....	d	–7	-74.3	-42.7	....

S&P 500 ‡ MidCap 400 ◆ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]P,Ph:Cycle 2. [2]CBOE,P:Cycle 3. [3]CBOE,P,Ph:Cycle 3. [4]CBOE,Ph:Cycle 1. [5]CBOE:Cycle 1. [6]ASE,CBOE,P,Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE,CBOE,P,Ph:Cycle 2. [9]CBOE,P:Cycle 1. [10]ASE:Cycle 3. [11]ASE,CBOE,Ph:Cycle 2. [12]Ph:Cycle 2. [13]P:Cycle 2. [14]P:Cycle 1. [15]P:Cycle 3. [16]CBOE,Mo,P:Cycle 2. [17]ASE,Ph:Cycle 1. [18]P,P:Cycle 3. [19]Ph:Cycle 1. [20]Ph:Cycle 3. [51]Amer Reg Ctf [52]As defined [53]AES Corp com [54]Stk dstr of Verigy Ltd [55]Canadian funds prior to'99 [56]Ea ADS rep 2 Ord Shrs

Common and Convertible Preferr

Splits/Dividends ◆

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1		None Paid		....	NIL
2		None Paid		....	NIL
3		None Paid		....	NIL
4		None Paid		....	NIL
5		None Paid		....	0.04
6	0.505	5-23-08	4-25	0.505	0.914
7	Q0.40%	6-16-08	5-28	0.81¼	1.625
8	0.02½	10-6-85	9-20	....	NIL
9		None Paid		....	NIL
10		None Paid		....	NIL
11◆		None Paid		....	NIL
12		None Paid		....	NIL
13		None Paid		....	NIL
14		None Paid		....	NIL
15	Q0.84¾	4-15-08	4-10	1.68¾	3.375
16◆	A0.04	11-30-07	11-13	....	0.04
17		None Paid		....	NIL
18		None Paid		....	NIL
19◆		None Paid		....	NIL
20	Q0.02	6-30-08	6-12	0.04	0.08
21		None Paid		....	NIL
22		None Paid		....	NIL
23	Q0.24	6-2-08	5-19	0.48	0.96
24		None Paid		....	NIL
25	Div Omitted 4-29-01			....	NIL
26	gQ0.25	4-21-08	4-8	g0.45	g1.00
27		None Paid		....	NIL
28	h[54]	10-31-06	11-1	....	NIL
29	Q0.03	5-1-08	4-11	0.06	0.12
30	Q0.42	6-1-08	5-14	0.84	1.68
31	A0.18	3-28-08	3-12	0.18	0.18
32	Q0.50	4-15-08	3-27	1.00	2.00
33		None Paid		....	NIL
34	S0.05⅛	7-3-08	6-10	0.11	0.11
35		None Paid		....	NIL
36	Q0.44	8-11-08	8-27	1.26	1.76
37	Q0.25	4-15-08	3-27	0.95	1.00
38	Q0.12	6-30-08	6-10	0.24	0.48
39		None Paid		....	NIL
40		None Paid		....	NIL
41		None Paid		....	NIL

◆Stock Splits & Divs By Line Reference Index [11]3-for-2,

HEARING EXHIBIT 00000038

Bid / Last	% Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex. Yr. Since
7 42.97	...	68	NM	18.3	28.6	....
0 0.44	...	d	1	-83.8	-40.8	....
1 46.17	...	32	5	-9.1	0.8	....
1 32.21	...	29	2	-40.7	0.0	....
7 41.75	0.1	NM	4	132	0.0	2007
5 15.24	5.1	9	1	-21.3	9.2	1987
9 21.09	7.7	..	..	-8.5	0.0	2006
2 26.20	...	6	NM	-41.0	15.3	....
0 15.03	...	6	1	-50.4	0.0	....
5 10.93	...	6	NM	-38.2	53.0	....
2 34.94	...	20	5	13.6	24.3	....
5 3.45	...	d	3	-52.2	-6.3	....
2 26.58	...	28	1	25.3	0.0	....
4 19.48	...	17	NM	-17.8	10.0	....
1 49.19	6.9	..	...	...	...	2000
3 47.16	0.1	12	32	-11.1	6.6	2001
0 3.16	...	40	NM	-28.7	6.0	....
6 54.20	...	15	-1	-7.0	2.2	....
4 102.50	...	24	24	-20.0	15.7	....
0 7.76	1.0	35	4	-48.5	-14.9	2004
5 14.91	...	d	...	-54.8	0.0	....
2 12.06	...	33	-15	-53.8	-39.3	....
1 67.13	1.4	17	18	29.2	19.0	1973
1 22.39	...	11	26	-25.4	12.5	....
6 60.43	...	19	-3	41.9	48.2	....
2 22.75	4.4	10	35	-35.7	14.6	1976
6 15.37	...	61	..	181	0.0	....
9 37.39	...	20	NM	-2.4	16.1	....
6 110.44	1.1	2	NM	-51.5	-12.0	1965
0 35.70	4.7	13	5	-12.5	5.0	1939
7 80.69	0.3	68	NM	108	81.8	1983
0 26.06	7.7	13	-5	-19.5	3.1	1994
0 4.82	...	3	...	0.0	0.0	....
2 47.42	0.1	19	NM	125	67.9	1995
7 89.54	...	19	22	10.9	79.4	....
2 101.92	1.7	20	16	32.0	21.4	1954
5 12.83	17.1	7	1	-64.6	0.0	2007
5 69.17	0.8	22	22	36.8	36.5	2003
5 17.52	...	NM	...	0.0	0.0	....
9 12.79	...	5	Neg	-21.4	-18.2	....
6 0.86	...	d	-7	-74.3	-42.7	....

Ph:Cycle 1. [7]CBOE,Ph:Cycle 3.
[17]BSE,Ph:Cycle 1. [19]P,P:Cycle 3.

0000039

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid			....	Nil	....	58.0	133	147	3-31-08	....	26884	0.57	0.61	0.55	4	Dc	v0.45	E0.63†	0.53	3 Mo Mar	v0.01	v0.09
2	None Paid			....	Nil	....	38.6	39.4	3.96	9-30-07	....	90253	d0.25	d0.23	d0.27	2	Dc	vd0.12	....	d0.12			
3	None Paid			....	Nil	....	27.5	118	146	9-30-07	Nil	18089	2.18	2.19	2.18	3	Mr	....	....	1.46	3 Mo Jun	v0.33	v0.38
4	None Paid			....	Nil	....	330	1569	946	12-31-07	30.1	100202	1.34	1.36	1.32	4	Sp	v1.15	....	1.12	3 Mo Dec	0.32	v0.29
5	None Paid			....	0.04	0.01	63.6	182	73.8	3-31-07	35.7	42410	1.19	1.53	1.02	6	Dc	v0.32	....	0.32			
6	0.505	5-23-08	4-25	0.505	0.914	0.831	Total Assets $451659M			12-31-07	13247	1500214	1.36	1.36	1.36	1	Dc	v....	E1.75	Nil			
7	Q0.40%	6-16-08	5-28	0.81¼	1.625	1.62½	Co opt to redm fr 12-15-10[53]				....	....	....	....	....	....	Dc	....	....	....			
8	0.02½	10-6-95	9-20	....	Nil	....	1.45	201	89.6	1-31-08	210	6823	....	....	....	....	Oc	v3.93	....	4.22	3 Mo Jan		v0.29
9	None Paid			....	Nil	....	Total Assets $4030M			9-30-07	2475	85037	2.84	3.11	2.69	8	Dc	Pv2.22	E2.68†	2.22			
10	None Paid			....	Nil	....	Total Assets $106.3M			6-30-07	72.9	1543	1.22	1.22	1.22	1	Dc	Pv2.36	....	1.88	3 Mo Mar	v0.66	v0.18
11◆	None Paid			....	Nil	....	111	284	197	2-02-08	Nil	66740	1.65	1.67	1.64	14	Ja	v1.73	E2.00†	1.73			
12	None Paid			....	Nil	....	0.48	13.7	4.16	10-26-07	5.59	3581	....	....	....	....	Ja	vd0.95	....	d0.95			
13	None Paid			....	Nil	....	110	177	24.9	1-28-08	Nil	20178	0.97	0.99	0.95	6	Ap	v1.22	....	0.94	9 Mo Jan	v0.98	v0.70
14	None Paid			....	Nil	....	3886	8336	5482	12-31-07	16829	669257	1.19	1.37	1.14	6	Dc	vd0.14	E1.14†	d0.14			
15	Q0.84¼	4-15-08	4-10	1.68¼	3.375	3.37½	Cv into 1.4216 com[53]				....	....	....	....	....	....	Dc	....	....	....			
16◆	A0.04	11-30-07	11-13	....	0.04	0.04	2028	5323	8679	3-31-08	3138	484800	3.99	4.09	3.85	16	Dc	v3.47	E4.00†	3.51	3 Mo Mar	v0.81	v0.85
17	None Paid			....	Nil	....	12.8	24.3	2.13	3-31-08	....	10587	0.35	0.35	0.35	1	Dc	v0.82	....	0.08	3 Mo Mar	v0.05	v0.02
18	None Paid			....	Nil	....	328	1952	1037	3-31-08	2370	±96088	3.50	3.56	3.40	10	Je	v2.49	E3.50†	2.89	9 Mo Mar	±2.12	±2.32
19◆	None Paid			....	Nil	....	317	547	206	3-31-08	1453	34470	6.92	7.13	6.62	11	Dc	v4.58	E4.33†	4.54	3 Mo Mar	v0.94	v0.90
20	Q0.02	6-30-08	6-12	0.04	0.08	0.08	Total Assets $951M			6-30-07	279	15373	0.75	0.75	0.75	1	Dc	v0.22	....	0.22			
21	None Paid			....	Nil	....	204	221	15.9	9-30-07	0.03	15094	d4.71	d2.94	d5.79	6	Dc	vd1.96	....	d1.96			
22	None Paid			....	Nil	....	590	752	71.3	3-31-08	436	88504	0.33	0.43	0.21	13	Dc	v0.17	E0.37†	0.79	3 Mo Mar	vd0.06	v0.56
23	Q0.24	6-2-08	5-19	0.48	0.96	0.80	Total Assets $65805M			12-31-07	1460	475091	4.02	4.10	3.92	19	Dc	v3.31	E4.05†	3.45	3 Mo Mar	v0.84	v0.98
24	None Paid			....	Nil	....	19.2	191	74.9	3-31-08	....	21234	1.88	1.94	1.80	4	Dc	Pv1.79	E2.04	1.74	3 Mo Mar	v0.44	v0.39
25	Div Omitted 4-26-01			....	Nil	....	250	2878	2175	3-31-08	315	91600	3.37	3.72	3.10	13	Dc	v2.55	E3.15†	2.92	3 Mo Mar	0.26	v0.63
26	gQ0.25	4-21-08	4-8	g0.45	g1.00	g0.78	834	1513	2382	J2-29-08	259	±89288	....	....	....	....	Nv	Pv1.96	....	2.28	3 Mo Feb	0.40	v0.70
27	None Paid			....	Nil	....	36.9	54.6	6.05	3-31-08	15.0	32434	0.98	1.00	0.96	2	Dc	Pv0.25	....	0.25	3 Mo Mar	v0.03	v0.03
28	h[54]	10-31-06	11-1	....	Nil	....	1557	5070	2674	1-31-08	626	365042	2.12	2.20	2.09	7	Oc	v1.57	E1.86†	1.52	3 Mo Jan	v0.36	v0.31
29	Q0.03	5-1-08	4-11	0.06	0.12	0.12	138	419	238	12-31-07	....	23527	0.17	0.23	0.11	4	Mr	....	....	6.90	9 Mo Dec	v1.05	v0.26
30	Q0.42	6-1-08	5-14	0.84	1.68	1.64	23.0	1666	1643	3-31-08	1516	76531	2.80	2.93	2.68	7	Dc	v2.73	E2.80†	2.59	3 Mo Mar	1.31	v1.17
31	A0.18	3-28-08	3-12	0.18	0.18	t0.12	434	606	134	6-30-07	9.71	133834	1.00	1.28	0.76	11	Dc	Pv1.04	....	1.04	3 Mo Mar	v0.20	v0.20
32	Q0.50	4-15-08	3-27	1.00	2.00	1.96	Total Assets $231M			12-31-07	79.8	7797	1.90	1.90	1.90	1	Dc	v2.01	....	2.01	3 Mo Mar	v0.47	v0.47
33	None Paid			....	Nil	....	38.1	76.2	35.4	9-30-07	1.19	★50000	0.88	0.88	0.88	1	Dc	....	....	1.40	9 Mo Sep	v0.30	v1.04
34	S0.05½	7-3-08	6-10	0.11	0.11	0.11	1762	4422	1837	3-31-08	877	158000	7.04	7.84	6.42	7	Dc	Pv3.25	....	4.56	3 Mo Mar	d0.08	v1.23
35	None Paid			....	Nil	....	12.5	203	88.3	3-31-08	74.8	12203	2.48	2.60	2.39	4	Dc	v2.20	....	2.08	3 Mo Mar	v0.30	v0.18
36	Q0.44	8-11-08	6-27	1.26	1.76	1.48	138	2991	2453	3-31-08	3648	210683	5.02	5.15	4.90	18	Sp	v4.64	E5.00†	5.21	6 Mo Mar	v2.05	v2.62
37	Q0.25	4-15-08	3-27	0.95	1.00	2.16⅔	Total Assets $2370M			12-31-07	1598	78580	1.88	2.06	1.80	5	Dc	v1.89	....	1.89			
38	Q0.12	6-30-08	6-10	0.24	0.48	0.34	44.5	596	478	12-31-07	1493	82485	2.64	2.87	2.64	12	Mr	Pv2.66	E3.30†	2.66			
39	None Paid			....	Nil	....	211	240	7.73	12-31-07	....	133426	0.58	0.67	0.52	7	Dc	v0.06	....	0.06			
40	None Paid			....	Nil	....	6.90	25.5	12.5	12-31-07	....	10180	....	....	....	....	Dc	v0.53	....	0.53			
41	None Paid			....	Nil	....	36.7	92.6	38.5	12-31-07	9.29	58658	d0.46	d0.28	d0.61	6	Dc	vd0.77	....	d0.94	3 Mo Mar		vd0.17

◆Stock Splits & Divs By Line Reference Index [11]3-for-2,'04 [13]3-for-2,'07 [52]2-for-1,'05 [2]2-for-1,'06 [19]3-for-2,'04

S&P 500 ‡ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs (000)	Principal Business	Price Range 1998-06 High	Price Range 1998-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	May, 2008 May Sales In 100s	May, 2008 Last Sale Or Bid High	May, 2008 Last Sale Or Bid Low	May, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5-Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex-Yr Since
1	AXG	Atlas Acquisition Hldgs	AS	NR	4	4014						9.15	8.96	22211	9.15	9.00	9.14				0.0	0.0	2008
2	AAWW	Atlas Air Worldwide Holdings	NDS	NR	268	21624	Air Freight & Logistics	52.00	14.00	61.06	43.69	58.45	46.52	41945	56.45	56.80	51.90		27	4	5.5	23.6	
3	ATLS	Atlas America	NDS	NR	255	22929	Oil & Gas Exploration & Prod	35.93	7.44	62.83	32.32	75.09	45.94	49032	75.09	66.00	68.63	0.3	55	1	39.2	70.5	2007
4	ATN	Atlas Energy Resources 'B'	NY,Ch	NR	90	17105	Oil & Gas Exploration & Prod	22.88	21.80	38.85	22.10	45.40	23.65	84559	45.40	39.85	40.97	5.6	18	3	22.6	0.0	2007
5	AHD	Atlas Pipeline Hldgs L.P.	NY,Ph,P,B	NR	42	8060	Oil & Gas Storage & Transp	23.90	20.55	47.12	23.31	33.97	25.71	9309	31.25	28.95	29.69	5.8	Nil	2	4.9	0.0	2007
6	APL	Atlas Pipeline Ptnrs LP	NY,Ph,Ch;P	NR	107	22326	Oil & Gas Storage & Transp	49.72	19.25	56.86	41.92	45.99	38.75	30433	43.97	40.07	41.08	9.2	d	1	-10.7	7.5	2000
#7e2	ATML	Atmel Corp	NDS	B–	405	329087	Semiconductors	30.68	0.42	6.49	4.27	4.49	2.83	958628	4.49	3.70	4.47		75	NM	-17.1	-13.2	
#8e2	ATMI	ATMI Inc	NDS	B–	357	33316	Semiconductor Equipment	60.75	4.25	36.05	27.51	32.53	25.40	60705	31.11	29.05	29.93		21	NM	0.8	2.5	
◆9	ATO	Atmos Energy Corp	NY,Ph,Ch	A–	584	60090	Gas Utilities	33.09	7.16	33.47	23.87	29.29	25.00	87363	28.64	27.14	27.39	4.7	16	3	-11.5	-3.9	1984
10•	ATPG	ATP Oil & Gas	NDS	NR	309	24201	Oil & Gas Exploration & Prod	49.70	1.47	57.58	35.15	52.25	26.54	165748	47.35	28.87	42.65		28	1	-5.7	26.8	
11	ATRI	Atrion Corp	NDS	B+	64	634	Health Care Supplies	63.00	6.00	128.20	78.24	133.88	95.77	350	115.99	106.16	108.49	0.9	32	13	19.8	20.4	2003
◆12e2	ATW	Atwood Oceanics	NY,Ch	B	665	28986	Oil & Gas Drilling	58.44	1.93	103.68	43.77	113.56	72.78	118304	111.99	96.41	101.91		15	NM	54.3	52.7	
13e3	AUO	AU Optronics ADS[52]	NY,Ph,Ch,P,B	NR	279	74656	Elect Equip Manufacturers	23.70	3.52	22.48	12.70	20.86	15.21	658913	20.86	18.23	19.04	0.1	5	23	23.8	9.1	2003
◆14e2	VOXX	Audiovox 'A'	Ph,Ch,P,NDS,B	B	202	16903	Distributors	12.50	1.00	16.36	9.49	12.70	8.17	14973	11.34	9.35	10.66		29		-18.6	-10.5	
15	AZC	Augusta Resource	AS,To	NR	37	36294	Diversified Metals & Mining	2.32	1.89	4.64	1.65	4.97	2.64	26182	4.97	3.88	4.71		d	1	97.1	0.0	
16	AZK	Aurizon[54]Mines	AS,Ph,To	C	79	40084	Gold	3.50	0.82	4.65	2.59	5.68	3.55	68750	5.42	4.25	4.80		NM	5	50.5	69.8	
17	AOG	Aurora Oil & Gas	AS,Ph,P	C	78	57806	Oil & Gas Exploration & Prod	35.00	0.25	3.30	0.01	1.57	0.39	120591	0.92	0.39	0.75		d		-61.1	-31.7	
18	AEN	Austral Pacific Energy	AS,Ph,P	NR	6	8712	Oil & Gas Exploration & Prod	3.85	0.04	1.89	0.90	1.10	0.55	15545	0.77	0.56	0.59		d	-7	-46.4	-42.1	
19e2	AUTH	AuthenTec Inc	NDS	NR	172	16877	Semiconductors			19.81	9.21	14.55	8.65	60794	14.35	12.28	13.63		2	3	0.0	0.0	
20e2	ABTL	Autobytel Inc	NDS	C	80	31165	Internet Software & Services	58.00	0.70	4.64	2.10	3.30	1.45	16163	2.20	1.65	1.67		19	Neg	-61.8	-25.9	
21e2	ADSK	Autodesk, Inc	NDS	B	1154	182841	Application Software	48.27	0.88	51.32	36.74	49.71	29.58	566783	41.54	37.70	41.16		27	52	-8.6	2.6	
22	ALV	Autoliv Inc	NY,Ph,Ch,P,B	B+	579	62523	Auto Parts & Equipment	61.00	13.25	65.09	51.32	62.63	44.00	119925	62.63	54.27	54.57	3.0	12	16	-4.7	8.5	1997
23e2	ADP	Automatic Data Proc	NY,Ph,Ch,P,B	A+	1528	395348	Data Process/Outsourced Svcs	69.93	3.50	51.50	43.89	45.23	37.74	472240	45.23	41.68	43.05	2.7	20	8	-10.5	0.8	1974
24e10	AN	AutoNation Inc	NY,Ch	B	625	155116	Automotive Retail	44.37	0.21	23.19	14.65	17.40	11.72	430331	17.40	15.37	15.79		12	-6	-27.7	-7.3	
25e7	AZO	AutoZone Inc	NY,Ch	B+	907	63127	Automotive Retail	120.37	6.56	140.29	103.40	130.78	103.07	143976	130.79	120.91	126.56		13	10	-1.6	11.8	
26	AUXL	Auxilium Pharmaceuticals	NDS	NR	293	49374	Pharmaceuticals	17.80	3.77	31.25	11.84	36.14	22.50	86626	32.75	29.06	31.84		d	46	105	88.0	
27	AWX	Avalon Holdings 'A'	AS	B–	23	879	Environ & Facilities Svcs	9.50	1.70	10.87	5.25	5.24	4.14	814	5.27	4.14	4.30		23	NM	-58.1	-4.1	
28e11	AVB	AvalonBay Communities	NY,Ph,Ch,P,B	A	797	89604	Residential REITs	134.60	16.75	149.94	88.94	107.37	78.16	163529	107.37	97.90	101.20	3.5	40	-1	-21.4	14.0	1994
29	AVNX	Avanex Corp	NDS	NR	148	91290	Communications Equipment	273.50	0.62	2.38	0.88	1.18	0.52	427025	1.18	0.83	1.18		d	NM	-22.9	-4.0	
30	AVNR	AVANIR Pharmaceuticals 'A'	Ph,Ch,P,NDS	C	52	6668	Pharmaceuticals	39.50	0.87	6.75	1.07	1.43	0.94	33789	1.35	1.11	1.20		d	-2	-62.7	-51.1	
31	AVAN	AVANT Immunotherapeutics(New)	NDS	NR	36	1254	Biotechnology					14.98	8.93	16336	14.96	10.76	14.01		d	1	0.0	0.0	
32	AVTR	Avatar Hldgs	NDS	B	204	7268	Homebuilding	87.14	11.25	86.52	37.51	56.36	33.03	26809	42.89	33.03	34.67		21	39	-58.6	-10.2	
33	AVR	Aventine Renewable Energy	NY	NR	180	36359	Oil & Gas Refining & Mktng	42.50	19.28	24.01	7.76	13.35	3.66	265943	6.90	4.01	5.62		d	4	-69.1	0.0	
34e12	AVY	Avery Dennison Corp	NY,Ph,Ch,P,B	A–	584	90343	Office Services & Supplies	78.50	7.56	71.35	49.69	53.74	44.06	174898	51.79	47.77	51.58	3.2	12	5	-17.9	1.7	1964
◆35e13	AVID	Avid Technology	NDS	C	383	45470	Computer Hardware	58.35	6.50	38.78	24.79	28.38	17.51	71854	23.28	20.60	21.46		d	Neg	-34.9	-28.6	
#36e3	CAR	Avis Budget Group	NY,Ch,P	B–	515	95883	Trucking	416.87	13.82	31.47	12.51	15.55	9.00	191422	15.55	12.00	13.92		d	Neg	-53.4	-59.6	
◆37e14	AVA	Avista Corp	NY,Ph,Ch,P,B	B	364	40596	Multi-Utilities	68.00	8.75	25.81	18.19	21.73	17.80	82186	21.48	20.00	21.23	3.1	23	1	-5.9	9.6	1899
#38e15	AVT	Avnet, Inc	NY,Ch,P	B–	945	145841	Technology Distributors	40.56	5.55	44.68	25.55	36.82	25.65	439332	29.70	26.00	29.52		9	NM	-29.9	13.6	
#39e15	AVCT	Avocent Corp	NDS	B–	477	43525	Communications Equipment	71.87	4.20	35.68	21.50	23.13	12.64	90411	20.80	18.17	19.73		22	26	-29.1	-11.2	
40e3	AVP	Avon Products	NY,Ph,Ch,P,B	A	1186	393064	Personal Products	46.65	2.32	42.51	31.95	41.94	34.00	615992	40.04	37.99	39.06	2.0	16	-6	4.5	1.6	1919
41e2	AVX	AVX Corp	NY,Ph,Ch,P,B	B–	282	50544	Elect Equip Manufacturers	50.00	4.75	18.40	13.00	14.00	11.74	38607	13.55	12.78	13.32	1.2	15	NM	-24.6	5.2	1995

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 2. [2]ASE,CBOE,P,Ph:Cycle 2. [3]ASE:Cycle 3. [4]P,Ph:Cycle 1. [5]ASE,CBOE,P:Cycle 1. [6]ASE,Ph:Cycle 1. [7]CBOE:Cycle 3. [8]ASE,CBOE,Ph:Cycle 1. [9]P:Cycle 1. [10]ASE,CBOE:Cycle 1. [11]P:Cycle 2. [12]Ph:Cycle 1. [13]ASE,CBOE:Cycle 3. [14]CBOE:Cycle 1. [15]ASE,CBOE,P:Cycle 2. [51]Incl 6M shrs subj to conv [52]Incl amts classified as current [53]Ea ADS rep 10 common shrs,NT$10 par [54]Oct'03 & prior pricing in $Cdn [55]Stk dstr of ANC Rental Corp.

Common and Convertible Pre

Splits Dividends

◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So For 2008	Total $ In Re
1		None Paid			Nil
2		None Paid			Nil
3◆	Q0.05	5-20-08	5-5	0.10	0.20
4	Q0.59	5-15-08	5-5	1.16	2.36
5	Q0.43	5-20-08	5-5	0.77	1.72
6	Q0.94	5-15-08	5-5	1.87	3.76
7		None Paid			Nil
8		None Paid			Nil
9	Q0.32½	6-10-08	5-22	0.65	1.30
10		None Paid			Nil
11	Q0.24	6-30-08	6-12	0.48	0.96
12◆		None Paid			Nil
13◆	0.06	9-13-07	8-10		0.06
14		None Paid			Nil
15		None Paid			Nil
16		None Paid			Nil
17		None Paid			Nil
18		None Paid			Nil
19		None Paid			Nil
20		None Paid			Nil
21◆	Q0.015	4-8-05	3-22		Nil
22	Q0.41	9-4-08	8-5	1.19	1.64
23	Q0.29	7-1-08	6-11	0.87	1.16
24	In[55]	6-30-00	7-3		Nil
25		None Paid			Nil
26		None Paid			Nil
27		None Paid			Nil
28	Q0.89¼	4-15-08	3-28	1.743	3.57
29		None Paid			Nil
30◆		None Paid			Nil
31		None Paid			Nil
32		None since reorg.			Nil
33		None Paid			Nil
34	Q0.41	6-18-08	6-2	0.82	1.64
35		None Paid			Nil
36◆		None Paid			0.44
37	Q0.16½	6-13-08	5-20	0.33	0.66
38		Div Omitted 1-24-02			Nil
39		None Paid			Nil
40◆	Q0.20	6-2-08	5-13	0.40	0.80
41	Q0.04	6-6-08	5-22	0.08	0.16

◆Stock Splits & Divs By Line Reference Index

HEARING EXHIBIT 00000040

Or Bid / Ask	% Annualized: %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
9.00 9.14	...	..	...	0.0	0.0	2008
61.80 61.90	...	27	4	5.5	23.6	...
68.00 68.63	0.3	55	1	39.2	70.5	2007
40.85 40.97	5.8	18	3	22.6	0.0	2007
29.95 29.69	5.8	NIL	2	4.9	0.0	2007
40.07 41.08	9.2	d	1	-10.7	7.6	2000
3.70 4.47	...	75	NM	-17.1	13.8	....
29.05 29.93	...	21	NM	0.8	2.5	....
27.14 27.39	4.7	16	3	-11.5	3.9	1984
26.87 42.65	...	28	1	-5.7	26.8	....
106.16 108.49	0.9	32	13	19.8	20.4	2003
96.41 101.91	...	15	NM	54.3	52.7	....
18.23 19.04	0.1	5	23	23.8	9.1	2003
9.35 10.66	...	29	...	18.6	-10.5	....
3.88 4.71	...	d	1	97.1	0.0	....
4.25 4.80	...	NM	5	50.5	69.8	....
0.39 0.75	...	d	...	-81.1	-31.7	....
0.56 0.59	...	d	-7	-46.4	-42.1	....
12.28 13.63	...	2	3	0.0	0.0	....
1.65 1.67	...	19	Neg	-61.8	-25.9	....
37.70 41.16	...	27	52	-8.6	2.6	....
54.27 54.57	3.0	12	16	-4.7	8.5	1997
41.68 43.05	2.7	20	8	-10.5	0.8	1974
15.37 15.79	...	12	-6	-27.7	-7.3	....
120.91 126.56	...	13	10	-1.6	11.8	....
29.06 31.84	...	d	46	105	88.0	....
4.14 4.30	...	23	NM	-58.1	-4.1	....
97.60 101.20	3.5	40	-1	-21.4	14.0	1994
0.83 1.18	...	d	NM	-22.9	4.0	....
1.20 1.20	...	d	-2	-62.7	-51.1	....
10.28 14.01	...	d	1	0.0	0.0	....
33.02 34.57	...	21	39	-58.6	-10.2	....
4.61 5.62	...	d	4	-69.1	0.0	....
47.71 51.58	3.2	12	5	-17.9	1.7	1964
20.60 21.46	...	d	Neg	-34.9	-28.8	....
12.84 13.92	...	d	Neg	-53.4	-59.6	....
20.00 21.23	3.1	23	1	-5.9	9.6	1899
26.89 29.52	...	9	NM	-28.9	13.6	....
16.62 19.73	...	22	26	-29.1	-11.2	....
37.08 39.06	2.0	18	-6	4.5	1.6	1919
12.78 13.32	1.2	15	NM	-24.6	5.2	1995

†=Cycle 1, ⁷CBOE:Cycle 3.
sl=subj to conv

0000041

Common and Convertible Preferred Stocks

◆Stock Splits & Divs.By.Line Reference Index: [3]3-for-2,'06 :3-for-2,'07. [152]2-for-1,'06 [135]5%,'04 :9%,'05 :3%,'06 :1.99%,'07 [31]2-for-1,'04. [36]1-for-4 REVERSE,'06 [36]1-for-10 REVERSE,'06 [492]2-for-1,'04.

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Sha.'(000)	Principal Business	Price Range 1998-99 High	Price Range 1998-99 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	May. Sales In '000s	May, 2008 Last Sale Or Bid High	May, 2008 Last Sale Or Bid Low	May, 2008 Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr. Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex.Yr. Since
1	EHA	Entergy Ark 6.70% 1st Mtge Bon	NY	A-	5	490		26.34	23.80	25.86	23.00	27.75	24.51	894	26.10	25.46	25.60	6.5	...	...	8.2	5.6	2002
2[c1]	ETR	Entergy Corp	NY,Ph,Ch,P,B	A-	1204	155546	Electric Utilities	94.03	7.75	125.00	89.60	127.48	99.45	316933	123.27	110.97	120.77	2.5	17	13	10.1	22.0	1998
3	ETR.PA	Entergy Corp 7.625% Equity Uts	NY,P	NR	78	9676		60.07	48.80	75.49	58.30	75.56	61.19	18061	73.00	68.20	70.76	5.4	..	...	...	...	2006
4	EHL	Entergy LA 7.60% 1st Mtge Bond	NY	A-	11			26.50	24.40	25.60	24.22	25.62	24.24	2356	25.35	25.05	25.07	7.6	..	...	6.8	3.9	2002
5	EMO	Entergy Miss 6% 1st Mtge Bonds	NY	...	6	2		27.90	21.45	25.25	22.10	25.45	23.01	1668	25.13	23.01	25.01	6.0	..	...	7.5	5.4	2003
6	EMO	Entergy Miss 7.25% 1st Mtge Bo	NY	A-	9	596		27.65	24.25	26.10	24.34	25.50	24.56	252	25.84	25.10	25.18a	7.2	..	...	5.8	5.9	2003
7	EST	Enterprise Acquisition	AS,P	NR	20	15611		....	....	9.15	8.98	9.32	9.00	21122	9.21	9.06	9.12	...	NM	...	0.0	0.0	2007
8[c2]	EPE	Enterprise GP Holdings L.P.	NY,Ph,P	NR	87	20085	Oil & Gas Storage & Transp	40.65	30.70	46.98	32.76	36.86	28.15	39734	32.74	29.58	31.84	5.9	29	4	-10.2	0.0	2005
9[c3]	EPD	Enterprise Products Partners	NY,Ph,Ch	B+	366	104299	Oil & Gas Storage & Transp	29.98	6.87	33.70	26.13	32.64	28.75	129533	32.84	30.26	30.27	6.7	24	20	4.0	12.3	1998
10	ENT	Enterra Energy Trust	NY,Ch,P,NDS,To	NR	30	1901	Oil & Gas Exploration & Prod	26.75	0.73	8.25	1.04	5.05	1.18	333437	5.05	2.28	4.22	17.1	d	Neg	-23.2	-34.7	2004
11	EDCI	Entertainment Distribution Co	NDS	B-	75	40149	Communications Equipment	53.75	0.53	2.70	0.57	0.74	0.39	22246	0.52	0.39	0.45	...	d	-26	-78.8	-47.3	....
12[c4]	EPR	Entertainment Properties Tr	NY,Ph,Ch,P	A	463	30544	Specialized REITs	63.65	10.00	68.93	40.26	58.11	42.47	5664	28.50	26.05	28.10	8.0	..	...	....	....	....
13	EPR.PE	Entertainment Prop Tr 9%'E'Cv	NY,P	NR	2	28		....	....	....	....	28.50	24.62	2299	1.26	1.05	1.05	...	d	4	-62.4	-25.8	....
14	ENTN	Entorian Technologies	NDS	NR	48	4178	Electronic Manufactur Svcs	15.61	2.39	5.49	1.75	2.02	0.77	81660	7.05	5.30	5.34	...	59	-37	-46.3	-11.1	....
15[c5]	EVC	Entravision Communic'A'	NY	NR	246	61872	Broadcasting & Cable TV	20.56	5.20	11.25	6.70	7.84	5.30										
16	EGI	Entree Gold	AS,Ph,To	NR	32	19962	Diversified Metals & Mining	2.65	0.79	3.65	1.30	2.79	1.32	7723	1.60	1.32	1.45	...	d	3	-31.9	0.0	....
17	ENMD	Entremed Inc	NDS	C	64	6235	Biotechnology	101.25	0.82	2.00	1.03	1.27	0.51	27663	0.90	0.65	0.71	...	d	37	-59.4	-36.1	....
18	ENTR	Entropic Communications	NDS	NR	52	11196	Semiconductors	....	....	8.46	6.00	7.67	3.72	17171	5.73	4.12	5.18	...	d	3	0.0	0.0	....
19	ENTU	Entrust Inc	NDS	C	88	30689	Systems Software	150.00	1.96	4.60	1.65	2.86	1.67	47088	2.86	2.27	2.80	...	d	30	-31.0	-12.5	....
20	EPG	Environmental Power[s6]	AS,P,NDS	NR	46	5635	Ind Power Prod & Energy Trad	35.87	0.21	9.34	3.92	6.25	3.65	17095	5.60	4.08	5.41	...	d	Neg	-27.8	-2.7	....
21	ETC	Environmental Tectonics	AS	C	18	2277	Aerospace & Defense	21.00	0.87	4.88	1.70	2.95	1.50	395	2.40	2.05	2.35	...	d	Neg	-28.6	-24.2	....
22[c6]	ENZ	Enzo Biochem	NY,Ch,P	C	236	18310	Life Sciences Tools & Svcs	114.35	0.40	18.98	9.70	13.27	7.00	37065	11.19	8.05	9.83	...	d	Neg	-39.7	-13.7	....
23[c4]	ENZN	Enzon Pharmaceuticals	NDS	B-	303	56382	Biotechnology	84.12	1.50	10.36	6.31	9.85	8.00	136519	9.85	8.60	8.80	...	7	...	3.9	12.4	....
24[c6]	EOG	EOG Resources	NY,Ph,Ch,P,B	B+	1195	235636	Oil & Gas Exploration & Prod	86.91	4.06	91.53	59.21	144.99	77.18	686306	144.99	122.72	128.63	0.4	18	19	66.2	36.7	1990
25	EONC	eOn Communications	NDS	NR	13		Communications Equipment	155.62	1.05	8.70	2.40	2.60	0.84	650	1.40	0.84	1.01	....	....	....	-79.0	-50.0	2008
26	EPCYY	EPCOS AG ADS[s6]	NY	NR	8	51	Elect Equip Manufacturers	177.87	5.60	23.09	15.51	17.40	12.20	....	19.44	15.28	18.91a	1.7	NA	...	-9.8	15.4	2007
27[c7]	EPIC	Epicor Software	NDS	B-	328	55094	Application Software	39.75	0.65	15.56	10.48	12.65	7.42	155312	8.85	7.52	8.58	...	17	16	-40.6	-11.4	....
28[c8]	EPIQ	EPIQ Systems	NDS	B	330	31144	Application Software	17.36	0.88	20.72	10.99	18.28	12.11	46009	18.49	15.00	16.49	...	57	-3	-6.5	14.9	....
29[c9]	EFX	Equifax Inc	NY,Ph,Ch,P,B	B+	694	105949	Diversif Comm & Prof Svcs	45.00	4.37	46.30	35.22	39.95	31.49	129742	39.95	37.00	38.16	0.4	15	12	-8.3	3.2	1914
30[c10]	EQIX	Equinix Inc	NDS	NR	623	47060	Internet Software & Services	528.00	2.00	121.13	71.95	102.74	57.26	131124	97.47	84.20	85.49	...	NM	NM	12.9	35.9	....
31[c11]	EQT	Equitable Resources	NY,Ph,Ch,P,B	B+	692	93186	Gas Utilities	44.48	3.88	58.75	39.28	76.14	47.16	297776	76.14	63.04	70.23	1.3	34	6	37.9	34.1	1950
32[c1]	ELS	Equity Lifestyle Properties	NY,Ph,Ch,P,B	B	336	22931	Residential REITs	56.01	13.75	59.57	43.65	53.74	39.70	39743	51.46	47.57	49.69	1.6	42	43	-8.2	10.8	1993
33[c1]	EQY	Equity One	NY,Ch	B	366	33961	Retail REITs	28.40	6.25	30.88	21.21	25.69	20.11	139048	25.26	22.88	23.21	5.2	27	-3	-16.8	8.4	1998
34[c6]	EQR	Equity Residential	NY,Ph,Ch,P,B	A-	876	261844	Residential REITs	61.50	12.43	56.48	33.79	44.89	31.07	384193	44.89	40.39	42.29	4.6	NM	21	-14.5	10.2	1993
35	EQR.PE	Equity Resd'E'Cv Pfd	NY,Ph	BBB	15	88		60.72	20.75	62.59	37.19	49.80	35.41	133	49.80	45.42	47.31a	3.7	..	...	....	....	1994
36	EQR.PH	Equity Resd'H'Cv Pfd	NY	NR	2	6.5		79.00	37.55	81.35	49.62	64.46	51.00	78	64.46	60.26	61.46a	2.8	..	...	....	....	1993
37[c3]	ERES	eResearchTechnology Inc	NDS	B-	277	47930	Life Sciences Tools & Svcs	29.80	0.40	12.34	6.12	16.70	8.94	182557	16.70	12.20	15.99	...	43	-6	30.1	8.9	....
38[c6]	ERIC	Ericsson(LM)Tel'B'ADS[s6]	NDS	NR	348	128512	Communications Equipment	263.12	1.57	43.41	22.23	28.00	17.04	925181	28.00	23.24	27.04	2.2	14	NM	-25.7	-2.6	2005
39	ERIE	Erie Indemnity 'A'	NDS	A	278	21228	Property/Casualty Insurance	58.25	16.00	62.29	50.52	56.15	46.29	9925	56.15	50.06	51.19	3.4	17	2	-4.8	2.4	1996
40[c12]	ESE	ESCO Technologies	NY,P	B-	294	26993	Industrial Machinery	58.42	1.31	52.41	29.63	52.11	32.65	61845	52.11	43.10	51.51	...	39	NM	1.2	6.9	....
41	ESMK	Esmark Inc	NDS	NR	139	36581	Steel	....	....	20.04	9.00	19.19	6.81	156453	19.19	14.80	18.90	...	Nil	1	0.0	0.0	....

S&P 500 ◆ MidCap 400 ◆ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 3. [2]CBOE:Cycle 2. [3]ASE,CBOE,P,Ph:Cycle 3. [4]ASE,CBOE,P:Cycle 2. [5]ASE,CBOE,P:Cycle 1. [6]ASE,CBOE,P,Ph:Cycle 1. [7]CBOE:Cycle 1. [8]CBOE,Ph:Cycle 1. [9]P:Cycle 1. [10]ASE,CBOE,Ph:Cycle 3. [11]ASE,P:Cycle 3. [12]Ph:Cycle 3. [51]Or earlier,re-spec cond [52]Re-spec cond [53]Incl 7.5M shrs subj to conv [54]6 mos Dec'07 [53]If com exceeds 150% of cv price for 20 trad'g days [56]Also trades ASE [57]Pfd in $M [58]Ea ADS rep 1 ord,no par [59]ADR equal 10 ord CFB'

Common and Convertible Prefer

Index	Splits/Dividends ◆ Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1	Q	0.419	7-1-08	6-26	1.256	1.675
2	Q	0.75	6-2-08	5-7	1.50	3.00
3	Q	0.953	5-19-08	4-29	0.953	3.813
4	Q	0.47½	7-1-08	6-26	1.42½	1.90
5	Q	0.37½	5-1-08	4-28	0.75	1.50
6	Q	0.453	6-2-08	5-28	0.906	1.812
7	None Paid				...	Nil
8	Q	0.425	5-8-08	4-28	0.835	1.70
9	Q	0.506	5-7-08	4-28	1.00¼	2.03
10	Div Omitted 9-17-07				...	Nil
11	None Paid				...	Nil
12	Q	0.84	4-15-08	3-27	1.60	3.36
13	Plan qtly div				...	Nil
14	None Paid				...	Nil
15	None Paid				...	Nil
16	None Paid				...	Nil
17	None Paid				...	Nil
18	None Paid				...	Nil
19	None Paid				...	Nil
20◆	None Paid				...	Nil
21	None Paid				...	Nil
22◆	5%Stk		11-15-04	10-21	...	Nil
23	None Paid				...	Nil
24◆	Q	0.12	7-31-08	7-15	0.33	0.48
25◆	None Paid				...	Nil
26	Q	0.437	2-22-08	2-11	0.437	0.437
27	None Paid				...	Nil
28◆	None Paid				...	Nil
29	Q	0.04	6-13-08	5-21	0.08	0.16
30	None Paid				...	Nil
31◆	Q	0.22	6-1-08	5-7	0.44	0.88
32	Q	0.20	7-11-08	6-25	0.55	0.80
33	Q	0.30	3-31-08	3-12	0.30	1.20
34	Q	0.483	7-11-08	6-12	1.44¾	1.93
35	Q	0.43¾	7-1-08	6-12	1.31¼	1.75
36	Q	0.43¾	6-30-08	6-12	0.87½	1.75
37◆	None Paid				...	Nil
38	2-for-1Stk		6-9-08	6-10	0.843	0.843
39	Q	0.44	7-18-08	7-1	1.32	1.76
40◆	None Paid				...	Nil
41	None Paid				...	Nil

◆Stock Splits & Divs By Line Reference Index [39]1-fo

HEARING EXHIBIT 00000042

e Or Bid Low	Last	%Div Yield	P-E Ratio	EPS $ Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs. Ea.Yr. Since
25.46	25.60	6.5	..	...	8.2	5.8	2002
10.97	120.77	2.5	17	13	10.1	22.0	1988
68.20	70.76	5.4	..	...	...	...	2006
25.05	25.07	7.6	..	...	6.8	3.9	2002
23.01	25.01	6.0	..	...	7.5	5.4	2003
25.10	25.18s	7.2	..	...	5.8	5.9	2003
9.06	9.12	...	NM	...	0.0	0.0	2007
29.56	31.84	5.3	29	4	-10.2	0.0	2005
30.26	30.27	6.7	24	20	4.0	12.3	1998
2.28	4.22	17.1	d	Neg	-23.2	-34.7	2004
0.39	0.45	...	d	-26	-76.8	-47.3	....
52.12	55.05	6.1	17	12	-1.1	14.2	1998
26.05	28.10	8.0	..	...			....
1.05	1.05	...	d	4	-62.4	-25.8	....
5.30	5.34	...	59	-37	-46.3	-11.1	....
1.32	1.45	...	d	3	-31.9	0.0	....
0.65	0.71	...	d	37	-58.4	-36.1	....
4.12	5.18	...	d	3	0.0	0.0	....
2.27	2.80	...	d	30	-31.0	-12.5	....
4.08	5.41	...	d	Neg	-27.8	2.7	....
2.05	2.35	...	d	Neg	-28.6	-24.2	....
8.05	9.83	...	d	Neg	-39.7	-13.7	....
8.60	8.80	...	7	...	3.9	12.4	....
122.72	128.63	0.4	18	19	66.2	36.7	1990
0.84	1.01	...	..	...	-79.0	-50.0	2006
15.28	18.91s	1.7	NA	...	-9.8	15.4	2007
7.52	8.58	...	17	16	-40.6	-11.4	....
15.00	16.49	...	57	-3	-6.5	14.9	....
32.60	38.16	0.4	15	12	-8.3	3.2	1914
87.20	95.49	...	NM	NM	12.9	35.9	....
62.04	70.23	1.3	34	6	37.9	34.1	1950
47.07	49.69	1.6	42	43	-8.2	10.8	1993
22.88	23.21	5.2	27	-3	-16.8	8.4	1998
40.39	42.29	4.6	NM	21	-14.5	10.2	1993
45.12	47.31s	3.7	..	...	...	...	1994
60.26	61.46s	2.8	..	...	...	...	1993
12.20	15.99	...	43	-6	80.1	8.9	....
26.24	27.04	2.2	14	NM	-25.7	-2.6	2005
50.08	51.19	3.4	17	2	-4.8	2.4	1996
45.10	51.51	...	39	NM	1.2	6.9	....
17.50	18.90	...	NIL	1	0.0	0.0	....

1. [6]ASE,CBOE,P,Phl:Cycle 1. [7]CBOE:Cycle 1.
[56]Dmos Dec'07

00000043

Common and Convertible Preferred Stocks

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MM-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MM-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Q0.419	7-1-08	6-26	1.256	1.675	1.67½	Co opt redm fr 4-1-2007 at $25[*51]										Dc				Matures 4-1-2032		
2	Q0.75	6-2-08	5-7	1.50	3.00	2.58	915	3946	3206	3-31-08	9927	191897	6.81	7.00	6.70	16	Dc	v5.60	E6.95†	6.13	3 Mo Mar	1.03	v1.56
3	Q0.953	5-19-08	4-29	0.953	3.813	3.81¼	Pur contract for Entergy Corp com 2-17-09[*53]										Dc						
4	Q0.47½	7-1-08	6-26	1.42½	1.90	1.90	Co opt redm fr 4-1-2007 at $25[*51]										Dc				Matures 4-1-2032		
5	Q0.37½	5-1-08	4-28	0.75	1.50	1.50	Co opt redm for 11-1-2007 at $25										Dc				Matures 11-12032		
6	Q0.453	6-2-08	5-28	0.906	1.812	1.812	Co opt redm fr 11-22-2007 at $25[*51]										Dc				Matures 12-1-2032		
7	None Paid				NIL		0.03	0.17	9.05	12-31-07		[53]31250					Dc	M4.86		0.05	No pro-forma EPS		
8	Q0.425	5-8-08	4-28	0.835	1.70	1.49	95.0	4015	4963	12-31-07	9861	p123192	1.24	1.88	0.75	7	Dc	v0.97	E1.09†	0.97			
9	Q0.508	5-7-08	4-28	1.00¾	2.03	1.91½	39.7	2375	NA	3-31-08	6772	435950	1.72	2.00	1.35	14	Dc	v0.96	E1.28†	1.28	3 Mo Mar	0.20	v0.52
10	Div Omitted 9-17-07			...	NIL	0.60	3.55	36.8	214	12-31-07	111	61436	...	...	...	...	Dc	vd2.38	....	d2.36			
11	None Paid			...	NIL	....	78.7	160	103	9-30-07	34.3	70158	0.10	0.10	0.10	1	Dc	vd0.22	....	d0.22			
12	Q0.84	4-15-08	3-27	1.60	3.36	2.96¾	Total Assets $2181M			3-31-08	1106	30626	2.94	2.94	2.94	1	Dc	v2.99	E3.15†	3.06	3 Mo Mar	v0.67	v0.76
13	Plan qtly div			...	NIL	....	Cv into 0.4512 com,$55.41				....	....	...	...	...	...	Dc				Conf mand cnv into com fr 4-20-2015[*55]		
14	None Paid			...	NIL	....	57.3	73.8	6.66	9-30-07	0.06	46915	d0.13	d0.13	d0.13	1	Dc	vd0.18	....	d0.18			
15	None Paid			...	NIL	....	86.9	190	NA	3-31-08	489	±95416	0.19	0.26	0.10	4	Dc	Pvd0.42	E0.09†	d0.48	3 Mo Mar	d0.03	vd0.08
16	None Paid			...	NIL	....	67.1	68.2	0.60	12-31-07	NIL	94048	...	...	...	...	Dc	vd0.13	....	d0.13			
17	None Paid			...	NIL	....	43.6	43.9	11.0	3-31-08	14.9	85774	d0.34	d0.34	d0.34	1	Dc	vd0.28	....	d0.29	3 Mo Mar	vd0.09	vd0.10
18	None Paid			...	NIL	....	35.1	89.2	23.9	3-31-08	....	66662	0.17	0.21	0.15	11	Dc	vd2.47	....	d2.32	3 Mo Mar	d0.21	vd0.06
19	None Paid			...	NIL	....	22.8	45.4	62.2	3-31-08	....	61165	0.09	0.10	0.09	7	Dc	Pvd0.10	....	d0.08	3 Mo Mar	d0.04	vd0.02
20◆	None Paid			...	NIL	....	26.0	91.3	23.9	12-31-07	60.5	10179	d0.59	d0.43	d0.71	3	Dc	vd1.66	....	d1.66			
21	None Paid			...	NIL	....	2.22	16.3	5.66	2-28-07	8.83	9028	...	...	...	...	Fb	....	....	d1.02			
22◆	5%Stk	11-15-04	10-21	...	NIL	....	98.5	119	10.5	1-31-08	....	36810	d0.27	d0.27	d0.27	1	Jl	vd0.38	....	d0.34	6 Mo Jan	vd0.18	vd0.14
23	None Paid			...	NIL	....	60.7	212	105	12-31-07	397	44044	d0.81	d0.72	d0.90	2	Dc	v1.29	Ef	1.29			
24◆	Q0.12	7-31-08	7-15	0.33	0.48	0.33	204	1690	1724	3-31-08	1185	[57]248084	8.21	10.07	6.49	27	Dc	v4.37	E7.08†	4.45	3 Mo Mar	v0.88	v0.96
25◆	None Paid			...	NIL	....	2.83	7.00	1.39	1-31-08	....	2733	...	...	...	...	Jl	vd0.50	....	d4.20	6 Mo Jan	d0.36	d0.70
26	0.437	2-22-08	2-11	0.437	0.437	0.262	353	1069	499	12-31-07	246	65317	1.52	1.52	1.52	1	Sp	....	....	NA	3 Mo Dec		v0.40
27	None Paid			...	NIL	....	104	240	170	3-31-08	382	57898	0.91	0.94	0.86	8	Dc	Pv0.71	....	0.51	3 Mo Mar	v0.08	vd0.12
28◆	None Paid			...	NIL	....	13.7	60.7	27.1	3-31-08	57.8	35350	0.61	0.63	0.61	3	Dc	Pv0.21	....	0.29	3 Mo Mar	v	v0.06
29	Q0.04	6-13-08	5-21	0.08	0.16	0.16	85.0	445	329	3-31-08	1363	129521	2.53	2.57	2.50	7	Dc	v2.02	E2.55†	1.98	3 Mo Mar	v0.54	v0.50
30	None Paid			...	NIL	....	298	374	244	3-31-08	999	36767	0.71	1.38	0.31	17	Dc	Pvd0.16	....	0.14	3 Mo Mar	d0.15	v0.15
31◆	Q0.22	6-1-08	5-7	0.44	0.88	0.88	89.8	665	553	3-31-08	1253	101252	2.01	2.26	1.68	10	Dc	v2.10	E2.07†	2.21	3 Mo Mar	v0.46	v0.57
32	Q0.20	7-11-08	6-25	0.55	0.80	0.52½	Total Assets $2046M			3-31-08	1659	24559	0.76	0.76	0.76	1	Dc	v1.33	E1.17†	1.15	3 Mo Mar	v0.68	v0.52
33	Q0.30	3-31-08	3-12	0.30	1.20	1.20	Total Assets $2115M			3-31-08	1147	74015	0.83	1.15	0.72	2	Dc	v0.95	E0.86†	0.96	3 Mo Mar	v0.27	v0.28
34	Q0.483	7-11-08	6-12	1.44¾	1.93	1.85	Total Assets $15690M			3-31-08	9396	270502	0.41	0.41	0.41	1	Dc	v3.44	E0.35†	3.48	3 Mo Mar	v0.38	v0.47
35	Q0.43¾	7-1-08	6-12	1.31¼	1.75	1.75	Cv into 1.1128 com,$23.47				....	....	...	...	...	...	Dc	....	....	....			
36	Q0.43¾	6-30-08	6-12	0.87½	1.75	2.18¾	Cv into 1.448 com				....	....	...	...	...	...	Dc	....	....	....			
37◆	None Paid			...	NIL	....	46.8	78.3	32.9	12-31-07	0.07	50623	0.49	0.50	0.48	3	Dc	v0.30	....	0.37	3 Mo Mar	v0.04	v0.11
38	2-for-1Stk	6-9-08	6-10	0.843	0.843	0.736	10435	27584	12699	3-31-08	3650	±15907301	1.74	1.93	1.50	11	Dc	v2.12	E1.95†	1.78	3 Mo Mar	0.61	v0.27
39	Q0.44	7-18-08	7-1	1.32	1.76	1.60	Total Assets $2875M			3-31-08	NIL	±51804	3.18	3.20	3.16	2	Dc	Pv3.43	....	3.06	3 Mo Mar	0.88	v0.51
40◆	None Paid			....	NIL	....	23.6	238	119	12-31-07	235	25823	1.81	1.88	1.75	8	Sp	v1.28	....	1.31	6 Mo Mar	v0.31	v0.34
41	None Paid			...	NIL	....	No pro-forma Fin'ls				....	39354	....	....	....	....	Dc	....	....	NIL			

◆Stock Splits & Divs By Line Reference Index [*51]1-for-7 REVERSE,'04 [*52]5%,'04 [*53]2-for-1,'05 [*51]1-for-5 REVERSE,'08 [*53]3-for-2,'07 [*51]2-for-1,'05 [*73]3-for-2,'04 [*52]2-for-1,'05

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	Price Range 1998-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	May. 2008 May. Sales In 100s	May. 2008 Last Sale Or Bid Last	% Annualized % Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
¶1[o1]	LLL	L-3 Communications Hldgs	NY,Ph,Ch,P,B	A–	1387	104876	Aerospace & Defense	88.50	12.78	115.29	79.28	115.33	97.21	125668	113.50	1.1	16	20	15.0	17.1	2004
✣2[o2]	LZB	La-Z Boy	NY,Ph,Ch,P,B	B+	311	50428	Home Furnishings	30.84	4.12	15.20	5.31	9.30	5.84	86581	6.89	2.5	16	Neg	-43.7	-19.3	1963
3	LB	LaBarge Inc	AS	B	74	5719	Electrical Component & Equip	22.00	0.37	15.10	9.70	15.00	10.16	4461	13.95	...	15	32	0.3	-2.8	....
¶4[o3]	LH	Laboratory Corp Amer Hldgs	NY,Ch,P	B+	1090	110916	Health Care Services	77.18	2.81	82.32	65.13	80.77	70.46	156861	77.85	...	15	14	-6.3	14.9	....
✣5[o4]	LAB	LaBranche & Co	NY	C	257	48280	Investment Bank & Brokerage	51.45	5.25	10.36	4.03	7.16	3.70	131806	7.16	6.15	6.70	...	d	-34	-18.6	6.2	....
✣6	LG	Laclede Group	NY,Ph,Ch,P,B	B+	346	10452	Gas Utilities	37.51	13.00	36.03	28.83	41.57	31.86	33287	41.57	3.8	11	14	34.3	15.1	1946
7	LTS	Ladenburg Thalmann Fins	AS	NR	99	10498	Investment Bank & Brokerage	6.25	0.05	3.75	1.18	2.45	1.80	39943	2.03	...	NM	NM	-18.7	-46.0	....
8	LDSH	Ladish Co	NDS	B–	290	16439	Aerospace & Defense	42.75	4.30	60.00	34.84	43.44	26.89	44765	33.46	...	NA	1	-25.7	-42.1	....
¶9[o5]	LRCX	Lam Research	NDS	B–	788	119028	Semiconductor Equipment	57.05	0.56	60.82	42.67	44.73	36.15	715672	43.70	...	12	NM	-23.6	11.0	....
¶10[o6]	LAMR	Lamar Advertising 'A'	NDS	B–	547	91063	Advertising	70.25	10.66	71.54	46.67	46.46	32.56	327745	42.64	...	97	NM	-36.6	2.4	....
11[o7]	LFL	Lan Airlines ADS[s1]	NY,Ph,Ch,P	NR	103	28483	Airlines	11.07	0.50	17.59	10.79	14.87	9.00	169462	13.63	3.5	NIL	1	-21.3	-25.1	1998
¶12	LANC	Lancaster Colony	NDS	B+	317	15613	Packaged Foods & Meats	47.38	3.18	45.96	35.89	41.62	31.52	50458	37.87	3.4	24	-14	-23.8	-5.3	1953
✣13[o8]	LNCE	Lance, Inc	NDS	B	281	24217	Packaged Foods & Meats	28.25	7.07	27.04	17.66	22.42	16.39	27635	21.44	3.1	36	-2	-9.9	8.2	1945
✣14[o9]	LFG	Landamerica Financial Grp	NY,Ch,P	B	390	16960	Property/Casualty Insurance	71.04	5.33	108.92	23.23	53.23	25.25	87835	32.55	4.0	d	Neg	-66.8	-17.2	1993
15	LDR	Landauer Inc	NY,Ch,P,B	B+	278	9334	Health Care Services	57.29	13.12	54.46	45.50	61.13	47.00	11795	61.13	3.3	27	5	24.8	10.9	1990
✣16[o10]	LNY	Landry's Restaurants	NY,Ch,B	B+	260	12898	Restaurants	36.30	4.65	32.30	19.54	21.89	14.18	25221	16.58	1.2	16	-35	-42.6	-17.7	2000
✣17	LSTR	Landstar System	NDS	B+	593	55340	Trucking	49.01	1.53	52.19	36.50	56.91	37.39	133897	56.91	0.3	25	20	14.0	17.9	2005
18	LCI	Lannett Co	AS	NR	38	1372	Pharmaceuticals	25.34	0.27	7.25	2.90	3.98	2.00	2893	3.98	...	d	Neg	-41.0	-6.3	....
19[o11]	EZCH	LanOptics Ltd	NDS	NR	30	1281	Semiconductors	43.75	1.00	24.89	11.20	18.79	9.65	25722	17.87	...	d	10	4.8	29.4	....
20[o12]	LVS	Las Vegas Sands	NY	NR	564	116139	Casinos & Gaming	97.25	29.08	148.78	71.24	105.38	63.57	702790	76.50	...	NM	-17	-9.7	23.1	....
21[o13]	LHO	LaSalle Hotel Properties	NY,Ph	B–	472	44687	Specialized REITs	46.32	6.89	49.75	31.04	34.45	26.05	83309	34.45	6.2	23	7	25.8	6.7	1998
22[o14]	LCRD	LaserCard Corp	NDS	B–	68	3763	Computer Storage/Peripherals	30.30	0.62	14.02	6.80	12.94	5.87	21293	8.84	...	d	Neg	-38.5	6.9	....
23[o5]	LSCC	Lattice Semiconductor	NDS	C	241	105690	Semiconductors	41.68	0.81	6.80	3.08	3.70	2.26	240375	3.70	3.23	3.56	...	d	-12	-31.9	-6.3	....
¶24[o15]	EL	Lauder (Estee) Co	NY,Ph,Ch,P,B	A–	575	105149	Personal Products	56.50	15.57	52.31	36.41	49.09	37.03	363895	49.09	44.00	47.60	1.2	20	11	1.7	7.8	1996
25	LB	Laurentian Bank, Canada	To,Mo	B+	25	125	Regional Banks	41.30	9.25	45.08	30.05	44.38	31.30	12401	43.60	39.96	42.51	3.1	12	9	27.6	20.7	1871
26	AID	Law Enforcement Assoc	AS,BB	NR	8	66	Aerospace & Defense	12.70	0.19	1.40	0.47	0.70	0.32	5348	0.50	0.32	0.37	...	d	-1	-31.5	-50.2	....
✣27	LAWS	Lawson Products	NDS	B	191	3179	Trading Cos & Distributors	54.24	12.50	47.00	29.61	36.00	23.21	2696	26.51	24.00	25.99	3.1	21	-11	-25.6	-13.5	1973
28[o16]	LWSN	Lawson Software	NDS	NR	391	135775	Application Software	18.30	3.00	11.39	6.60	10.29	6.94	226585	8.78	7.80	8.72	...	29	20	-5.0	13.9	....
29	LAYN	Layne Christensen Co	NDS	B	324	16247	Construction & Engineering	36.48	3.00	59.19	30.21	51.13	32.08	30883	51.13	42.19	51.13	...	23	79	23.5	43.4	....
30	LAZ	Lazard Ltd'A'	NY	NR	456	47185	Investment Bank & Brokerage	49.26	20.40	56.90	34.72	43.58	29.00	196557	41.51	33.68	38.09	1.0	21	4	-27.6	21.8	2005
31	LKI	Lazare Kaplan Intl	AS,P	B–	39	1960	Apparel, Access & Lux Goods	27.00	3.90	11.33	6.95	10.15	7.36	370	9.95	8.15	9.10	...	16	-41	5.8	1.7	....
✣32[o17]	LCAV	LCA-Vision	NDS	B–	317	21600	Health Care Facilities	56.66	1.24	50.69	15.31	20.26	7.89	144834	10.25	7.89	8.31	2.9	6	20	-80.7	-41.2	2004
33[o17]	LDK	LDK Solar ADS[s2]	NY,P	NR	105	12522	Semiconductors	....	....	76.75	22.27	51.60	19.64	1007568	47.81	30.93	46.05	...	NM	2	0.0	0.0	....
34	LDIS	Leadis Technology	NDS	NR	52	12214	Semiconductors	17.25	3.70	5.08	2.61	2.97	1.63	11143	1.83	1.63	1.67	...	d	5	-53.7	-36.9	....
35	LEAP	Leap Wireless Intl	NDS,BB	NR	370	75871	Wireless Telecom Svcs	61.90	19.00	99.04	29.67	61.67	34.20	223474	61.67	49.61	57.46	...	NM	5	-32.4	29.5	....
36	LF	LeapFrog Enterprises'A'	NY	NR	210	33684	Leisure Products	47.30	6.71	11.58	5.80	9.25	4.85	75711	9.25	7.77	8.26	...	d	Neg	-25.4	-9.8	....
¶37[o9]	LEA	Lear Corp	NY,Ph,Ch,B	C	573	86999	Auto Parts & Equipment	69.20	15.60	41.33	24.42	34.57	20.00	218702	32.22	24.85	25.75	...	8	-10	-28.2	-11.7	....
38	LTRE	Learning Tree Intl	NDS	B–	126	8291	Education Services	78.87	6.00	27.71	8.97	22.93	12.08	10546	18.26	15.70	17.70	...	16	-39	34.7	11.4	....
39	XPRT	LECG Corp	NDS	NR	220	25216	Diversif Comm & Prof Svcs	25.75	14.99	18.78	12.84	15.19	7.80	28594	11.01	9.32	10.10	...	NA	1	-31.5	-19.7	....
¶40[o18]	LEE	Lee Enterprises	NY,Ph,Ch,P,,B	B+	371	43481	Publishing	49.83	9.87	35.65	13.60	14.89	6.65	130466	8.10	6.65	6.80	11.2	5	-5	-70.6	-43.2	1960

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P:Cycle 1. [2]Ph:Cycle 2. [3]ASE,R:Cycle 2. [4]ASE,CBOE,Ph:Cycle 2. [5]ASE,CBOE,P,Ph:Cycle 3. [6]CBOE,Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE:Cycle 3. [9]P:Cycle 3. [10]CBOE:Cycle 1. [11]ASE,P,Ph:Cycle 1. [12]ASE,CBOE,Ph:Cycle 3. [13]P:Cycle 2. [14]ASE:Cycle 1. [15]ASE,CBOE,Ph:Cycle 1. [16]CBOE:Cycle 2. [17]ASE,CBOE:Cycle 3. [18]Ph:Cycle 1.
[s1]Ea ADS rep 1 com shr,no par [s2]Ea ADS rep 1 ord shr

Common and Convertible Prefe

Splits/Dividends: ◆

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1	Q0.30	6-16-08	5-14	0.60	1.20
2	Q0.04	6-10-08	5-23	0.08	0.16
3	None Paid			....	NIL
4	None Paid			....	NIL
5	Div Postponed 10-21-03			....	NIL
6	Q0.37½	7-1-08	6-9	1.12½	1.50
7	None Paid			....	NIL
8	0.01	7-31-03		....	NIL
9	None Paid			....	NIL
10	3.25	3-30-07	3-20	....	NIL
11◆	0.017	5-23-08	5-1	0.363	0.418
12	Q0.28	6-30-08	6-6	0.56	1.12
13	Q0.16	5-20-08	5-8	0.32	0.64
14	Q0.30	6-13-08	5-28	0.60	1.20
15	Q0.50	7-3-08	6-11	1.50	2.00
16	Q0.05	4-25-08	4-10	0.10	0.20
17◆	Q0.03¾	5-30-08	5-7	0.07½	0.15
18	None Paid			....	NIL
19	None Paid			....	NIL
20	None Paid			....	NIL
21	M0.17	7-15-08	6-26	1.19	2.04
22	None Paid			....	NIL
23	None Paid			....	NIL
24	A0.55	12-27-07	12-5	....	0.55
25	gQ0.32	6-1-08	6-27	g0.96	g1.28
26	0.01	1-31-03	1-10	....	0.01
27	Q0.20	7-15-08	6-27	0.60	0.80
28	None Paid			....	NIL
29	None Paid			....	NIL
30	Q0.10	5-30-08	5-12	0.20	0.40
31	None Paid			....	NIL
32◆	Q0.06	6-6-08	5-21	0.24	0.24
33	None Paid			....	NIL
34	None Paid			....	NIL
35	None Paid			....	NIL
36	None Paid			....	NIL
37	Div Suspended 3-29-06			....	NIL
38	None Paid			....	NIL
39	None Paid			....	NIL
40	Q0.19	7-1-08	5-29	0.57	0.76

◆Stock Splits & Divs By Line Reference Index [1]5-

HEARING EXHIBIT 00000044

Ie Or Bid Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
105.97	107.39	1.1	16	20	15.0	17.1	2004
5.84	6.35	2.5	16	Neg	-43.7	-19.3	1963
12.70	13.20	....	16	32	0.8	-2.6	....
72.91	73.79	....	15	14	-6.3	14.9	....
6.15	6.70	....	d	-34	-18.8	6.2	....
37.48	40.00	3.8	11	14	34.3	15.1	1946
1.82	1.96	....	NM	NM	-18.7	46.0	....
29.58	32.51	....	NA	1	-25.7	42.1	....
37.76	40.70	....	12	NM	-23.6	11.0	....
38.32	41.85	....	97	NM	-36.6	2.4	....
11.05	12.14	3.5	NIL	1	-21.3	25.1	1998
31.52	32.77	3.4	24	-14	-23.8	-5.3	1953
19.87	20.91	3.1	36	-2	-9.9	9.2	1945
27.21	29.78	4.0	d	Neg	-66.6	-17.2	1993
53.25	59.81	3.3	27	5	24.8	10.9	1990
14.74	16.41	1.2	16	-35	-42.6	-17.7	2000
50.99	55.72	0.3	25	20	14.0	17.9	2005
2.25	3.82	....	d	Neg	-41.0	-6.3	....
13.70	16.45	....	d	-10	-4.8	29.4	....
63.57	69.44	....	NM	-17	-9.7	23.1	....
30.82	32.82	6.2	23	7	-25.8	6.7	1998
5.87	7.32	....	d	Neg	-38.5	6.9	....
3.23	3.56	....	d	-12	-31.9	-6.3	....
44.00	47.60	1.2	20	11	1.7	7.8	1998
39.98	42.51	3.1	12	9	27.6	20.7	1871
.32	0.37	....	d	1	-31.8	-50.2	....
25.00	25.99	3.1	21	-11	-25.6	-13.5	1973
7.80	8.72	....	29	20	-5.0	13.5	....
49.19	51.13	....	23	79	23.5	43.4	....
33.68	38.09	1.0	21	4	-27.6	21.8	2005
8.15	9.10	....	18	-41	5.8	1.7	....
6.09	6.31	12.9	6	20	-80.7	-41.2	2004
30.93	46.05	....	NM	2	0.0	0.0	....
1.63	1.67	....	d	5	-53.7	-36.9	....
49.61	57.46	....	NM	5	-32.4	29.6	....
7.77	8.26	....	d	Neg	-25.4	-9.8	....
24.85	25.75	....	6	-10	-28.2	-11.7	....
16.70	17.70	....	16	-39	34.7	11.4	....
9.32	10.10	....	NA	1	-31.5	-19.7	....
6.65	6.80	11.2	5	-5	-70.6	-43.2	1960

3.[2]CBOE,Ph:Cycle 1. [7]CBOE,Ph:Cycle 3.
le [17]ASE,CBOE:Cycle 3. [18]Ph:Cycle 1.

C00000045

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Q0.30	6-16-08	5-14	0.60	1.20	1.00	536	4858	2679	3-28-08	4537	122600	6.67	6.82	6.15	13	Dc	v5.98	E6.65†	6.23	3 Mo Mar	1.29	v1.54
2	Q0.04	6-10-08	5-23	0.08	0.16	0.48	63.1	501	170	1-26-08	146	51417	d0.02	0.02	d0.07	5	Ap	v0.08	E0.40†	d0.03	9 Mo Jan	vd0.07	vd0.18
3		None Paid		....	NIL	....	0.27	119	77.6	3-30-08	0.49	15349	0.91	0.91	0.91	1	Je	v0.71	....	0.82	9 Mo Mar	0.53	0.64
4		None Paid		....	NIL	....	50.1	908	1037	3-31-08	1064	111300	4.83	4.92	4.75	17	Dc	v3.93	E4.60†	4.09	3 Mo Mar	0.98	v1.14
5	Div Postponed 10-21-03			....	NIL	....	Total Assets $5345.4M			3-31-08	209	61854	0.30	0.35	0.26	3	Dc	vd5.71	....	d6.27	3 Mo Mar	vd0.09	vd0.65
6	Q0.37½	7-1-08	6-9	1.12½	1.50	1.46	145	576	450	3-31-08	355	21823	2.43	2.43	2.43	1	Sp	v2.32	....	3.79	6 Mo Mar	v1.86	v3.34
7		None Paid		....	NIL	....	Total Assets $53M			6-30-07	....	160541	....	....	....	....	Dc	v0.01	....	0.01			
8	0.01	7-31-03		....	NIL	....	7.17	208	75.3	3-31-08	46.0	14544	2.24	2.33	2.15	7	Dc	v2.22	....	NA	3 Mo Mar	v0.40	v0.41
9		None Paid		....	NIL	....	842	1890	712	3-30-08	277	124768	3.43	3.75	3.30	19	Je	v4.85	E3.32†	4.18	9 Mo Mar	v3.57	v2.90
10	3.25	3-30-07	3-20	....	NIL	3.25	18.9	263	125	3-31-08	2781	±92365	0.37	0.55	0.22	15	Dc	v0.47	E0.43†	0.45	3 Mo Mar		vd0.02
11◆	0.017	5-23-08	5-1	0.363	0.418	0.65	388	995	875	9-30-07	1271	★338791	0.96	1.09	0.84	8	Dc	v....	....	NIL			
12	Q0.28	6-30-08	6-6	0.56	1.12	1.09	12.2	263	88.7	3-31-08	77.5	29115	1.82	1.85	1.80	2	Je	v1.45	....	1.38	9 Mo Mar	v1.42	v1.35
13	Q0.16	5-20-08	5-8	0.32	0.64	0.64	1.16	139	80.7	3-29-08	74.7	31368	0.72	0.82	0.63	7	Dc	v0.76	....	0.58	3 Mo Mar	0.20	v0.02
14	Q0.30	6-13-08	5-28	0.60	1.20	1.04	Total Assets $3748.7M			3-31-08	584	15478	d1.32	d1.00	d1.82	4	Dc	vd3.32	....	d5.17	3 Mo Mar	v0.26	vd1.60
15	Q0.50	7-3-08	6-11	1.50	2.00	1.90	27.0	58.4	29.3	3-31-08	....	9209	2.47	2.47	2.47	2	Sp	v2.10	....	2.19	6 Mo Mar	v1.18	v1.27
16	Q0.05	4-25-08	4-10	0.10	0.20	0.20	45.6	142	690	3-31-08	407	16145	1.24	1.40	1.02	4	Dc	v0.93	....	1.03	3 Mo Mar		v0.10
17◆	Q0.03¾	5-30-08	5-7	0.07½	0.15	0.13½	105	445	245	3-29-08	124	52738	2.18	2.25	2.10	14	Dc	v1.99	E2.25†	2.06	3 Mo Mar	v0.38	v0.45
18		None Paid		....	NIL	....	1.99	41.9	17.7	12-31-07	8.69	24271	d0.11	d0.11	d0.11	1	Je	vd0.29	....	d0.41	6 Mo Dec	0.09	d0.03
19		None Paid		....	NIL	....	16.3	23.3	4.00	3-31-07	3.40	11634	....	....	....	....	Dc	vd0.22	....	d0.22			
20		None Paid		....	NIL	....	857	1379	NA	3-31-08	7518	355275	0.70	1.24	0.41	16	Dc	v0.33	E0.33†	0.05	3 Mo Mar	0.25	vd0.03
21	M0.17	7-15-08	6-26	1.19	2.04	1.92	Total Assets $2111M			3-31-08	871	40113	0.82	0.89	0.75	2	Dc	v1.53	E1.40†	0.77	3 Mo Mar	0.39	vd0.37
22		None Paid		....	NIL	....	18.4	36.5	8.42	12-31-07	0.08	11977	d0.60	d0.54	d0.67	2	Mr	vd0.60	....	d0.60			
23		None Paid		....	NIL	....	87.7	194	75.5	3-29-08	....	115159	0.05	0.15	....	5	Dc	vd2.09	Ed0.03†	d2.08	3 Mo Mar	d0.04	vd0.03
24	A0.55	12-27-07	12-5	....	0.55	0.55	410	2812	1768	3-31-08	1086	±193859	2.36	2.39	2.34	16	Je	v2.16	E2.34†	2.25	9 Mo Mar	±1.71	±1.80
25	gQ0.32	8-1-08	6-27	g0.96	g1.28	g1.16	Total Deposits $13879M			1-31-08	150	23830	....	....	....	....	Oc	v3.48	....	3.60	6 Mo Apr	v1.49	v1.61
26	0.01	1-31-03	1-10	....	0.01	....	0.48	3.05	0.66	9-30-07	....	25382	....	....	....	....	Dc	vd0.04	....	d0.04			
27	Q0.20	7-15-08	6-27	0.60	0.80	0.80	2.55	169	67.1	3-31-08	....	8522	....	....	....	....	Dc	v1.25	....	1.22	3 Mo Mar	v0.54	v0.51
28		None Paid		....	NIL	....	338	607	393	2-29-08	244	173957	0.33	0.37	0.33	8	My	vd0.11	E0.30†	0.10	9 Mo Feb	vd0.16	v0.05
29		None Paid		....	NIL	....	73.0	305	177	1-31-08	46.8	19162	2.05	2.10	2.00	4	Ja	Pv2.20	....	2.20			
30	Q0.10	5-30-08	5-12	0.20	0.40	0.36	Total Assets $3940M			12-31-07	1765	51746	1.99	2.45	1.60	8	Dc	v2.79	E1.83†	2.47	3 Mo Mar	0.47	v0.15
31		None Paid		....	NIL	....	7.15	216	106	2-29-08	37.2	8253	....	....	....	....	My	vd0.96	....	0.50	9 Mo Feb	vd0.38	v0.48
32◆	Q0.06	6-6-08	5-21	0.24	0.24	0.72	47.2	61.8	46.0	3-31-08	2.01	18524	0.89	1.14	0.73	9	Dc	v1.64	....	1.47	3 Mo Mar	0.54	v0.37
33		None Paid		....	NIL	....	125	658	406	9-30-07	29.9	★106045	1.66	1.95	1.38	10	Dc	v0.27	....	0.27			
34		None Paid		....	NIL	....	54.8	69.4	10.5	3-31-08	NIL	29016	d0.92	d0.92	d0.92	1	Dc	vd1.06	Ed0.73†	d1.22	3 Mo Mar	vd0.19	vd0.35
35		None Paid		....	NIL	....	509	704	351	3-31-08	2030	68987	d0.70	0.43	d1.50	16	Dc	vd1.13	E0.02†	d1.04	No pro-forma EPS reported		
36		None Paid		....	NIL	....	104	317	114	12-31-07	NIL	±83519	d0.17	d0.05	d0.30	4	Dc	vd1.60	....	d1.55	3 Mo Mar	±d0.48	vd0.43
37	Div Suspended 3-29-06			....	NIL	....	701	4133	3921	3-29-08	2345	77305	3.79	4.30	3.04	11	Dc	v3.09	E3.97†	3.45	3 Mo Mar	0.84	v1.00
38		None Paid		....	NIL	....	40.9	122	73.1	12-28-07	....	16557	0.97	0.98	0.96	2	Sp	v1.03	....	1.14	6 Mo Mar	v0.33	v0.44
39		None Paid		....	NIL	....	14.6	170	81.6	3-31-08	NIL	25554	0.83	0.86	0.80	3	Dc	v0.45	....	NA	3 Mo Mar	v0.13	v0.16
40	Q0.19	7-1-08	5-29	0.57	0.76	0.72	2.48	142	300	3-30-08	1256	±44898	1.13	1.14	1.12	2	Sp	Pv1.77	....	1.32	6 Mo Mar	±0.84	±0.39

◆Stock Splits & Divs By Line Reference Index [11]5-for-1,'07 [17]2-for-1,'05 [32]3-for-2,'04

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr. Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	NEN	New England Rity Assoc L.P.[51]	AS,Ch,P	NR	3	6	Real Estate Mgmt & Develop	97.40	3.50	93.00	65.25	82.06	66.25	25	77.00	71.99	75.00s	3.7	25	−6	−9.0	−0.8	1988
2	GNB	New Generation Biofuels	AS,Ch,P,BB	NR	1		Oil & Gas Refining & Mktng	10.00	0.17	12.00	3.25	7.08	3.00	9549	6.80	5.74	6.10	...	d	...	−7.6	230	....
3	NGD	New Gold	AS,P,To	NR	33	16806	Diversified Metals & Mining	11.94	3.90	6.70	3.60	10.00	5.00	14767	10.00	8.90	8.55	...	d	−25	22.3	26.1	....
◆4	NJR	New Jersey Resources	NY,Ph,Ch,P,B	A	429	27201	Gas Utilities	35.44	5.69	37.63	30.33	34.35	29.22	53183	34.35	31.47	33.31	3.4	20	Neg	−6.6	6.7	1951
5	NWMO	New Motion	NDS	NR	26	2199	Advertising	....	....	....	....	10.25	3.26	15473	5.25	4.01	4.38	...	d	2	0.0	0.0	....
6[e1]	EDU	New Oriental Edu & Tech ADS[52]	NY,Ch,P	NR	263	20715	Education Services	37.96	20.60	92.15	32.80	86.49	45.31	140126	81.59	65.40	65.75	...	40	1	40.6	0.0	....
7[e2]	NWY	New York & Co	NY	NR	167	23716	Apparel Retail	24.41	9.41	16.20	5.69	8.38	3.65	148089	8.38	6.16	8.36	...	22	5	−31.0	−23.0	....
‡8[e3]	NYB	New York Community Bancop	NY,Ph,Ch,P	B+	663	186065	Thrifts & Mortgage Finance	35.57	1.11	19.87	15.80	20.84	14.44	839172	20.84	18.33	20.52	4.9	21	−16	23.8	9.7	1994
9[e3]	NYT	New York Times'A'	NY,Ph,Ch,P,B	B+	662	117285	Publishing	53.00	8.43	26.90	16.02	21.14	14.01	211368	20.27	17.02	17.42	5.3	20	−33	−26.4	−15.0	1958
10[e4]	NAL	NewAlliance Bancshares	NY	NR	391	77486	Thrifts & Mortgage Finance	16.96	12.92	17.09	11.23	14.00	9.50	174491	13.82	12.72	13.40	2.1	NM	−20	−15.6	0.9	2004
11[e7]	NCT	Newcastle Investment	NY	NR	241	29987	Mortgage REITs	33.89	12.25	33.49	12.15	13.70	7.50	80824	10.66	9.13	9.92	10.1	7	1	−61.6	−23.1	2003
‡12[e8]	NWL	Newell Rubbermaid	NY,Ph,Ch,P,B	B	998	246097	Housewares & Specialties	55.18	2.62	32.19	24.22	25.94	19.42	547221	21.53	19.42	20.08	4.2	11	NM	−34.7	−0.6	1948
‡13[e9]	NFX	Newfield Exploration	NY,Ch	B	702	128154	Oil & Gas Exploration & Prod	54.50	3.93	58.08	39.30	69.77	44.15	362302	69.77	57.76	63.24	...	17	16	33.8	19.6	....
◆14[e10]	NEU	NewMarket Corp	NY,Ph,Ch,P,B	† B	348	10584	Specialty Chemicals	165.00	2.70	60.36	36.81	93.57	42.79	66126	78.55	61.52	78.27	1.0	13	40	67.2	81.0	2006
‡15[e11]	NEM	Newmont Mining	NY,Ph,Ch,P,B	C	1121	358953	Gold	61.92	12.75	56.35	36.01	57.55	42.36	1305777	50.89	42.36	47.53	0.8	16	Neg	21.7	9.1	1934
16	NR	Newpark Resources	NY,Ch,P	C	295	85402	Oil & Gas Equipment & Svcs	25.50	0.71	8.41	4.93	7.77	3.76	147091	7.77	5.36	7.05	...	21	58	−10.9	4.7	....
◆17	NEWP	Newport Corp	NDS	B−	293	35120	Elect Equip Manufacturers	192.06	1.29	21.34	11.85	13.94	9.34	44017	13.51	12.01	13.38	...	12	NM	−10.3	−1.5	....
‡18[e1]	NWS.A	News Corp 'A'	NY,Ch	NR	1233	159257	Movies & Entertainment	26.59	6.31	25.40	19.00	20.55	17.19	1639771	19.44	17.87	17.95	0.7	15	28	−19.5	3.8	1995
19[e5]	NWS	News Corp'B'	NY,Ch,P	...	427	178234		33.50	1.34	25.78	19.68	21.19	17.54	528774	20.10	18.56	18.60	0.6	16	26	−22.0	3.8	1984
20	NEWS	NewStar Financial	NDS	NR	135	31943	Specialized Finance	19.50	17.54	20.65	7.75	9.58	4.50	33210	7.04	5.20	5.38	...	9	4	−62.7	0.0	....
21	NEWT	Newtek Business Services	Ch,P,NDS	NR	49	7280	Data Process/Outsourced Svcs	12.62	0.43	2.70	0.85	1.50	0.91	6611	1.19	0.95	1.12	...	d	Neg	−42.6	−24.7	....
22	NEXC	NexCen Brands	NDS	NR	177	36733	Apparel Retail	345.00	2.25	13.18	3.68	5.03	0.37	470423	3.44	0.37	0.68	...	d	NM	−94.6	−40.6	....
23	NXY	Nexen Inc	NY,Ph,Ch,P,To,B	B+	329	336756	Oil & Gas Exploration & Prod	31.82	0.71	34.79	25.17	41.66	25.11	512020	41.66	33.15	38.47	0.5	13	3	27.8	43.4	1975
24	NXY.PB	Nexen Inc 7.35% Subord Nts	NY	BB+	15	5047		27.25	23.65	26.06	22.93	25.29	22.95	1850	24.79	23.78	24.41	7.5	..	...	3.8	4.7	2004
25	NXST	Nexstar Broadcasting Grp'A'	NDS	NR	157	11567	Broadcasting & Cable TV	14.50	3.50	15.41	4.69	9.30	4.99	17961	6.50	5.14	5.75	...	d	1	−59.8	1.5	....
26	WAVE	NextWave Wireless	NDS	NR	114	28928	Communications Equipment	11.10	6.00	12.75	4.99	7.59	3.28	162308	7.59	5.30	5.37	...	d	2	−42.3	0.0	....
27[e9]	EGOV	NIC Inc	NDS	NR	185	29690	Internet Software & Services	78.00	1.00	8.90	4.96	8.93	5.83	55482	8.42	6.55	8.16	...	41	1	51.4	30.4	2008
28[e12]	NICE	NICE-Systems[53] ADR	NDS	NR	260	35224	Communications Equipment	50.00	3.32	40.95	29.04	35.87	24.90	57406	35.87	30.80	35.00	...	20	NM	−6.5	23.4	2006
29	NICK	Nicholas Financial	NDS	B+	25	2892	Consumer Finance	14.50	0.70	12.61	6.70	7.94	5.88	2222	7.54	6.29	6.97	...	7	19	−37.5	−15.9	....
‡30[e10]	GAS	NICOR Inc	NY,Ph,Ch,P	B	619	31213	Gas Utilities	49.92	10.00	53.66	37.80	42.70	32.35	144287	41.60	36.06	40.63	4.6	17	7	−10.2	5.6	1954
31	NJ	NIDEC Corp ADS[54]	NY,Ch	NR	59	8696	Elect Equip Manufacturers	23.40	4.23	19.76	11.56	19.59	14.54	16588	19.59	17.82	18.77	0.6	37	35	24.7	11.2	2002
32	NIHWK	NightHawk Radiology Hldgs	NDS	NR	254	28355	Health Care Services	28.00	15.60	27.73	16.75	21.00	7.03	116140	8.68	7.16	7.63	...	22	4	−58.3	0.0	....
33[e13]	NIHD	NII Holdings	NDS	NR	863	173976	Wireless Telecom Svcs	69.94	0.91	90.43	42.50	52.72	28.71	562487	51.00	43.73	50.20	...	22	27	−36.5	19.8	....
‡34[e6]	NKE	NIKE, Inc'B'[55]	NY,Ph,Ch,P,B	A+	1631	354902	Footwear	50.60	0.64	67.93	47.46	70.60	51.50	657045	68.88	64.08	68.37	1.3	19	20	24.4	20.1	1984
35	NINE	Ninetowns Internet Tech GpADS	NDS	NR	13	734	Application Software	14.22	4.21	7.20	2.64	3.30	2.05	10365	2.73	2.11	2.60	...	d	4	−37.3	−27.8	....
36	NTT	Nippon Tel & Tel ADS[56]	NY,Ph,Ch,P,B	NR	190	143220	Integrated Telecom Svcs	92.50	14.01	27.96	20.72	24.98	19.43	111320	24.44	20.68	24.26	1.6	36	...	6.8	7.1	1995
37	NIS	NIS Group Co[58] ADS	NY,Ch,P	NR	7	103	Consumer Finance	14.68	1.56	6.36	0.96	1.32	0.65	5971	1.30	0.80	0.97	5.9	d	5	−78.8	−41.3	2006
‡38[e3]	NI	NiSource Inc	NY,Ph,Ch,P,B	B	788	209397	Multi-Utilities	33.75	4.00	25.43	17.49	19.82	16.78	521225	18.50	17.55	18.09	5.1	13	7	−14.0	−5.0	1987
39	NSANY	Nissan Motor Co ADR[59]	NDS	NR	140	50709	Automobile Manufacturers	27.71	4.50	25.68	18.55	21.83	15.88	132793	18.92	16.91	17.75	3.7	8	...	−17.5	−1.4	2001
40	NL	NL Industries, Inc	NY,Ph,Ch,P,B	B−	137	5231	Commodity Chemicals	161.25	3.37	14.50	9.13	11.92	8.55	15696	11.50	10.39	11.50	4.3	d	Neg	11.9	−4.2	2005

S&P 500 ‡ MidCap 400 ◆ SmallCap 600 ▪ Options

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 1. [2]CBOE,Ph:Cycle 1. [3]CBOE,P:Cycle 1. [4]B [5]ASE,CBOE,P,Ph:Cycle 1. [6]ASE,CBOE,P:Cycle 2. [7]CBOE,Ph:Cycle 2. [8]CBOE,P:Cycle 3. [9]ASE:Cycle 3. [10]P:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 3. [12]CBOE:Cycle 1. [13]CBOE:Cycle 3. [51]Depositary receipt (rep 1/10 Cl'A'unit) [52]Ea ADS rep 4 common shrs [53]Incl curr amts [54]Or earlier upon tax law changes,re-spec cond [55]Ea ADR rep 1 ord shr NIS 1.00 [56]Ea ADS rep 0.25 com shr,Yen 50 par [57]Ltd vtg [58]Ea ADS rep .005 com, par y50,000 [59]Ea ADS rep 0.5 Ord Shr [60]Each ADR represents 2 Ord,par yen 50

Common and Convertible Pre

Splits/Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Total $ R
1	Q0.70		3-31-08	3-12	0.70	2.8
2		None Paid			....	NIL
3		None Paid			....	NIL
4◆	Q0.28		7-1-08	6-11	0.827	1.1
5		None Paid			....	NIL
6		None Paid			....	NIL
7		None Paid			....	NIL
8◆	Q0.25		5-16-08	5-5	0.50	1.0
9	Q0.23		6-11-08	5-29	0.46	0.9
10	Q0.07		5-16-08	5-2	0.13½	0.2
11	Q0.25		4-30-08	4-3	0.97	1.0
12	Q0.21		6-13-08	5-28	0.42	0.8
13◆		None Paid			....	N
14	Q0.20		7-1-08	6-11	0.60	0.8
15	Q0.10		6-27-08	6-4	0.20	0.4
16		None Paid			....	NIL
17		Div Omitted 9-10-01			....	NIL
18◆	S0.06		4-16-08	3-10	0.06	0.1
19◆	S0.06		4-16-08	3-10	0.06	0.1
20		None Paid			....	NIL
21		None Paid			....	NIL
22		None Paid			....	NIL
23◆	Q0.049		7-1-08	6-6	0.10	$0.2
24	Q0.459		5-1-08	4-11	0.919	1.8
25		None Paid			....	NIL
26		None Paid			....	NIL
27	0.25		2-26-08	2-13	0.25	0.2
28◆		None Paid			....	NIL
29◆		None Paid			....	NIL
30	Q0.46½		8-1-08	6-26	1.39½	1.8
31◆	0.073		6-17-08	3-26	0.073	0.1
32		None Paid			....	NIL
33◆		None Paid			....	NI
34◆	Q0.23		7-1-08	6-5	0.69	0.9
35		None Paid			....	NIL
36	0.219		7-3-08	3-26	0.219	0.4
37◆	0.014		12-21-06	9-27	....	0.1
38	Q0.23		8-20-08	7-29	0.69	0.9
39	0.389		6-30-08	3-26	0.389	0.7
40	Q0.12½		6-26-08	6-6	0.25	0.5

◆Stock Splits & Divs.By Line Reference Index [3]3-for-1,'04 2-for-1,'05 [34]2-for-1,'07 [37]2-for-1,'04

HEARING EXHIBIT 00000046

Or Bid Low	Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr % Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1.99	75.00e	3.7	25	−6	−9.0	−0.8	1988
5.74	6.10	...	d	...	−7.6	230	....
6.90	8.55	...	d	−25	22.3	26.1	....
1.47	33.31	3.4	20	Neg	−6.6	6.7	1951
4.01	4.38	...	d	2	0.0	0.0	....
5.40	65.75	...	40	1	40.6	0.0	....
6.16	8.36	...	22	5	−31.0	−23.0	....
8.33	20.52	4.9	21	−16	23.8	9.7	1994
7.02	17.42	5.3	20	−33	−26.4	−15.0	1958
2.72	13.40	2.1	NM	−20	−16.5	0.9	2004
9.13	9.92	10.1	7	1	−61.6	−23.1	2003
9.42	20.08	4.2	11	NM	−34.7	−0.6	1946
7.76	63.24	...	17	16	33.8	19.6	....
1.52	78.27	1.0	13	40	67.2	81.0	2006
2.36	47.53	0.8	18	Neg	21.7	9.1	1934
5.36	7.05	...	21	58	−10.9	4.7	....
2.01	13.38	...	12	NM	−10.3	−1.5	....
7.87	17.95	0.7	15	28	−19.5	3.8	1995
8.56	18.60	0.6	16	26	−22.0	3.8	1984
5.20	5.38	...	9	4	−62.7	0.0	....
0.95	1.12	...	d	Neg	−42.6	−24.7	....
0.37	0.66	...	d	NM	−94.6	−40.6	....
3.15	38.47	0.5	13	3	27.8	43.4	1975
3.78	24.41	7.5	..	...	3.8	4.7	2004
5.14	5.75	...	d	1	−59.8	1.5	....
5.81	5.37	...	d	2	−42.3	0.0	....
6.55	8.16	...	41	1	51.4	30.4	2008
10.50	35.00	...	20	NM	−8.5	23.4	2006
6.22	6.97	...	7	19	−37.5	−15.9	....
16.07	40.83	4.6	17	7	−10.2	5.8	1954
17.62	18.77	0.6	37	35	24.7	11.2	2002
7.16	7.63	...	22	4	−58.3	0.0	....
13.73	50.20	...	22	27	−38.5	19.8	....
14.92	68.37	1.3	19	20	24.4	20.1	1984
2.45	2.60	...	d	4	−37.3	−27.8	....
20.66	24.26	1.6	38	...	6.8	7.1	1995
0.86	0.97	5.9	d	5	−78.8	−41.3	2006
17.35	18.09	5.1	13	7	−14.0	−5.0	1987
16.91	17.75	3.7	8	...	−17.5	−1.4	2001
10.89	11.50	4.3	d	Neg	11.9	−4.2	2005

[7]CBOE,Ph:Cycle 2. [8]CBOE,P:Cycle 3.
[9]Unit-curr amts
[10]Ea ADS rep 0.5 Ord Shr

0047

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Q0.70	3-31-08	3-12	0.70	2.80	2.80	Total Assets $124M			12-31-07	117	166	...	...	...	...	Dc	v3.05	....	3.05			
2	None Paid			...	NIL	....	1.64	1.73	1.90	12-31-07	NIL	18286	...	...	...	...	Dc	vd0.28	....	d0.28			
3	None Paid			...	NIL	....	192	196	226	12-31-07	35.6	36950	...	...	...	...	Dc	vd0.02	....	d0.02			
4◆	Q0.28	7-1-08	6-11	0.827	1.12	1.013	9.29	967	882	3-31-08	356	41927	2.17	2.24	2.13	4	Sp	v1.55	....	1.68	6 Mo Mar	v0.89	v1.02
5	None Paid			...	NIL	....	10.4	21.1	7.06	12-31-07	0.02	22506	...	...	...	...	Dc	Pvd0.37	....	d0.37			
6	None Paid			...	NIL	....	260	281	73.6	2-29-08	12.8	37664	1.22	1.28	1.15	5	My	v0.83	....	1.56	9 Mo Feb	v3.99	v4.82
7	None Paid			...	NIL	....	73.7	232	148	2-02-08	19.5	59335	0.41	0.56	0.37	5	Ja	vd0.08	E0.50f	d0.08			
8◆	Q0.25	5-16-08	5-5	0.50	1.00	1.00	Total Deposits $13769M			3-31-08	[83]2840	p324062	1.02	1.12	0.94	16	Dc	v0.90	E0.99f	0.90	3 Mo Mar	0.22	v0.22
9	Q0.23	6-11-08	5-29	0.46	0.92	0.86½	47.0	612	943	3-30-08	679	±143777	0.96	1.03	0.85	5	Dc	v1.45	E0.87f	1.28	3 Mo Mar	±NIL	vNIL
10	Q0.07	5-16-08	5-2	0.13½	0.28	0.25½	Total Deposits $4406M			3-31-08	2424	108590	0.54	0.57	0.50	6	Dc	v0.05	....	0.09	3 Mo Mar	v0.09	v0.13
11	Q0.25	4-30-08	4-3	0.97	1.00	2.82	Total Assets $10024M			9-30-07	5417	52779	1.29	2.21	0.38	2	Dc	v1.34	....	1.34			
12	Q0.21	6-13-08	5-28	0.42	0.84	0.84	752	3103	2302	3-31-08	1948	276900	1.81	1.85	1.78	9	Dc	v1.68	E1.80f	1.71	3 Mo Mar	0.18	v0.21
13◆	None Paid			...	NIL	....	157	857	1216	3-31-08	1052	131749	3.66	4.80	2.78	26	Dc	v3.44	....	3.70	3 Mo Mar	vd0.76	vd0.50
14	Q0.20	7-1-08	6-11	0.60	0.80	0.50	48.0	511	183	3-31-08	162	15482	4.90	5.00	4.80	3	Dc	v5.62	....	5.96	3 Mo Mar	0.93	v1.27
15	Q0.10	6-27-08	6-4	0.20	0.40	0.40	1073	2546	1418	3-31-08	2886	±453526	2.46	3.23	1.83	17	Dc	vd4.17	E2.69f	d3.51	3 Mo Mar	0.15	v0.81
16	None Paid			...	NIL	....	8.20	442	121	3-31-08	178	89839	0.41	0.45	0.40	6	Dc	Pv0.30	....	0.34	3 Mo Mar	0.08	v0.13
17	Div Omitted 9-10-01			...	NIL	....	134	374	99.9	3-29-08	175	36539	0.62	0.69	0.55	5	Dc	Pv1.12	....	1.09	3 Mo Mar	0.13	v0.10
18◆	S0.06	4-16-08	3-10	0.06	0.12	0.12	3495	14328	9578	12-31-07	13213	p3127248	1.16	1.21	1.12	18	Je	v1.08	E1.19f	1.06	9 Mo Mar	v0.52	v0.50
19◆	S0.06	4-16-08	3-10	0.06	0.12	0.10	....	....	....	....	....	209924	1.13	1.28	1.04	8	Je	v0.95	E1.19f	1.63	9 Mo Mar	v0.70	v1.38
20	None Paid			...	NIL	....	Total Assets $2688M			3-31-08	2073	48518	0.71	0.80	0.63	6	Dc	vd0.23	E0.63f	d0.03	No pro-Forma EPS		
21	None Paid			...	NIL	....	Total Assets $227M			12-31-07	97.7	36949	...	...	...	...	Dc	Pvd0.31	....	d0.31			
22	None Paid			...	NIL	....	Total Assets $239M			9-30-07	87.1	54943	0.08	0.08	0.08	1	Dc	vd0.01	....	d0.01			
23◆	Q0.049	7-1-08	6-6	0.10	g0.20	0.134	582	5356	4962	3-31-08	4338	529439	4.83	5.39	4.39	4	Dc	v2.00	....	2.92	3 Mo Mar	0.21	v1.14
24	Q0.459	5-1-08	4-11	0.919	1.838	1.838	Co opt to redeem fr 11-4-2006 at $25[34]				....	....	....	....	....	...	Dc	....	....	....	Matures 11-1-2043		
25	None Paid			...	NIL	....	16.2	88.3	99.7	12-31-07	630	±28417	d0.19	d0.16	d0.23	2	Dc	vd0.70	....	d0.70			
26	None Paid			...	NIL	....	262	322	167	9-29-07	317	92867	d3.27	d3.27	d3.27	..	Dc	....	....	d2.22	No pro-forma EPS		
27	0.25	2-28-08	2-13	0.25	0.25	0.75	55.8	93.5	43.8	12-31-07	...	62247	0.19	0.20	0.18	3	Dc	v0.19	....	0.20	3 Mo Mar	v0.04	v0.05
28◆	None Paid			...	NIL	....	239	382	229	12-31-07	NIL	59957	1.70	1.85	1.67	19	Dc	v0.67	E1.75f	0.67	..	..	..
29◆	None Paid			...	NIL	....	Total Assets $182M			12-31-07	99.9	10052	0.96	0.97	0.96	2	Mr	....	....	1.04	9 Mo Dec	v0.83	v0.74
30	Q0.46½	8-1-08	6-26	1.39½	1.86	1.86	72.9	1247	1555	3-31-08	372	45139	2.34	2.40	2.30	6	Dc	v2.99	E2.40f	2.86	3 Mo Mar	1.04	v0.91
31◆	0.073	6-17-08	3-26	0.073	0.129	0.107	796	3289	2370	12-31-07	34.6	144940	0.75	0.76	0.74	2	Mr	v0.51	....	0.51	..	..	..
32	None Paid			...	NIL	....	62.5	91.7	24.5	12-31-07	98.5	30188	0.74	0.84	0.70	4	Dc	v0.47	E0.35f	0.47	..	..	..
33◆	None Paid			...	NIL	....	1621	2089	687	3-31-08	2426	169000	2.70	3.11	2.27	12	Dc	Pv2.11	....	2.24	3 Mo Mar	0.47	v0.60
34◆	Q0.23	7-1-08	6-5	0.69	0.92	0.74	2926	6904	2943	2-29-08	446	±492710	3.62	3.75	3.48	8	My	v2.93	E3.65f	3.62	9 Mo Feb	±2.07	±2.76
35	None Paid			...	NIL	....	104	115	11.4	6-30-07	NIL	34962	d0.01	d0.01	d0.01	1	Dc	....	E0.18f	0.16	..	..	..
36	0.219	7-3-08	3-26	0.219	0.421	0.364	6786	33607	30433	12-31-07	29536	13688	1.96	1.96	1.96	1	Mr	....	....	0.64	9 Mo Dec	2.88	2.06
37◆	0.014	12-21-06	9-27	...	0.109	....	Total Assets $3848M			12-31-07	864	139614	d0.61	d0.61	d0.61	1	Mr	....	....	d0.76	9 Mo Dec	0.03	d0.68
38	Q0.23	8-20-08	7-29	0.69	0.92	0.92	81.2	2521	3753	3-31-08	5383	274207	1.30	1.36	1.25	9	Dc	v1.17	E1.35f	0.74	3 Mo Mar	v0.79	v0.36
39	0.389	6-30-08	3-26	0.389	0.757	0.642	4095	59089	48482	12-31-07	17389	4090842	2.33	2.33	2.33	1	Mr	....	E1.68f	3.22	9 Mo Dec	0.16	v1.49
40	Q0.12½	6-26-08	6-6	0.25	0.50	0.50	47.4	101	45.9	3-31-08	49.4	48593	....	....	....	....	Dc	Pvd0.04	....	d0.17	3 Mo Mar	v0.12	vd0.01

◆Stock Splits & Divs By Line Reference Index [3]3-for-2,'08 [6]1.33-for-1,'04 [13]2-for-1,'05 [18]2-for-1,'04 [19]2-for-1,'04 [23]2-for-1,'05 2-for-1,'07 [29]2-for-1,'06 [29]3-for-2,'05 [31]4-for-1,'04 2-for-1,'05 [33]3-for-1,'04 2-for-1,'05 [34]2-for-1,'07 [37]2-for-1,'04 2-for-1,'04 6-for-5,'05 2-for-5 REVERSE,'05 2-for-1,'06

S&P 500] MidCap 400 ◊ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business
1	NMSS	NMS Communications	NDS	C	74	20235	Communications Equipment
2	NMTI	NMT Medical	NDS	C	79	8745	Health Care Equipment
3	NNBR	NN Inc	NDS	B	123	13922	Industrial Machinery
4o1	NED	Nosh Education Hldgs ADS[51]	NY,Ch,P	NR	33	5158	Education Services
5o2	NE	Noble Corp[52]	NY,Ph,Ch,B	B	1243	214828	Oil & Gas Drilling
6o3	NBL	Noble Energy	NY,Ph,Ch,P,B	† B+	1076	164327	Oil & Gas Exploration & Prod
7	NOBL	Noble International	NDS	‡ B–	149	11292	Auto Parts & Equipment
8o4	NOK	Nokia Corp [53]ADS	NY,Ph,Ch,P,B	NR	1436	841255	Communications Equipment
9	NMR	Nomura Holdings ADS[54]	NY,Ph	NR	153	51677	Investment Bank & Brokerage
10	NBD	Norbord Inc[55]	To	‡ B–	19	12	Forest Products
11o5	NAT	Nordic Amer Tanker Shipping	NY,Ph,Ch,P	NR	164	5357	Oil & Gas Storage & Transp
#12	NDSN	Nordson Corp	NDS	B+	418	23992	Industrial Machinery
¶13o6	JWN	Nordstrom, Inc	NY,Ph,Ch,P,B	A–	1043	157325	Department Stores
¶14o1	NSC	Norfolk Southern	NY,Ph,Ch,P,B	B+	1373	255138	Railroads
15o7	NT	Nortel Networks	NY,Ch,P,To	C	324	290867	Communications Equipment
16o1	NOA	North Amer Energy Ptnrs	NY,Ch,To	NR	90	24380	Oil & Gas Equipment & Svcs
17	NGA	North Amer Galvanizing & Coati	AS,NDS	B	60	4133	Diversif Comm & Prof Svcs
18	NAO	North Amer Insur Leaders	AS	NR	25	10437	
19	NAO.U	North Amer Insur Leaders Ut[56]	AS	NR	5	232	
20o8	PAL	North Amer Palladium	AS,Ch,To	C	61	9234	Precious Metals & Minerals
21	FFFD	North Central Bancshares	NDS	A	28	520	Thrifts & Mortgage Finance
22	NRT	North Europn Oil Rty Tr	NY,Ch,B	NR	47	1153	Oil & Gas Exploration & Prod
23	NBN	Northeast Bancorp[57]	AS,Ph,Ch,P,NDS	A–	22	532	Thrifts & Mortgage Finance
#24o9	NU	Northeast Utilities	NY,Ph,Ch,P,B	B	606	310264	Electric Utilities
25o10	NAK	Northern Dynasty Minerals	AS,To	NR	54	12386	Diversified Metals & Mining
26	NOG	Northern Oil & Gas	AS,Ch,P	NR	4	1579	Oil & Gas Exploration & Prod
27	NTI	Northern Technol Intl	AS,P	B	17	157	Metal & Glass Containers
¶28o11	NTRS	Northern Trust	NDS	A–	1277	166777	Asset Mgmt & Custody Banks
29	NFBK	Northfield Bancorp	NDS	NR	65	1978	Regional Banks
30	NFLD	Northfield Laboratories	NDS	NR	53	2913	Biotechnology
31	NXG	Northgate Minerals	AS,Ph,Ch,P,To,B	NR	124	83862	Gold
32	NRIM	Northrim Bancorp	NDS	A	94	3220	Regional Banks
¶33o12	NOC	Northrop Grumman	NY,Ph,Ch,P,B	A–	1387	303168	Aerospace & Defense
34o8	NSTR	Northstar Neuroscience	NDS	NR	142	19538	Health Care Equipment
35o1	NRF	NorthStar Realty Finance	NY	NR	245	46647	Mortgage REITs
36o13	NWA	Northwest Airlines	NY,Ph,P	NR	454	215711	Airlines
37	NWSB	Northwest Bancorp	NDS	A	163	9899	Thrifts & Mortgage Finance
◊38o9	NWN	Northwest Natural Gas	NY,Ph,Ch,P,B	A–	458	16790	Gas Utilities
39	NWPX	Northwest Pipe	NDS	B	232	9532	Construction & Engineering
40	NWE	NorthWestern Corp	NY,Ph,Ch,P,NDS	NR	305	38622	Multi-Utilities

Index	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May Sales In 100s	May, 2008 Last Sale Or Bid High	Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	78.62	0.70	2.25	1.20	1.69	1.16	10339	1.47	1.16	1.16	...	d	70	-33.3	-29.6	....
2	25.98	0.75	18.06	4.83	7.23	3.65	5584	5.20	4.15	4.79	...	d	Neg	-64.2	-15.1	....
3	26.75	4.75	13.50	7.86	13.50	7.45	35107	13.50	10.05	13.01	2.5	NM	Neg	9.5	3.9	1994
4	....	....	23.70	6.44	8.49	4.76	44933	8.49	6.12	7.18	...	d	....	0.0	0.0	....
5	43.06	0.75	57.64	33.80	67.03	40.40	1053253	67.03	53.60	63.14	0.3	10	65	37.4	31.8	2005
6	98.00	0.75	101.00	42.00	105.11	64.96	440333	105.11	81.27	97.45	0.7	10	41	53.0	39.4	1975
7	21.86	2.66	22.74	14.53	16.36	5.58	20674	7.18	5.58	5.69	5.6	d	16	-69.6	-24.3	2000
8	62.50	1.94	42.22	18.57	38.64	27.72	3560973	30.48	27.72	28.40	2.1	10	...	7.6	21.1	2007
9	24.30	8.91	23.61	15.22	17.89	13.08	55169	17.89	14.29	16.93	2.2	41	-29	-16.9	11.4	2002
10	19.00	5.70	9.94	6.97	8.08	4.50	102356	6.87	5.53	6.00	6.7	d	Neg	-28.9	-12.2	1987
11	56.68	9.62	44.16	29.60	42.00	25.51	182546	42.00	33.70	39.26	8.5	12	...	8.1	11.3	1997
#12	57.81	3.00	61.58	44.33	72.51	42.30	81317	72.51	58.35	71.85	1.0	26	20	38.5	33.8	1989
¶13	51.40	2.98	59.70	30.46	40.59	28.00	1204856	38.65	32.91	34.98	1.8	12	48	-30.7	6.4	1971
¶14	57.71	7.00	59.77	45.36	67.74	41.36	765922	67.74	59.08	67.38	1.7	17	31	19.7	30.4	1901
15	660.00	4.30	31.79	15.05	15.28	5.73	1214926	9.36	7.82	8.24	...	21	Neg	-68.3	-32.3	....
16	18.15	15.40	23.72	12.30	19.07	9.68	22411	19.07	15.71	17.90	...	62	2	-15.2	0.0	....
17	7.25	0.41	11.97	2.96	7.74	4.26	25121	7.74	5.31	7.70	...	10	NM	-21.9	76.7	....
18	7.55	7.10	7.96	7.33	8.02	6.90	1331	8.09	7.85	7.91e	...	72	2	3.0	0.0	....
19	8.38	7.55	8.45	7.15	8.30	6.90	10	8.30	7.31	7.86e	....	....	....	....	....	....
20	14.52	1.00	12.36	3.40	9.43	3.28	292091	7.18	4.77	5.58	...	d	Neg	-47.8	6.1	....
21	45.99	8.25	41.24	30.18	33.93	26.69	204	30.35	26.69	26.69	5.2	12	-6	-31.5	-8.8	1994
22	43.75	11.37	41.00	29.42	40.39	29.71	2832	40.39	35.16	37.00	10.6	13	....	....	....	1976
23	46.66	3.08	20.59	14.00	15.75	13.00	60	14.60	13.00	13.52	2.7	16	-12	-20.7	-13.3	1988
#24	28.90	7.62	33.62	26.21	31.61	23.96	210863	26.33	25.57	26.11	3.3	14	53	-12.4	13.5	1999
25	9.24	2.90	15.60	6.70	13.57	8.84	24709	10.25	9.20	9.79	...	d	-30	-19.3	35.9	....
26	....	....	8.45	1.10	11.84	5.65	80565	11.84	8.88	11.60	...	d	2	180	0.0	....
27	12.75	1.87	12.25	6.71	15.25	6.40	5904	15.25	7.50	14.96	...	18	43	66.2	45.6	....
¶28	92.12	2.35	83.17	56.52	78.00	62.54	329687	78.00	72.55	76.00	1.5	18	16	18.7	19.8	1996
29	....	....	12.00	9.45	11.75	9.78	12570	11.75	10.30	11.22	...	20	3	0.0	0.0	....
30	41.50	3.00	5.83	0.75	1.21	0.76	11884	1.20	0.78	0.90	...	d	-1	-40.4	-58.9	....
31	9.87	0.31	4.00	2.40	3.45	2.47	813339	3.29	2.74	3.03	...	20	NM	-2.3	41.0	....
32	26.53	2.83	28.96	18.21	23.50	17.44	1695	20.30	18.26	18.75	3.6	11	4	-23.6	-0.5	1995
¶33	71.37	6.87	85.21	66.23	83.40	68.44	370196	77.45	72.81	75.46	2.1	15	17	1.6	12.9	1951
34	17.75	8.36	14.81	8.46	9.44	1.09	49712	1.86	1.67	1.69	...	d	4	-87.3	0.0	....
35	16.71	8.50	18.15	7.61	10.74	7.00	158101	10.58	9.31	10.00	14.4	12	5	-18.4	10.7	2005
36	....	....	26.50	13.91	20.12	5.94	1136989	10.50	5.94	7.06	...	d	2	-71.2	0.0	....
37	29.73	3.62	30.03	25.25	30.16	23.50	22359	26.46	24.19	24.53	3.6	26	...	-10.7	9.5	1995
◊38	43.69	11.16	52.85	39.79	50.74	41.07	39474	46.50	43.46	45.59	3.3	17	10	-5.8	11.9	1952
39	34.59	6.53	40.11	29.54	50.75	35.10	15326	50.75	42.20	46.99	...	20	24	35.1	28.6	....
40	35.85	24.80	36.66	24.45	29.70	23.71	81315	26.67	23.71	25.51	5.0	17	5	-15.7	1.5	2005

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 3. [2]CBOE,P,Ph:Cycle 3. [3]ASE,CBOE:Cycle 2. [4]ASE,CBOE,P,Ph:Cycle 1. [5]ASE,Ph:Cycle 1. [6]ASE,P:Cycle 1. [7]ASE,CBOE,P:Cycle 3,To:Cycle 1. [8]ASE:Cycle 3. [9]Ph:Cycle 3. [10]CBOE,P,Ph:Cycle 2. [11]CBOE,Ph:Cycle 1. [12]ASE,CBOE,P:Cycle 2. [13]ASE,CBOE:Cycle 3. [51]Ea ADS rep 1 Ord Shr [52]Ordinary Shares [53]Redesignated as Com from Pfd Apr'95 [54]Ea ADS rep 1 com shr,Y50 [55]Formerly Nexfor Inc [56]Excl subsid shs [57]Ea Unit rep 1 common & 1 wrt [58]Also trades ASE [59]Incl current amts [60]Pfd in $M [61]7 mos Dec 31 [62]To be deermined

Common and Convertible Pre

Splits/Dividends

◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	R
1		None Paid			....	NIL
2		None Paid			....	NIL
3	Q0.08		6-23-08	6-11	0.16	0.3
4		None Paid			....	NIL
5◆	Q0.04		5-30-08	5-12	10.63	0.1
6◆	Q0.18		5-19-08	5-1	0.30	0.7
7◆	Q0.08		3-31-08	3-11	0.08	0.3
8	0.834		5-30-08	5-9	0.834	0.8
9	0.082		3-13-08		0.082	0.5
10	gQ0.10		6-21-06	5-28	g0.20	g0.4
11	Q1.16		6-9-08	5-21	1.66	4.7
12	Q0.18¾		6-17-08	5-30	0.54¾	0.7
13◆	Q0.16		6-16-08	5-28	0.32	0.6
14	Q0.29		6-10-08	4-30	0.58	1.1
15◆	Div Omitted 8-23-01				....	N
16		None Paid			....	NIL
17◆		None Paid			....	NIL
18		None Paid			....	NIL
19		None Paid			....	NIL
20		None Paid			....	NIL
21	Q0.35		7-3-08	6-11	1.05	1.4
22	Q0.98		5-28-08	5-14	1.74	3.9
23	Q0.09		5-23-08	4-30	0.18	0.3
24	Q0.213		9-30-08	6-27	0.613	0.8
25		None Paid			....	NIL
26		None Paid			....	NIL
27		Div Omitted 11-18-05			....	NIL
28	Q0.28		7-1-08	6-6	0.84	1.1
29		None Paid			....	NIL
30		None Paid			....	NIL
31		None Paid			....	NIL
32◆	Q0.17		4-25-08	4-9	0.32	0.6
33◆	Q0.40		6-14-08	5-29	0.77	1.6
34		None Paid			....	NIL
35	Q0.36		5-15-08	5-1	0.72	1.44
36		None Paid			....	NIL
37	Q0.22		5-15-08	4-29	0.44	0.88
38	Q0.37½		5-15-08	4-28	0.75	1.50
39		None Paid			....	NIL
40	Q0.33		6-30-08	6-11	0.66	1.32

◆Stock Splits & Divs By Line Reference Index

HEARING EXHIBIT 00000048

08			% Annualized				
le Or Bid		%Div	P-E	EPS $ Yr	Total Return 12	Total Return 36	Cash Divs. Ex. Yr.
Low	Last	Yield	Ratio	Growth	Mo	Mo	Since
1.16	1.16	...	d	70	-33.3	-29.6	....
4.15	4.79	...	d	Neg	-64.2	-15.1	....
10.05	13.01	2.5	NM	Neg	9.5	3.9	1994
6.12	7.18	...	d	...	0.0	0.0	....
53.60	63.14	0.3	10	65	37.4	31.8	2005
81.27	97.45	0.7	10	41	53.0	39.4	1975
5.58	5.69	5.6	d	16	-69.8	-24.3	2000
27.72	28.40	2.1	10	...	7.6	21.1	2007
14.29	16.93	2.2	41	-29	-16.9	11.4	2002
5.53	6.00	6.7	d	Neg	-28.9	-12.2	1987
33.70	38.26	6.5	12	...	8.1	11.3	1997
58.35	71.85	1.0	26	20	38.5	33.8	1969
32.91	34.98	1.8	12	48	-30.7	6.4	1971
59.06	67.38	1.7	17	31	19.7	30.4	1901
7.82	8.24	...	21	Neg	-68.3	-32.3	....
15.71	17.90	...	62	2	-15.2	0.0	....
5.31	7.70	...	10	NM	-21.9	76.7	....
7.85	7.91e	...	72	2	3.0	0.0	....
7.31	7.86e	...	...	...	...	...	...
4.77	5.68	...	d	Neg	-47.8	6.1	....
28.69	28.69	5.2	12	-6	-31.5	-8.8	1994
35.16	37.00	10.6	13	...	...	...	1976
13.00	13.52	2.7	16	-12	-20.7	-13.3	1988
25.57	26.11	3.3	14	53	-12.4	13.5	1999
9.20	9.78	...	d	-30	-19.3	35.9	....
8.88	11.60	...	d	2	180	0.0	....
7.50	14.96	...	18	43	66.2	45.6	....
7.65	76.00	1.5	18	16	18.7	19.8	1996
10.30	11.22	...	20	3	0.0	0.0	....
0.28	0.90	...	d	-1	-40.4	-58.9	....
2.24	3.03	...	20	NM	-2.3	41.0	....
18.26	18.75	3.6	11	4	-23.6	-0.5	1995
72.51	75.46	2.1	15	17	-1.6	12.9	1951
1.67	1.69	...	d	4	-67.3	0.0	....
9.91	10.00	14.4	12	5	-18.4	10.7	2005
3.44	7.06	...	d	2	-71.2	0.0	....
24.19	24.53	3.6	26	...	-10.7	9.5	1995
43.85	45.59	3.3	17	10	-5.8	11.9	1952
42.20	46.99	...	20	24	35.1	28.6	....
26.21	26.51	5.0	17	5	-15.7	-1.5	2005

[1]ASE,P;Cycle 1.
[2]Cl B;Cap 1 Ord Shr [3]Ordinary Shares
[4]Excl current amts [5]Pfd in $M

00000049

Common and Convertible Preferred Stocks

Splits/Dividends ◆							Financial Position				Capitalization		2008				Earnings $ Per Shr.				Interim Earnings		
Latest Payment				Total $			MM-$				Lg Trm Debt	Shs. 000	Street Estimates ($/Shr)				Years				$ per Shr.		
Index	Period $	Date	Ex. Div.	So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	MM-$	Com.	Mean	High	Low	# of Ests.	End	2007	2008	Last 12 Mos.	Period	Prior	Curr.
1		None Paid		...	NIL	....	30.1	50.0	18.7	12-31-07	....	45734	d0.02	0.02	d0.06	2	Dc	vd0.19	....	d0.19			
2		None Paid		...	NIL	....	33.6	42.2	8.73	9-30-07	....	12974	d1.25	d1.14	d1.36	5	Dc	Pvd0.70	....	d0.70			
3	Q0.06	6-23-08	6-11	0.16	0.32	0.32	12.9	157	96.5	3-31-08	100	15962	1.01	1.05	0.99	3	Dc	vd0.07	....	0.03	3 Mo Mar	0.22	v0.32
4		None Paid		...	NIL	....	142	181	12.5	12-31-07	....	★34926	...	...	...	...	Je	v0.30	....	d0.52	6 Mo Dec	1.04	0.22
5◆	Q0.04	5-30-08	5-12	†0.83	0.16	0.12	319	985	478	3-31-08	701	268683	6.00	6.46	5.46	32	Dc	v4.48	E6.26†	4.98	3 Mo Mar	0.93	v1.43
6◆	Q0.18	5-19-08	5-1	0.30	0.72	0.43½	807	1776	1783	3-31-08	1851	172212	7.67	9.63	6.00	16	Dc	v5.45	E9.60†	5.43	3 Mo Mar	1.22	v1.20
7◆	Q0.08	3-31-08	3-11	0.08	0.32	0.32	3.33	291	257	12-31-07	227	23601	0.01	0.01	0.01	1	Dc	vd0.40	....	d0.40			
8	0.834	5-30-08	5-9	0.834	0.834	0.577	17416	44432	28274	3-31-08	281	3786741	2.54	2.69	2.32	20	Dc	Pv2.64	E2.71†	2.74	3 Mo Mar	0.38	v0.48
9	0.082	3-13-08		0.082	0.554	0.381	Total Assets $304012M			12-31-07	95324	1909085	...	...	...	...	Mr	v0.41	....	0.41			
10	qQ0.10	6-21-08	5-28	q0.20	q0.40	q0.40	25.6	369	183	3-29-08	704	146200	d0.49	d0.31	d0.90	9	Dc	Pvd0.31	....	d0.42	3 Mo Mar	d0.11	vd0.22
11	Q1.18	6-3-08	5-21	1.68	4.72	3.81	19.9	49.2	12.7	3-31-07	176	26914	2.79	4.01	1.09	11	Dc	...	....	3.14			
12	Q0.18¼	6-17-08	5-30	0.54¾	0.73	0.70	40.9	417	486	1-31-08	22.8	33646	3.56	3.66	3.26	6	Oc	v2.65	....	2.81	3 Mo Jan	v0.46	v0.62
13◆	Q0.16	6-16-08	5-28	0.32	0.64	0.54	358	3361	1635	2-02-08	2224	219000	2.77	2.80	2.69	19	Ja	v2.87	E2.90†	2.87			
14	Q0.29	6-10-08	4-30	0.58	1.16	0.96	364	2036	2227	3-31-08	6217	[5]375755	4.06	4.25	3.95	10	Dc	v3.68	E4.00†	3.73	3 Mo Mar	v0.71	v0.76
15◆	Div Omitted 8-23-01			...	NIL	....	3225	8444	6210	3-31-08	3838	464855	0.55	0.92	0.36	16	Dc	vd1.98	E0.40†	d2.03	3 Mo Mar	d0.23	vd0.28
16		None Paid		...	NIL	....	21.2	223	161	12-31-07	190	35952	...	...	...	...	Mr	...	....	0.29	9 Mo Dec	0.90	0.47
17◆		None Paid		...	NIL	....	2.97	22.5	NA	3-31-08	....	12300	0.77	0.77	0.77	1	Dc	Pv0.72	....	0.77	3 Mo Mar	v0.19	v0.24
18		None Paid		...	NIL	....	Total Assets $114M			12-31-07	....	17969	...	...	...	...	Je	v0.13	....	0.11	No Pro forma EPS		
19		None Paid		...	NIL	....	....	....	....	....	....	....	....	....	....	...	Je	....	....	....			
20		None Paid		...	NIL	....	73.7	180	53.5	12-31-07	3.91	80634	0.31	0.31	0.31	1	Dc	vd0.32	....	d0.32			
21	Q0.35	7-3-08	6-11	1.05	1.40	1.38	Total Deposits $371M			6-30-07	112	1341	...	...	...	...	Dc	v2.24	....	2.24			
22	Q0.98	5-28-08	5-14	1.74	3.92	2.91	Total Assets $5.9M			1-31-08	NIL	9191	...	...	...	...	Oc	v2.91	....	2.77	3 Mo Jan	0.90	v0.76
23	Q0.09	5-23-08	4-30	0.18	0.36	0.36	Total Deposits $363.6M			3-31-08	179	2315	...	...	...	...	Je	v0.76	....	0.83	9 Mo Mar	v0.58	v0.63
24	Q0.213	9-30-08	8-27	0.613	0.85	0.77½	290	1301	1421	3-31-08	4350	155440	1.77	1.83	1.66	11	Dc	v1.59	E1.82†	1.48	3 Mo Mar	v0.49	v0.38
25		None Paid		...	NIL	....	40.8	41.8	7.72	12-31-07	NIL	92544	...	...	...	...	Dc	vd0.83	....	d0.83			
26		None Paid		...	NIL	....	Total Assets $18.3M			12-31-07	....	28901	0.27	0.27	0.27	1	Dc	vd0.18	....	d0.18			
27	Div Omitted 11-18-05			...	NIL	....	0.46	7.33	2.25	2-29-08	1.20	3723	...	...	...	...	Au	v0.87	....	0.83	6 Mo Feb	v0.39	v0.35
28	Q0.28	7-1-08	6-6	0.84	1.12	1.00	Total Deposits $5839.2M			3-31-08	5745	220138	4.09	4.25	4.00	16	Dc	v3.24	E4.15†	4.11	3 Mo Mar	v0.84	v1.71
29		None Paid		...	NIL	....	128	128	872	3-31-08	[6]261	★43112	...	...	...	...	Dc	pv0.12	....	0.57	3 Mo Mar	d0.32	v0.13
30		None Paid		...	NIL	....	26.4	27.4	3.38	2-29-08	....	26959	d0.67	d0.67	d0.67	1	My	vd1.03	....	d0.78	9 Mo Feb	vd0.79	vd0.54
31		None Paid		...	NIL	....	266	319	83.8	12-31-07	1.17	255174	0.43	0.65	0.27	5	Dc	v0.15	....	0.15			
32◆	Q0.17	4-25-08	4-9	0.32	0.68	s0.555	Total Deposits $808M			3-31-08	31.2	6312	1.56	1.56	1.56	1	Dc	Pv1.80	....	1.72	3 Mo Mar	0.42	v0.34
33◆	Q0.40	6-14-08	5-29	0.77	1.60	1.48	494	6949	6737	3-31-08	3928	[6]342057	5.10	5.20	5.00	19	Dc	v5.12	E5.03†	4.78	3 Mo Mar	1.10	v0.76
34		None Paid		...	NIL	....	77.8	78.6	2.59	3-31-08	....	25894	d0.77	d0.75	d0.82	6	Dc	vd0.92	....	d0.49	3 Mo Mar	vd0.25	vd0.21
35	Q0.36	5-15-08	5-1	0.72	1.44	1.43	Total Assets $4793M			12-31-07	3437	61719	1.95	3.89	0.73	5	Dc	v0.51	E0.81†	0.51			
36		None Paid		...	NIL	....	3034	5037	4104	12-31-07	6639	p278083	d1.93	0.51	d4.66	9	Dc	Pv[11]0.44	Ed1.50†	d11.14	3 Mo Mar	d3.36	vd15.80
37	Q0.22	5-15-08	4-29	0.44	0.88	0.84	Total Deposits $5738M			3-31-08	205	49966	1.09	1.16	1.06	3	Dc	...	....	0.95	9 Mo Sep	v0.83	v0.75
38	Q0.37½	5-15-08	4-28	0.75	1.50	1.44	6.42	238	312	3-31-08	512	26415	2.59	2.65	2.48	6	Dc	v2.76	....	2.63	3 Mo Mar	v1.76	v1.63
39		None Paid		...	NIL	....	0.34	245	52.8	3-31-08	101	9087	2.78	2.90	2.66	3	Dc	v2.26	....	2.31	3 Mo Mar	0.49	v0.54
40	Q0.33	6-30-08	6-11	0.66	1.32	1.28	33.7	271	321	3-31-08	[6]757	38973	1.75	1.75	1.75	2	Dc	Pv1.44	....	1.53	3 Mo Mar	0.51	v0.60

◆Stock Splits & Divs By Line Reference Index [2]2-for-1,'07 [3]2-for-1,'05 [4]3-for-2,'06 [12]2-for-1,'05 [15]1-for-10 REVERSE,'08 [17]3-for-2,'07 [32]5%,'08 [35]5%,'07 [33]2-for-1,'04.

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Cons. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1996-06 High	1996-06 Low	2007 High	2007 Low	2008 High	2008 Low	May. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex.Yr. Since
◆1▫[1]	PLAB	Photronics, Inc	NDS	B–	334	40145	Semiconductor Equipment	46.50	0.33	16.97	8.91	12.87	8.44	72534	11.05	8.87	8.98	...	d	NM	-38.5	-27.6	....
2	FACE	Physicians Formula Hldg	NDS	NR	109	14424	Personal Products	21.00	17.25	23.25	8.26	12.83	7.71	16309	11.82	9.18	10.02	...	16	3	-44.4	0.0	....
3	PICO	PICO Hldgs	NDS	B–	202	12366	Multi-Sector Holdings	56.87	8.05	49.00	33.01	41.74	28.62	18113	41.74	34.82	41.46	...	d	NM	-12.2	17.0	....
◆4	PNY	Piedmont Natural Gas	NY,Ph,Ch,P,B	A	422	36766	Gas Utilities	28.44	4.25	27.98	22.00	27.68	24.01	59796	27.42	25.70	27.03	3.8	17	6	6.3	7.3	1956
5▫[2]	PIR	Pier 1 Imports	NY,Ph,Ch,P,B	C	283	85097	Homefurnishing Retail	26.44	1.25	9.06	3.26	8.25	4.25	282649	8.25	8.53	7.21	...	d	Neg	-2.6	-23.2	....
6	PEC	Pike Electric	NY,P	NR	208	19218	Construction & Engineering	21.80	13.80	24.39	13.99	17.00	12.75	31503	16.51	12.98	15.59	...	27	4	-29.3	0.0	....
7▫[3]	PPC	Pilgrim's Pride	NY,Ph,Ch,P,B	B	351	43144	Packaged Foods & Meats	40.23	2.41	41.00	22.52	28.83	18.50	296197	27.15	22.52	26.00	0.3	d	-47	-26.2	-8.8	1987
8	PNCL	Pinnacle Airlines	NDS	NR	236	20942	Airlines	18.00	4.41	20.34	13.58	16.09	6.37	80230	8.85	6.37	6.51	...	5	16	-63.9	-12.8	....
9	PCLB	Pinnacle Bancshares	AS,Ch,P,BB	B+	21	226	Regional Banks	18.75	2.00	15.88	10.00	12.45	9.00	24	11.25	10.10	10.20	4.3	11	-7	-28.9	-7.5	1987
10	PNS	Pinnacle Data Systems	AS,Ph,P	B–	14	1212	IT Consulting & Other Svcs	7.37	0.28	3.05	1.30	2.85	1.20	1307	2.25	1.58	1.72	...	21	5	-18.1	-16.4	....
◆11▫[4]	PNK	Pinnacle Entertainment	NY,Ch	NR	436	71658	Casinos & Gaming	37.40	3.92	36.17	22.78	23.74	12.12	207431	17.86	13.50	13.57	...	NM	50	-54.4	-7.4	....
12	PNFP	Pinnacle Finl Partners	NDS	NR	190	8795	Regional Banks	37.41	2.00	33.85	21.62	29.29	20.82	13457	26.88	25.60	26.89	...	46	32	-7.5	6.9	....
¶13▫[4]	PNW	Pinnacle West Capital	NY,Ph,Ch,P,B	B+	727	84358	Electric Utilities	52.68	5.00	51.67	36.79	42.92	33.13	174590	35.49	33.13	33.78	6.2	14	4	-22.4	-3.8	1993
◆14	PDC	Pioneer Drilling	AS,Ch	NR	337	43284	Oil & Gas Drilling	23.06	0.37	15.24	11.36	18.45	8.95	139005	18.45	15.10	17.81	...	NIL	...	13.9	8.4	....
¶15▫[5]	PXD	Pioneer Natural Resources	NY,Ph,Ch,B	B	532	105882	Oil & Gas Exploration & Prod	56.35	5.00	54.87	35.51	72.85	36.37	417469	72.85	55.06	71.79	0.4	13	6	41.3	22.0	2004
16	PSE	Pioneer Sp West Ener Ptnrs LP	NY,Ch,P	NR	...	...	Oil & Gas Exploration & Prod	....	....	....	....	20.85	18.97	86338	20.85	18.97	19.36	...	10	1	0.0	0.0	....
◆17▫[6]	PJC	Piper Jaffray Companies	NY,Ch	NR	394	14866	Investment Bank & Brokerage	74.65	26.10	74.30	41.44	49.40	32.66	46239	42.00	37.01	38.00	...	25	6	-40.0	10.3	....
18	PP	Pipex Pharmaceuticals	AS,Ch,B	NR	20	2719	Pharmaceuticals	19.50	1.68	30.00	3.06	5.25	0.70	7022	1.40	0.75	0.90	...	d	1	-79.8	0.0	....
¶19▫[7]	PBI	Pitney Bowes	NY,Ph,Ch,P,B	B+	930	178114	Office Services & Supplies	73.31	5.68	49.70	36.40	39.39	32.64	233346	39.39	35.60	36.31	3.9	13	-10	-21.7	-4.2	1934
20	PBI.P	Pitney Bowes $2.12 Cv Pref	NY,Ch	NR	2	1.5		850.00	505.00	796.27	580.00	600.00	557.00	2	800.00	500.00	600.00s	0.4	..	....	....	....	1979
21	PW	Pitts & W Va RR SBI	AS,Ch	B+	9	50	Specialized REITs	9.95	5.12	9.85	8.74	10.25	9.00	276	10.25	9.20	9.72	5.3	37	-10	13.5	7.7	1964
22	PZZI	Pizza Inn	NDS	C	11	5003	Food Distributors	6.62	0.68	3.37	1.84	3.09	2.19	2284	2.80	2.19	2.26	...	8	....	-13.4	-5.2	....
23▫[8]	PAA	Plains All Amer Pipeline LP	NY	NR	223	35208	Oil & Gas Storage & Transp	53.23	9.62	65.24	46.25	52.44	43.93	123241	49.10	46.05	48.86	7.1	17	....	....	....	1999
#24▫[8]	PXP	Plains Explor & Prod'n	NY,Ch,P	NR	562	100101	Oil & Gas Exploration & Prod	49.73	8.08	57.06	35.31	77.70	40.72	387126	77.70	59.96	71.46	...	d	Neg	54.3	-25.3	....
◆25▫[10]	PLNR	Planar Systems	NDS	C	148	11307	Elect Equip Manufacturers	32.87	5.00	19.81	5.47	8.87	2.12	16755	3.47	2.20	3.32	...	d	Neg	-54.3	-25.3	....
#26▫[11]	PLT	Plantronics Inc	NY,Ph,Ch,B	B	494	47815	Communications Equipment	56.00	2.41	33.21	19.22	25.98	16.02	79006	25.23	23.24	24.29	0.8	18	4	0.8	-10.2	2004
27	PLG	Platinum Group Metals	AS,BB,To	NR	21	16070	Precious Metals & Minerals	2.09	0.60	5.00	1.72	4.43	2.15	5807	3.32	2.23	3.19	...	NA	2	-10.7	73.1	....
28	PTP	Platinum Underwriters Hldg	NY,Ph,Ch,P,B	NR	514	51627	Reinsurance	35.21	21.29	38.07	29.81	37.00	31.70	113209	36.88	34.57	35.47	0.9	7	27	4.2	6.9	2003
29	PTP.PA	Platinum Underwrts Hldgs 6% Cv	NY	BB+	29	3991		32.11	27.02	34.54	29.50	33.16	29.11	2846	32.49	30.93	31.55	5.7	..	....	....	....	2006
30▫[12]	PLA	Playboy Enterprises Cl'B'	NY	B–	180	22572	Movies & Entertainment	36.12	3.37	12.00	8.87	9.16	5.52	69248	8.58	5.52	5.99	...	NM	83	-45.0	-22.3	....
31	PLA.A	Playboy Enterprises'A'	NY	...	16	1195		36.75	3.12	12.30	8.33	10.35	5.87	1775	10.35	5.87	6.01	...	24	NM	-44.1	-19.1	....
32	PLC	PLC Systems	AS	C	14	1246	Health Care Equipment	34.87	0.31	1.12	0.25	0.49	0.32	2978	0.43	0.35	0.39	...	d	-10	-40.0	-13.9	....
◆33▫[13]	PLXS	Plexus Corp	NDS	B–	486	44975	Electronic Manufactur Svcs	81.00	0.50	32.47	15.78	29.96	17.78	122500	28.51	24.11	28.23	...	15	NM	28.7	27.8	....
34▫[14]	PLUG	Plug Power	NDS	NR	130	39489	Electrical Component & Equip	156.50	3.39	4.75	2.42	4.19	2.51	97250	3.33	2.99	3.14	...	d	1	3.3	-20.8	....
¶35▫[15]	PCL	Plum Creek Timber	NY,Ph,Ch,P,B	B	912	110212	Specialized REITs	40.00	8.33	48.45	37.13	47.47	37.65	306795	47.47	40.55	46.85	3.6	39	4	16.3	14.8	1989
36	PCC	PMC Commercial Tr	AS,Ch	B	44	1349	Mortgage REITs	20.75	8.68	15.90	10.24	11.39	6.79	4996	8.15	6.79	7.82	10.2	8	1	-38.7	-11.3	1994
37▫[16]	PMCS	PMC-Sierra Inc	NDS	C	484	225305	Semiconductors	255.50	0.81	9.83	6.06	8.99	4.21	1285558	8.99	7.51	8.51	...	24	-13	12.1	-0.3	....
#38	PMI	PMI Group	NY,Ph,Ch,P,B	A–	453	84468	Thrifts & Mortgage Finance	48.00	11.00	51.46	9.82	13.46	4.50	286298	6.49	5.43	5.96	0.8	d	Neg	-87.9	-45.7	1995
39	PNH	PNC Cap Tr E 7.75% Pfd Secs	NY	...	4	74		....	....	....	....	25.39	17.07	12281	25.39	22.34	24.65	7.9	..	....	0.0	0.0	2006
¶40▫[17]	PNC	PNC Financial Services Group	NY,Ph,Ch,P,B	B+	1322	229766	Regional Banks	75.81	7.87	76.41	63.54	73.00	53.10	420383	73.00	63.93	64.25	4.1	13	3	-10.0	9.0	1865

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,P:Cycle 3. [2]CBOE:Cycle 3. [3]CBOE,Ph:Cycle 3. [4]P:Cycle 1. [5]ASE:Cycle 3. [6]ASE,CBOE,P,Ph:Cycle 3. [7]ASE,P:Cycle 1. [8]ASE,CBOE,Ph:Cycle 2. [9]ASE,CBOE:Cycle 2. [10]ASE,Ph:Cycle 3. [11]ASE:Cycle 2. [12]Ph:Cycle 3. [13]ASE,CBOE:Cycle 3. [14]ASE,CBOE,P:Cycle 3. [15]ASE,Ph:Cycle 2. [16]ASE,CBOE,P,Ph:Cycle 2. [17]CBOE,P,Ph:Cycle 2.
[s1]Fiscal Mar'07 & prior [s2]As defined [s3]non-vtg

Common and Convertibl

Index	Splits/Dividends. ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Fa 200
1		None Paid		....
2		None Paid		....
3		None Paid		....
4◆	Q0.26	4-15-08	3-20	0.5
5	Div Omitted 10-3-06			....
6		None Paid		....
7	Q0.023	3-28-08	3-12	0.0
8		None Paid		....
9	Q0.11	6-20-08	6-5	0.2
10		None Paid		....
11		None Paid		....
12◆		None Paid		....
13	Q0.52½	6-2-08	4-29	1.0
14		None Paid		....
15	S0.14	4-14-08	3-27	0.1
16		Plan qtly div		....
17		None Paid		....
18◆		None Paid		....
19	Q0.35	6-12-08	5-14	0.7
20	Q0.53	7-1-08	6-11	1.5
21	Q0.12	6-30-08	6-5	0.2
22	Div Postponed 12-29-00			....
23	Q0.86½	5-15-08	5-1	1.7
24		None Paid		....
25		None Paid		....
26	Q0.05	6-10-08	5-7	0.1
27		None Paid		....
28	Q0.08	6-30-08	5-29	0.1
29	Q0.45¼	5-15-08	4-29	0.9
30		None Paid		....
31		None Paid		....
32		None Paid		....
33		None Paid		....
34		None Paid		....
35		None Paid		....
36	Q0.20	4-7-08	3-27	0.5
37		None Paid		....
38	Q0.01¼	6-26-08	6-26	0.0
39	Q0.557	6-16-08	5-28	0.6
40	Q0.66	4-24-08	4-10	1.2

◆Stock Splits & Divs By Line Referenc

HEARING EXHIBIT 00000050

2008 Sale Or Bid 1 Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
8.87	8.98	...	d	NM	-38.5	-27.6	....
9.18	10.02	...	16	3	-44.4	0.0	....
34.82	41.46	...	d	NM	-12.2	17.0	....
25.70	27.03	3.8	17	6	6.3	7.3	1958
6.83	7.21	...	d	Neg	-2.6	-23.2	....
12.98	15.59	...	27	4	-29.3	0.0	....
22.52	26.00	0.3	d	-47	-25.2	-6.8	1987
6.37	6.51	...	5	16	-63.9	-12.6	....
10.10	10.20	4.3	11	-7	-28.9	-7.5	1987
1.58	1.72	...	21	5	-18.1	-16.4	....
13.50	13.67	...	NM	50	-54.4	-7.4	....
25.60	26.89	...	46	32	-7.5	6.9	....
33.13	33.78	6.2	14	4	-22.4	-3.8	1993
15.10	17.61	...	NIL	...	13.9	8.4	....
55.06	71.79	0.4	13	6	41.3	22.0	2004
18.97	19.38	...	10	1	0.0	0.0	....
37.01	38.00	...	26	6	-40.0	10.3	....
0.75	0.90	...	d	1	-79.8	0.0	....
35.60	36.31	3.9	13	-10	-21.7	-4.2	1934
500.00	600.00e	0.4	...	...	...	...	1979
9.20	9.72	5.3	37	-10	13.5	7.7	1964
2.19	2.28	...	8	...	-13.4	-5.2	....
46.05	48.86	7.1	17	...	...	...	1999
59.96	71.48	...	10	NM	36.5	32.3	....
2.20	3.32	...	d	Neg	-54.3	-25.3	....
23.24	24.29	0.8	18	4	0.8	-10.2	2004
2.23	3.19	...	NA	2	-10.7	73.1	....
34.67	35.47	0.9	7	27	4.2	6.9	2003
30.93	31.55	5.7	...	...	...	...	2006
5.52	5.99	...	NM	83	-45.0	-22.3	....
5.87	6.01	...	24	NM	-44.1	-19.1	....
0.35	0.39	...	d	-10	-40.0	-13.9	....
24.11	26.23	...	15	NM	28.7	27.8	....
2.99	3.14	...	d	1	3.3	-20.8	....
40.55	46.65	3.6	39	4	16.3	14.8	1999
6.79	7.82	10.2	8	1	-38.7	-11.3	1994
7.51	8.51	...	24	-13	12.1	-0.3	....
5.43	5.96	0.8	d	Neg	-67.9	-45.7	1995
22.34	24.65	7.9	...	...	0.0	0.0	2008
83.93	84.25	4.1	13	3	-10.0	9.0	1865

rc(Q). [7]ASE,P:Cycle 1. [8]ASE,CBOE,Ph:Cycle 2.
Cycle 2. [17]CBOE,P,Ph:Cycle 2.

EXHIBIT 0000051

Splits/Dividends ◆ Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Per 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid				...	NIL	....	95.0	193	131	1-27-08	242	41886	d0.11	d0.06	d0.17	7	Oc	v0.56	Ed0.15[4]	0.31	3 Mo Jan	v0.17	vd0.08
2	None Paid				...	NIL	....	....	72.2	39.9	3-31-08	9.75	14096	0.68	0.69	0.68	4	Dc	v0.60	....	0.64	3 Mo Mar	v0.30	v0.34
3	None Paid				...	NIL	....	Total Assets $687M			9-30-07	18.5	18834	1.95	1.95	1.95	1	Dc	vd0.18	....	d0.18			
4◆	Q0.26		4-15-08	3-20	0.51	1.04	0.99	17.7	662	639	1-31-08	824	73406	1.53	1.50	1.50	6	Oc	v1.40	....	1.58	3 Mo Jan	v0.94	v1.12
5	Div Omitted 10-3-06				...	0.40	....	82.7	604	317	12-01-07	184	89037	d1.12	d0.73	d1.30	12	Fb	vd1.09	E0.07[1]	d1.09			
6	None Paid				...	NIL	....	0.06	137	68.7	12-31-07	166	33136	0.59	0.61	0.58	5	Je	v0.55	E0.57[1]	0.65	6 Mo Dec	v0.21	v0.31
7	Q0.023		3-28-08	3-12	0.023	0.09	0.09	107	1486	904	3-29-08	1629	66556	d2.06	1.98	d3.68	8	Sp	v0.71	....	d0.72	6 Mo Mar	vd0.73	vd2.16
8	None Paid				...	NIL	....	218	294	243	12-31-07	197	17953	1.61	1.94	1.45	5	Dc	v1.50	E1.40[4]	1.50			
9	Q0.11		5-20-08	6-5	0.22	0.44	0.44	Total Deposits $218M			9-30-07	6.29	1462	...	...	...	...	Dc	....	....	0.95	9 Mo Sep	v0.65	v0.71
10	None Paid				...	NIL	....	0.05	21.4	13.5	12-31-07	....	7813	...	...	...	...	Dc	v0.08	....	0.08			
11	None Paid				...	NIL	....	203	279	167	3-31-08	941	59954	0.03	0.31	d0.09	13	Dc	vd0.02	....	0.06	3 Mo Mar		v0.08
12◆	None Paid				...	NIL	....	Total Deposits $1798M			3-31-08	251	22467	1.57	1.60	1.50	9	Dc	v0.66	....	0.58	3 Mo Mar	v0.34	v0.26
13	Q0.52½		6-2-08	4-29	1.05	2.10	2.10	17.5	906	1342	3-31-08	3115	100634	2.43	2.65	2.30	10	Dc	v3.05	E2.45[4]	2.85	3 Mo Mar	0.16	vd0.04
14	None Paid				...	NIL	....	76.7	158	34.2	3-31-07	NIL	....	1.20	1.37	1.03	7	Dc	v[41]1.68	....	NIL			
15	S0.14		4-14-08	3-27	0.14	0.28	0.27	17.3	689	1023	3-31-08	2804	119542	4.35	5.72	3.02	16	Dc	v3.06	E5.70[1]	3.91	3 Mo Mar	v0.24	v1.09
16	Plan qtly div				...	NIL	....	....	13.4	3.62	12-31-07	....	★28771	...	...	...	...	Dc	pv1.92	....	1.92			
17	None Paid				...	NIL	....	Total Assets $1723M			3-31-08	....	15829	0.93	1.14	0.68	5	Dc	v2.43	....	1.46	3 Mo Mar	v0.75	vd0.22
18◆	None Paid				...	NIL	....	7.35	7.37	1.16	9-30-07	0.60	p19109	...	...	...	...	Dc	vd1.00	....	d1.00			
19	Q0.35		5-12-08	5-14	0.70	1.40	1.32	440	3319	3556	12-31-07	3802	216886	2.86	3.00	2.80	7	Dc	v1.86	E2.85[1]	1.57	3 Mo Mar	0.65	v0.56
20	Q0.53		7-1-08	6-11	1.59	2.12	2.12	Conv into 16.53 com				....	....	...	...	...	...	Dc	....	....	....			
21	Q0.12		6-30-08	6-5	0.25	0.48	0.52	Total Assets $9.17M			12-31-07	....	1510	...	...	...	...	Dc	v0.26	....	0.26			
22	Div Postponed 12-29-00				...	NIL	....	1.16	7.22	3.54	12-23-07	....	9568	...	...	...	...	Je	v0.02	....	0.27	9 Mo Mar	vd0.04	v0.21
23	Q0.86¼		5-15-08	5-1	1.71½	3.46	3.28¼	NA	3663	3865	3-31-08	2636	116000	2.76	2.90	2.54	9	Dc	v2.51	E2.65[1]	2.48	3 Mo Mar	0.61	v0.57
24	None Paid				...	NIL	....	57.9	560	656	3-31-08	2160	107500	4.97	6.60	3.85	10	Dc	v1.99	E6.92[1]	3.14	3 Mo Mar	v0.26	v1.43
25	None Paid				...	NIL	....	9.76	130	89.8	3-28-08	0.08	17768	d0.94	d0.91	d0.97	2	Sp	vd1.33	....	d1.51	6 Mo Mar	vd0.31	vd0.49
26	Q0.05		6-10-08	5-7	0.10	0.20	0.20	169	463	120	12-31-07	....	48938	1.53	1.60	1.50	9	Mr	Pv1.39	E1.45[1]	1.39			
27	None Paid				...	NIL	....	9.82	11.2	2.39	2-29-08	0.02	62453	...	...	...	...	Au	....	....	NA	6 Mo Feb	vd0.06	vd0.04
28	Q0.08		6-30-08	5-29	0.16	0.32	0.32	Total Assets $5202M			3-31-08	250	48924	5.51	5.67	4.75	10	Dc	v5.36	E4.75[1]	6.06	3 Mo Mar	v1.08	v1.76
29	Q0.45¼		5-15-08	4-29	0.90¼	1.81	1.61	Cv into 0.7874 com				....	....	...	...	...	...	Dc	....	....	....	Mand conv 2-15-09[152]		
30	None Paid				...	NIL	....	33.5	125	107	12-31-07	115	±33272	0.13	0.14	0.12	2	Dc	v0.15	....	0.02	3 Mo Mar	±0.04	vd0.09
31	None Paid				...	NIL	....	....	....	....	....	....	4864	...	...	...	...	Dc	....	....	0.25	6 Mo Jun	±d0.08	±0.10
32	None Paid				...	NIL	....	8.71	11.5	3.82	9-30-07	....	30325	...	...	...	...	Dc	vd0.03	....	d0.03			
33	None Paid				...	NIL	....	146	707	331	3-29-08	24.7	40736	1.86	1.91	1.84	11	Sp	v1.41	E1.90[1]	1.93	6 Mo Mar	v0.54	v1.06
34	None Paid				...	NIL	....	180	194	13.1	9-30-07	....	87834	d0.76	d0.58	d0.86	5	Dc	vd0.50	....	d0.50			
35	None Paid				...	1.68	1.68	118	377	276	3-31-08	2389	171100	1.14	1.20	1.00	15	Dc	v1.61	E1.20[4]	1.58	3 Mo Mar	0.25	v0.22
36	Q0.20		4-7-08	3-27	0.50	0.80	1.30	Total Assets $240M			12-31-07	35.2	10765	...	...	...	...	Dc	v0.97	....	0.97			
37	None Paid				...	NIL	....	285	382	182	3-30-08	127	219931	0.46	0.48	0.44	11	Dc	vd0.23	E0.35[1]	d0.26	3 Mo Mar	vd0.07	vd0.10
38	Q0.01¼		7-15-08	6-26	0.07¼	0.05	0.21	Total Assets $5228M			3-31-08	414	81213	d7.57	d4.73	d10.50	7	Dc	vd10.81	Ed5.90[4]	d15.34	3 Mo Mar	v1.16	vd3.37
39	Q0.657		6-16-08	5-28	0.657	1.938	....	....	....	....	....	....	....	...	...	...	...	Dc	....	....	....			
40	Q0.66		4-24-08	4-10	1.29	2.64	2.44	Total Deposits $78409M			3-31-08	22988	p341000	4.94	5.25	4.60	14	Dc	v4.35	E5.02[1]	3.99	3 Mo Mar	v1.46	v1.10

◆Stock Splits & Divs By Line Reference Index: [4]2-for-1,'04 [152]2-for-1,'04 [161]1-for-3 REVERSE,'07

S&P 500 ‖ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
1	SBN	SoftBrands Inc	AS,P	NR	40	7972	Systems Software	2.42	0.75	2.34	1.58	1.90	0.85	6316	1.25	1.04	1.12	...	d	...	-44.0	-14.0	....
2[e1]	SWH	Software HOLDRs Tr Dep Receipt	AS,B	NR	19	2008		99.93	20.06	46.07	37.31	44.40	35.00	7455	43.62	39.78	43.39	0.4	..	...	5.3	8.1	2008
3[e2]	SOHU	Sohu.com Inc	NDS	NR	343	22494	Internet Software & Services	43.40	0.52	64.83	20.94	88.11	35.75	572217	88.11	70.05	87.52	...	92	...	241	67.8	....
4[e3]	SOLF	Solarfun Power Hldgs ADS[51]	NDS	NR	72	6764	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	2233228	29.17	12.72	22.80	...	20	3	138	0.0	....
5	SLH	Solera Holdings	NY,P	NR	292	53846	Application Software	....	....	25.57	15.41	27.75	20.96	113715	27.75	23.47	27.27	...	d	2	54.9	0.0	....
6	XPL	Solitario Resources	AS,To	C	29	8791	Precious Metals & Minerals	4.23	2.67	6.10	3.50	6.10	4.75	1256	5.74	5.11	5.11	...	d	-21	7.4	0.0	....
7	SOA	Solutia Inc	NY,Ch,P	NR	35	21228	Diversified Chemicals	....	....	21.75	17.00	20.50	9.46	71123	14.00	11.02	13.77	...	d	2	0.0	0.0	....
8	SNSTA	Sonesta Intl Hotels	NDS	C	25	796	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	423	29.74	23.69	27.25	0.7	d	NM	20.8	1.1	2005
◆9	SAH	Sonic Automotive'A'	NY,Ch	B+	336	34289	Automotive Retail	39.75	4.88	33.10	19.33	21.71	15.82	72529	20.94	18.13	18.65	2.6	9	2	-36.3	-2.0	2003
◆10[e4]	SONC	Sonic Corp	NDS	B+	436	56206	Restaurants	24.75	1.07	26.19	20.02	23.33	18.53	202162	22.92	18.54	19.18	...	20	11	-21.1	-5.5	....
11	SOFO	Sonic Foundry	NDS	C	37	2177	Systems Software	84.96	0.10	4.77	1.18	1.49	0.60	13587	0.95	0.63	0.69	...	d	-19	-71.0	-20.4	....
12	SNCI	Sonic Innovations	NDS	NR	143	22278	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	3.50	28044	4.40	3.50	4.00	...	d	1	-60.8	-1.6	....
◆13	SNIC	Sonic Solutions	NDS	NR	247	27524	Application Software	23.67	1.00	19.35	7.38	10.94	7.73	28479	10.25	9.01	9.60	...	d	NM	-23.3	-14.4	....
14[e3]	SNWL	SonicWALL Inc	NDS	B–	340	55884	Internet Software & Services	66.68	1.79	11.53	7.50	10.91	7.42	109368	8.12	7.47	8.00	...	NM	NM	-2.2	9.2	....
‡15[e4]	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	601	61496	Paper Packaging	40.00	6.33	44.91	28.45	34.76	25.97	92469	34.76	31.70	34.62	3.1	14	6	-18.2	12.4	1925
16[e7]	SONO	SonoSite Inc	NDS	B–	289	21101	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	37185	32.95	28.99	30.72	...	37	NM	8.2	-0.5	....
17[e5]	SONS	Sonus Networks	NDS	NR	347	163832	Communications Equipment	93.66	0.18	9.03	5.13	5.95	2.92	773868	4.56	3.73	4.29	...	72	91	-49.8	-0.4	....
18[e6]	SNE	Sony Corp[53] ADR	NY,Ph,Ch,P,B	NR	408	156622	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	39.52	173624	50.81	44.55	50.39	0.4	14	...	-11.7	10.6	1947
‡19[e1]	BID	Sotheby's	NY,Ph,Ch,P,B	B–	631	70227	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.67	23.75	620086	29.22	23.83	26.82	2.2	10	NM	-42.3	25.7	2007
20	FIRE	Sourcefire Inc	NDS	NR	103	10424	Systems Software	....	....	18.83	7.23	8.49	4.96	16714	7.75	6.04	7.64	...	d	3	-45.0	0.0	....
21	LNUX	SourceForge Inc	NDS	NR	126	41592	Application Software	320.00	0.54	5.55	2.05	2.55	1.48	58713	1.85	1.55	1.56	...	12	NM	-64.0	-4.5	....
◆22[e9]	TSFG	South Financial Group	NDS	B+	421	53588	Regional Banks	32.98	5.31	27.47	15.29	18.02	5.44	624376	8.86	5.44	5.51	0.7	d	Neg	-75.7	-39.0	1994
◆23	SJI	South Jersey Indus	NY,Ph,Ch,P,B	A–	346	17525	Gas Utilities	34.26	6.95	41.27	31.20	39.25	31.90	32523	39.25	36.36	38.25	2.8	19	10	0.2	13.7	1952
24	STXX	South Texas Oil	NDS,BB	NR	5	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	4.18	4915	6.00	4.18	4.49	...	d	1	-52.0	64.4	....
25	SOCB	Southcoast Financial	NDS	NR	42	1997	Regional Banks	24.04	3.17	21.14	12.55	16.00	12.48	1008	16.00	13.07	14.38	...	45	-17	-29.0	-13.4	....
‡26◆[10]	SO	Southern Co	NY,Ph,Ch,P,B	A–	1129	348223	Electric Utilities	37.40	8.93	39.35	33.16	40.60	33.71	728383	37.23	35.95	36.20	4.6	16	2	5.3	6.6	1948
27	SSE	Southern Conn Bancorp	AS	NR	22	410	Regional Banks	11.38	6.06	8.12	6.65	7.50	6.73	314	7.45	7.00	7.05e	...	NA	1	-4.9	-3.1	....
28◆[11]	PCU	Southern Copper	NY,Ph,Ch,P,B	B	674	56379	Diversified Metals & Mining	58.38	4.21	143.25	49.16	125.79	73.25	411927	119.75	103.17	110.23	6.2	25	32	35.0	83.9	1996
◆29◆[12]	SUG	Southern Union	NY,Ph,Ch,P,B	B	501	90339	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.56	173424	27.17	25.30	26.60	2.3	14	...	-22.8	5.6	2006
‡30◆[13]	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	935	635973	Airlines	23.32	0.51	16.96	12.12	13.66	11.02	1416504	13.66	12.21	13.06	0.1	33	12	-8.9	-3.6	1976
31	OKSB	Southwest Bancorp(OK)	NDS	A	236	11219	Regional Banks	28.67	3.66	28.63	16.10	18.52	14.08	10106	18.29	16.10	16.96	2.2	11	8	-30.3	-0.4	1981
◆32	SWX	Southwest Gas	NY,Ph,Ch,P,,B	B+	463	35140	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	54071	31.74	28.90	31.18	2.9	16	12	-17.5	10.6	1956
33	SGB	Southwest Georgia Finl	AS,Ch,P,B	B+	15	29	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.61	76	18.50	17.30	18.30	3.1	34	-11	-0.7	-4.7	1981
34	SWWC	Southwest Water Co	NDS	B+	154	12095	Water Utilities	19.07	1.49	16.41	11.53	12.75	10.18	25601	11.48	10.18	10.30	2.3	86	-18	-20.0	2.0	1960
‡35◆[14]	SWN	Southwestern Energy	NY,Ch	B	916	310873	Oil & Gas Exploration & Prod	22.14	0.64	28.50	15.57	50.00	23.77	876798	50.00	39.58	44.34	...	55	30	85.0	71.1	2008
‡36◆[9]	SOV	Sovereign Bancorp	NY	B	682	231038	Thrifts & Mortgage Finance	26.60	0.83	26.70	9.92	13.26	6.48	2823968	9.18	7.25	9.14	...	14	Neg	-60.3	-23.8	1987
◆37	SSS	Sovran Self Storage	NY,Ph,P,,B	B+	334	18217	Specialized REITs	60.00	17.50	63.93	39.75	46.50	33.56	20535	45.83	42.75	44.19	5.7	23	4	-12.3	5.0	1995
38	DSP	SP Acquisition Hldgs	AS,P	NR	30	24486		....	....	9.29	9.00	9.77	8.84	28124	9.29	9.11	9.23	...	..	...	0.0	0.0	....
39	DSP.U	SP Acquisition Hldgs Unit	AS	NR	21	10995		....	....	10.20	9.70	10.25	9.70	1196	10.00	9.76	9.90	...	..	...	...	...	....
40	SBSA	Spanish Broadcasting Sys'A'	NDS	C	151	34680	Broadcasting & Cable TV	42.00	3.90	4.95	1.57	2.08	1.33	25236	1.75	1.35	1.41	...	d	90	-70.3	-45.0	....

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 1. [2]ASE,CBOE,Ph:Cycle 3. [3]ASE,Ph:Cycle 3. [4]ASE:Cycle 3. [5]ASE,CBOE,P:Cycle 3. [6]Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE,CBOE,P,Ph:Cycle 1. [9]P:Cycle 2. [10]CBOE:Cycle 2. [11]ASE,CBOE:Cycle 3. [12]Ph:Cycle 3. [13]ASE,CBOE,P,Ph:Cycle 3. [14]CBOE:Cycle 3. [51]Ea ADS rep 5 Ord Shr [52]Incl liabs subj to compromise [53]ADR equal 1 ord shr, 50y [54]Subsid pfd in $M [58]Incl 12M shrs subj to conv

Common and Convertible Pref

Splits Dividends ◆

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1		None Paid		...	NIL
2		None Paid		...	0.281
3		None Paid		...	NIL
4		None Paid		...	NIL
5		None Paid		...	NIL
6		None Paid		...	NIL
7		None Paid		...	NIL
8	S0.10	7-1-08	6-16	1.20	0.20
9	Q0.12	7-15-08	6-11	0.36	0.48
10◆		None Paid		...	NIL
11		None Paid		...	NIL
12		None Paid		...	NIL
13		None Paid		...	NIL
14		None Paid		...	2.00
15	Q0.27	6-10-08	5-14	0.53	1.08
16		None Paid		...	NIL
17		None Paid		...	NIL
18	S0.119	6-9-08		0.119	0.215
19	Q0.15	6-13-08	5-28	0.30	0.60
20		None Paid		...	NIL
21		None Paid		...	NIL
22	Q0.01	8-1-08	7-11	0.39	0.04
23◆	Q0.27	7-2-08	6-6	0.54	1.08
24		None Paid		...	NIL
25◆	10%Stk	6-22-07	5-30	...	NIL
26	Q0.42	6-6-08	5-1	0.82¼	1.68
27◆	5%Stk	5-9-05	4-22	...	ST
28◆	Q1.70	6-3-08	5-12	3.10	6.80
29◆	Q0.15	4-11-08	3-26	0.30	0.60
30	Q0.005	6-26-08	6-10	0.014	0.018
31	Q0.09½	7-1-08	6-13	0.283	0.38
32	Q0.22½	9-2-08	8-13	0.66½	0.90
33◆	Q0.14	4-30-08	4-3	0.28	0.56
34◆	Q0.06	7-18-08	6-26	0.18	0.24
35◆	Div Postponed 6-26-00			...	NIL
36◆	Div Suspended 1-23-09			...	NIL
37	Q0.63	4-22-08	4-4	1.26	2.52
38		None Paid		...	NIL
39		None Paid		...	NIL
40		None Paid		...	NIL

◆Stock Splits & Divs By Line Reference Index [10]3-f [34]1.33-for-1,'04 :5%,'04 :5%,'05 [52]2-for-1,'05 :2-for-1,

HEARING EXHIBIT 00000052

May, 2008

Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
1.25	1.04	1.12	...	d	...	-44.0	-14.0	....
43.62	39.78	43.39	0.4	..	...	5.3	8.1	2006
88.11	70.05	87.52	...	92	...	241	67.8	....
29.17	12.72	22.80	...	20	3	138	0.0	....
27.75	23.47	27.27	...	d	2	54.9	0.0	....
5.74	5.11	5.11	...	d	-21	7.4	0.0	....
14.00	11.02	13.77	...	d	2	0.0	0.0	....
29.74	23.69	27.25	0.7	d	NM	20.8	1.1	2005
20.94	18.13	18.65	2.6	9	2	-38.3	-2.0	2003
22.92	16.54	19.18	...	20	11	-21.1	-5.5	....
0.95	0.63	0.69	...	d	-19	-71.0	-20.4	....
4.40	3.50	4.00	...	d	1	-60.8	-1.6	....
10.25	9.01	9.50	...	d	NM	-23.3	-14.4	....
8.12	7.47	8.00	...	NM	NM	-2.2	9.2	....
34.76	31.70	34.62	3.1	14	6	-18.2	12.4	1925
32.95	28.99	30.72	...	d	-19	-71.0	-20.4	....
4.56	3.73	4.29	...	72	91	-49.8	-0.4	....
50.81	44.55	50.39	0.4	14	...	-11.7	10.6	1947
29.22	23.83	26.82	2.2	10	NM	-42.3	25.7	2007
7.75	6.04	7.64	...	d	3	-45.0	0.0	....
1.85	1.55	1.56	...	12	NM	-64.0	-4.5	....
8.86	5.44	5.51	0.7	d	Neg	-75.7	-39.0	1994
39.25	36.36	38.25	2.8	19	10	0.2	13.7	1952
6.00	4.18	4.49	...	d	1	-52.0	64.4	....
16.00	13.07	14.38	...	45	-17	-29.0	-13.4	....
37.23	35.95	36.20	4.6	16	2	5.3	6.6	1948
7.45	7.00	7.05e	...	NA	1	-4.9	-3.1	....
117.75	103.17	110.23	6.2	25	32	35.0	83.9	1996
52.17	25.30	26.60	2.3	14	...	-22.8	5.6	2006
20.66	12.21	13.06	0.1	33	12	-8.9	-3.6	1976
19.29	16.10	16.96	2.2	11	8	-30.3	-0.4	1981
30.74	28.90	31.18	2.9	16	12	-17.5	10.6	1956
20.50	17.30	18.30	3.1	34	-11	-0.7	-4.7	1981
14.46	10.18	10.30	2.3	86	-18	-20.0	2.0	1960
69.00	39.58	44.34	...	55	30	65.0	71.1	2006
9.18	7.25	9.14	...	14	Neg	-60.3	-23.8	1967
46.83	42.75	44.19	5.7	23	4	-12.3	5.0	1995
9.29	9.11	9.23	...	...	...	0.0	0.0	....
10.00	8.76	9.90	...	...	...	...	...	....
1.75	1.35	1.41	...	d	90	-70.3	-45.0	....

[6]Ph:Cycle 1. [7]CBOE,Ph:Cycle 3.
5 Old Shr [32]Incl liabs subj to compromise

Common and Convertible Preferred Stocks

SOF-SPA 195

Splits Dividends ◆ Latest Payment Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1		None Paid		...	NIL	....	9.94	31.9	44.7	12-31-07	15.2	41791	...	...	...	...	Sp	vd0.09	....	d0.11	3 Mo Dec	v	vd0.02
2		None Paid		...	0.281	†0.008	Receipts Val based on Software Ind Co's				....	3609					Dc	....	....	....	Expire 12-31-2040		
3		None Paid		...	NIL	....	160	206	92.6	3-31-08	1.26	37759	2.52	3.07	1.61	14	Dc	v0.90	....	0.95	3 Mo Mar	v0.12	v0.55
4		None Paid		...	NIL	....	45.7	293	144	9-30-07	0.93	48005	...	...	...	...	Dc	v0.42	E1.16†	0.42			
5		None Paid		...	NIL	....	107	216	115	12-31-07	619	64806	1.17	1.18	1.16	3	Je	vd2.82	....	d1.27	6 Mo Dec	d1.32	0.23
6		None Paid		...	NIL	....	7.77	7.97	1.73	12-31-07	.....	29634	...	...	...	...	Dc	vd0.13	....	d0.13			
7		None Paid		...	NIL	....	173	1231	1627	12-31-07	[32]1018	p104460	...	...	...	...	Dc	Pvd1.99	....	d1.99			
8	S0.10	7-1-08	6-16	1.20	0.20	0.20	25.5	38.5	10.1	9-30-07	33.6	3698	...	...	...	...	Dc	vd0.01	....	d0.01			
9	Q0.12	7-15-08	6-11	0.36	0.48	0.48	5.11	1665	1493	3-31-08	783	±40423	2.40	2.45	2.33	10	Dc	v2.13	....	2.04	3 Mo Mar	v0.44	v0.35
10◆		None Paid		...	NIL	....	19.1	60.8	92.0	2-29-08	735	59916	1.05	1.07	1.03	15	Au	v0.91	....	0.98	6 Mo Feb	v0.29	v0.36
11		None Paid		...	NIL	....	6.17	9.90	5.15	12-31-07	0.47	35571	d0.19	d0.17	d0.22	3	Sp	vd0.18	....	d0.24	6 Mo Mar	d0.10	d0.16
12		None Paid		...	NIL	....	14.1	51.4	27.1	3-31-08	10.0	26849	d0.04	0.05	d0.12	3	Dc	v0.03	....	d0.02	3 Mo Mar	v0.03	vd0.02
13		None Paid		...	NIL	....	65.2	101	65.1	12-31-07	3.50	26383	d0.18	0.02	d0.38	6	Mr	....	E0.26†	0.41	3 Mo Jun		v0.18
14		None Paid		...	2.00	....	147	205	130	3-31-08	NIL	60988	0.26	0.30	0.20	9	Dc	v0.43	E0.08	0.43	3 Mo Mar		v
15	Q0.27	6-10-08	5-14	0.53	1.06	1.02	74.0	1074	755	3-30-08	796	99500	2.45	2.47	2.40	6	Dc	v2.10	E2.45†	1.71	3 Mo Mar	v0.52	v0.13
16		None Paid		...	NIL	....	313	415	28.5	3-31-08	225	16770	0.81	0.84	0.78	5	Dc	v0.40	E0.84†	0.50	3 Mo Mar	vd0.03	v0.07
17		None Paid		...	NIL	....	376	539	125	3-31-08	....	271138	0.06	0.09	0.05	7	Dc	vd0.09	E0.06†	d0.09			
18	S0.119	6-9-08		0.119	0.215	0.215	7289	49740	40103	12-31-07	6603	1003126	3.02	3.25	2.80	2	Mr	v3.51	E3.04†	3.51			
19	Q0.15	6-13-08	5-28	0.30	0.60	0.50	81.4	1061	587	3-31-08	212	67345	2.21	2.55	2.00	6	Dc	Pv3.25	....	2.69	3 Mo Mar	±0.37	vd0.19
20		None Paid		...	NIL	....	103	126	28.2	3-31-08	....	24985	d0.04	0.04	d0.13	6	Dc	vd0.32	....	d0.07	3 Mo Mar	d0.39	vd0.14
21		None Paid		...	NIL	....	54.1	62.9	8.35	1-31-08	.....	68468	0.06	0.08	0.05	6	Jl	v0.13	....	0.13	6 Mo Jan	0.02	0.02
22	Q0.01	8-1-08	7-11	0.39	0.04	0.72	Total Deposits $9789M			3-31-08	742	72630	d0.33	0.31	d1.27	13	Dc	v0.99	Ed1.11†	d2.06	3 Mo Mar	v0.27	vd2.78
23◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005	11.9	318	285	3-31-08	358	29729	2.25	2.32	2.15	6	Dc	v2.10	....	2.01	3 Mo Mar	v0.92	v0.83
24		None Paid		...	NIL	....	2.19	6.42	6.46	12-31-07	24.9	16483	...	...	...	...	Dc	vd0.45	....	d0.45			
25◆	10%Stk	6-22-07	5-30	...	NIL	....	Total Deposits $309M			3-31-08	107	4792	0.54	0.54	0.54	1	Dc	v0.30	....	0.32	3 Mo Mar	v0.14	v0.16
26	Q0.42	6-6-08	5-1	0.82½	1.68	1.59½	281	4825	5443	3-31-08	14888	[34]757212	2.32	2.35	2.26	17	Dc	v2.26	E2.33†	2.23	3 Mo Mar	v0.45	v0.47
27◆	5%Stk	5-9-05	4-22	...	ST	....	Total Deposits $107M			3-31-08	1.59	3058	...	...	...	...	Dc	vNIL	....	NA	3 Mo Mar	vd0.01	v0.11
28◆	Q1.70	6-3-08	5-12	3.10	6.80	6.80	1584	2858	992	3-31-08	1289	294466	8.53	9.77	7.32	9	Dc	v7.53	....	4.39	3 Mo Mar	v1.87	v1.92
29◆	Q0.15	4-11-08	3-26	0.30	0.60	0.40	32.7	894	1435	3-31-08	2950	124003	1.87	1.92	1.74	8	Dc	v1.75	E1.86	1.77	3 Mo Mar	v0.62	v0.64
30	Q0.005	6-26-08	6-10	0.014	0.018	0.018	3122	5050	5781	3-31-08	2079	731758	0.29	0.53	d0.05	15	Dc	v0.84	E0.40†	0.77	3 Mo Mar	v0.12	v0.05
31	Q0.09½	7-1-08	6-13	0.283	0.38	0.38	Total Deposits $1824M			3-31-08	328	14524	1.28	1.32	1.26	4	Dc	Pv1.46	....	1.51	3 Mo Mar	v0.31	v0.36
32	Q0.22½	9-2-08	8-13	0.66½	0.90	0.85	17.4	401	471	3-31-08	1264	43277	2.07	2.17	1.92	6	Dc	v1.95	....	1.92	3 Mo Mar	v1.17	v1.14
33◆	Q0.14	4-30-08	4-3	0.28	0.56	0.55	Total Deposits $225M			3-31-08	10.0	2548	...	...	...	...	Dc	v0.66	....	0.54	3 Mo Mar	v0.38	v0.29
34◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23	2.95	61.5	46.1	12-31-07	145	24435	0.36	0.40	0.30	3	Dc	v0.12	....	0.12			
35◆	Div Postponed 6-26-00			...	NIL	....	0.47	397	652	3-31-08	1076	341963	1.32	1.65	0.87	23	Dc	v0.64	....	0.80	3 Mo Mar	0.15	v0.31
36◆	Div Suspended 1-23-09			...	NIL	0.32	Total Deposits $49845M			3-31-08	24349	482443	0.68	0.90	0.40	13	Dc	vd2.85	E0.66†	d2.73	3 Mo Mar	v0.09	v0.21
37	Q0.63	4-22-08	4-4	1.26	2.52	2.48	Total Assets $1186M			3-31-08	482	21851	1.93	1.96	1.90	2	Dc	v1.81	E1.96†	1.78	3 Mo Mar	v0.44	v0.41
38		None Paid		...	NIL	....	1.32	....	18.9	6-30-07	0.25	[33]±53000	...	...	...	...	Dc	....	....	....			
39		None Paid		...	NIL	....	....	....	....	....	....	★40000	....	....	....	....	Dc	....	....	....			
40		None Paid		...	NIL	....	61.1	101	29.9	12-31-07	337	±65805	d0.06	d0.01	d0.11	2	Dc	vd0.12	Ed0.14†	d0.12			

◆Stock Splits & Divs By Line Reference Index [19]3-for-2,'04 :3-for-2,'06 [23]2-for-1,'05 [25]10%,'04 :10%,'05 :10%,'06 :10%,'07 [27]10%,'04 :5%,'05 [29]2-for-1,'06 [29]5%,'04 :5%,'05 [32]6-for-5,'04 [34]1.33-for-1,'04 :5%,'04 :5%,'05 [35]2-for-1,'05 :2-for-1,'05 :2-for-1,'06 [36]5%,'06

00000053

S&P 500
MidCap 400
SmallCap 600
Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Corp. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1986-06 High	1986-06 Low	2007 High	2007 Low	2008 High	2008 Low	May, 2008 May. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
♦1[e1]	WGL	WGL Holdings	NY,Ph,Ch,P,,B	B+	562	34233	Gas Utilities	34.79	9.75	35.91	29.79	35.69	30.26	99276	35.69	33.51	34.89	4.1	14	2	3.1	6.9	1852
♦2[e2]	WHR	Whirlpool Corp	NY,Ph,Ch,P,,B	B+	944	80648	Household Applicances	96.00	17.50	116.00	72.10	98.00	67.19	242943	80.20	70.94	73.88	2.3	10	14	-32.7	-4.3	1929
3	WEDC	White Electronic Designs	Ph,Ch,P,NDS,B	B-	61	12155	Semiconductors	18.62	0.25	6.95	3.50	5.00	3.99	8220	4.82	4.26	4.63	...	36	-32	-20.2	-1.9	....
4	WTM	White Mountains Insurance Grp	[e3]NY,Ph,Ch,P	B	327	6369	Property/Casualty Insurance	711.99	24.12	511.02	492.00	512.95	449.36	4847	493.75	453.00	477.00	1.7	20	6	-16.6	-8.0	1995
5	RVR	White River Capital	AS	NR	17	1541	Consumer Finance	2290.00	5.00	25.00	17.30	19.43	12.80	39	14.80	12.60	12.80e	...	9	3	-46.6	-4.1	....
6[e4]	WLL	Whiting Petroleum	NY,P	NR	455	43657	Oil & Gas Exploration & Prod	50.30	16.15	59.06	35.81	97.24	44.60	213837	97.24	73.49	93.53	...	21	21	113	39.9	....
7	WHX	Whiting USA Trust I	NY,Ch,P	NR	...	....	....	....	....	....	....	25.30	19.55	42056	25.30	20.00	22.90	...	NIL	...	0.0	0.0	2006
♦8[e5]	WTNY	Whitney Holding	NDS	A	410	34575	Regional Banks	37.26	3.56	33.26	22.46	27.49	21.12	123925	25.14	22.14	22.72	5.5	11	8	-24.0	-7.2	1993
9[e6]	WFMI	Whole Foods Market	NDS	B	947	139255	Food Retail	79.90	1.81	53.65	36.00	42.46	27.32	1062609	36.03	27.32	29.00	2.8	21	14	-28.0	-19.6	2004
10	WYY	WidePoint Corp	AS,Ph,Ch,BB	NR	27	20995	IT Consulting & Other Svcs	20.00	0.05	2.45	0.66	1.55	1.05	19740	1.35	1.10	1.28	...	d	5	33.3	15.5	....
11	GIW	Wilber Corp	AS,Ch,P	NR	21	314	Regional Banks	15.50	5.06	12.00	8.20	9.10	8.31	253	8.86	8.31	8.70	4.4	13	-2	-4.5	-6.9	1993
♦12	JW.A	Wiley(John)Sons 'A'[e3]	NY,Ch	A	401	40958	Publishing	45.23	1.31	49.79	36.34	48.00	34.86	33401	48.00	44.94	47.25	0.9	21	10	4.7	8.7	1982
13	JW.B	Wiley(John)Sons 'B'	NY,Ch,B	...	16	344	....	45.10	1.50	49.03	36.49	47.92	35.55	444	47.92	45.00	47.11	0.9	21	12	4.6	8.5	1904
14	WG	Willbros Group	NY,Ch	NR	359	39050	Oil & Gas Equipment & Svcs	24.53	4.12	43.53	17.80	42.56	27.85	150624	42.58	34.16	41.48	....	d	1	45.5	53.5	....
15	WTU	Williams Coal Seam Gas Rlty[e4]	NY,Ch,P,B	NR	18	403	Oil & Gas Exploration & Prod	29.25	5.00	12.96	8.33	11.05	8.45	6739	11.05	9.75	10.41	7.2	15	...	....	....	1993
♦16[e7]	WMB	Williams Cos	NY,Ph,Ch,,B	B	1230	459676	Oil & Gas Storage & Transp	53.75	0.78	37.74	25.17	39.93	26.82	1289399	39.93	35.29	38.04	1.2	20	44	19.2	29.1	1974
17[e8]	WPZ	Williams Partners L.P.	NY	NR	131	22798	Oil & Gas Storage & Transp	40.80	24.89	52.00	36.50	39.31	31.24	29146	37.66	34.10	35.69	6.7	15	5	-21.0	0.0	2005
18	WMZ	Williams Pipeline Ptnrs L.P.	NY,Ch,P	NR	35	4709	Oil & Gas Storage & Transp	....	....	....	....	20.80	15.05	16516	19.00	16.31	18.40	6.5	d	3	0.0	0.0	2006
♦19[e7]	WSM	Williams-Sonoma	NY,Ph,Ch,P	B+	478	95885	Homefurnishing Retail	45.14	0.60	36.95	25.46	29.81	18.98	252087	29.81	23.98	25.42	1.9	14	11	-22.9	-12.4	2006
20[e9]	WSH	Willis Group Holdings	NY,Ch	NR	395	122851	Insurance Brokers	42.53	15.50	46.64	36.69	37.97	30.40	104813	37.34	33.43	35.83	2.8	13	4	-16.7	4.1	2003
21	WLFC	Willis Lease Finance	NDS	B-	63	4197	Trading Cos & Distributors	25.75	2.95	16.50	10.00	14.38	10.51	3715	12.84	10.51	11.01	...	13	11	-2.9	9.9	....
♦22[e10]	WL	Wilmington Trust Corp	NY,Ph,Ch,P	A	486	42175	Regional Banks	45.61	4.56	44.55	32.57	35.50	27.78	115216	35.17	32.31	32.94	4.2	13	1	-19.5	0.9	1914
♦23	WIBC	Wilshire Bancorp	NDS	B+	248	11216	Regional Banks	20.20	0.31	19.34	7.65	9.08	6.02	23772	9.08	7.99	8.93	2.2	10	14	-28.3	-11.0	2005
24	WOC	Wilshire Enterprises	AS	B-	30	1378	Real Estate Mgmt & Develop	9.70	2.50	6.56	2.41	3.71	2.50	364	3.41	2.67	3.02	...	d	-15	-46.5	-15.5	....
25[e11]	WBD	Wimm-Bill-Dann Foods ADS[e7]	NY,Ch,P	NR	209	8215	Packaged Foods & Meats	67.49	11.90	137.55	53.50	145.28	87.22	50285	140.80	117.60	125.08	0.3	52	34	59.5	92.4	2007
♦26[e12]	WIND	Wind River Systems	NDS	B-	343	62793	Systems Software	68.12	1.29	13.42	8.27	10.92	8.07	229868	10.92	7.92	10.82	...	d	NM	4.8	-12.6	....
♦27[e13]	WIN	Windstream Corp	NY,P	NR	1028	327488	Integrated Telecom Svcs	14.43	11.13	15.63	12.38	13.51	10.40	916822	13.51	11.75	13.34	7.5	12	3	-4.2	0.0	2006
28	WEX	Winland Electronics	AS,Ph,P	B-	17	549	Electronic Manufactur Svcs	7.44	0.45	4.73	1.96	2.65	1.25	954	2.03	1.25	1.72	...	d	Neg	-45.9	-21.6	....
29	WINN	Winn-Dixie Stores(New)	NDS	NR	295	49758	Food Retail	16.38	10.92	32.40	12.25	19.17	14.45	79936	19.17	16.70	18.05	...	d	1	-42.4	0.0	....
♦30[e14]	WGO	Winnebago Indus	NY,Ph,Ch,P,,B	B+	414	35894	Automobile Manufacturers	40.64	1.06	35.24	19.91	24.14	13.98	55906	16.75	14.11	14.92	3.2	12	-5	-51.2	-22.1	1995
31[e8]	FUR	Winthrop Realty Tr SBI	NY,Ph,Ch,P,,B	A-	183	30679	Diversified REITs	27.40	1.47	7.30	4.85	5.95	4.07	41751	4.53	4.19	4.42	5.9	12	1	-29.1	11.7	2006
♦32	WTFC	Wintrust Financial	NDS	A-	366	18654	Regional Banks	63.39	8.83	50.00	31.81	38.99	28.57	42068	33.71	29.81	31.18	1.2	15	8	-31.4	-14.3	2000
33[e9]	WIT	Wipro Ltd ADS[e8]	NY,Ch	NR	99	9219	IT Consulting & Other Svcs	16.39	2.83	18.44	12.49	14.99	9.85	79143	14.38	12.54	14.16	1.1	25	36	-12.2	11.5	2001
34[e15]	WMH	Wireless HOLDRs Tr Dep Receipt	AS	NR	10	131	....	103.12	27.50	80.45	58.42	72.01	58.05	1476	66.81	63.94	67.77	1.8	..	....	4.2	11.4	2001
35	WTT	Wireless Telecom	AS,Ph,Ch,P,B	B	39	4719	Elect Equip Manufacturers	16.75	0.33	3.19	1.58	1.79	1.30	5185	1.49	1.30	1.32	...	22	-4	-51.1	-19.9	....
♦36	WEC	Wisconsin Energy Corp	NY,Ph,Ch,P,B	B	647	85590	Multi-Utilities	48.70	12.79	50.48	41.06	49.61	42.00	125514	48.75	48.65	48.04	2.2	16	7	2.4	12.3	1939
37	WZE	Wizzard Software	AS,Ch,P	NR	6	40	Application Software	6.81	0.29	3.75	2.00	3.25	1.99	11040	2.35	2.00	2.15	...	d	-14	-7.7	4.0	....
♦38[e16]	WMS	WMS Indus	NY,Ch	B-	629	55034	Casinos & Gaming	24.92	0.79	37.92	23.40	41.23	30.21	232065	39.75	34.23	37.04	...	32	NM	32.2	20.6	....
39	WNS	WNS (Hldg) Ltd ADS[e3]	NY	NR	71	16202	Data Process/Outsourced Svcs	34.53	20.79	35.83	15.31	20.00	12.81	15324	19.74	16.00	17.85	...	30	2	-33.2	0.0	....
♦40[e17]	WWW	Wolverine World Wide	NY,Ph,Ch,P,,B	A	521	48655	Footwear	30.20	0.80	31.08	23.38	31.21	19.85	104160	29.90	27.40	28.71	1.5	16	1	0.7	9.4	1988

Uniform Footnote Explanations-See Page 1. Other: [1]P:Cycle 1. [2]CBOE,P:Cycle 3. [3]B [4]CBOE,Ph:Cycle 3. [5]ASE,Ph:Cycle 3. [6]ASE:Cycle 2. [7]ASE,CBOE,P:Cycle 2. [8]CBOE,P,Ph:Cycle 3. [9]CBOE:Cycle 1. [10]P:Cycle 2. [11]CBOE,Ph:Cycle 1. [12]ASE,CBOE,P,Ph:Cycle 2. [13]CBOE,Ph:Cycle 2. [14]ASE,CBOE:Cycle 1. [15]ASE:Cycle 1. [16]Ph:Cycle 1. [17]Ph:Cycle 3. [51]Pfd in $M [52]Incl 53M restricted shs [53]1/10 vtg [54]Trust Units [55]Incl 7M Sub Uts & 6.8M Cl'B'units [56]Incl 11M Sub Uts [57]Ea ADS rep 1 ord shr,20 Rubles [58]Incl liabs subj to compromise [59]6 Mo Jun'07 [60]Ea ADS rep 1 Equity shr,Rs.2 [61]As defined [62]Subsid pfd in $M [63]Ea ADS rep 1 Ord Shr

Common and Convertible

Splits Dividends
♦ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008
1	Q0.355	5-1-08	4-8	0.69¾
2	Q0.43	6-15-06	5-21	0.86
3		None Paid		....
4	Q2.00	6-25-08	6-12	4.00
5♦		None Paid		....
6		None Paid		....
7		Plan qtly div		....
8♦	Q0.31	7-1-06	6-12	0.91
9♦	Q0.20	4-22-08	4-9	0.40
10		None Paid		....
11	Q0.09¾	5-28-08	5-9	0.19
12	Q0.11	4-15-08	3-28	0.22
13	Q0.11	4-15-08	3-28	0.22
14		None Paid		....
15	Q0.187	5-30-08	5-13	0.367
16	Q0.11	6-30-08	6-11	0.21
17	Q0.60	5-15-08	5-5	1.17½
18		Plan qtly div		....
19	Q0.12	5-23-08	4-23	0.23½
20	Q0.26	7-14-08	6-26	0.77
21		None Paid		....
22	Q0.34½	5-15-08	4-29	0.68
23♦	Q0.05	7-15-08	6-26	0.15
24	3.00	6-29-06	6-30	....
25	0.124	9-6-07	5-22	....
26		None Paid		....
27		None Paid		0.75
28	10%Stk	12-31-03	12-17	....
29		None Paid		....
30♦	Q0.12	7-8-08	6-4	0.36
31	Q0.06¾	4-15-08	3-27	0.31
32	S0.18	2-21-08	2-5	0.18
33♦		None Paid		....
34	0.182	8-5-08	6-4	0.347
35	Q0.03	11-14-05	11-2	....
36	Q0.27	6-1-08	5-12	0.54
37♦	10%Stk	10-30-06	10-11	....
38♦		None Paid		....
39		None Paid		....
40♦	Q0.11	8-1-08	6-27	0.31

♦Stock Splits & Divs By Line Reference in

HEARING EXHIBIT 00000054

May, 2008

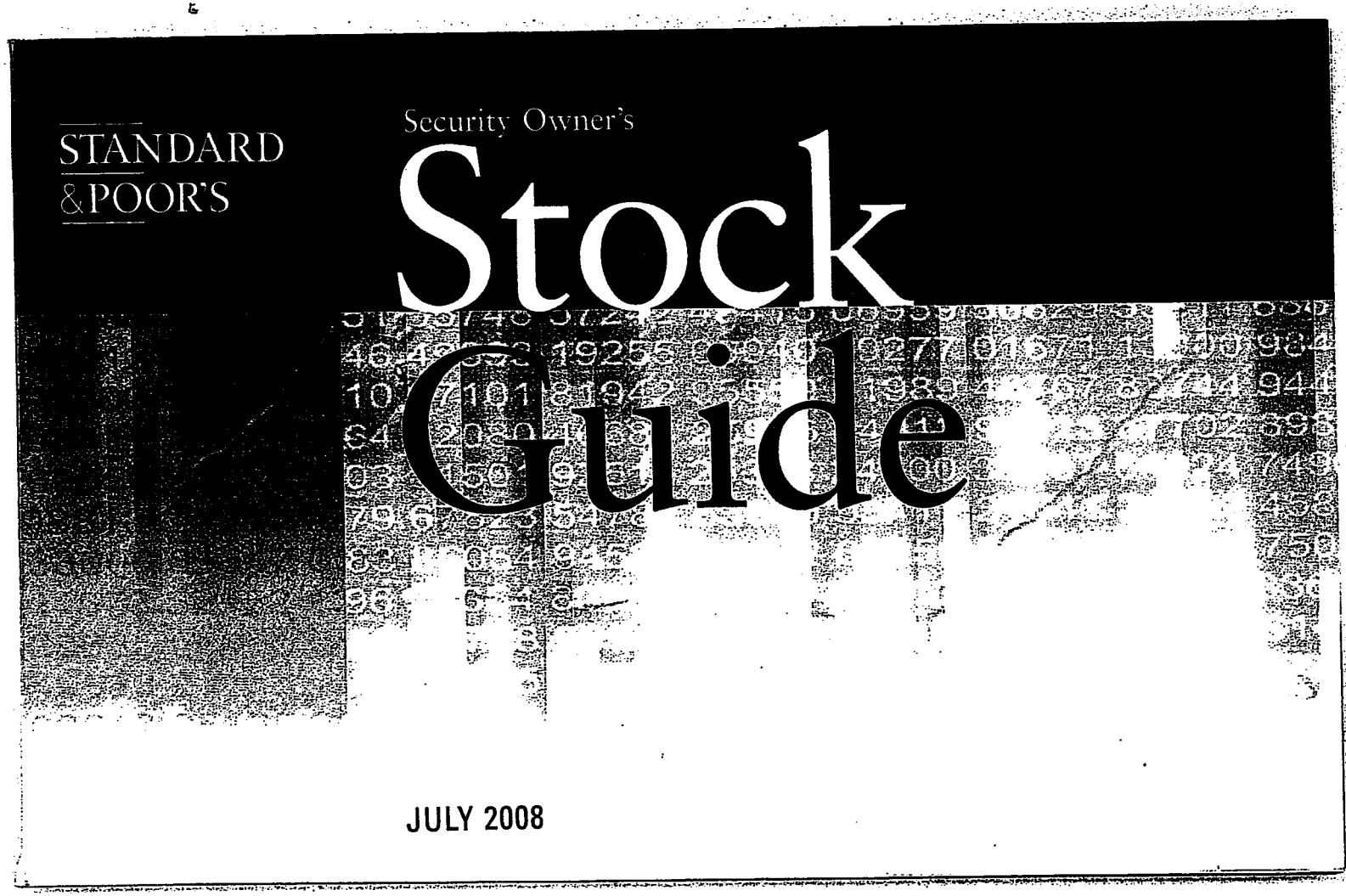
May. Sales in 100s	Last Sale Or Bid High	Low	Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth%	Total Return 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
99276	35.69	33.51	34.89	4.1	14	2	3.1	6.9	1852
242943	80.20	70.94	73.68	2.3	10	14	-32.7	4.3	1929
8220	4.82	4.26	4.63	...	36	-32	-20.2	-1.9	....
4847	493.75	453.00	477.00	1.7	20	6	-16.6	-9.0	1995
39	14.80	12.60	12.80e	...	9	3	-46.6	-4.1	....
213837	97.24	73.49	93.53	...	21	21	113	39.9	....
42056	25.30	20.00	22.90	...	NIL	...	0.0	0.0	2006
123925	25.14	22.14	22.72	5.5	11	8	-24.0	-7.2	1993
062809	36.03	27.32	29.00	2.8	21	14	-28.0	-19.6	2004
19740	1.35	1.10	1.28	...	d	5	33.3	15.5	....
253	8.86	8.31	8.70	4.4	13	-2	-4.5	-6.9	1983
33401	48.00	44.94	47.25	0.9	21	10	4.7	8.7	1982
444	47.92	45.00	47.11	0.9	21	12	4.6	8.5	1904
150624	42.58	34.16	41.48	....	d	1	45.5	53.5	....
6739	11.05	9.75	10.41	7.2	15	...	...	...	1993
288399	39.93	35.29	38.04	1.2	20	44	19.2	29.1	1974
29146	37.68	34.10	35.69	6.7	15	5	-21.0	0.0	2005
16516	19.00	16.31	18.40	6.5	d	3	0.0	0.0	2008
252087	29.81	23.98	25.42	1.9	14	11	-22.9	-12.4	2006
104813	37.34	33.43	35.83	2.8	13	4	-18.7	4.1	2003
3715	12.84	10.51	11.01	...	13	11	-2.9	9.9	....
115216	35.17	32.31	32.94	4.2	13	1	-19.5	0.9	1914
23772	9.08	7.99	8.93	2.2	10	14	-28.3	-11.0	2005
364	3.41	2.67	3.02	...	d	-15	-46.5	-15.5	....
50285	140.80	117.60	125.08	0.3	52	34	59.5	92.4	2007
229858	10.92	7.92	10.82	...	d	NM	4.8	-12.6	....
91[illegible]22	13.51	11.75	13.34	7.5	12	3	-4.2	0.0	2006
[illegible]84	2.03	1.25	1.72	...	d	Neg	-45.9	-21.8	....
76926	19.17	16.70	18.05	....	d	1	-42.4	0.0	....
56909	16.75	14.11	14.92	3.2	12	-5	-51.2	-22.1	1995
41751	4.53	4.19	4.42	5.9	12	1	-29.1	11.7	2006
42068	33.71	29.81	31.18	1.2	15	8	-31.4	-14.3	2000
70143	14.38	12.54	14.16	1.1	25	36	-12.2	11.5	2001
[illegible]776	68.81	63.94	67.77	1.8	...	...	4.2	11.4	2001
5185	1.49	1.30	1.32	...	22	-4	-51.1	-19.9	....
125914	48.75	46.65	48.04	2.2	16	7	2.4	12.3	1939
13580	2.35	2.00	2.15	...	d	-14	-7.7	4.0	....
230[illegible]85	39.75	34.23	37.04	...	32	NM	32.2	20.6	....
15984	19.74	16.00	17.85	...	30	2	-33.2	0.0	....
109160	29.90	27.40	28.71	1.5	16	1	0.7	9.4	1968

E,[illegible]BOE,P:Cycle 2. [2]CBOE,P,Ph:Cycle 3. [3]CBOE:Cycle 1.
3. [52]Bld in $M [53]Incl 53M restricted shs [53]1/10 vtg
'07 [illegible]Ea ADS rep 1 Equity shr,Rs.2 [51]As defined

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Q0.355	5-1-08	4-8	0.69½	1.42	1.36½	18.5	721	628	3-31-08	597	49467	2.38	2.45	2.30	5	Sp	v2.19	E2.48†	2.57	6 Mo Mar	v2.20	v2.58
2	Q0.43	6-15-08	5-21	0.86	1.72	1.72	321	7002	5711	3-31-08	2166	75127	7.05	7.48	6.69	7	Dc	v6.01	E7.45†	7.77	3 Mo Mar	1.46	v1.22
3		None Paid		...	NIL	....	44.9	102	18.1	12-29-07	....	22416	0.22	0.25	0.18	3	Sp	v0.13	....	0.13	3 Mo Dec	v0.01	v0.01
4	Q2.00	6-25-08	6-12	4.00	8.00	8.00	Total Assets $19364.8M			3-31-08	1666	[51][53]10570	25.40	25.40	25.40	1	Dc	Pv37.89	....	24.36	3 Mo Mar	v8.54	vd4.99
5◆		None Paid		...	NIL	....	Total Assets $788M			3-31-08	44.7	3869	...	...	...	...	Dc	v2.20	....	1.37	No Recent EPS		
6		None Paid		...	NIL	....	6.73	192	281	3-31-08	910	42319	6.01	8.02	4.68	10	Dc	Pv3.29	....	4.47	3 Mo Mar	v0.29	v1.47
7		Plan qtly div		...	4.15	....	....	....	....		....	★13864	....	....	....	....	Dc	....	....	NIL	No pro-forma EPS		
8◆	Q0.31	7-1-08	6-12	0.91	1.24	1.14	Total Deposits $8513M			3-31-08	159	64961	1.67	1.71	1.58	5	Dc	Pv2.23	....	2.13	3 Mo Mar	v0.55	v0.45
9◆	Q0.20	4-22-08	4-9	0.40	0.80	0.72	60.7	596	685	4-13-08	827	140206	1.17	1.25	1.10	16	Sp	v1.29	E1.37	1.15	6 Mo Mar	v0.70	v0.56
10		None Paid		...	NIL	....	1.83	6.97	3.64	12-31-07	0.04	54091	...	...	...	...	Dc	vd0.01	....	d0.01			
11	Q0.09½	5-28-08	5-9	0.19	0.38	0.38	Total Deposits $635M			3-31-08	35.0	10504	....	....	....	....	Dc	Pv0.73	....	0.69	3 Mo Mar	0.18	v0.14
12	Q0.11	4-15-08	3-28	0.22	0.44	0.42	220	619	712	1-31-08	988	±58366	2.03	2.06	2.00	2	Ap	±v1.71	....	2.24	9 Mo Jan	±1.47	±2.00
13	Q0.11	4-15-08	3-28	0.22	0.44	0.42	....	....	....	....	....	9869	....	....	....	....	Ap	±v1.71	....	2.24	9 Mo Jan	±1.47	±2.00
14		None Paid		...	NIL	....	92.8	407	206	12-31-07	100	38040	1.88	1.95	1.80	10	Dc	vd1.67	....	d1.67			
15	Q0.187	5-30-08	5-13	0.367	0.749	0.881	Total Assets $7.65M			9-30-07	NIL	9700	...	...	...	...	Dc	v0.69	....	0.69			
16	Q0.11	6-30-08	6-11	0.21	0.44	0.39	2240	7152	5664	3-31-08	7799	584409	2.10	2.31	1.71	9	Dc	v1.63	E1.91†	2.25	3 Mo Mar	v0.22	v0.84
17	Q0.60	5-15-08	5-5	1.17½	2.40	2.04½	34.5	129	102	3-31-08	1000	[55]±52775	2.72	3.49	2.34	9	Dc	Pv1.98	....	2.32	3 Mo Mar	v0.31	v0.66
18		Plan qtly div		...	1.20	....	Total Assets $403M			3-31-08	....	[56]★33564	....	....	....	....	Dc	v....	....	d0.07	3 Mo Mar	0.34	v0.27
19	Q0.12	5-23-08	4-23	0.23½	0.48	0.44½	118	1049	611	2-03-08	11.2	105352	1.73	1.77	1.72	22	Ja	v1.76	E1.48†	1.76			
20	Q0.26	7-14-08	6-26	0.77	1.04	0.985	Total Assets $12948M			3-31-08	1415	142000	2.92	2.99	2.85	9	Dc	v2.76	E2.85†	2.84	3 Mo Mar	1.10	v1.16
21		None Paid		...	NIL	....	Total Assets $779M			12-31-07	567	8643	...	...	...	...	Dc	v0.84	....	0.84			
22	Q0.34½	5-15-08	4-29	0.68	1.36	1.32	Total Deposits $8163M			3-31-08	268	67067	2.44	2.58	2.35	5	Dc	v2.64	E2.48†	2.64	3 Mo Mar	v0.62	v0.62
23◆	Q0.05	7-15-08	6-26	0.15	0.20	0.20	Total Deposits $1748M			3-31-08	327	29391	0.81	0.93	0.64	6	Dc	Pv0.91	....	0.90	3 Mo Mar	0.25	v0.24
24	3.00	6-29-06	6-30	...	NIL	....	4.84	8.41	3.11	12-31-07	27.8	7926	....	....	....	....	Dc	vd0.11	....	d0.11			
25	0.124	9-6-07	5-22	...	0.124	0.422	38.1	577	618	9-30-07	139	44000	4.60	5.24	4.16	8	Dc	v2.40	....	2.40			
26		None Paid		...	NIL	....	124	228	176	1-31-08	....	84373	0.31	0.33	0.31	10	Ja	vd0.03	....	d0.03			
27		None Paid		0.75	1.00	1.00	72.0	498	641	12-31-07	5331	477110	1.07	1.17	1.00	16	Dc	v1.94	E1.08†	2.00	3 Mo Mar	v0.21	v0.27
28	10%Stk	12-31-03	12-17	...	NIL	....	1.16	10.3	3.35	12-31-07	1.47	3641	....	....	....	....	Dc	vd0.07	....	d0.10	3 Mo Mar	vd0.07	vd0.10
29		None Paid		...	NIL	....	141	973	562	1-09-08	[58]0.09	53902	0.13	0.14	0.12	2	Je	v[58]0.53	....	d1.66	No pro-Forma EPS		
30◆	Q0.12	7-8-08	6-4	0.36	0.48	0.42	15.5	195	92.0	3-01-08	....	29059	0.90	1.05	0.76	7	Au	v1.32	....	1.26	6 Mo Feb	v0.49	v0.43
31	Q0.06½	4-15-08	3-27	0.31	0.44	0.245	Total Assets $771.6M			12-31-07	222	67502	0.42	0.42	0.42	1	Dc	v0.36	....	0.36			
32	S0.18	2-21-08	2-5	0.18	0.36	0.32	Total Assets $7471M			3-31-08	1122	23564	1.92	2.25	1.70	9	Dc	v2.24	....	2.07	3 Mo Mar	v0.57	v0.40
33◆		None Paid		...	0.151	0.075	.1389	3298	.1967	3-31-08	373	1453492	0.55	0.57	0.54	10	Mr	v0.55	E0.64†	0.55			
34	0.182	8-5-08	6-4	0.347	1.917	†0.957	Receipt Witnessed on 28 Wireless Consumer Ctrs[61]				....	984	....	....	....	....	Dc	....	....	....	Expire 12-31-2040		
35	Q0.03	11-14-05	11-2	...	0.12	....	9.75	32.2	7.01	9-30-07	4.98	25954	...	...	...	...	Dc	v0.06	....	0.06			
36	Q0.27	6-1-08	5-12	0.54	1.08	1.00	367	1657	2633	3-31-08	2974	[62]116928	2.85	3.05	2.74	12	Dc	v2.83	E2.95†	3.02	3 Mo Mar	v0.85	v1.04
37◆	10%Stk	10-30-06	10-11	...	NIL	....	8.97	7.61	2.27	9-30-07	0.08	43210	....	....	....	....	Dc	vd0.11	....	d0.11			
38◆		None Paid		...	NIL	....	57.7	367	85.2	12-31-07	115	50625	1.12	1.15	1.06	14	Je	v0.86	E1.15†	1.06	9 Mo Mar	v0.58	v0.78
39		None Paid		...	NIL	....	96.5	177	83.7	12-31-07	NIL	42120	0.58	0.59	0.57	11	Mr	....	E0.70†	0.29	9 Mo Dec	v0.44	v0.08
40◆	Q0.11	8-1-08	6-27	0.31	0.44	0.34½	47.4	483	126	3-22-08	60.0	49759	1.90	1.95	1.87	12	Dc	v1.70	....	1.77	3 Mo Mar	v0.39	v0.46

◆Stock Splits & Divs By Line Reference Index [1]1-for-100 REVERSE,'05 [3]3-for-2,'05 [2]2-for-1,'05 [22]2-for-1,'04 [32]2-for-1,'04 [33]3-for-1,'04 [2]2-for-1,'05 [37]10%,'06 [36]3-for-2,'07 [46]3-for-2,'05

000055



HEARING EXHIBIT 00000056

Name of Issue

‖ S&P 500 ◆ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	(Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business
1	APEI	Amer Public Education	NDS	NR	225	11834	Education Services
2	ARII	Amer Railcar Ind	NDS	NR	185	16263	Constr & Farm Mach/Hvy Truck
3	ARL	Amer Realty Investors	NY	NR	12	92	Real Estate Mgmt & Develop
4	ARP	Amer Reprographics	NY,P	NR	259	38383	Office Services & Supplies
5	ASI	Amer Safety Ins Hldgs	NY,P	B	101	6362	Property/Casualty Insurance
6[o1]	ASEI	Amer Science & Engr	Ch,NDS	B–	244	5117	Aerospace & Defense
7	AMS	Amer Shared Hosp Sv	AS,Ch,P	B–	27	842	Health Care Services
8	AQQ	Amer Spectrum Rlty	AS,P	NR	10	4	Real Estate Mgmt & Develop
◆9	AWR	Amer States Water	NY,Ch	B+	300	9934	Water Utilities
10[o2]	AMSC	Amer Superconductor	NDS	C	266	29068	Electrical Component & Equip
¶11[o3]	AMT	Amer Tower'A'	NY,Ch	NR	1141	394406	Wireless Telecom Svcs
12[o4]	AVD	Amer Vanguard	NY,AS,Ch,P	B+	172	14845	Fertilizers & Ag Chemicals
13[o5]	AWK	Amer Water Works Co	NY,Ch,P	NR	15	22	Water Utilities
14	AMWD	Amer Woodmark	NDS	B+	205	13616	Building Products
15	UHAL	AMERCO	NDS	NR	184	6344	Trucking
¶16[o6]	AEE	Ameren Corp	NY,Ph,Ch,P,B	A–	758	125027	Multi-Utilities
17[o7]	AMX	America Movil'L'ADS[s4]	NY,Ph,Ch,P,B	NR	1225	603291	Wireless Telecom Svcs
18	CRMT	America's Car-Mart	NDS	B–	124	8117	Automotive Retail
#19[o8]	ACF	AmeriCredit Corp	NY,Ch	B	452	134148	Consumer Finance
20	APU	AmeriGas Partners L.P	NY,Ph,Ch,P,B	NR	120	3636	Gas Utilities
◆21[o9]	AGP	AMERIGROUP Corp	NY	NR	600	61247	Managed Health Care
¶22[o10]	AMP	Ameriprise Financial	NY,Ph,Ch,P,B	NR	1155	190821	Asset Mgmt & Custody Banks
¶23[o6]	ABC	AmerisourceBergen Corp	NY,Ph,Ch,P,B	A–	962	152991	Health Care Distributors
24[o10]	ASCA	Ameristar Casinos	NDS	B	225	27378	Casinos & Gaming
25	AMN	Ameron Intl	NY,Ph,Ch,P,B	A–	313	7752	Building Products
#26	AME	AMETEK, Inc	NY,Ph,Ch,P,B	A	712	89297	Electrical Component & Equip
¶27[o1]	AMGN	Amgen Inc	NDS	B+	2025	828689	Biotechnology
28	AMCS	AMICAS Inc	NDS	C	85	32138	Health Care Technology
29[o10]	AMKR	Amkor Technology	NDS	B–	515	112821	Semiconductor Equipment
◆30[o11]	AHS	AMN Healthcare Svcs	NY,Ch,P	NR	349	35579	Health Care Services
31[o12]	AMPL	Ampal-Amer Israel'A'	Ch,P,NDS,B	NR	81	2028	Multi-Sector Holdings
32	AP	Ampco-Pittsburgh	NY,Ph,Ch	B	241	7474	Industrial Machinery
#33[o13]	APH	Amphenol Corp'A'	NY,Ph,Ch,B	B+	855	170132	Elect Equip Manufacturers
34[o14]	AMR	AMR Corp	NY,Ph,Ch	B–	497	258419	Airlines
35	AAR	AMR Corp 7.875%'PINES'	NY	BBB–	4	9.5	
36	AMY	AmREIT 'A'	AS,Ph,Ch,P	NR	28	1095	Retail REITs
37	AXR	AMREP Corp	NY,Ph,Ch	B	120	1258	Diversif Comm & Prof Svcs
◆38[o12]	AMSG	AmSurg Corp	NDS	B+	381	31567	Health Care Facilities
39[o15]	AFSI	AmTrust Financial Svcs	NDS	NR	321	24178	Property/Casualty Insurance
40	AMLN	Amylin Pharmaceuticals	NDS	C	515	153111	Biotechnology
¶41[o7]	APC	Anadarko Petroleum	NY,Ph,Ch,P,,B	A–	1473	395219	Oil & Gas Exploration & Prod

Price Range

1986-06 High	1986-06 Low	2007 High	2007 Low	2008 High	2008 Low
....	....	46.98	29.23	44.94	27.56
40.96	22.01	43.46	12.95	26.00	14.50
24.45	1.37	10.50	7.00	13.04	8.71
39.00	13.00	35.34	14.33	19.97	13.49
19.65	3.25	24.21	17.45	21.06	14.38
93.86	2.00	73.40	0.01	57.99	42.10
12.12	0.18	6.80	1.80	2.99	1.71
60.36	5.00	28.75	16.25	52.00	22.01
43.79	6.66	46.14	33.57	40.25	31.78
75.12	2.09	32.74	9.20	47.53	15.51
55.50	0.60	46.53	36.34	46.10	32.10
27.75	0.18	20.30	11.51	17.97	12.05
....	....	....	....	23.65	20.22
48.75	1.02	46.10	18.00	25.33	15.60
106.95	1.36	89.96	57.03	71.96	46.17
58.77	19.87	55.00	47.10	54.29	40.92
46.15	3.84	69.15	41.89	67.39	49.02
25.70	0.20	14.20	10.27	19.40	9.02
64.90	1.06	29.46	9.54	16.00	8.50
35.00	12.75	38.69	31.20	36.88	25.00
49.30	8.50	39.44	23.35	41.00	20.77
55.79	32.00	69.25	51.31	57.55	40.60
48.96	4.93	56.56	42.21	48.60	38.42
33.41	0.93	38.00	24.25	27.92	13.66
80.58	11.00	116.47	24.64	124.49	73.36
34.06	2.75	48.45	30.67	53.12	37.09
86.92	0.25	76.95	46.21	48.91	39.16
37.37	0.93	3.58	2.34	3.05	1.70
65.31	1.13	16.29	7.50	12.70	6.14
37.40	8.90	29.10	16.40	17.89	14.25
35.00	1.25	8.50	4.27	7.71	4.30
37.33	4.87	54.46	22.99	53.69	29.00
35.24	0.64	47.24	30.60	50.00	34.19
89.93	1.25	41.00	13.65	16.49	4.79
25.25	2.43	24.90	18.06	23.38	12.00
8.82	6.05	9.25	6.56	8.04	5.91
137.51	3.25	149.99	20.90	58.25	27.94
29.99	3.16	28.00	21.63	29.76	21.96
9.57	7.50	22.08	8.31	17.50	12.07
51.54	0.28	53.25	35.55	37.38	23.75
56.97	4.59	68.00	38.40	81.36	50.91

June, 2008

Jun. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last
25592	41.36	33.89	39.04
23025	21.85	16.32	16.78
1028	12.00	9.26	9.48
60318	19.40	16.44	16.65
14679	16.99	14.38	14.38
21658	58.79	49.50	51.53
944	2.63	1.95	2.10
975	52.00	33.25	41.10
23363	36.60	33.09	34.94
364564	47.53	33.50	35.85
870892	45.95	40.86	42.25
51830	13.54	12.05	12.30
201798	23.65	21.07	22.18
16755	25.33	20.01	21.13
14646	59.75	46.17	47.68
252408	45.44	41.34	42.23
1463358	59.72	51.45	52.75
52066	19.40	14.11	17.92
340450	14.15	8.50	8.62
11802	34.48	31.15	31.85
225009	28.72	20.77	20.80
510377	47.98	40.60	40.67
264125	42.36	38.94	39.99
118304	18.90	13.66	13.82
20606	123.00	106.84	119.98
142205	53.05	46.66	47.22
1960339	47.41	42.90	47.16
46227	2.96	2.31	2.84
649697	11.62	10.08	10.41
48506	17.89	16.74	16.92
14450	5.66	4.30	4.51
19201	53.69	43.62	44.48
274652	50.00	43.70	44.88
4562909	8.05	4.79	5.12
6037	15.76	12.00	13.54
4978	7.46	6.79	7.15
4976	55.00	46.51	47.59
45446	27.79	24.35	24.35
53436	15.12	12.48	12.60
726343	33.22	25.30	25.39
1209219	81.14	71.68	74.84

%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
...	57	3	0.0	0.0	....
0.7	10	5	–55.3	–0.0	2006
...	1	NM	16.3	–3.1	....
...	10	1	–46.1	3.5	....
...	12	...	–35.1	–1.1	....
1.6	28	NM	–7.0	6.4	2007
....	12	–12	–65.8	–28.1	2001
...	d	NM	93.5	68.3	....
2.9	23	.12	0.5	8.8	1931
...	d	30	79.3	60.3	....
...	86	NM	–0.5	26.6	....
0.8	19	1	–10.9	–5.4	1996
...	d	...	0.0	0.0	....
1.7	73	–23	–37.4	–9.9	1996
...	17	NM	–37.4	–2.5	....
6.0	13	–1	–11.3	–4.2	1906
0.7	13	1	–11.5	41.1	2001
...	19	–14	33.0	–7.6	....
...	10	45	–65.7	–28.7	....
8.0	14	21	–3.4	7.4	1995
...	9	12	–10.7	–18.4	....
1.5	10	5	–34.1	0.0	2005
0.8	14	7	–21.1	5.9	2001
3.0	d	11	–58.2	–16.6	2004
1.0	16	28	32.4	51.2	1939
0.5	21	22	25.2	21.5	1942
...	11	12	–16.5	–8.8	....
...	d	–39	–20.7	–15.7	....
...	8	NM	–29.7	33.6	....
...	15	9	–23.6	4.9	....
...	50	50	–25.5	5.4	....
1.6	11	NM	21.4	59.4	1966
0.1	19	33	28.5	30.8	2005
...	d	NM	–79.3	–21.9	....
14.5	..	...	–38.8	–0.4	1999
7.0	d	–23	–7.9	2.4	2002
...	16	34	6.8	33.5	....
...	16	11	0.5	–2.5	....
1.3	8	1	–31.0	0.0	2007
...	d	1	–36.4	10.2	....
0.5	16	32	43.4	21.5	1986

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 1. [2]ASE,Ph:Cycle 1. [3]CBOE,P,Ph:Cycle 1. [4]ASE,Ph:Cycle 2. [5]CBOE,Ph:Cycle 3. [6]Ph:Cycle 3. [7]ASE,CBOE,P,Ph:Cycle 2. [8]ASE,CBOE,P:Cycle 2. [9]ASE,CBOE,P:Cycle 3. [10]ASE,CBOE,P,Ph:Cycle 3. [11]Ph:Cycle 1. [12]ASE:Cycle 3. [13]CBOE,P:Cycle 1. [14]ASE,CBOE:Cycle 2. [15]CBOE:Cycle 3. [51]Incl curr amts [52]Pfd in $M,all held by RWE [53]Incl liabs subj to compromise [54]Ea ADS rep 20'L'Ord shrs,no par [55]Incl current amts [56]Stk dstr of Sabre Hldgs Corp [57]Issue debt only [58]Excl 1M'B',4M'C',11M'D'shrs

Common and Convertible Preferred

Splits/Dividends

◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate	Total $ Paid 2007
1	None Paid			...	NIL	....
2	Q0.03	7-11-08	6-25	0.09	0.12	0.1
3	Div Omitted 8-11-99			...	NIL	....
4	None Paid			...	NIL	....
5	Div Postponed 7-16-03			...	NIL	....
6	Q0.20	6-6-08	5-15	0.40	0.80	0.4
7	Div Suspended 9-21-07			...	NIL	0.14
8◆	Div Omitted 3-25-03			...	NIL	....
9	Q0.25	6-1-06	5-8	0.50	1.00	0.95
10	None Paid			...	NIL	....
11	None Paid			...	NIL	....
12◆	S0.05	4-15-08	3-27	0.05	0.10	0.0
13	None Paid			...	NIL	....
14◆	Q0.09	6-20-08	6-4	0.18	0.36	0.3
15	None Paid			...	NIL	....
16	Q0.63½	6-30-08	6-9	1.27	2.54	2.5
17◆	1.867	11-13-07	11-1	...	0.363	12.2
18◆	None Paid			...	NIL	....
19	None Paid			...	NIL	....
20	Q0.64	5-18-08	5-7	1.25	2.56	12.6
21◆	None Paid			...	NIL	....
22	Q0.15	5-16-08	4-30	0.30	0.60	0.5
23◆	Q0.07½	6-2-08	5-15	0.15	0.30	h0.22
24◆	Q0.105	7-8-08	6-19	0.21	0.42	0.4
25	Q0.30	8-19-08	7-22	0.85	1.20	0.9
26◆	Q0.06	6-30-08	6-12	0.12	0.24	0.2
27	None Paid			...	NIL	....
28	0.	3-5-01	3-6	...	NIL	....
29	None Paid			...	NIL	....
30	None Paid			...	NIL	....
31	0.21	12-28-95	12-13	...	NIL	....
32	Q0.18	7-25-08	7-9	0.51	0.72	0.5
33◆	Q0.015	7-2-08	6-9	0.045	0.06	0.0
34	h[58]	3-15-00	3-16	...	NIL	....
35	Q0.492	7-31-08	7-11	1.477	1.969	1.96
36	M0.041	6-30-08	6-18	0.248	0.497	0.49
37	1.00	6-24-07	6-8	...	1.00	1.0
38◆	None Paid			...	NIL	....
39	Q0.04	7-15-08	6-27	0.12	0.16	0.0
40	None Paid			...	NIL	....
41◆	Q0.09	6-25-08	6-9	0.18	0.36	0.3

◆Stock Splits & Divs By Line Reference Index [51]1-for-4 RE [52]2-for-1,'04 :3-for-2,'06 [53]2-for-1,'04 :2-for-1,'07 [58]3-for-2,'0

HEARING EXHIBIT 00000057

Index	Period $	Date	Ex. Div.	Total $ So Per 2008	Ind. Rate	Paid 2007	Mill-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Cap Lg Trm Debt Mill-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid			...	NIL	....	26.9	34.8	NA	3-31-08	....	17736	0.72	0.75	0.70	8	Dc	v0.64	....	0.69	3 Mo Mar	0.13	v0.18
2	Q0.03	7-11-08	6-25	0.09	0.12	0.12	316	476	81.6	3-31-08	275	21302	1.67	1.81	1.56	4	Dc	Pv1.75	....	1.60	3 Mo Mar	0.63	v0.48
3	Div Omitted 8-11-99			...	NIL	....	Total Assets $1758M			3-31-08	[61]1222	10444	....	....	....	....	Dc	Pv2.35	....	8.96	3 Mo Mar	d0.89	v5.72
4	None Paid			...	NIL	....	16.8	150	135	3-31-08	316	45623	1.54	1.58	1.49	7	Dc	v1.51	E1.60†	1.55	3 Mo Mar	0.37	v0.41
5	Div Postponed 7-16-03			...	NIL	....	Total Assets $932M			3-31-08	38.8	10604	1.99	2.10	1.90	4	Dc	Pv2.56	....	1.21	3 Mo Mar	v0.65	v0.55
6	Q0.20	6-6-08	5-15	0.40	0.80	0.40	125	205	56.1	3-31-08	9.54	8768	2.22	2.47	2.05	4	Mr	v1.87	....	1.87			
7	Div Suspended 9-21-07			....	NIL	0.143	9.46	17.3	14.6	3-31-08	19.8	5200	....	....	....	....	Dc	Pv0.19	....	0.17	3 Mo Mar	0.05	v0.03
8◆	Div Omitted 3-25-03			...	NIL	....	Total Assets $216M			3-31-08	184	1380	....	....	....	....	Dc	vd6.38	....	d6.06	3 Mo Mar	d0.83	vd0.51
9	Q0.25	6-1-08	5-8	0.50	1.00	0.95½	0.77	59.8	103	3-31-08	257	17245	1.76	1.86	1.72	4	Dc	v1.61	....	1.51	3 Mo Mar	0.40	v0.30
10	None Paid			...	NIL	....	106	173	48.9	3-31-08	....	42000	d0.71	d0.60	d0.76	9	Mr	vd0.65	....	d0.65			
11	None Paid			....	NIL	....	128	331	306	3-31-08	4433	396000	0.47	0.67	0.25	15	Dc	v0.13	E0.49†	0.18	3 Mo Mar	v0.05	v0.10
12◆	S0.05	4-15-08	3-27	0.05	0.10	0.07	2.29	161	53.5	3-31-08	96.6	26480	0.78	0.84	0.75	4	Dc	v0.68	....	0.66	3 Mo Mar	v0.06	v0.06
13	None Paid			...	NIL	....	9.20	414	671	3-31-08	4542	[53]★160000	....	....	....	....	Dc	vd2.14	....	d6.74	3 Mo Mar	0.02	vd4.58
14◆	Q0.09	6-20-08	6-4	0.18	0.36	0.30	55.4	136	52.4	1-31-08	26.1	14201	0.29	0.35	0.22	5	Ap	v2.04	v0.29	0.29			
15	None Paid			...	NIL	....	Total Assets $3953M			3-31-08	[53]1395	19631	2.50	2.56	2.44	2	Mr	Pv2.76	....	2.76			
16	Q0.63½	6-30-08	6-9	1.27	2.54	2.54	186	2303	3510	3-31-08	5066	209475	3.10	3.29	3.00	9	Dc	v2.98	E3.14↓	3.04	3 Mo Mar	v0.60	v0.66
17◆	1.867	11-13-07	11-1	...	0.363	12.23	1718	8749	11703	3-31-08	6996	±1739500	3.48	3.83	3.02	11	Dc	Pv3.11	E3.97†	d1.22	3 Mo Mar	19.06	v14.73
18◆	None Paid			...	NIL	....	Total Assets $185M			1-31-08	40.5	11753	1.04	1.08	1.01	4	Ap	v0.35	....	0.92	9 Mo Jan	v0.18	v0.75
19	None Paid			...	NIL	....	Total Assets $18149M			3-31-08	[55]1251	114692	0.93	1.19	0.83	9	Je	v2.73	E0.88↓	1.32	9 Mo Mar	v2.06	v0.85
20	Q0.64	5-16-08	5-7	1.25	2.56	12.66	14.1	540	NA	3-31-08	930	57005	2.41	2.78	1.88	8	Sp	v3.26	E2.20↓	3.45	6 Mo Mar	v3.06	v3.25
21◆	None Paid			....	NIL	....	619	1133	692	3-31-08	361	53539	2.26	2.56	2.10	11	Dc	v2.16	....	2.41	3 Mo Mar	v0.40	v0.65
22	Q0.15	5-16-08	4-30	0.30	0.60	0.56	Total Assets $109854M			3-31-08	2018	223400	3.87	4.22	3.70	5	Dc	v3.39	E4.23†	3.54	3 Mo Mar	v0.68	v0.83
23◆	Q0.07½	6-2-08	5-15	0.15	0.30	h0.22½	591	8808	8234	3-31-08	1223	161218	2.81	2.88	2.75	14	Sp	v2.50	E2.82†	2.68	6 Mo Mar	v1.30	v1.48
24◆	Q0.105	7-8-08	6-19	0.21	0.42	0.41	78.9	123	173	3-31-08	1615	57214	1.22	1.31	1.14	14	Dc	v1.19	....	d0.29	3 Mo Mar	v0.41	vd1.07
25	Q0.30	8-19-08	7-22	0.85	1.20	0.90	159	463	144	3-02-08	56.2	9168	6.85	6.96	6.75	2	Nv	v7.40	....	7.53	3 Mo Feb	0.94	v1.07
26◆	Q0.06	6-30-08	6-12	0.12	0.24	0.24	124	950	692	3-31-08	667	108692	2.46	2.50	2.45	9	Dc	v2.12	....	2.26	3 Mo Mar	v0.48	v0.62
27	None Paid			...	NIL	....	8647	14527	5954	3-31-08	9177	1068000	4.17	4.36	3.99	22	Dc	vd0.02	....	d0.03	3 Mo Mar	v	vd0.01
28	0....	3-5-01	3-6	...	NIL	....	72.0	86.0	19.2	3-31-08	....	42868	d0.01	d0.01	d0.02	4	Dc	v1.11	E1.26†	1.29	3 Mo Mar	v0.18	v0.36
29	None Paid			...	NIL	....	414	970	613	3-31-08	1602	182581	1.37	1.47	1.33	5	Dc	v1.05	....	1.10	3 Mo Mar	v0.23	v0.28
30	None Paid			...	NIL	....	7.84	250	149	3-31-08	118	33832	1.18	1.24	1.10	9							
31	0.21	12-28-95	12-13	...	NIL	....	Total Assets $400M			3-31-08	284	57703	....	....	....	....	Dc	Pv0.16	....	0.09	3 Mo Mar	vd0.11	vd0.18
32	Q0.18	7-25-08	7-9	0.51	0.72	0.55	71.6	224	NA	3-31-08	....	10178	....	....	....	....	Dc	v3.88	....	3.93	3 Mo Mar	v0.95	v1.00
33◆	Q0.015	7-2-08	6-9	0.045	0.06	0.06	180	1274	491	3-31-08	852	176863	2.32	2.35	2.30	9	Dc	v1.94	E2.35†	2.05	3 Mo Mar	v0.43	v0.54
34	h[56]....	3-15-00	3-16	....	NIL	....	4519	7513	9572	3-31-08	[57]6745	249456	d7.26	d4.70	d9.88	13	Dc	v1.78	Ed6.00↓	0.17	3 Mo Mar	v0.29	vd1.32
35	Q0.492	7-31-08	7-11	1.477	1.969	1.96½	Co opt to redm ir 7-13-2004 at $25				....	....	....	....	....	....	Dc	....	....	....	Due 7-13-2039		
36	M0.041	6-30-08	6-18	0.248	0.497	0.497	Total Assets $333M			3-31-08	159	[58]5776	0.67	0.67	0.67	1	Dc	Pvd1.02	....	d0.99	3 Mo Mar	d0.27	vd0.24
37	1.00	8-24-07	8-8	....	1.00	1.00	Total Assets $300M			1-31-08	24.2	5995	....	....	....	....	Ap	v6.78	....	3.02	9 Mo Jan	v5.84	v2.08
38◆	None Paid			...	NIL	....	24.1	115	35.7	3-31-08	200	31417	1.54	1.57	1.52	19	Dc	v1.42	E1.56†	1.45	3 Mo Mar	v0.34	v0.37
39	Q0.04	7-15-08	6-27	0.12	0.16	0.07	Total Assets $1654M			3-31-08	236	59990	1.71	1.75	1.65	3	Dc	v1.49	....	1.50	3 Mo Mar	v0.36	v0.37
40	None Paid			...	NIL	....	1033	1226	260	3-31-08	900	137073	d1.98	d1.73	d2.23	21	Dc	vd1.59	Ed1.91↓	d1.72	3 Mo Mar	vd0.38	vd0.51
41◆	Q0.09	6-25-08	6-9	0.18	0.36	0.36	1308	4308	4654	3-31-08	13358	468123	6.14	8.12	3.36	28	Dc	v8.07	E4.73†	4.98	3 Mo Mar	3.70	v0.61

◆Stock Splits & Divs By Line Reference Index [6]1-for-4 REVERSE,'04 [12]3-for-2,'04 :2-for-1,'05 :4-for-3,'06 [14]2-for-1,'04 [17]3-for-1,'05 [18]3-for-2,'05 [21]2-for-1,'05 [23]2-for-1,'05 [24]2-for-1,'05
[32]2-for-1,'04 :3-for-2,'06 [33]2-for-1,'04 :2-for-1,'07 [36]3-for-2,'04 [41]2-for-1,'06

Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth%	% Annualized Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
.36	33.89	39.04	...	57	3	0.0	0.0	....
.85	16.32	16.78	0.7	10	5	−55.3	0.0	2006
.00	9.28	9.48	...	1	NM	16.3	−3.1	....
.40	16.44	16.65	...	10	1	−46.1	3.5	....
.99	14.38	14.38	...	12	....	−35.1	−1.1	....
.79	49.50	51.53	1.6	28	NM	−7.0	'6.4	2007
.63	1.95	2.10	...	12	−12	−65.6	−28.1	2001
.00	33.25	41.10	...	d	NM	93.5	68.3	....
.60	33.09	34.94	2.9	23	12	0.5	8.8	1931
.53	33.50	35.85	...	d	30	79.3	60.3	....
.95	40.96	42.25	...	86	NM	−0.5	26.6	....
.54	12.05	12.30	0.8	19	1	−10.9	−5.4	1996
.65	21.07	22.18	...	d	...	0.0	0.0	....
.33	20.01	21.13	1.7	73	−23	−37.4	−9.9	1996
.75	46.17	47.68	...	17	NM	−37.4	−2.5	....
.44	41.34	42.23	6.0	13	−1	−11.3	−4.2	1906
.72	51.45	52.75	0.7	13	1	−11.5	41.1	2001
.40	14.11	17.92	...	19	−14	33.0	−7.6	....
.15	8.50	8.62	...	10	45	−65.7	−28.7	....
.48	31.15	31.85	8.0	14	21	−3.4	7.4	1995
3.72	20.77	20.80	...	9	12	−10.7	−18.4	....
7.98	40.60	40.67	1.5	10	5	−34.1	0.0	2005
2.36	38.94	39.99	0.8	14	7	−21.1	5.9	2001
8.90	13.66	13.82	3.0	d	11	−58.2	−16.6	2004
3.00	106.84	119.98	1.0	16	28	32.4	51.2	1939
3.05	46.66	47.22	0.5	21	22	25.2	21.5	1942
7.41	42.90	47.16	...	11	12	−16.5	−8.8	....
2.98	2.31	2.84	...	d	−39	−20.7	−15.7	....
1.87	10.08	10.41	...	8	NM	−29.7	33.6	....
7.85	16.74	16.92	...	15	9	−23.6	4.9	....
5.60	4.30	4.51	...	50	50	−25.5	5.4	....
3.80	43.62	44.48	1.6	11	NM	21.4	59.4	1966
0.00	43.70	44.68	0.1	19	33	28.5	30.8	2005
8.60	4.79	5.12	...	d	NM	−79.3	−21.9	....
5.70	12.00	13.54	14.5	..	...	−36.8	−0.4	1999
7.40	6.79	7.15	7.0	d	−23	−7.9	2.4	2002
5.00	46.51	47.59	...	16	34	6.8	33.5	....
7.75	24.35	24.35	...	16	11	0.5	−2.5	....
5.65	12.48	12.60	1.3	8	1	−31.0	0.0	2007
3.90	25.30	25.39	...	d	1	−36.4	10.2	....
1.14	71.68	74.84	0.5	16	32	43.4	21.5	1986

...de ◎ [6]Ph:Cycle 3. [7]ASE,CBOE,P,Ph:Cycle 2.
...:Cycle 3. [51]Incl curr amts
...btotally [58]Excl 1M'B',4M'C',11M'D'shrs

000058

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1986-06 High	1986-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
◆1	AIT	Applied Indus Technologies	NY,Ph,Ch,P	A–	510	38861	Trading Cos & Distributors	31.66	2.64	35.68	22.72	32.20	22.05	78877	28.32	24.13	24.17	2.5	11	45	-16.0	-7.4	1957
2[o1]	AMAT	Applied Materials	NDS	B	1618	108763	Semiconductor Equipment	57.50	0.03	23.00	17.35	21.75	16.13	5465909	20.90	18.40	19.09	1.3	25	NM	-4.0	7.1	2005
3	AMCC	Applied Micro Circuits	NDS	C	268	52753	Semiconductors	439.00	4.12	15.88	8.69	9.92	5.46	218136	9.92	8.36	8.56	...	95	40	-17.3	-6.8	....
◆4[o2]	APSG	Applied Signal Technology	NDS	B–	168	8904	Aerospace & Defense	39.20	3.00	18.65	12.25	15.98	10.73	21324	15.98	13.52	13.66	3.7	25	-12	-11.2	-6.4	2003
5	AREX	Approach Resources	NDS	NR	101	8513	Oil & Gas Exploration & Prod	....	....	13.64	11.68	28.57	9.20	55706	28.57	21.00	26.79	...	62	3	0.0	0.0	....
#6[o3]	AHG	Apria Healthcare Grp	NY	B	504	50389	Health Care Services	38.75	2.56	34.36	20.11	24.03	15.31	199296	20.39	15.33	19.39	...	10	-2	-32.4	-17.3	....
7	ATS	APT Satellite Hldg Ltd ADS[51]	NY,P	NR	10	665	Alternative Carriers	19.37	1.10	4.95	1.36	2.25	1.23	2765	1.64	1.23	1.36	...	d	...	-30.5	2.8	....
#8[o4]	ATR	AptarGroup Inc	NY,Ph,Ch,P,B	A	635	65754	Metal & Glass Containers	31.14	4.00	44.75	28.72	46.19	32.87	141198	46.19	40.74	41.95	1.2	20	1	19.4	21.6	1993
#9[o5]	WTR	Aqua America	NY	A	452	62834	Water Utilities	29.79	1.99	26.62	18.86	22.00	15.76	262914	18.18	15.76	15.97	3.1	21	3	-27.1	-8.7	1939
#10[o6]	ILA	Aquila Inc	NY,Ch,P,To	C	391	302968	Multi-Utilities	37.85	1.07	4.81	3.45	3.95	3.17	630846	3.95	3.61	3.77	...	54	NM	-13.0	3.1	....
11	ARSD	Arabian American Dev	NDS,BB	C	11	2637	Commodity Chemicals	9.50	0.00	8.95	2.63	8.00	4.50	1958	8.00	5.26	5.74	...	30	NM	-7.4	146	....
12[o7]	ARA	Aracruz Celulose S.A.ADS[52]	NY,Ph,Ch,P,B	NR	199	29429	Paper Products	62.69	4.68	80.24	49.01	92.22	56.78	91092	90.25	73.39	73.39	1.7	16	24	19.1	35.4	1995
13	ARBX	Arbinet-thexchange Inc	NDS	NR	82	14006	Alternative Carriers	29.90	4.06	6.80	4.84	6.07	3.29	39019	4.10	3.45	3.88	...	d	1	-28.5	-14.4	2008
◆14[o8]	ARB	Arbitron Inc	NY,Ph,Ch,P,B	NR	365	32336	Advertising	45.90	19.65	55.83	34.61	51.50	38.49	65345	51.50	47.11	47.50	0.8	34	-6	-7.6	5.6	2005
15	ABR	Arbor Realty Trust	NY	NR	223	15851	Mortgage REITs	31.20	18.05	34.45	13.91	18.80	6.71	108910	14.25	8.71	8.97	27.6	3	49	-57.2	-21.8	2004
16	KAD	Arcadia Resources	AS,BB	NR	34	46507	Health Care Services	4.20	0.09	2.40	0.61	1.30	0.46	16921	0.80	0.53	0.56	...	d	...	-55.6	-33.5	....
17[o3]	MT	ArcelorMittal'A'	NY,Ph,Ch,P,B	NR	307	65653	Steel	43.86	0.70	83.88	39.59	104.77	55.53	716295	104.77	92.44	99.07	1.2	13	96	63.4	67.0	2005
18[o9]	ACGL	Arch Capital Group	NDS	B–	598	43272	Reinsurance	70.59	11.00	77.30	63.25	73.22	65.00	75681	71.64	66.26	66.32	...	6	29	-9.6	14.2	....
◆19	ARJ	Arch Chemicals	NY,Ph,Ch,P,B	B–	396	24329	Specialty Chemicals	37.21	12.31	48.02	29.29	40.75	30.35	38700	39.80	32.63	33.15	2.4	31	-1	-3.2	14.3	1999
#20[o10]	ACI	Arch Coal	NY,Ph,Ch,B	B–	699	137664	Coal & Consumable Fuels	56.44	2.37	45.22	27.18	77.40	32.98	1131194	77.40	64.55	75.03	0.5	27	57	115	39.3	1997
21[o3]	ADM	Archer-Daniels-Midland	NY,Ph,Ch,P,B	A+	1228	447390	Agricultural Products	46.71	3.32	47.33	30.20	48.95	31.65	2217792	40.28	31.65	33.75	1.5	11	45	3.3	17.6	1927
22	ADM.PA	Archer-Dan-Midl Equity Uts	NY	NR	...	....	....	....	....	....	....	50.25	41.61	179215	50.25	41.61	43.84	...	..	...	....	....	....
◆23	ACAT	Arctic Cat	NDS	B+	222	13328	Leisure Products	29.20	2.11	20.77	10.54	12.44	5.42	32075	8.72	7.58	7.85	3.6	d	Neg	-58.9	-25.6	1992
24	RDEA	Ardea Biosciences Inc	NDS	NR	29	8162	Pharmaceuticals	396.00	1.54	15.50	4.15	16.25	11.19	16882	14.60	12.55	12.82	...	d	84	136	57.2	....
25	ARDNA	Arden Group Cl'A'	NDS	B+	117	472	Food Retail	141.03	4.81	170.00	113.00	159.50	114.06	402	136.00	114.06	126.74	0.8	14	13	-6.5	18.7	2003
26[o11]	ARNA	Arena Pharmaceuticals	NDS	NR	246	65804	Biotechnology	47.00	3.48	14.78	7.76	8.68	4.55	259388	5.98	4.55	5.19	...	d	-29	-48.5	-7.3	....
27	ARD	Arena Resources	NY,AS	NR	371	30391	Oil & Gas Exploration & Prod	23.85	0.12	45.35	18.41	57.80	29.25	159017	54.83	48.22	52.82	...	39	68	80.4	104	....
28	ARCC	Ares Capital	NDS	NR	257	54124	Asset Mgmt & Custody Banks	20.02	14.44	20.55	14.03	14.78	9.99	228158	12.65	9.99	10.08	16.7	6	4	-30.6	-7.3	2005
29	AGX	Argan Inc	AS,Ch,P,BB	C	16	1236	Construction & Engineering	136.87	1.01	13.94	5.00	14.97	10.56	4357	14.05	11.80	13.84	...	NM	Neg	84.5	32.1	....
30	AGII	Argo Group Intl Holdings	NDS	B–	353	23515	Property/Casualty Insurance	58.79	8.99	58.83	37.49	42.06	33.08	27235	39.68	33.26	33.56	...	6	3	-39.1	0.4	....
31	STST	ARGON ST	NDS	NR	186	13244	Aerospace & Defense	38.39	18.70	29.44	15.18	25.94	15.26	30473	25.94	23.00	24.80	...	36	1	7.0	-10.9	....
32[o12]	ARBA	Ariba Inc	NDS	C	339	61408	Internet Software & Services	1100.06	5.40	13.30	7.50	16.26	8.26	388185	16.26	14.25	14.71	...	d	43	54.8	36.9	....
33	RAMS	Aries Maritime Transport	NDS	NR	47	9363	Marine	16.50	9.07	10.45	5.91	7.77	4.75	5136	5.96	4.75	4.85	10.7	d	4	-46.1	-21.1	2005
34	ARKR	Ark Restaurants	NDS	B	40	1344	Restaurants	43.48	1.12	37.90	29.83	37.67	24.07	629	26.99	25.13	25.91	6.8	12	19	-22.7	6.6	2004
◆35	ABFS	Arkansas Best	NDS	B	439	30906	Trucking	50.67	4.12	44.97	21.49	42.45	17.94	215110	40.57	34.16	36.64	1.6	14	12	-6.8	7.8	2003
36	ATB	Arlington Tankers	NY	NR	140	5786	Oil & Gas Storage & Transp	25.39	18.75	29.90	19.72	24.32	18.93	13085	24.25	21.74	23.22	9.9	60	5	-9.0	13.2	2005
37	ARMH	ARM Holdings ADS[53]	NDS	NR	116	51248	Semiconductors	50.00	1.75	10.07	6.92	7.58	4.78	77093	6.36	5.00	5.09	2.0	20	17	-38.1	-5.7	2004
38[o13]	AWI	Armstrong World Indus	NY,Ph,Ch,P,B	NR	243	19976	Building Products	42.50	30.00	57.48	35.04	40.98	26.25	48619	33.07	28.92	29.22	...	12	2	-34.1	0.0	2008
◆39[o9]	AROL	ArQule Inc	NDS	C	207	31320	Biotechnology	40.37	1.92	10.59	5.47	6.09	3.25	51847	4.49	3.25	3.25	...	d	-18	-53.0	-19.3	....
40[o]	ARRY	Array BioPharma	NDS	NR	242	44622	Biotechnology	15.89	2.10	14.59	7.81	8.69	4.62	63587	6.26	4.62	4.70	...	d	-16	-60.9	-6.3	....
41	HRT	Arrhythmia Research Tech	AS,P	B+	29	589	Health Care Technology	48.15	0.87	33.89	6.75	9.30	5.00	1348	6.24	5.40	5.87	...	13	12	-53.3	-25.5	....

S&P 600 ‡ MidCap 400 ◆ SmallCap 600 ° Options

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 1. [2]ASE,Ph:Cycle 2. [3]ASE,CBOE:Cycle 3. [4]ASE:Cycle 1. [5]CBOE,P,Ph:Cycle 3. [6]ASE,CBOE:Cycle 1. [7]CBOE:Cycle 2. [8]ASE,CBOE:Cycle 2. [9]ASE:Cycle 3. [10]CBOE:Cycle 1. [11]ASE,CBOE,Ph:Cycle 1. [12]ASE,CBOE,P,Ph:Cycle 2. [13]CBOE:Cycle 3. [51]Ea ADS rep 8 Ord shr, HK$0.10 [52]Ea ADS rep 10 Cl'B' pref,no par [53]As defined [54]Pfd In $M [55]Incl current amts [56]Ea ADS rep 3 ord, 1p

Common and Convertible Preferred

Index	Splits Dividends ◆ Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Prior 2007
1◆	Q0.15		5-30-08	5-13	0.30	0.60	0.
2	Q0.06		9-4-08	8-12	0.18	0.24	0.
3◆	None Paid				...	NIL	...
4	Q0.12½		5-16-08	4-30	0.25	0.50	0.
5	None Paid				...	NIL	...
6	None Paid				...	NIL	...
7	0.051		7-8-02	5-10	...	0.051	...
8◆	Q0.13		5-21-08	4-28	0.26	0.52	0.
9◆	Q0.12½		6-1-08	5-14	0.25	0.50	0.
10	Div Postponed 11-13-02				...	NIL	...
11	None Paid				...	NIL	...
12	0.536		7-23-08	6-26	2.628	3.049	2.3
13	0.40		3-28-08	3-10	0.40	NIL	...
14	Q0.10		7-1-08	6-11	0.30	0.40	0.
15	Q0.62		5-27-08	5-13	1.24	2.48	2.
16	None Paid				...	NIL	...
17	0.37½		6-16-08	6-2	0.75	1.40	0.9
18	None Paid				...	NIL	...
19	Q0.20		6-13-08	5-13	0.40	0.80	0.
20◆	Q0.09		6-13-08	5-28	0.16	0.36	0.
21	Q0.13		8-5-08	5-13	0.26	0.52	0.
22	Plan qtly div				...	NIL	...
23	Q0.07		6-2-08	5-15	0.14	0.28	0.
24	None Paid				...	NIL	...
25	Q0.25		7-16-08	6-26	0.75	1.00	1.
26	None Paid				...	NIL	...
27◆	None Paid				...	NIL	...
28	Q0.42		6-30-08	6-12	0.84	1.68	1.
29	None Paid				...	NIL	...
30◆	Div Deferred 2-5-03				...	NIL	2.5
31	None Paid				...	NIL	...
32◆	None Paid				...	NIL	...
33	Div Suspened 3-25-088				...	0.40	0.
34	Q0.44		5-1-08	4-22	0.88	1.76	1.4
35	Q0.15		5-20-08	5-2	0.30	0.60	0.
36	Q0.56		5-6-08	4-30	1.12	2.24	2.
37	0.071		6-2-08	4-30	0.071	0.12	0.0
38	4.50		3-31-08	3-7	4.50	NIL	...
39	None Paid				...	NIL	...
40	None Paid				...	NIL	...
41	None Paid				...	0.12	...

◆Stock Splits & Divs By Line Reference Index [13]3-for-2,'0

HEARING EXHIBIT 00000059

Yield Last	% Ann'l % Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return % Ann'l 12 Mo	Total Return % Ann'l 36 Mo	Cash Divs. Ea. Yr. Since
24.17	2.5	11	45	-16.0	7.4	1957
19.09	1.3	25	NM	-4.0	7.1	2005
8.56	...	95	40	-17.3	-6.8	....
13.66	3.7	25	-12	-11.2	-6.4	2003
26.79	...	52	3	0.0	0.0	....
19.39	...	10	-2	-32.4	-17.3	....
1.36	...	d	...	-30.5	2.8	....
41.95	1.2	20	1	19.4	21.6	1993
15.97	3.1	21	3	-27.1	-8.7	1939
3.77	...	54	NM	-13.0	3.1	....
5.74	...	30	NM	-7.4	146	....
73.39	1.7	16	24	19.1	35.4	1995
3.88	...	d	1	-28.5	-14.4	2008
47.50	0.8	34	-6	-7.6	5.6	2005
8.97	27.6	3	49	-57.2	-21.8	2004
0.56	...	d	...	-55.6	-33.5	....
99.07	1.2	13	96	63.4	67.0	2005
66.32	...	6	29	-9.6	14.2	....
33.15	2.4	31	-1	-3.2	14.3	1999
75.03	0.5	27	57	115	39.3	1997
33.75	1.5	11	45	3.3	17.6	1927
43.84	...	...	...	...	...	....
7.85	3.6	d	Neg	-59.9	-25.6	1992
12.82	...	d	64	136	57.2	....
126.74	0.8	14	13	-6.5	18.7	2003
5.19	...	d	-29	-48.5	-7.3	....
52.82	...	39	88	80.4	104	....
10.06	16.7	6	4	-30.6	-7.3	2005
13.84	...	NM	Neg	84.5	32.1	....
33.56	...	6	3	-30.1	0.4	....
44.80	...	36	1	7.0	-10.9	....
14.71	...	d	43	54.8	36.9	....
24.85	10.7	d	4	-46.1	-21.1	2005
25.91	6.8	12	19	-22.7	6.6	2004
25.64	1.6	14	12	-6.8	7.8	2003
29.22	9.9	60	5	-9.0	13.2	2005
5.09	2.0	20	17	-38.1	-5.7	2004
29.22	...	12	2	-34.1	0.0	2008
8.25	...	d	-18	-53.0	-19.3	....
4.70	...	d	-18	-60.9	-6.3	....
13.87	...	13	12	-53.3	-25.5	....

[6]CBOE:Cycle 1. [7]CBOE:Cycle 2.
ADS rep 10 Cl'B' pref,no par [83]As defined

Common and Convertible Preferred Stocks

Splits/Dividends ◆ Latest Payment | Financial Position MR-$ | Capitalization | 2008 Street Estimates ($/Shr) | Earnings $ Per Shr. Years | Interim Earnings $ per Shr.

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt MR-$	Shs. 000 Com.	Mean	High	Low	# of Ests.	End	2007	2008	Last 12 Mos.	Period	Prior	Curr.
1◆	Q0.15	5-30-08	5-13	0.30	0.60	0.54	70.5	589	171	3-31-08	25.0	42296	2.19	2.25	2.16	7	Je	v1.93	....	2.18	9 Mo Mar	v1.37	v1.62
2	Q0.06	9-4-08	8-12	0.18	0.24	0.23	2455	6606	2707	4-27-08	202	1355445	0.78	0.96	0.68	24	Oc	v1.20	E0.76↓	1.03	6 Mo Apr	v0.58	v0.41
3◆	None Paid			...	NIL	....	143	220	48.1	3-31-08	....	64790	d0.00	0.01	d0.01	5	Mr	vd1.70	E0.38↑	d1.70			
4	Q0.12½	5-16-08	4-30	0.25	0.50	0.50	34.8	97.3	20.2	5-02-08	4.52	12584	0.61	0.66	0.59	6	Oc	v0.55	....	0.55	6 Mo Apr	v0.28	v0.28
5	None Paid			...	NIL	....	1.34	18.5	21.3	3-31-08	7.29	★20652	1.48	2.06	1.08	6	Dc	v0.24	....	0.43	3 Mo Mar	d0.06	v0.13
6	None Paid			...	NIL	....	21.0	438	537	3-31-08	417	44171	1.99	2.05	1.94	9	Dc	v1.95	E1.99↑	1.95	3 Mo Mar	0.47	v0.47
7	0.051	7-8-02	5-10	...	0.051	....	54.4	78.3	48.6	6-30-07	91.8	413265	...	...	...	...	Dc	....	....	d0.20			
8◆	Q0.13	5-21-08	4-28	0.26	0.52	0.50	335	1114	622	3-31-08	147	68013	2.29	2.40	2.22	9	Dc	v1.98	....	2.09	3 Mo Mar	v0.41	v0.52
9◆	Q0.12½	6-1-08	5-14	0.25	0.50	0.48	16.5	110	174	3-31-08	1213	133630	0.74	0.80	0.70	9	Dc	v0.71	E0.75	0.69	3 Mo Mar	v0.13	v0.11
10	Div Postponed 11-13-02			...	NIL	....	28.2	495	406	3-31-08	1034	376004	0.05	0.07	0.03	2	Dc	vd0.01	....	0.07	3 Mo Mar	vd0.06	v0.02
11	None Paid			....	NIL	....	2.94	27.3	20.3	3-31-08	13.0	23472	....	....	....	....	Dc	v0.33	....	0.19	3 Mo Mar	0.20	v0.06
12	0.536	7-23-08	6-26	2.628	3.049	2.356	538	1371	520	3-31-08	1603	103059	5.14	6.30	4.51	9	Dc	Pv4.30	....	4.46	3 Mo Mar	0.97	v1.13
13	0.40	3-28-08	3-10	0.40	NIL	....	30.8	66.0	25.8	3-31-08	....	25535	0.03	0.03	0.03	1	Dc	vd0.28	....	d0.23	3 Mo Mar	d0.07	vd0.02
14	Q0.10	7-1-08	6-11	0.30	0.40	0.40	25.3	57.5	58.1	3-31-08	45.0	28191	1.42	1.44	1.41	5	Dc	v1.35	....	1.41	3 Mo Mar	v0.52	v0.58
15	Q0.62	5-27-08	5-13	1.24	2.48	2.46	Total Assets $2901M			3-31-08	1964	20837	2.32	2.52	2.21	4	Dc	v4.44	E2.59↓	4.09	3 Mo Mar	0.97	v0.62
16	None Paid			...	NIL	....	6.35	36.0	11.1	3-31-08	38.3	133280	d0.10	d0.10	d0.10	1	Mr	vd0.19	....	d0.19			
17	0.37½	6-16-08	6-2	0.75	1.40	0.975	NIL	....	....	12-31-07	....	±1421571	9.32	11.00	7.65	13	Dc	v7.40	....	7.46	3 Mo Mar	1.62	v1.68
18	None Paid			...	NIL	....	Total Assets $14962M			3-31-08	300	64650	10.45	11.00	9.75	9	Dc	v11.28	E10.50↑	11.48	3 Mo Mar	2.59	v2.79
19	Q0.20	6-13-08	5-13	0.40	0.80	0.80	107	590	410	3-31-08	135	24859	2.55	2.65	2.38	6	Dc	v1.43	....	1.06	3 Mo Mar	v0.60	v0.23
20◆	Q0.09	6-13-08	5-28	0.16	0.36	0.27	13.2	617	745	3-31-08	1058	143497	2.66	2.99	2.43	20	Dc	v1.21	E2.82↑	1.57	3 Mo Mar	v0.20	v0.56
21	Q0.13	6-5-08	5-13	0.26	0.52	0.46	3826	25229	15885	3-31-08	6026	543923	2.94	3.05	2.72	9	Je	v3.30	E2.95↑	3.68	9 Mo Mar	v1.83	v2.21
22	Plan qtly div			...	NIL	....	Purch:Archer-Dan-Mid com & Deb'41[83]				....	....	....	....	....	....	Je	....	....	....			
23	Q0.07	6-2-08	5-15	0.14	0.28	0.28	35.0	227	113	3-31-08	....	±18070	d0.24	d0.23	d0.27	6	Mr	Pvd0.18	....	d0.18			
24	None Paid			...	NIL	....	56.1	56.9	6.53	3-31-08	....	13355	d3.80	d3.60	d4.02	3	Dc	vd2.55	....	d3.11	3 Mo Mar	d0.37	vd0.93
25	Q0.25	7-18-08	6-26	0.75	1.00	1.00	67.7	116	41.3	3-29-08	1.23	3161	....	....	....	....	Dc	v9.24	....	9.26	3 Mo Mar	v2.05	v2.07
26	None Paid			...	NIL	....	333	344	38.6	3-31-08	9.02	[84]73844	d2.97	d2.53	d3.20	17	Dc	vd2.31	....	d2.53	3 Mo Mar	vd0.53	vd0.75
27◆	None Paid			...	NIL	....	6.69	33.2	20.9	3-31-08	40.5	35107	2.14	2.48	1.75	9	Dc	v1.02	....	1.35	3 Mo Mar	v0.18	v0.51
28	Q0.42	6-30-08	6-12	0.84	1.68	1.66	Net Asset Val $15.84			6-30-07	[85]552	★72058	1.45	1.70	1.33	11	Dc	....	....	1.74	6 Mo Jun	v0.80	v0.93
29	None Paid			...	NIL	....	66.6	113	95.2	4-30-08	3.50	11125	....	....	....	....	Ja	vd0.29	....	0.03	3 Mo Apr	vd0.18	v0.14
30◆	Div Deferred 2-5-03			...	NIL	2.545	Total Assets $5100M			3-31-06	369	p30700	4.41	4.94	4.05	6	Dc	vA5.58	....	5.65	3 Mo Mar	1.13	v1.20
31	None Paid			...	NIL	....	13.9	125	47.1	3-30-08	....	21527	0.94	0.98	0.92	6	Sp	v0.65	....	0.68	6 Mo Mar	v0.41	v0.44
32◆	None Paid			...	NIL	....	72.5	111	158	3-31-08	....	85486	0.44	0.48	0.43	11	Sp	vd0.21	....	d0.49	6 Mo Mar	d0.13	d0.41
33	Div Suspened 3-25-088			...	0.40	0.83	18.4	25.7	28.1	3-31-07	284	28400	0.22	0.34	0.05	4	Dc	vd0.31	....	d0.31			
34	Q0.44	5-1-08	4-22	0.88	1.76	↑4.58	9.15	15.8	8.01	3-29-08	0.61	3597	2.35	2.35	2.35	1	Sp	v3.61	....	2.17	6 Mo Mar	v1.94	v0.50
35	Q0.15	5-20-08	5-2	0.30	0.60	0.60	196	411	238	3-31-08	1.58	24878	2.50	2.73	2.41	9	Dc	v2.26	E2.56↑	2.41	3 Mo Mar	v0.19	v0.34
36	Q0.56	5-6-08	4-30	1.12	2.24	2.33	15.8	16.9	4.02	3-31-08	229	15500	1.17	1.20	1.15	4	Dc	v0.76	....	0.39	3 Mo Mar	v0.25	vd0.16
37	0.071	6-2-06	4-30	0.071	0.12	0.084	112	310	125	3-31-08	NIL	1301123	0.31	0.31	0.31	2	Dc	v0.24	E0.25↑	0.23	3 Mo Mar	v0.05	v0.04
38	4.50	3-31-08	3-7	4.50	NIL	....	160	1239	445	3-31-08	481	57139	2.33	2.34	2.33	2	Dc	Pv2.56	....	2.37	3 Mo Mar	v0.46	v0.27
39	None Paid			...	NIL	....	56.5	58.5	25.4	3-31-08	....	43833	d1.57	d1.51	d1.63	9	Dc	vd1.33	....	d1.24	3 Mo Mar	vd0.41	vd0.32
40	None Paid			...	NIL	....	86.5	93.0	35.1	3-31-08	15.0	47535	d1.99	d1.93	d2.04	10	Je	vd1.36	....	d1.74	9 Mo Mar	d0.97	d1.35
41	None Paid			...	0.12	....	2.34	10.5	3.55	3-31-08	0.09	2712	...	...	...	...	Dc	Pv0.47	....	0.45	3 Mo Mar	0.08	v0.06

◆Stock Splits & Divs By Line Reference Index [1]3-for-2,'04 [2]3-for-2,'06 [3]1-for-4 REVERSE,'07 [82]2-for-1,'07 [81]1.33-for-1,'05 [80]2-for-1,'06 [87]2-for-1,'07 [88]1-for-1.54 REVERSE,'07 [89]1-for-6 REVERSE,'04

EXHIBIT 00000060

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	CAP	CAI International	NY,Ch,P,NDS,B	NR	50	5785	Marine Ports & Services	....	....	15.96	10.45	18.41	7.90	16624	18.41	16.29	17.40	....	26	3	28.5	0.0	....
2[e1]	DVR	Cal Dive Intl	NY,Ph,Ch,P,B	NR	318	40307	Oil & Gas Equipment & Svcs	13.13	11.85	18.62	11.68	15.45	9.05	100443	15.45	12.62	14.29	....	16	4	-14.2	0.0	....
3[e2]	CALM	Cal-Maine Foods	NDS	B	316	20301	Packaged Foods & Meats	22.80	1.24	31.45	8.30	40.75	20.75	206542	33.80	27.72	32.99	9.8	6	44	105	78.1	1998
4	CLMS	Calamos Asset Mgmt'A'	NDS	NR	291	20302	Asset Mgmt & Custody Banks	44.10	18.00	34.61	20.09	29.67	14.46	43475	23.28	16.89	17.03	2.6	19	5	-30.3	-12.9	2005
5[e3]	CCC	Calgon Carbon	NY,Ch,P	C	336	47299	Commodity Chemicals	30.75	4.00	16.95	5.43	20.23	12.63	120463	20.23	15.27	15.46	....	39	27	36.6	22.5	....
6	CFNB	Calif First Natl Bancorp	NDS	B-	39	1772	Specialized Finance	57.62	3.37	15.44	9.01	12.24	8.30	176	12.24	9.50	9.60	5.0	14	-4	-30.7	-2.8	1994
◆7[e4]	CPKI	Calif Pizza Kitchen	NDS	NR	299	28283	Restaurants	23.41	9.47	25.23	14.26	16.91	9.32	108831	14.33	11.17	11.19	....	24	6	-44.3	-13.5	....
8	CWT	Calif Water Svc Grp	NY,Ch,P	B+	253	10481	Water Utilities	45.76	10.93	45.37	34.23	41.23	31.48	39926	37.25	31.48	32.77	3.6	23	2	-10.8	-2.2	1931
9[e5]	CALP	Caliper Life Sciences	NDS	NR	101	27679	Life Sciences Tools & Svcs	202.00	2.71	6.43	4.04	5.66	2.53	65194	3.55	2.53	2.59	....	d	21	-44.4	-22.2	....
#10[e6]	ELY	Callaway Golf	NY,Ph,Ch,P,B	B	471	57965	Leisure Products	38.50	2.21	19.49	13.76	18.20	11.57	236025	12.74	11.57	11.83	2.4	10	98	-33.3	-6.2	1993
11	CALD	Calidus Software	NDS	NR	92	19814	Application Software	20.74	2.81	10.11	4.71	6.56	3.52	38222	6.50	4.78	5.00	....	d	-48	-39.4	9.4	....
12	KAL	Callisto Pharmaceuticals	AS	NR	11	1781	Biotechnology	5.80	0.69	1.00	0.29	0.62	0.23	2417	0.32	0.24	0.25	....	..	5	-62.2	-36.2	....
13	CPE	Callon Petroleum	NY	B-	241	17558	Oil & Gas Exploration & Prod	22.36	1.12	17.21	11.50	28.93	13.42	62606	28.93	25.00	27.36	....	35	NM	87.1	20.6	....
14[e7]	CPN	Calpine Corp	NY,Ph,Ch,P	NR	239	379647	Ind Power Prod & Energy Trad	....	....	....	....	23.36	15.00	537969	23.08	22.12	22.56	....	4	1	0.0	0.0	....
15	CLMT	Calumet Specialty Prd Ptnrs L	NDS	NR	70	9942	Oil & Gas Refining & Mktng	44.21	21.70	55.26	32.87	37.88	11.19	34801	16.14	12.59	14.36	12.5	11	4	-67.4	0.0	2006
16	CADA	CAM Commerce Solutions	NDS	B-	50	1356	Systems Software	26.87	0.50	45.25	21.32	42.36	32.77	7301	39.99	35.32	39.71	3.1	28	NM	45.8	45.6	2005
◆17[e8]	CBM	Cambrex Corp	NY,Ph,Ch,P,B	C	270	30233	Life Sciences Tools & Svcs	58.30	1.33	25.17	7.36	10.99	5.25	49552	6.89	5.48	5.87	....	13	NM	-55.3	-8.5	1989
18	CAC	Camden National	AS,NDS	A	89	1670	Regional Banks	47.97	10.12	46.34	28.03	34.96	23.05	8979	32.57	23.05	23.28	4.3	7	6	-34.8	-6.4	1997
#19	CPT	Camden Property Trust	NY,Ph,Ch,P,B	B+	490	53719	Residential REITs	61.35	20.12	79.99	44.76	55.54	39.62	159002	50.74	43.41	44.26	6.3	52	31	-30.5	-2.1	1993
20[e9]	CCJ	Cameco Corp	NY,Ph,Ch,To,Mo	B	495	234760	Coal & Consumable Fuels	45.34	1.69	56.00	34.22	44.00	30.76	656503	43.60	36.33	42.67	0.6	32	36	-18.9	22.9	1991
#21[e3]	CAM	Cameron Intl	NY,Ch,P	B	1157	213225	Oil & Gas Equipment & Svcs	28.90	2.31	53.82	24.29	57.47	37.00	710963	57.47	51.05	55.35	....	21	59	53.9	51.6	....
#22[e10]	CPB	Campbell Soup	NY,Ph,Ch,P,B	B+	820	156878	Packaged Foods & Meats	62.87	5.50	42.65	34.17	36.40	30.19	424796	34.86	32.14	33.46	2.6	17	1	-14.2	3.6	1902
23[e11]	CM	Canadian Imperial Bk Commerce[53]	[12]NY,Ph	B+	245	214796	Diversified Banks	99.80	7.87	107.45	70.00	78.48	55.32	544564	69.73	55.32	56.10	6.4	NA	1	-37.3	-5.8	1890
24[e1]	CNI	Canadian Natl Railway	NY,Ph,Ch,P,To,Mo,B	A	499	334534	Railroads	51.17	2.41	58.49	41.57	58.50	41.89	447247	55.80	47.44	48.08	1.9	13	29	-2.9	20.1	1996
25[e13]	CNQ	Canadian Natural Resources	NY,Ch,P,To	B+	602	367371	Oil & Gas Exploration & Prod	64.38	5.70	87.17	44.56	109.32	57.07	679096	109.32	93.52	100.25	0.4	20	35	53.9	39.3	2001
26[e14]	CP	Canadian Pacific Railway	NY,Ch,To	NR	318	81394	Railroads	57.73	10.00	90.15	51.21	76.18	55.37	161001	72.12	63.55	66.14	1.5	15	29	0.5	26.9	2002
27[e15]	CSIQ	Canadian Solar	NDS	NR	95	9093	Electrical Component & Equip	16.73	9.43	31.44	8.50	51.80	14.74	604336	51.80	35.05	40.19	....	57	4	322	0.0	....
28	SNG	Canadian Superior Energy	AS,Ph,Ch,To	NR	55	50223	Oil & Gas Exploration & Prod	3.65	0.64	3.68	1.79	4.95	2.57	143940	4.95	3.97	4.62	....	d	5	46.4	43.5	....
29	CTC.A	Canadian Tire'A'[54]	To,Mo	I A+	40	947	General Merchandise Stores	75.22	8.50	87.75	67.40	74.78	52.40	86536	60.57	52.40	52.90	1.5	10	1	-33.8	-0.5	1998
30	CNR	CanArgo Energy	AS,Ph	C	26	30987	Oil & Gas Exploration & Prod	159.40	0.03	1.55	0.35	1.09	0.18	97497	0.36	0.24	0.29	....	d	-28	-59.9	-33.8	....
31	CFW	Cano Petroleum	AS,P	NR	93	26494	Oil & Gas Exploration & Prod	768.00	0.45	8.85	4.15	9.40	3.85	115930	9.40	7.50	7.94	....	d	....	30.1	16.4	....
32	CAJ	Canon Inc ADR[37]	NY,Ph,Ch	NR	295	59852	Office Electronics	57.32	2.80	60.16	45.68	54.99	36.44	86725	54.89	48.69	51.21	1.9	13	-1	-12.6	14.1	1949
33[e16]	CMN	Cantel Medical	NY,P	B+	163	10168	Health Care Equipment	32.75	0.44	20.91	12.85	14.76	8.85	22116	13.12	9.65	10.12	....	21	11	-31.7	-8.8	....
34	ECP	Canterbury Park Holding	AS	B	37	1111	Casinos & Gaming	23.10	1.37	14.69	10.01	12.05	8.10	781	11.20	9.10	9.10	....	17	1	-24.1	-17.3	2008
35	CBNJ	Cape Bancorp	NDS	NR	21	4380	Regional Banks	....	....	....	....	10.15	8.99	4419	9.90	8.99	9.75	....	d	3	0.0	0.0	....
36[e13]	CPLA	Capella Education	NDS	NR	389	16968	Education Services	28.68	23.29	75.38	24.46	69.81	50.82	37948	66.85	57.27	59.65	....	NM	4	36.1	0.0	....
37	CAA	Capital Alliance Income Tr	AS	NR	1	.	Mortgage REITs	24.00	7.01	10.50	3.75	4.56	2.56	44	4.55	4.15	4.23e	....	d	Neg	-47.0	-28.8	2008
38	CCBG	Capital City Bank Grp	NDS	A	136	4577	Regional Banks	39.33	9.60	36.40	24.60	30.19	21.76	10640	29.10	21.76	21.76	3.4	26	-8	-28.4	-9.2	1998
#39[e17]	COF	Capital One Financial	NY,Ph,Ch,P,B	A	1286	361869	Consumer Finance	90.04	4.62	83.84	44.40	57.58	37.31	2226286	49.90	37.31	38.01	3.9	7	-7	-50.6	-19.1	1995
40[e7]	CPLP	Capital Product Ptnrs L.P.	NDS	NR	57	10966	Oil & Gas Storage & Transp	....	....	32.50	20.80	24.93	16.35	5351	21.00	18.40	19.84	7.9	15	3	-27.3	0.0	2007
41	CPI	Capital Properties'A'	AS,Ch,P	B-	16	419	Real Estate Mgmt & Develop	33.36	2.00	32.85	21.00	23.50	17.45	65	22.25	20.25	22.00a	1.1	52	5	-2.3	-1.7	1993

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 1. [2]P,Ph:Cycle 2. [3]Ph:Cycle 2. [4]ASE,P:Cycle 1. [5]ASE,CBOE,P:Cycle 1. [6]CBOE:Cycle 2. [7]CBOE,Ph:Cycle 3. [8]P:Cycle 1. [9]ASE,CBOE,P,Ph:Cycle 3. [10]ASE,CBOE:Cycle 2. [11]Vc:Cycle 3. [12]Ch,P,To,,B [13]CBOE:Cycle 3. [14]ASE,P,Ph:Cycle 3. [15]ASE,CBOE,Ph:Cycle 1. [16]Ph:Cycle 3. [17]ASE,CBOE,P:Cycle 3. [51]Incl current amts [52]73% owned by Helix Energy Solutions [53]Pid in $M [54]Incl 13.1 Sub.Uts [56]Oct'97 & prior pricing in $Cdn [58]Non-vtg [57]ADRs rep 1 shs com par 50 yen [58]Incl 8.8M sub uts

Common and Convertible Preferred S

Splits Dividends ◆

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007
1	None Paid			....	NIL	....
2	None Paid			....	NIL	....
3◆	None Paid			....	0.845	0.05
4	Q0.11	5-28-08	5-9	0.22	0.44	0.44
5	Div Omitted 10-24-05			....	NIL	....
6	Q0.12	7-7-08	6-19	0.36	0.48	0.47
7◆	None Paid			....	NIL	....
8	Q0.293	5-16-08	5-2	0.585	1.17	1.16
9	None Paid			....	NIL	....
10	Q0.07	7-3-08	6-9	0.14	0.28	0.28
11	None Paid			....	NIL	....
12	None Paid			....	NIL	....
13	0.06¼	8-31-94	8-4	....	NIL	....
14	None Paid			....	NIL	....
15	Q0.45	5-15-08	5-1	1.08	1.80	2.46
16	Q0.31	7-14-08	7-1	0.92	1.24	0.78
17	Div Omitted 4-06-07			....	NIL	†14.03
18	Q0.25	7-31-08	7-11	0.74	1.00	0.96
19	Q0.70	7-17-08	6-26	2.09	2.80	2.73
20◆	Q0.06	7-15-08	6-26	0.169	g0.24	0.169
21◆	None Paid			....	NIL	....
22	Q0.22	8-4-08	7-2	0.66	0.88	0.82
23	gQ0.87	7-28-08	6-25	g2.61	g3.48	g3.11
24◆	Q0.229	6-30-08	6-5	0.453	g0.92	0.78
25◆	Q0.098	7-1-08	6-11	0.291	g0.40	0.296
26	Q0.246	7-28-08	6-25	0.712	g0.99	0.768
27	None Paid			....	NIL	....
28	None Paid			....	NIL	....
29	gQ0.21	9-2-08	7-29	g0.60½	g0.84	g0.72
30	None Paid			....	NIL	....
31	None Paid			....	NIL	....
32◆	0.601	4-7-08	12-26	0.601	1.031	0.429
33◆	None Paid			....	NIL	....
34	0.25	7-11-08	6-18	0.25	0.25	0.25
35	None Paid			....	NIL	....
36	None Paid			....	NIL	....
37	Div Omitted 6-3-05			....	NIL	....
38◆	Q0.18¾	6-23-08	6-5	0.37	0.74	0.71
39	Q0.37½	5-21-08	5-8	0.75	1.50	0.107
40	Q0.40	5-15-08	5-20	0.79½	1.60	0.38½
41	Q0.06	5-28-08	5-12	0.12	0.24	0.22

◆Stock Splits & Divs By Line Reference Index [3]2-for-1,'04 [7]

HEARING EXHIBIT 00000061

Or Bid		% Annualized					Cash
				EPS	Total Return		Divs.
ow	Last	%Div Yield	P-E Ratio	5 Yr Growth	12 Mo	36 Mo	Ea.Yr. Since
3.29	17.40	...	26	3	28.5	0.0	....
2.62	14.29	...	16	4	-14.2	0.0	....
7.72	32.99	9.8	6	44	105	78.1	1998
3.89	17.03	2.6	19	5	-30.3	-12.9	2005
5.27	15.46	...	39	27	36.8	22.5	....
9.50	9.80	5.0	14	-4	-30.7	-2.8	1994
1.17	11.19	...	24	6	-44.3	-13.5	....
1.48	32.77	3.6	23	2	-10.8	-2.2	1931
2.53	2.59	...	d	21	-44.4	-22.2	....
1.57	11.83	2.4	10	96	-33.3	-6.2	1993
4.78	5.00	...	d	-48	-39.4	9.4	....
0.24	0.25	...	..	5	-62.2	-36.2	....
5.00	27.36	...	35	NM	67.1	20.6	....
2.12	22.56	...	4	1	0.0	0.0	....
2.59	14.36	12.5	11	4	-67.4	0.0	2006
5.32	39.71	3.1	26	NM	45.8	45.6	2005
5.48	5.87	...	13	NM	-55.3	-9.5	1989
3.05	23.28	4.3	.7	6	-34.8	-6.4	1997
3.41	44.26	6.3	52	31	-30.5	-2.1	1993
6.33	42.87	0.6	32	36	-18.9	22.9	1991
1.05	55.35	...	21	59	53.9	51.6	....
2.14	33.46	2.6	17	1	-14.2	3.6	1902
5.32	56.10	6.4	NA	1	-37.3	-5.8	1890
7.44	48.08	1.9	13	29	-2.9	20.1	1996
3.52	100.25	0.4	20	35	53.9	39.3	2001
3.55	66.14	1.5	15	29	0.5	26.9	2002
5.05	40.19	...	57	4	32.2	0.0	....
3.97	4.62	...	d	5	46.4	43.5	....
2.40	52.90	1.5	10	1	-33.8	-0.5	1998
0.24	0.29	...	d	-28	-59.9	-33.6	....
7.[illegible]	7.94	...	d	...	30.1	16.4	....
46.[illegible]	51.21	1.9	13	-1	-12.6	14.1	1949
3.[illegible]	10.12	...	21	11	-31.7	-8.8	....
9.[illegible]	9.10	...	17	1	-24.1	-17.3	2008
9.[illegible]	9.75	...	d	3	0.0	0.0	....
57.[illegible]	59.65	...	NM	4	36.1	0.0	....
4.15	4.23e	...	d	Neg	-47.0	-28.8	2008
21.[illegible]	21.75	3.4	26	-8	-28.4	-9.2	1996
37.21	38.01	3.9	7	-7	-50.6	-19.1	1995
18.[illegible]	19.84	7.9	15	3	-27.3	0.0	2007
20.25	22.00e	1.1	52	5	-2.3	-1.7	1993

:B:OE,P:Cycle 3. [6]P:Cycle 1.
E,D,OE,P:Cycle 3. [51]Incl current amts
l splits

Splits/Dividends ◆						Financial Position				Capitalization		2008 Street Estimates ($/Shr)				Earnings $ Per Shr.				Interim Earnings $ per Shr.		
	Latest Payment				Total $											Years			Last 12			
Index	Period $	Date	Ex. Div.	So Far 2008	Ind. Rate	Paid 2007	Mill-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Tm Debt Mill-$	Shs. 000 Com.	Mean	High	Low	# of Ests.	End	2007	2008	Mos.	Period	Prior	Curr.
1		None Paid		...	NIL	....	34.2	80.4	88.5	3-31-08	[1]p165	17145	1.39	1.41	1.35	4	Dc	v0.85	....	0.67	3 Mo Mar	vd0.19	v0.31
2		None Paid		...	NIL	....	52.8	230	151	3-31-08	295	[52]105738	1.14	1.28	1.10	8	Dc	v1.24	....	0.89	3 Mo Mar	v0.36	v0.01
3◆		None Paid		...	0.845	0.05	85.8	225	127	3-01-08	90.2	±23712	...	...	...	...	My	Pv1.55	....	5.63	9 Mo Feb	±0.78	±4.86
4	Q0.11	5-28-08	5-9	0.22	0.44	0.44	898	950	38.7	3-31-08	525	±20112	0.92	0.99	0.86	7	Dc	v1.22	....	0.92	3 Mo Mar	v0.32	v0.02
5	Div Omitted 10-24-05			...	NIL	....	35.1	197	116	3-31-08	12.9	40240	0.43	0.46	0.40	9	Dc	v0.30	....	0.40	3 Mo Mar	v0.05	v0.21
6	Q0.12	7-7-08	6-19	0.36	0.48	0.47	Total Assets $338M			3-31-08	5.57	11388	...	...	...	...	Je	v0.86	....	0.67	9 Mo Mar	v0.65	v0.46
7◆		None Paid		...	NIL	....	12.4	48.8	153	3-30-08	....	25335	0.64	0.70	0.62	14	Dc	v0.50	....	0.47	3 Mo Mar	v0.12	v0.09
8	Q0.293	5-16-08	5-2	0.585	1.17	1.16	2.97	51.1	78.6	3-31-08	288	[52]20717	1.64	1.70	1.58	7	Dc	v1.50	....	1.43	3 Mo Mar	v0.08	v0.01
9		None Paid		...	NIL	....	16.2	70.0	49.1	3-31-08	12.9	47781	d0.10	d0.09	d0.15	4	Dc	vd0.51	....	d0.52	3 Mo Mar	vd0.20	vd0.21
10	Q0.07	7-3-08	6-9	0.14	0.28	0.28	39.3	680	368	3-31-08	....	66274	1.09	1.15	1.01	13	Dc	v0.81	E1.13†	0.95	3 Mo Mar	0.48	v0.61
11		None Paid		...	NIL	....	37.7	67.6	30.7	3-31-08	....	29756	0.01	0.04	d0.04	3	Dc	vd0.43	....	d0.19	3 Mo Mar	vd0.12	vd0.09
12		None Paid		...	NIL	....	d3.23	3.26	4.45	3-31-08	NIL	47218	d0.32	d0.32	d0.32	1	Dc	vd0.50	....	d0.51	3 Mo Mar	vd0.05	vd0.06
13	0.06¼	8-31-94	8-4	...	NIL	....	42.3	67.2	43.1	3-31-08	392	20951	1.51	2.02	0.71	7	Dc	v0.71	....	0.79	3 Mo Mar	v0.27	v0.35
14		None Paid		...	NIL	....	843	3168	3604	12-31-06	3351	417873	...	...	...	...	Dc	v5.62	....	6.14	No pro-forma EPS		
15	Q0.45	5-15-08	5-1	1.08	1.80	2.46	0.05	321	369	3-31-08	363	[44]±32232	1.48	1.91	1.05	2	Dc	v2.28	E1.28†	1.39	3 Mo Mar	0.79	vd0.10
16	Q0.31	7-14-08	7-1	0.92	1.24	0.78	27.2	32.4	5.04	3-31-08	....	4136	1.50	1.50	1.50	1	Sp	v1.12	....	1.40	6 Mo Mar	0.43	0.71
17	Div Omitted 4-06-07			...	NIL	†14.03	40.0	178	92.6	3-31-08	119	29084	0.48	0.60	0.40	4	Dc	v7.30	E0.44†	0.14	3 Mo Mar	v7.31	v0.15
18	Q0.25	7-31-08	7-11	0.74	1.00	0.96	Total Deposits $1133M			3-31-08	705	p7704	...	...	...	...	Dc	Pv3.09	....	3.18	3 Mo Mar	0.72	v0.81
19	Q0.70	7-17-08	6-26	2.09	2.80	2.73	Total Assets $4892M			3-31-08	[51]2911	53150	1.21	1.29	1.13	2	Dc	v2.51	E0.85†	2.56	3 Mo Mar	v0.22	v0.27
20◆	Q0.06	7-15-08	6-26	0.169	q0.24	0.169	130	1275	676	12-31-07	708	344431	1.49	1.49	1.49	1	Dc	Pv1.12	....	1.32	3 Mo Mar	v0.16	v0.36
21◆		None Paid		...	NIL	....	744	3255	1874	3-31-08	745	216664	2.60	2.70	2.55	20	Dc	v2.17	E2.58†	2.27	3 Mo Mar	v0.44	v0.55
22	Q0.22	8-4-08	7-2	0.66	0.88	0.82	50.0	1610	1663	4-27-08	1767	371518	2.05	2.08	2.02	13	Jl	v2.16	E2.00†	2.97	9 Mo Apr	v1.99	v2.80
23	gQ0.87	7-28-08	6-25	g2.61	g3.48	g3.11	Total Deposits $230208M			1-31-08	5313	380650	7.08	7.12	7.08	3	Oc	....	....	NA	3 Mo Jan	v2.11	vd4.39
24◆	Q0.229	6-30-08	6-5	0.453	g0.92	0.78	325	1308	1559	3-31-08	5901	478800	3.43	3.56	3.19	11	Dc	v4.20	E3.70†	4.21	3 Mo Mar	v0.61	v0.62
25◆	Q0.096	7-1-08	6-11	0.291	g0.40	0.296	26.2	2596	4126	3-31-08	10929	540543	5.59	6.47	4.00	6	Dc	v4.78	E4.90†	5.61	3 Mo Mar	v0.49	v1.31
26	Q0.246	7-28-08	6-25	0.712	g0.99	0.768	69.3	879	1150	3-31-08	4153	153631	4.29	4.40	4.19	5	Dc	v6.01	E4.54†	5.77	3 Mo Mar	v0.80	v0.56
27		None Paid		...	NIL	....	37.6	219	59.2	12-31-07	92.8	27770	2.24	2.60	1.86	5	Dc	vd0.01	....	0.71	3 Mo Mar	vd0.14	v0.59
28		None Paid		...	NIL	....	14.0	54.0	41.0	3-31-08	....	140312	d0.05	d0.05	d0.05	1	Dc	vd0.07	....	d0.07			
29	gQ0.21	9-2-08	7-29	g0.60½	g0.84	g0.72	288	2733	1698	3-29-08	1355	±81475	...	...	...	...	Dc	Pv5.12	....	5.26	3 Mo Mar	0.68	v0.82
30		None Paid		...	NIL	....	4.23	5.85	8.36	3-31-08	12.1	242107	0.04	0.04	0.04	1	Dc	vd0.22	....	d0.22	3 Mo Mar	NIL	NIL
31		None Paid		...	NIL	....	0.50	5.51	17.9	3-31-08	55.2	38689	d0.00	0.04	d0.03	4	Je	vd0.13	....	d0.10	9 Mo Mar	d0.17	d0.14
32◆	0.601	4-7-08	12-26	0.601	1.031	0.429	7505	23411	10859	3-31-08	106	1261015	3.49	3.60	3.39	2	Dc	v3.38	E3.95†	1.42	3 Mo Mar	v0.97	v0.81
33◆		None Paid		...	NIL	....	19.3	87.3	34.3	4-30-08	56.3	16419	0.56	0.57	0.56	2	Jl	v0.52	....	0.49	9 Mo Apr	v0.40	v0.37
34	0.25	7-11-08	6-16	0.25	0.25	0.25	7.64	11.6	7.28	3-31-08	....	4046	...	...	...	...	Dc	v0.62	....	0.53	3 Mo Mar	0.21	v0.12
35		None Paid		...	NIL	....	Total Deposits $792M			3-31-08	180	13314	...	...	...	...	Dc	v0.26	....	d0.01	3 Mo Mar	0.06	vd0.21
36		None Paid		...	NIL	....	131	150	36.9	3-31-08	....	16767	1.65	1.70	1.62	12	Dc	v1.33	....	0.59	3 Mo Mar	v0.23	v0.31
37	Div Omitted 6-3-05			...	NIL	....	Total Assets $13.9M			3-31-08	3.66	381	...	...	...	...	Dc	vd7.72	....	d7.34	3 Mo Mar	d0.36	v0.02
38◆	Q0.18¾	6-23-08	6-5	0.37	0.74	0.71	Total Deposits $2010M			3-31-08	92.7	17175	1.46	1.53	1.37	7	Dc	v1.66	....	0.85	3 Mo Mar	v0.38	v0.42
39	Q0.37½	5-21-08	5-8	0.75	1.50	0.107	Total Assets $147155M			3-31-08	31508	p374700	5.06	5.60	4.35	12	Dc	v3.97	E5.60†	3.81	3 Mo Mar	v1.63	v1.47
40	Q0.40	5-15-08	5-20	0.79½	1.60	0.38½	Total Assets $280M			12-31-07	274	[55]x22318	1.60	1.69	1.44	5	Dc	Pv0.95	....	1.32	3 Mo Mar	d0.02	v0.35
41	Q0.06	5-28-08	5-12	0.12	0.24	0.22	Total Assets $23M			3-31-08	NIL	3300	...	...	...	...	Dc	v0.42	....	0.42	3 Mo Mar	v0.12	v0.12

◆Stock Splits & Divs By Line Reference Index [3]2-for-1,'04 [7]3-for-2,'07 [29]3-for-1,'05 :2-for-1,'06 [21]2-for-1,'05 :2-for-1,'07 [24]3-for-2,'04 :2-for-1,'06 [29]2-for-1,'04 :2-for-1,'05 [33]3-for-2,'06 [33]3-for-2,'05 [38]5-for-4,'05

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Common and Convertible Prefer

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1998-99 High	1998-99 Low	2007 High	2007 Low	2008 High	2008 Low	Jun. Sales In 100s	June, 2008 Last Sale Or Bid High	June, 2008 Last Sale Or Bid Low	June, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS % Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex-Yr. Since
1	SVA	Sinovac Biotech	AS,Ph,Ch,P	NR	26	12512	Biotechnology	7.92	0.75	9.50	2.25	5.22	3.08	28029	4.14	3.25	3.25		17	5	27.3	10.6	
2	SIRF	SIRF Technology Hldg	NDS	NR	316	37060	Semiconductors	42.50	8.75	34.15	16.20	25.20	4.32	364140	7.37	4.32	4.32		d	Neg	-78.7	-34.5	
3 e1	SIRI	Sirius Satellite Radio	NDS	C	414	497307	Broadcasting & Cable TV	69.43	0.38	4.26	2.66	3.89	1.80	7498019	2.75	1.80	1.92		d	39	-29.3	-29.5	
4 e2	SIRO	Sirona Dental Sys	NDS	NR	242	19694	Health Care Equipment	43.47	22.42	44.20	24.71	33.80	23.91	43526	29.59	25.91	25.92		d	1	-27.6	0.0	
5	SIX	Six Flags	NY,Ch,P	C	187	69729	Leisure Facilities	41.62	0.82	6.80	1.91	2.50	1.13	260119	2.15	1.13	1.15		d	-28	-77.6	-33.0	1998
6	SIX.PB	Six Flags 7.25% Cv Dep Pfd	NY,P	D	41	9982		33.38	11.52	24.95	13.85	16.00	9.17	4514	13.80	9.17	9.70	18.7					2001
7	SJW	SJW Corp	NY,AS,Ch,P	A-	194	8846	Water Utilities	45.33	3.89	43.00	27.65	35.11	25.76	23304	32.46	25.76	26.40	2.4	30	-3	-17.4	8.5	1932
8 e3	SKM	SK Telecom ADS 52	NY,Ph,Ch,P,B	NR	351	184411	Wireless Telecom Svcs	52.62	4.29	33.60	22.28	28.49	19.85	190042	22.60	20.34	20.77	3.6	9	1	-24.0	1.9	1997
9 e4	SKX	Skechers U.S.A. Cl'A'	NY,Ch	B	374	31279	Footwear	40.30	3.25	38.03	17.36	25.20	16.05	159792	24.40	19.42	19.76		11	NM	-30.4	14.2	
10	SKH	Skilled Hithcare Grp'A'	NY,Ch	NR	202	19799	Health Care Facilities			16.81	13.02	15.49	9.83	31761	13.86	12.69	13.42		23	3	-17.1	0.0	
11 e5	SKIL	SkillSoft plc ADS 54	NDS	NR	158	87990	Internet Software & Services	63.87	1.95	10.22	6.04	11.42	8.03	52855	9.83	8.34	9.04		NIL	1	0.9	37.7	
12 e6	SKY	Skyline Corp	NY,Ph,Ch,P,,B	B-	220	6910	Homebuilding	45.39	11.12	41.42	26.93	34.60	23.36	16307	26.94	23.36	23.50	3.1	d	Neg	-22.1	-12.0	1960
13 e7	SKYW	SkyWest Inc	NDS	A-	544	54744	Airlines	34.10	0.56	29.50	21.27	27.19	12.53	190152	16.96	12.53	12.65	0.9	5	16	-46.4	-8.1	1987
14 e8	SWKS	Skyworks Solutions	NDS	C	546	168874	Semiconductors	78.25	0.54	9.55	5.56	11.24	6.49	1605490	11.24	9.31	9.87		23	NM	29.5	9.7	
15 e9	SLG	SL Green Realty	NY,Ph,Ch,P	A-	593	68907	Office REITs	143.00	17.12	158.86	87.39	101.07	74.60	136322	101.07	80.41	82.72	3.8	45	32	-32.3	12.0	1997
16	SLI	SL Industries	AS,P	B-	59	4322	Electrical Component & Equip	19.50	2.87	24.00	12.23	22.50	12.00	712	15.50	14.00	15.25		11	1	-10.4	-5.3	
17 e10	SLM	SLM Corp	NY,Ph,Ch,B	B	846	487786	Consumer Finance	58.35	1.34	58.00	18.68	25.05	14.70	1381273	25.05	18.95	19.35		13	Neg	-68.2	-26.0	1983
18	JSM	SLM Corp 6.0% Sr Notes	NY	BBB-	10	575		25.85	20.50	24.84	16.21	20.00	14.86	2118	18.89	16.46	17.50	8.6			-1.1	-4.6	2004
19	SMBL	Smart Balance	NDS,BB	NR	100	54064	Packaged Foods & Meats	8.65	7.45	14.10	8.75	11.25	4.85	118491	8.58	6.92	7.21		d	3	-24.7	0.0	
20	SMOD	SMART Modular Tech	NDS	NR	201	38099	Electronic Manufactur Svcs	13.54	6.98	15.89	6.86	10.40	3.61	109203	5.42	3.61	3.83		8		-73.2	0.0	
21	MVE	Smart Move	AS	NR	3	56	Trucking	4.80	4.40	4.71	0.50	0.84	0.20	3514	0.50	0.26	0.32			3	-90.8	0.0	
22	MVE.WS	Smart Move Wrrt	AS,P	NR	1	3		0.80	0.50	0.88	0.01	0.16	0.02	212	0.06	0.02	0.03						
23	SPRO	SmartPros Ltd	AS,P,NDS	NR	14	354	HR & Employment Services	4.30	2.25	9.27	3.42	8.04	2.90	1806	3.80	3.27	3.47		12	5	-46.8	-4.7	
24	SPROW	SmartPros Ltd Wrrt	AS,NDS	NR	1			0.80	0.15	2.15	0.50	0.75	0.20	8	0.35	0.20	0.32						
25	SNN	Smith & Nephew plc ADS 57	NY,Ch	NR	146	6880	Health Care Equipment	84.35	30.55	67.83	51.54	69.20	52.00	17032	59.06	53.73	54.75	1.1	19	Neg	-10.0	5.2	2000
26	SWHC	Smith & Wesson Holding	AS,Ch,P,NDS	B-	193	16965	Leisure Products	14.85	0.04	22.80	5.55	7.77	3.72	158804	5.93	4.75	5.21		26	9	+69.3	10.7	
27	AOS	Smith (A.O.)	NY,Ph,Ch,P,,B	B+	395	22819	Electrical Component & Equip	58.06	3.29	52.48	32.09	39.02	29.25	55302	36.73	32.70	32.83	2.2	11	18	-15.6	9.8	1983
28 e11	SII	Smith Intl	NY,Ph,Ch,B	B+	1073	189927	Oil & Gas Equipment & Svcs	46.48	0.43	76.99	36.13	85.67	53.39	691345	85.67	74.16	83.14	0.6	22	44	-35.9	36.6	2005
29 e12	SMSI	Smith Micro Software	NDS	B-	243	17391	Application Software	32.00	0.17	21.20	7.32	9.15	4.44	75210	8.46	5.68	5.70		NM	45	-61.3	10.8	
30 e13	SFD	Smithfield Foods	NDS	B	553	111489	Packaged Foods & Meats	34.84	0.55	35.79	24.40	32.18	19.17	653890	31.41	19.17	19.88		16	17	-36.3	-10.2	
31	SMTX	SMTC Corp	NDS	NR	13	2438	Electronic Manufactur Svcs	150.62	0.72	8.05	1.39	2.96	1.09	9072	2.68	2.15	2.25		NM	NM	-59.7	39.1	
32	SJM	Smucker (J.M.)	NY,Ph,Ch,P,,B	† A+	574	30922	Packaged Foods & Meats	64.27	15.87	64.32	46.57	55.58	40.64	104877	55.58	40.64	40.64	3.1	13	8	-32.8	-2.1	1949
33 e14	SSCC	Smurfit-Stone Container	NDS	C	444	247948	Paper Packaging	25.75	9.00	14.08	8.85	10.90	3.92	1201047	5.82	3.92	4.07		14	15	-66.5	-25.8	
34 e15	SNA	Snap-On Inc	NY,Ph,Ch,P,,B	B+	749	51250	Household Appliances	48.65	13.58	57.81	44.58	62.21	37.88	116098	62.08	50.89	52.01	2.3	13	11	2.8	17.9	1939
35	SNC	SNC-Lavalin Group	To,Mo	NR	56	249	Construction & Engineering	33.50	0.41	51.04	30.00	61.95	38.30	94236	61.95	54.15	56.02	0.8	35	21	47.4	37.7	1998
36 e3	SOAP	Soapstone Networks	NDS	NR	85	5149	Application Software	698.00	2.28	13.96	6.65	9.20	3.82	23082	5.35	3.82	3.83		7	NM	-48.1	3.0	
37	SQM	Sociedad Quimica Y Minera ADS 58	NY,Ph	NR	116	22107	Fertilizers & Ag Chemicals	14.03	1.58	20.64	12.36	59.45	13.20	529966	59.45	34.25	46.60	0.7	NA	1	187	707	1994
38	SBN	SoftBrands Inc	AS,P	NR	37	6803	Systems Software	2.42	0.75	2.34	1.58	1.90	0.85	2296	1.24	0.98	1.02		d		-50.2	-17.2	
39 e4	SWH	Software HOLDRs Tr Dep Receipt	AS,B	NR	17	1446		99.93	20.08	46.07	37.31	44.40	35.00	5686	43.59	39.48	40.21	0.4			-0.8	7.1	2006
40 e2	SOHU	Sohu.com Inc	NDS	NR	356	24754	Internet Software & Services	43.40	0.52	64.83	20.94	91.50	35.75	557884	91.50	66.95	70.44		74	5	146	50.5	

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P:Cycle 3. [2]ASE,CBOE,Ph:Cycle 3. [3]CBOE:Cycle 3. [4]ASE:Cycle 1. [5]ASE,CBOE:Cycle 2. [6]CBOE:Cycle 2. [7]P:Cycle 1. [8]Ph:Cycle 2. [9]CBOE,Ph:Cycle 1. [10]ASE,CBOE,P:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 1. [12]ASE,Ph:Cycle 1. [13]ASE,CBOE,Ph:Cycle 1. [14]CBOE,P:Cycle 2. [15]ASE:Cycle 3. [16]Ch,P [51]Redeem pfd stk in $M
[52]Fr 2-15-04,Co auto Cv opt if com exceeds $25.02 [53]Ea ADS rep 0.11 com,500 won [54]Ea ADS rep 1 ord, par IR 37.5p [55]If com exceeds $11.25 for 30 trad'g days,as defined
[56]If com at least $9.50 for 5 con trad days [57]Ea ADS rep 5 Ord,10 pence [58]Incl 7.2M exchangeable shs of subsid [59]Ea ADS rep 1 Sr'B'shr,no-par

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1	None Paid				NIL
2	None Paid				NIL
3	None Paid				NIL
4	None Paid				NIL
5	None Paid				NIL
6	Q0.453	2-15-08	1-30	0.453	NIL
7◆	Q0.16¼	6-1-08	5-8	0.32¼	0.645
8	0.953	4-11-08		0.953	1.025
9	None Paid				NIL
10	None Paid				NIL
11	None Paid				NIL
12	Q0.18	7-1-08	6-11	0.54	0.72
13	Q0.03	7-7-08	6-26	0.09	0.12
14	None Paid				NIL
15	Q0.788	7-15-08	6-26	2.363	3.15
16	Div Omitted 5-23-01				NIL
17	Div Suspended 4-16-07				NIL
18	Q0.37½	8-16-08	5-28	0.75	1.50
19	None Paid				NIL
20	None Paid				NIL
21	None Paid				NIL
22	Terms&trad. basis should be checked in detail				
23	None Paid				NIL
24	Terms&trad. basis should be checked in detail				
25	0.369	5-9-08	4-16	0.369	0.595
26	None Paid				NIL
27	Q0.18	5-15-08	4-28	0.36	0.72
28◆	Q0.12	7-14-08	6-11	0.34	0.48
29	None Paid				NIL
30	None Paid				NIL
31◆	None Paid				NIL
32	Q0.32	6-2-08	5-14	0.62	1.28
33	None Paid				0.438
34	Q0.30	6-9-08	5-15	0.60	1.20
35◆	gQ0.12	5-29-08	5-13	g0.24	g0.48
36	2.00	6-22-07	6-7		NIL
37◆	0.431	5-28-08	5-1	0.431	0.431
38	None Paid				NIL
39	None Paid				0.288
40	None Paid				NIL

◆Stock Splits & Divs By Line Reference Index [73-fo

HEARING EXHIBIT 00000063

June, 2008

Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS $ 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex.Yr. Since
4.14	3.25	3.25	...	17	5	27.3	10.6	....
7.37	4.32	4.32	...	d	Neg	-78.7	-34.5	....
2.75	1.80	1.92	...	d	39	-29.3	-29.5	....
29.59	25.91	25.92	...	d	1	-27.6	0.0	....
2.15	1.13	1.15	...	d	-28	-77.6	-33.0	1998
13.80	9.17	9.70	18.7	...	...	...	...	2001
32.46	25.76	26.40	2.4	30	-3	-17.4	8.5	1932
22.80	20.34	20.77	3.8	9	1	-24.0	1.9	1997
24.40	19.42	19.76	...	11	NM	-30.4	-14.2	....
13.86	12.69	13.42	...	23	3	-17.1	0.0	....
9.83	8.34	9.04	...	NIL	1	0.9	37.7	....
26.94	23.36	23.50	3.1	d	Neg	-22.1	-12.0	1960
16.98	12.53	12.65	0.9	5	18	-48.4	-9.1	1987
11.24	9.31	9.87	...	23	NM	29.5	9.7	....
101.07	80.41	82.72	3.8	45	32	-32.3	12.0	1997
15.50	14.00	15.25	...	11	1	-10.4	-5.3	....
25.05	18.95	19.35	...	13	Neg	-58.2	-26.0	1983
18.89	16.46	17.50	8.6	...	...	+1.1	-4.6	2004
8.58	6.92	7.21	...	d	3	-24.7	-0.0	....
5.42	3.61	3.83	...	8	...	-73.2	0.0	....
0.50	0.26	0.32	...	...	3	+90.8	0.0	....
0.06	0.02	0.03e	...	...	...	...	...	....
3.80	3.27	3.47	...	12	5	-46.8	-4.7	....
0.35	0.20	0.32e	...	...	...	...	...	....
59.06	53.73	54.75	1.1	19	Neg	-10.0	5.2	2000
5.93	4.75	5.21	...	26	9	+69.3	10.7	....
36.73	32.70	32.83	2.2	11	18	-15.6	9.8	1983
85.67	74.16	83.14	0.5	22	44	+35.9	36.6	2006
8.46	5.68	5.70	...	NM	45	-61.3	10.8	....
31.41	19.17	19.88	...	16	17	-36.3	-10.2	....
2.68	2.15	2.25	...	NM	NM	-59.7	39.1	....
55.58	40.64	40.64	3.1	13	6	-32.8	-2.1	1949
6.82	3.92	4.07	...	14	15	-66.5	-25.6	....
62.08	50.89	52.01	2.3	13	11	2.8	17.9	1939
61.95	54.15	56.02	0.8	35	21	47.4	37.7	1986
5.35	3.62	3.63	...	7	NM	-48.1	3.0	....
59.45	34.25	46.60	0.7	NA	1	187	70.7	1994
1.24	0.96	1.02	...	d	...	-50.2	-17.2	....
43.59	39.48	40.21	0.4	...	...	+0.8	7.1	2008
91.50	66.95	70.44	...	74	5	146	50.5	....

Cycle 2. [6]CBOE:Cycle 2. [7]P:Cycle 1. [8]Ph:Cycle 2.
3 [9]Ch,P [51]Redeem pfd stk in $M
) trailing days,as defined

Index	Splits/Dividends ◆ Latest Payment Period	$	Date	Ex. Div.	Total $ 5o Far 2008	Ind. Rate	Paid 2007
1	None Paid					NIL	
2	None Paid					NIL	
3	None Paid					NIL	
4	None Paid					NIL	
5	None Paid					NIL	
6	Q0.453		2-15-08	1-30	0.453	NIL	1.81¼
7◆	Q0.16⅛		6-1-08	5-8	0.32¼	0.645	0.60½
8	0.953		4-11-08		0.953	1.025	0.944
9	None Paid					NIL	
10	None Paid					NIL	
11	None Paid					NIL	
12	Q0.18		7-1-08	6-11	0.54	0.72	0.72
13	Q0.03		7-7-08	6-26	0.09	0.12	0.12
14	None Paid					NIL	
15	Q0.786		7-15-08	6-26	2.363	3.15	2.80
16	Div Omitted 5-23-01					NIL	
17	Div Suspended 4-16-07					NIL	0.25
18	Q0.37½		8-16-08	5-28	0.75	1.50	1.50
19	None Paid					NIL	
20	None Paid					NIL	
21	None Paid					NIL	
22	Terms&trad. basis should be checked in detail						
23	None Paid					NIL	
24	Terms&trad. basis should be checked in detail						
25	0.369		5-9-08	4-16	0.369	0.595	0.563
26	None Paid					NIL	
27	Q0.18		5-15-08	4-28	0.36	0.72	0.70
28◆	Q0.12		7-14-08	6-11	0.34	0.48	0.38
29	None Paid					NIL	
30	None Paid					NIL	
31◆	None Paid					NIL	
32	Q0.32		8-2-08	5-14	0.62	1.28	1.18
33	None Paid					0.436	
34	Q0.30		8-9-08	5-15	0.60	1.20	1.11
35◆	qQ0.12		5-29-08	5-13	q0.24	q0.48	q0.36
36	2.00		6-22-07	6-7		NIL	2.00
37◆	0.431		5-28-08	5-1	0.431	0.431	0.355
38	None Paid					NIL	
39	None Paid					0.266	10.008
40	None Paid					NIL	

Financial Position MII-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date
17.0	39.1	20.4	12-31-07
120	182	42.9	3-31-08
252	458	1199	3-31-08
99.8	294	162	3-31-08
12.6	121	366	3-31-08
Cv Into 1.199 Com $20.85[52]			
1.72	27.5	34.2	3-31-08
1243	5037	3465	12-31-06
152	607	181	3-31-08
3.99	159	87.6	3-31-08
93.5	307	277	1-31-08
116	158	23.9	2-29-08
618	1156	423	3-31-08
228	496	163	3-28-08
Total Assets $11430M			3-31-08
NA	56.7	23.4	3-31-08
Total Assets $150616M			3-31-08
Co opt to redeem fr 12-15-06 at $25			
7.03	42.6	23.7	3-31-08
155	389	117	2-29-08
0.18	0.99	4.76	3-31-08
Wrrts expire 12-7-2011			
9.79	12.0	6.60	3-31-08
Wrrts expire 10-19-2009			
171	2008	2510	3-29-08
3.66	124	69.4	1-31-08
46.6	808	439	3-31-08
148	3993	1295	3-31-08
26.2	47.0	10.6	3-31-08
63.9	3240	1586	1-27-08
0.33	73.6	51.7	9-30-07
184	776	239	4-30-08
10.0	1053	986	3-31-08
114	1284	655	3-29-08
1036	3437	3194	3-31-08
104	107	6.62	3-31-08
166	1058	280	3-31-08
9.40	39.0	51.9	3-31-08
Receipts Val based on Software Ind Co's			
160	206	92.6	3-31-08

Capitalization Lg Trm Debt MII-$	Shs. 000 Com.
4.10	40282
977	1499315
515	54733
2236	[51]97632
217	18377
2473	72000
16.3	±45844
461	±37065
197	111679
...	6391
1708	58352
200	161165
5758	58284
8.84	5862
112485	★★467377
89.5	62631
81.2	60941
6.61	12400
...	2800
...	4978
...	900
37.0	892000
119	40407
417	±30053
794	200806
...	30415
3324	134398
21.5	[53]13869
789	54722
3472	256000
502	57651
2083	150966
...	14792
502	±259200
14.3	41876
...	3609
1.28	37759

2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.
0.21	0.21	0.21	1
d0.18	d0.02	d0.33	14
d0.29	d0.22	d0.36	16
1.55	1.63	1.47	7
d1.03	d0.76	d1.30	2
...	...	...	...
1.29	1.35	1.24	2
1.93	1.95	1.92	2
2.03	2.12	1.98	6
0.97	1.01	0.95	9
0.25	0.26	0.24	6
2.31	2.47	2.03	6
0.68	0.72	0.67	16
4.07	4.07	4.07	1
...	...	...	...
1.60	1.69	1.55	6
...	...	...	...
0.04	0.13	d0.04	3
0.43	0.47	0.24	7
...	...	...	...
...	...	...	...
...	...	...	...
...	...	...	...
2.98	3.22	2.84	6
0.20	0.27	0.13	7
2.89	2.98	2.80	5
3.78	3.90	3.65	20
0.63	0.66	0.57	6
1.22	1.40	1.12	8
0.35	0.35	0.35	1
3.19	3.21	3.17	4
d0.14	0.20	d0.35	12
4.03	4.25	3.90	4
...	...	...	...
d1.56	d1.56	d1.56	1
1.56	1.56	1.56	1
...	...	...	...
2.63	3.14	1.61	15

Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.
Dc	v0.19	....	0.19
Dc	vd0.19	....	d0.70
Dc	vd0.39	Ed0.27[1]	d0.36
Sp	....	....	d0.14
Dc	vd2.90	Ed1.65[1]	d2.66
Dc	....	....	....
Dc	v1.04	....	0.87
Dc	v....	E2.24[1]	NIL
Dc	Pv1.63	....	1.81
Dc	v0.35	....	0.59
Ja	v....	....	NIL
My	v0.31	....	d0.42
Dc	v2.49	E2.35[1]	2.44
Sp	v0.36	....	0.43
Dc	v10.90	E1.85[1]	10.52
Dc	v1.43	....	1.33
Dc	vd2.26	E1.52[1]	d2.80
Dc	....	....	....
Dc	vd4.12	....	d3.62
Au	v0.88	E0.47[1]	0.42
Dc	vd1.20	....	vd1.31
Dc	....	....	....
Dc	v0.43	....	0.29
Dc	....	....	....
Dc	Pv1.71	E2.86	d0.02
Ap	v0.31	v0.22	0.22
Dc	v2.85	....	2.95
Dc	v3.20	E3.74[1]	3.27
Dc	v0.10	....	0.03
Ap	v1.49	v0.96	0.96
Dc	Pv0.18	....	0.02
Ap	v2.76	v3.00	3.00
Dc	vd0.45	E0.30[1]	d0.29
Dc	v3.09	E4.00[1]	3.40
Dc	v1.00	....	1.60
Dc	v4.16	....	0.57
Dc	....	....	NA
Sp	vd0.09	....	d0.04
Dc	....	....	....
Dc	v0.90	....	0.95

Interim Earnings $ per Shr. Period	Prior	Curr.
3 Mo Mar	0.04	v0.04
3 Mo Mar	v0.05	vd0.46
3 Mo Mar	d0.10	vd0.07
No pro-forma EPS		
3 Mo Mar	d1.86	vd1.62
Arrears $0.4531 to 5-15-08		
3 Mo Mar	v0.12	v0.15
3 Mo Mar	0.52	v0.70
3 Mo Mar	d0.01	v0.23
9 Mo Feb	v0.04	vd0.69
3 Mo Mar	v0.53	v0.48
6 Mo Mar	v0.15	v0.22
3 Mo Mar	v2.53	v2.15
3 Mo Mar	0.29	v0.19
3 Mo Mar	v0.26	vd0.28
Due 12-15-2043		
3 Mo Mar	d0.52	vd0.02
9 Mo May	v0.67	v0.21
3 Mo Mar	d0.15	vd0.26
Callable fr 12-7-09 at $0.01[99]		
3 Mo Mar	0.12	vd0.02
Callable fr 4-19-2005 at $0.25[99]		
3 Mo Mar	0.48	v0.46
3 Mo Mar	±0.63	v0.73
3 Mo Mar	v0.80	v0.87
3 Mo Mar	v0.06	vd0.01
3 Mo Mar	v0.19	v0.03
3 Mo Mar	vd0.22	vd0.06
3 Mo Mar	v0.66	v0.97
3 Mo Mar	vd0.13	v0.47
3 Mo Mar	v0.42	vd0.25
3 Mo Mar	0.16	v0.25
6 Mo Mar	vd0.08	vd0.03
Expire 12-31-2040		
3 Mo Mar	v0.12	v0.55

◆Stock Splits & Divs By Line Reference Index [3]3-for-1,'04 [32]2-for-1,'06 [52]2-for-1,'05 [31]1-for-5 REVERSE,'04 [53]3-for-1,'06 [37]10-for-1,'08

SPT 00000964

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1996-06 High	1996-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	SOLF	Solarfun Power Hldgs ADS[51]	NDS	NR	75	7351	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	973248	23.24	17.37	17.50	...	15	1	70.7	0.0	....
2	SLH	Solera Holdings	NY,P	NR	303	55574	Application Software	....	....	25.57	15.41	28.85	20.96	121310	28.85	25.00	27.66	...	d	2	45.8	0.0	....
3	XPL	Solitario Exploration & Royalt	AS,P,To,B	C	29	8974	Precious Metals & Minerals	4.23	2.57	6.10	3.50	6.10	4.47	880	5.20	4.47	4.92	...	d	-40	8.7	0.0	....
4	SOA	Solutia Inc	NY,Ch,P	NR	83	46303	Diversified Chemicals	....	....	21.75	17.00	20.50	9.46	161206	15.85	11.75	12.82	...	1	3	0.0	0.0	....
5	SNSTA	Sonesta Intl Hotels	NDS	C	24	945	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	610	27.25	22.92	25.40	0.8	42	NM	-18.0	-3.7	2005
✣6	SAH	Sonic Automotive'A'	NY,Ch	B+	330	33938	Automotive Retail	39.75	4.66	33.10	19.33	21.71	12.88	128065	18.96	12.86	12.89	3.7	6	2	-52.3	-12.0	2003
✣7[52]	SONC	Sonic Corp	NDS	B+	444	59216	Restaurants	24.75	1.07	26.19	20.02	23.33	14.22	325860	19.38	14.22	14.80	...	15	11	-34.4	-12.5	....
8	SOFO	Sonic Foundry	NDS	C	39	1669	Systems Software	64.96	0.10	4.77	1.18	1.49	0.60	8565	0.72	0.60	0.60	...	d	-49	-70.9	-22.7	....
9	SNCI	Sonic Innovations	NDS	NR	141	22345	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	2.82	61647	4.09	2.82	3.34	...	d	-9	-65.8	-13.1	....
✣10	SNIC	Sonic Solutions	NDS	NR	254	27078	Application Software	23.67	1.00	19.35	7.38	10.94	5.61	82362	9.49	5.61	5.96	...	d	1	-53.9	-29.8	....
11[53]	SNWL	SonicWALL Inc	NDS	B-	329	58086	Internet Software & Services	66.68	1.79	11.53	7.50	10.91	6.45	100855	8.02	6.45	6.45	...	81	NM	-23.6	5.8	....
✣12[54]	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	597	62095	Paper Packaging	40.00	6.33	44.91	28.45	34.85	25.57	98157	34.85	30.78	30.95	3.5	13	6	-24.5	9.2	1925
13[55]	SONO	SonoSite Inc	NDS	B-	291	20673	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	32351	30.59	27.20	28.01	...	33	NM	-12.0	-4.4	....
14[56]	SONS	Sonus Networks	NDS	NR	330	162180	Communications Equipment	93.66	0.18	9.03	5.13	5.95	2.92	985430	4.78	3.40	3.42	...	57	91	-59.1	-9.9	....
15[56]	SNE	Sony Corp[57] ADR	NY,Ph,Ch,P,B	NR	394	156952	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	39.52	211263	52.36	43.11	43.74	0.5	12	19	-14.0	8.4	1947
✣16[52]	BID	Sotheby's	NY,Ph,Ch,B	B-	612	74078	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.67	23.75	474785	28.00	25.00	26.37	2.3	10	NM	-42.0	25.9	2007
17	FIRE	Sourcefire Inc	NDS	NR	101	10454	Systems Software	....	....	18.83	7.23	8.49	4.96	28791	8.37	7.41	7.73	...	d	3	-43.4	0.0	....
18	LNUX	SourceForge Inc	NDS	NR	120	42269	Application Software	320.00	0.54	5.55	2.05	2.55	1.31	240362	1.81	1.31	1.60	...	80	NM	-62.7	-1.8	....
✣19[58]	TSFG	South Financial Group	NDS	B+	418	56982	Regional Banks	32.98	5.31	27.47	15.29	18.02	3.66	366318	5.69	3.66	3.92	1.0	d	Neg	-82.1	-45.9	1994
✣20	SJI	South Jersey Indus	NY,Ph,Ch,P,B	A-	336	17485	Gas Utilities	34.26	6.95	41.27	31.20	39.36	31.90	35699	39.36	36.70	37.36	2.9	19	10	7.5	10.2	1952
21	STXX	South Texas Oil	NDS,BB	NR	5	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	2.20	22958	5.87	2.20	3.69	...	d	1	-60.4	70.5	....
22	SOCB	Southcoast Financial	NDS	NR	42	1590	Regional Banks	24.04	3.17	21.14	12.55	16.00	12.48	2215	14.47	13.04	13.95e	...	44	-17	-32.4	-12.8	....
✣23[59]	SO	Southern Co	NY,Ph,Ch,P,B	A-	1143	337852	Electric Utilities	37.40	8.93	39.35	33.16	40.60	33.71	856943	36.20	34.28	34.92	4.8	15	2	5.2	4.3	1948
24	SSE	Southern Conn Bancorp	AS	NR	23	411	Regional Banks	11.38	6.06	8.12	6.65	7.50	6.73	2099	7.15	6.90	7.05	...	d	18	-7.9	-4.7	....
25[58]	PCU	Southern Copper	NY,Ph,Ch,P,B	B	665	52478	Diversified Metals & Mining	58.38	4.21	143.25	49.16	125.79	73.25	354592	113.45	100.12	106.63	6.4	24	36	28.0	86.8	1996
✣26[11]	SUG	Southern Union	NY,Ph,Ch,P,B	B	486	90358	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.56	193626	27.73	25.95	27.02	2.2	15	...	-16.1	5.4	2006
✣27[12]	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	961	611094	Airlines	23.32	0.51	16.96	12.12	14.89	11.02	2333325	14.89	12.82	13.04	0.1	33	12	-10.0	-1.0	1976
28	OKSB	Southwest Bancorp(OK)	NDS	A	232	11024	Regional Banks	28.67	3.66	28.63	16.10	18.52	11.49	20475	17.73	11.49	11.50	3.3	8	8	-47.6	-12.5	1981
✣29	SWX	Southwest Gas	NY,Ph,Ch,P,B	B+	457	34654	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	43835	31.35	28.98	29.73	3.0	15	12	-11.8	7.5	1956
30	SGB	Southwest Georgia Finl	AS,Ch,P,B	B+	15	30	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.61	141	18.50	16.60	17.80	3.1	33	-11	-5.4	-2.9	1961
31	SWWC	Southwest Water Co	NDS	B+	154	12216	Water Utilities	19.07	1.49	16.41	11.53	12.75	9.87	25764	10.81	9.87	10.02	2.4	d	Neg	-17.8	-0.6	1960
32[12]	SWN	Southwestern Energy	NY,Ch	B	961	316070	Oil & Gas Exploration & Prod	22.14	0.64	28.50	15.57	50.00	23.77	1789683	49.24	43.58	47.61	...	60	30	101	62.6	2008
33[58]	SOV	Sovereign Bancorp	NY	B	697	273907	Thrifts & Mortgage Finance	26.60	0.83	28.70	9.92	13.28	6.48	1942173	9.54	7.10	7.36	...	11	Neg	-64.1	-27.1	1987
✣34	SSS	Sovran Self Storage	NY,Ph,P,B	B+	328	18976	Specialized REITs	60.00	17.50	63.93	39.75	46.50	33.56	28530	45.15	41.37	41.56	6.1	21	4	-9.2	2.9	1995
35	DSP	SP Acquisition Hldgs	AS,P	NR	31	29402		....	....	9.29	9.00	9.77	8.84	6960	9.40	9.24	9.30	...	...	...	0.0	0.0	....
36	DSP.U	SP Acquisition Hldgs Unit	AS	NR	14	9119		....	....	10.20	9.70	10.25	9.70	320	10.00	9.76	9.90s	...	...	...	...	...	....
37	SBSA	Spanish Broadcasting Sys'A'	NDS	C	150	33555	Broadcasting & Cable TV	42.00	3.90	4.95	1.67	2.08	0.98	73454	1.44	0.98	1.14	...	d	-21	-77.7	-52.9	....
38[56]	SPSN	Spansion Inc'A'	NDS	NR	269	129045	Semiconductors	18.59	11.71	15.05	3.71	4.29	2.10	215342	3.23	2.23	2.25	...	d	4	-80.2	0.0	....
39	LOV	Spark Networks	AS,Ch,P	NR	28	5701	Internet Software & Services	7.75	4.50	6.51	3.50	6.00	3.84	6251	4.43	3.93	4.29	...	24	4	-22.9	0.0	....
✣40[14]	SPAR	Spartan Motors	NDS	B	253	24150	Auto Parts & Equipment	11.22	0.22	25.02	6.82	9.98	6.56	64033	9.70	7.33	7.47	1.3	6	41	-58.6	18.4	1988

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,Ph:Cycle 3. [2]ASE:Cycle 3. [3]ASE,CBOE,P:Cycle 3. [4]Ph:Cycle 1. [5]CBOE,Ph:Cycle 3. [6]ASE,CBOE,P,Ph:Cycle 1. [7]ASE:Cycle 1. [8]P:Cycle 2. [9]CBOE:Cycle 2. [10]ASE,CBOE:Cycle 3. [11]Ph:Cycle 3. [12]ASE,CBOE,P,Ph:Cycle 3. [13]CBOE:Cycle 3. [14]P:Cycle 3. [51]Ea ADS rep 5 Ord Shr [56]Incl liabs subj to compromise [57]ADR equal 1 ord shr, 50y [54]Subsid pfd in $M [55]Incl 12M shrs subj to conv

Common and Convertible Pre

Splits Dividends ◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008
1		None Paid		....
2		None Paid		....
3		None Paid		....
4		None Paid		....
5	$0.10	7-1-08	6-16	1.20
6	Q0.12	7-15-08	6-11	0.36
7◆		None Paid		....
8		None Paid		....
9		None Paid		....
10		None Paid		....
11		None Paid		....
12	Q0.27	6-10-08	5-14	0.53
13		None Paid		....
14		None Paid		....
15	$0.119	6-9-08		0.119
16	Q0.15	6-13-08	5-28	0.30
17		None Paid		....
18		None Paid		....
19	Q0.01	8-1-08	7-11	0.39
20◆	Q0.27	7-2-08	6-6	0.54
21		None Paid		....
22◆	10%Stk	6-22-07	5-30	....
23	Q0.42	6-6-08	5-1	0.82½
24◆	5%Stk	5-9-05	4-22	....
25◆		None Paid		3.10
26◆	Q0.15	7-11-08	6-25	0.45
27	Q0.005	6-26-08	6-10	0.014
28	Q0.09½	7-1-08	6-13	0.283
29	Q0.22½	9-2-08	8-13	0.66½
30◆	Q0.14	7-31-08	7-2	0.42
31◆	Q0.06	7-18-08	6-26	0.18
32◆	Div Postponed 6-26-00			....
33◆	Div Suspended 1-23-09			....
34	Q0.63	7-22-08	7-3	1.89
35		None Paid		....
36		None Paid		....
37		None Paid		....
38		None Paid		....
39		None Paid		....
40◆	$0.05	12-17-08	11-13	0.10

◆Stock Splits & Divs By Line Reference Index
[31]1.33-for-1,'04 :5%,'04 :5%,'05 [32]2-for-1,'05 :2-

HEARING EXHIBIT 00000065

Standard & Poor's

Common and Convertible Preferred Stocks

June, 2008

Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
23.24	17.37	17.50	...	15	1	70.7	0.0	....
28.65	25.00	27.86	...	d	2	45.8	0.0	....
5.20	4.47	4.92	...	d	-40	6.7	0.0	....
15.85	11.75	12.82	...	1	3	0.0	0.0	....
27.25	22.92	25.40	0.8	42	NM	-18.0	-3.7	2005
18.96	12.88	12.89	3.7	6	2	-52.3	-12.0	2003
19.38	14.22	14.80	...	15	11	-34.4	-12.5	....
0.72	0.60	0.60	...	d	-49	-70.9	-22.7	....
4.09	2.82	3.34	...	d	-9	-65.6	-13.1	....
9.49	5.61	5.96	...	d	1	-53.9	-29.8	....
8.02	6.45	6.45	...	81	NM	-23.8	5.8	....
34.85	30.78	30.95	3.5	13	6	-24.5	9.2	1925
30.59	27.20	28.01	...	33	NM	-12.0	-4.4	....
4.78	3.40	3.42	...	57	91	-59.1	-9.9	....
52.36	43.11	43.74	0.5	12	19	-14.0	8.4	1947
28.00	25.00	26.37	2.3	10	NM	-42.0	25.9	2007
8.37	7.41	7.73	...	d	3	-43.4	0.0	....
1.81	1.31	1.80	...	80	NM	-62.7	-1.8	....
5.69	3.66	3.92	1.0	d	Neg	-62.1	-45.9	1994
39.36	36.70	37.36	2.9	19	10	7.5	10.2	1952
5.87	2.20	3.69	...	d	1	-60.4	70.5	....
14.47	13.04	13.95e	...	44	-17	-32.4	-12.8	....
36.20	34.28	34.92	4.8	15	2	5.2	4.3	1948
7.15	6.90	7.05	...	d	18	-7.8	-4.7	....
113.45	100.12	106.63	6.4	24	38	28.0	88.8	1996
27.73	25.95	27.02	2.2	15	...	-16.1	5.4	2006
14.89	12.82	13.04	0.1	33	12	-10.0	-1.0	1976
17.73	11.49	11.50	3.3	8	8	-47.8	-12.5	1981
31.35	28.98	29.73	3.0	15	12	-11.8	7.5	1956
18.50	16.60	17.80	3.1	33	-11	-5.4	-2.0	1981
10.81	9.87	10.02	2.4	d	Neg	-17.8	-0.6	1960
48.24	43.58	47.61	...	60	30	101	62.8	2006
9.54	7.10	7.36	...	11	Neg	-64.1	-27.1	1987
45.15	41.37	41.56	6.1	21	4	-9.2	2.9	1995
9.40	9.24	9.30	...	...	...	0.0	0.0	....
10.00	9.76	9.90e	...	...	...	...	...	....
1.44	0.98	1.14	...	d	-21	-77.7	-52.9	....
3.23	2.23	2.25	...	d	4	-80.2	0.0	....
4.43	3.93	4.29	...	24	4	-22.9	0.0	....
9.70	7.33	7.47	1.3	8	41	-58.6	-18.4	1968

E,S6OE,P,Ph:Cycle 1. [7]ASE:Cycle 1. [8]P:Cycle 2.
ubj to compromise [53]ADR equal 1 ord shr, 50y

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Per 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1		None Paid		...	NIL	....	45.7	293	144	9-30-07	0.93	48005	...	...	...	...	Dc	v0.42	E1.16†	0.74	3 Mo Mar	d0.01	v0.31
2		None Paid		...	NIL	....	139	265	136	3-31-08	640	64816	1.17	1.18	1.16	3	Je	vd2.82	....	d0.69	9 Mo Mar	d1.79	0.34
3		None Paid		...	NIL	....	9.33	9.80	2.41	3-31-08	....	29634	...	...	...	...	Dc	vd0.13	....	d0.19	3 Mo Mar	0.01	vd0.05
4		None Paid		...	NIL	....	71.0	1612	742	3-31-08	[53]1848	p60763	...	...	...	...	Dc	Pvd1.99	....	11.77	3 Mo Mar	d0.08	v13.68
5	S0.10	7-1-08	6-16	1.20	0.20	0.20	24.9	38.2	13.3	3-31-08	32.7	3696	...	...	...	...	Dc	v0.36	.....	0.60	3 Mo Mar	d0.22	v0.02
6	Q0.12	7-15-08	6-11	0.36	0.48	0.48	5.11	1665	1493	3-31-08	783	±40423	2.35	2.45	2.16	10	Dc	v2.13	....	2.04	3 Mo Mar	v0.44	v0.35
7◆		None Paid		...	NIL	....	19.1	60.8	92.0	2-29-08	735	59916	1.00	1.05	0.99	15	Au	v0.91	....	0.98	6 Mo Feb	v0.29	v0.36
8		None Paid		...	NIL	....	3.79	8.58	5.94	3-31-08	0.39	35582	d0.19	d0.17	d0.22	3	Sp	vd0.18	....	d0.24	6 Mo Mar	d0.10	d0.16
9		None Paid		...	NIL	....	14.1	51.4	27.1	3-31-08	10.0	26849	d0.05	0.02	d0.12	3	Dc	v0.03	....	d0.01	3 Mo Mar	v0.02	vd0.02
10		None Paid		...	NIL	....	63.4	99.2	62.4	3-31-08	....	26363	d0.17	0.02	d0.28	7	Mr	vd0.21	Ed0.03	NA	3 Mo Jun		v
11		None Paid		...	2.00	....	147	205	130	3-31-08	NIL	60988	0.26	0.30	0.20	10	Dc	v0.43	E0.08	0.43	3 Mo Mar		v
12	Q0.27	6-10-08	5-14	0.53	1.08	1.02	74.0	1074	755	3-30-08	796	99500	2.45	2.47	2.45	6	Dc	v2.10	E2.45†	1.71	3 Mo Mar	v0.52	v0.13
13		None Paid		...	NIL	....	313	415	28.5	3-31-08	225	16770	0.80	0.84	0.78	4	Dc	v0.40	E0.84†	0.50	3 Mo Mar	vd0.03	v0.07
14		None Paid		...	NIL	....	376	539	125	3-31-08	....	271138	0.07	0.09	0.05	6	Dc	vd0.09	E0.06†	d0.09	3 Mo Mar	NIL	NIL
15	S0.119	6-9-08		0.119	0.215	0.215	7289	49740	40103	12-31-07	6603	1003126	3.02	3.25	2.80	2	Mr	v3.51	E3.04†	3.51			
16	Q0.15	6-13-08	5-28	0.30	0.60	0.50	81.4	1061	687	3-31-08	212	67345	2.37	2.58	2.21	6	Dc	Pv3.25	....	2.69	3 Mo Mar	±0.37	vd0.19
17		None Paid		...	NIL	....	103	126	28.2	3-31-08	....	24985	d0.05	d0.02	d0.13	6	Dc	vd0.32	....	d0.07	3 Mo Mar	d0.39	vd0.14
18		None Paid		...	NIL	....	45.3	54.0	8.22	4-30-08	....	68466	0.05	0.05	0.05	5	Jl	v0.13	....	0.02	9 Mo Apr	v0.12	v0.01
19	Q0.01	8-1-08	7-11	0.39	0.04	0.72	Total Deposits $9789M			3-31-08	742	72630	d0.41	0.31	d1.27	12	Dc	v0.99	Ed1.11†	d2.06	3 Mo Mar	v0.27	vd2.78
20◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005	11.9	318	285	3-31-08	358	29729	2.29	2.32	2.25	5	Dc	v2.10	.....	2.01	3 Mo Mar	v0.92	v0.83
21		None Paid		...	NIL	....	2.23	5.06	7.97	3-31-08	26.5	16483	...	...	...	...	Dc	vd0.45	.....	d0.60	3 Mo Mar	d0.05	vd0.20
22◆	10%Stk	6-22-07	5-30	...	NIL	....	Total Deposits $309M			3-31-08	107	4792	0.54	0.54	0.54	1	Dc	v0.63	....	0.32	3 Mo Mar	v0.14	v0.16
23	Q0.42	6-6-08	5-1	0.82½	1.68	1.59½	281	4826	5443	3-31-08	14888	[54]767212	2.32	2.35	2.26	16	Dc	v2.28	E2.33†	2.23	3 Mo Mar	v0.45	v0.47
24◆	5%Stk	5-9-05	4-22	...	ST	....	Total Deposits $107M			3-31-08	1.59	3058	...	...	...	...	Dc	vd0.19	....	d0.09	3 Mo Mar	v0.01	v0.11
25◆		None Paid		3.10	6.80	6.80	1584	2856	992	3-31-08	1289	294466	8.48	9.77	7.30	10	Dc	v7.53	.....	4.39	3 Mo Mar	v1.87	v1.92
26◆	Q0.15	7-11-08	6-25	0.45	0.60	0.40	32.7	894	1435	3-31-08	2950	124003	1.87	1.92	1.74	10	Dc	v1.75	E1.86	1.77	3 Mo Mar	v0.62	v0.64
27	Q0.005	6-26-08	6-10	0.014	0.018	0.018	3122	5050	5781	3-31-08	2079	731758	0.26	0.49	0.02	14	Dc	v0.84	E0.40†	0.77	3 Mo Mar	v0.12	v0.05
28	Q0.09½	7-1-08	6-13	0.283	0.36	0.36	Total Deposits $1824M			3-31-08	328	14524	1.28	1.32	1.26	4	Dc	Pv1.46	.....	1.51	3 Mo Mar	v0.31	v0.36
29	Q0.22½	9-2-08	8-13	0.66½	0.90	0.85	17.4	401	471	3-31-08	3264	43277	2.06	2.17	1.92	4	Dc	v1.95	.....	1.92	3 Mo Mar	v1.17	v1.14
30◆	Q0.14	7-31-08	7-2	0.42	0.56	0.55	Total Deposits $225M			3-31-08	10.0	2548	...	...	...	...	Dc	v0.66	.....	0.54	3 Mo Mar	v0.38	v0.29
31◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23	2.22	62.6	37.8	3-31-08	181	24468	0.34	0.40	0.30	4	Dc	vd0.33	....	d0.38	3 Mo Mar	v0.03	vd0.02
32◆	Div Postponed 6-26-00			...	NIL	....	0.47	397	652	3-31-08	1076	341963	1.45	1.65	1.19	22	Dc	v0.64	.....	0.80	3 Mo Mar	0.15	v0.31
33◆	Div Suspended 1-23-09			...	NIL	0.32	Total Deposits $49845M			3-31-08	24349	482443	0.65	0.90	0.40	13	Dc	vd2.85	E0.66†	d2.74	3 Mo Mar	v0.09	v0.20
34	Q0.63	7-22-08	7-3	1.89	2.52	2.49	Total Assets $1166M			3-31-08	482	21851	1.93	1.96	1.90	2	Dc	v1.81	E1.96†	1.78	3 Mo Mar	v0.44	v0.41
35		None Paid		...	NIL	....	1.32		18.9	6-30-07	0.25	[55]±53000	...	...	...	...	Dc	...	...	...	...	...	...
36		None Paid		...	NIL	....					319	★40000					Dc	...	...	...	...	...	...
37		None Paid		...	NIL	....	51.1	86.3	44.5	3-31-08	319	±64805	d0.10	d0.10	d0.10	1	Dc	vd0.12	Ed0.14†	d0.21	3 Mo Mar	d0.02	vd0.11
38		None Paid		...	NIL	....	454	1511	1091	3-30-08	1362	p138765	d2.38	d2.09	d2.95	8	Dc	vd1.95	Ed2.18†	d2.24	3 Mo Mar	vd0.56	vd0.85
39		None Paid		...	NIL	....	8.30	12.9	10.2	9-30-07	....	26818	0.33	0.33	0.33	1	Dc	....	....	0.18	6 Mo Jun	vNIL	vNIL
40◆	S0.05	12-17-08	11-13	0.10	0.13	10.133	5.30	282	115	3-31-08	84.5	31954	1.21	1.32	1.12	4	Dc	v0.75	....	0.99	3 Mo Mar	v0.22	v0.46

◆Stock Splits & Divs By Line Reference Index: [1]3-for-2,'04 :3-for-2,'06 [2]2-for-1,'05 :[3]2-for-1,'05 :[4]10%,'04 :10%,'05 :10%,'06 :10%,'07 [5]10%,'04 :5%,'05 [6]2-for-1,'06 [7]5%,'04 :5%,'05 [8]6-for-5,'04
[9]1.33-for-1,'04 :5%,'04 :5%,'05 [10]2-for-1,'05 :2-for-1,'05 :2-for-1,'08 [11]5%,'06 [12]3-for-2,'06 :3-for-2,'07

99000000

S&P 500 ‖ MidCap 400 ◆ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-08 High	1998-08 Low	2007 High	2007 Low	2008 High	2008 Low	Jun. Sales In 100s	June, 2008 Last Sale Or Bid High	June, 2008 Last Sale Or Bid Low	June, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	% Annualized P-E Ratio	% Annualized EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
‖1[e1]	ADVS	Advent Software	NDS	B–	410	28360	Application Software	76.50	4.66	58.27	32.29	55.34	35.80	51223	44.15	35.80	36.08	...	57	NM	8.8	22.5	....
2	ANX	ADVENTRX Pharmaceuticals	AS	NR	42	11301	Biotechnology	5.38	0.15	2.98	0.39	0.69	0.33	36780	0.47	0.33	0.37	...	d	1	-87.1	-48.2	....
3	ABCO	Advisory Board	NDS	NR	342	20393	Diversif Comm & Prof Svcs	58.84	22.55	69.46	46.70	65.80	39.16	35570	47.13	39.16	39.33	...	23	5	-29.1	-5.5	....
4[e2]	ACM	Aecom Technology	NY,Ch,P	NR	346	48736	Construction & Engineering	....	....	38.25	20.60	34.50	19.96	231207	34.50	30.25	32.53	...	28	3	34.3	0.0	....
5[e3]	ANW	Aegean Marine Petrol Nwk	NY,Ph,Ch,P,B	NR	130	22359	Marine Ports & Services	17.44	14.53	48.63	13.70	44.43	22.23	99965	44.31	35.67	40.69	0.1	61	4	111	0.0	2007
6[e4]	AEG	AEGON N.V. Ord	NY,Ph,Ch,P,B	NR	215	133316	Life & Health Insurance	62.56	1.24	21.91	16.62	17.88	12.78	233725	15.66	12.78	13.11	5.9	7	15	-30.2	5.2	1997
7	AED	AEGON N.V. 6.5% Perp Cap Secs	NY,P	A–	14	348		26.12	23.33	26.05	19.50	24.00	17.27	5906	21.17	17.27	17.34	9.4	..	....	-22.7	0.0	2006
8	AEPI	AEP Industries	NDS	C	138	4751	Metal & Glass Containers	68.05	2.77	54.18	30.87	33.10	17.06	8910	27.44	17.06	17.37	...	6	NM	-61.4	-2.0	....
9[e5]	AER	AerCap Holdings N.V.	NY	NR	144	75290	Aerospace & Defense	25.10	21.85	32.82	18.54	21.12	11.37	135876	15.16	11.37	12.63	...	5	3	-50.0	0.0	....
10	ACY	Aerocentury Corp	AS	B–	24	436	Aerospace & Defense	10.25	2.05	24.50	6.58	26.67	7.76	5562	18.40	7.76	10.91	...	6	NM	-13.4	53.0	....
‖11[e6]	ARO	Aeropostale Inc	NY,Ch,P	NR	733	81222	Apparel Retail	23.64	2.33	31.88	18.29	36.02	20.76	601772	35.00	30.08	31.33	...	18	33	12.7	13.4	....
12	AIM	Aerosonic Corp	AS	B	21	1186	Aerospace & Defense	29.50	0.87	8.45	4.30	5.24	2.91	512	3.65	2.91	3.05	...	d	Neg	-55.3	-13.1	....
13[e7]	AVAV	AeroVironment Inc	NDS	NR	185	9799	Aerospace & Defense	....	....	26.93	17.97	28.70	18.44	45619	28.70	24.54	27.18	...	29	1	28.1	0.0	....
‖14[e8]	AES	AES Corp	NY,Ph,Ch	B	911	580133	Ind Power Prod & Energy Trad	72.81	0.92	24.24	16.69	22.48	15.70	1024884	20.80	18.48	19.21	...	17	1	-14.5	5.6	....
15	AES.PC	AES Tr III 6.75% Cv Pfd	NY,Ch	B–	79	5531		110.00	5.85	51.00	45.15	49.70	45.25	2945	49.70	47.67	48.25	7.0	..	....	....	....	2000
‖16[e9]	AET	Aetna Inc	NY,Ph,Ch,P,B	NR	1501	436121	Managed Health Care	52.48	5.75	60.00	39.02	59.80	39.48	963403	47.54	39.48	40.53	0.1	10	32	-19.5	-0.6	2001
17	ATRM	Astrium Inc	NDS	C	52	2828	Semiconductor Equipment	28.25	0.58	6.24	3.25	6.00	2.90	4918	3.34	2.97	2.98	...	37	NM	-29.7	4.3	....
‖18[e9]	ACS	Affiliated Computer Svcs'A'	NY,Ch,P	B+	853	87207	Data Process/Outsourced Svcs	63.66	4.25	61.67	39.46	57.40	40.43	190612	57.20	52.32	53.49	...	15	-1	-9.6	1.3	....
‖19[e10]	AMG	Affiliated Managers Grp	NY,Ch	B+	815	45120	Asset Mgmt & Custody Banks	108.58	8.91	136.51	98.67	118.36	77.59	150305	104.26	88.42	90.06	...	21	24	-26.8	10.7	....
20	AFFM	Affirmative Insurance Hldg	NDS	NR	79	11416	Property/Casualty Insurance	18.75	11.26	18.73	9.05	10.30	6.25	3931	8.00	6.25	6.80	1.2	9	4	-55.8	-23.2	2004
21	AFFY	Affymax Inc	NDS	NR	102	7455	Biotechnology	37.20	29.30	41.00	20.35	23.06	13.14	13311	18.18	14.10	15.91	...	d	1	-43.4	0.0	....
‖22[e9]	AFFX	Affymetrix Inc	NDS	B–	446	74035	Life Sciences Tools & Svcs	163.50	4.50	31.95	20.00	23.85	9.73	425166	12.98	9.73	10.29	...	28	-15	-59.6	-42.2	....
‖23[e11]	AFL	AFLAC Inc	NY,Ph,Ch,P,B	A	1539	306366	Life & Health Insurance	49.65	1.31	63.91	45.18	68.81	56.75	574241	67.77	62.52	62.80	1.5	16	18	22.4	14.8	1973
‖24[e12]	AG	AGCO Corp	NY,Ch	B–	908	99093	Constr & Farm Mach/Hvy Truck	36.31	1.66	71.95	28.67	71.94	49.80	468207	61.28	49.83	52.41	...	17	-3	16.2	39.2	....
25	AGF.B	AGF Management'B'	To	NR	32	8.5	Asset Mgmt & Custody Banks	29.00	2.95	40.00	25.99	29.95	19.00	50615	23.89	21.77	21.96	4.4	10	35	-37.2	13.2	1976
26	FEED	AgFeed Industries	NDS	NR	19	364	Agricultural Products	3.00	2.00	16.36	1.98	21.31	8.40	145954	17.07	13.40	14.97	...	60	3	135	0.0	....
‖27[e6]	A	Agilent Technologies	NY,Ch	B–	1007	272054	Elect Equip Manufacturers	162.00	10.50	40.42	30.25	38.00	28.79	603398	38.00	35.35	35.54	...	19	NM	-7.5	15.1	....
◆28[e13]	AGYS	Agilysys Inc	NDS	B+	306	22893	Technology Distributors	21.25	1.48	23.86	12.63	15.70	9.21	64208	12.70	9.21	11.34	1.1	45	NM	-45.5	-8.2	1965
‖29[e14]	ATG	AGL Resources	NY,Ph,Ch,P,B	A	545	48368	Gas Utilities	40.09	9.25	44.67	35.24	39.13	33.45	130858	36.42	33.46	34.58	4.9	12	5	-12.0	0.7	1939
30[e15]	AEM	Agnico Eagle Mines	NY,Ph,Ch,P,To,B	B–	406	98562	Gold	45.67	2.62	59.45	33.25	83.45	52.81	606401	75.03	61.67	74.37	0.2	72	NM	111	81.3	1983
31	ADC	Agree Realty	NY,Ch,P	A	191	3859	Retail REITs	37.70	12.87	36.00	27.29	31.04	20.82	10475	26.25	20.82	22.05	9.1	11	...	-26.2	-4.4	1994
32	GRO	Agria Corp ADS	NY,Ch,P	NR	54	10515	Agricultural Products	....	....	17.00	7.00	11.75	3.52	233768	8.20	4.28	4.28	...	3	2	0.0	0.0	....
33[e]	AGU	Agrium Inc	NY,Ph,Ch,P,To,B	† B	482	102861	Fertilizers & Ag Chemicals	31.83	6.75	76.14	30.13	113.88	50.86	1243826	113.88	86.31	107.54	0.1	24	NM	145	75.1	1995
◆34[e16]	AIRM	Air Methods	NDS	B	379	11912	Health Care Services	56.13	1.37	59.50	21.62	51.50	23.95	59981	38.55	23.95	25.00	...	12	47	-27.9	50.1	....
35[e17]	APD	Air Products & Chem	NY,Ph,Ch,P,B	A	1377	181814	Industrial Gases	72.45	7.25	105.02	66.58	106.06	80.73	364993	106.06	97.56	98.86	1.8	20	16	23.6	20.5	1954
36	AYR	Aircastle Ltd	NY	NR	231	67357	Trading Cos & Distributors	33.45	25.75	41.31	23.30	26.64	7.68	338610	12.84	7.68	8.41	22.0	5	3	-76.7	0.0	2007
‖37[e18]	ARG	Airgas Inc	NY,Ph,Ch	B+	673	65718	Industrial Gases	43.43	0.84	55.89	39.00	65.45	37.84	145006	65.45	58.08	58.39	0.8	22	23	33.2	38.4	2003
38[e19]	AMCN	AirMedia Group ADS	NDS	NR	85	20715	Advertising	....	....	25.15	15.60	26.51	12.91	44176	18.65	12.91	14.44	...	NM	...	0.0	0.0	....
39	AIRN	Airspan Networks	NDS	NR	73	22304	Communications Equipment	49.01	0.40	5.05	1.51	1.81	0.63	28055	1.07	0.70	0.74	...	d	–7	-80.7	-50.7	....
‖40[e20]	AAI	AirTran Hldgs	NY,Ch	B–	374	90671	Airlines	34.75	2.14	13.09	7.13	9.13	1.97	684488	3.44	1.97	2.04	...	d	–4	-80.8	-38.2	....
41	AIXG	Aixtron AG ADS	NDS	NR	44	2291	Semiconductor Equipment	5.00	2.74	14.80	4.54	16.08	9.22	27996	15.33	9.92	10.29	0.8	38	NM	37.2	46.4	2008

Uniform Footnote Explanations-See Page 1. Other: [1]P,Ph:Cycle 2. [2]CBOE,P:Cycle 3. [3]CBOE,P,Ph:Cycle 3. [4]CBOE,Ph:Cycle 1. [5]CBOE:Cycle 1. [6]ASE,CBOE,P,Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE,CBOE,P,Ph:Cycle 2. [9]CBOE,P:Cycle 1. [10]ASE:Cycle 3. [11]ASE,CBOE,Ph:Cycle 2. [12]P:Cycle 2. [13]P:Cycle 1. [14]P:Cycle 3. [15]CBOE,Mo,P:Cycle 2. [16]ASE,Ph:Cycle 1. [17]P,P:Cycle 3. [18]Ph:Cycle 1. [19]Ph:Cycle 3. [20]ASE,CBOE:Cycle 1. [21]Amer Reg Ctf [22]As defined [23]AES Corp com [24]Stk dstr of Verigy Ltd [25]Canadian funds prior to'99 [26]Ea ADS rep 2 Ord Shrs [27]Ea ADS rep 1 ord shr

Common and Convertible Preferred

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Pa 20
1		None Paid			....	NIL	..
2		None Paid			....	NIL	..
3		None Paid			....	NIL	..
4		None Paid			....	NIL	..
5		None Paid			....	0.04	
6		0.505	5-23-08	4-25	0.505	0.914	0
7		Q0.40⅝	6-16-08	5-28	0.81¼	1.625	1.
8		0.02½	10-6-95	9-20	....	NIL	..
9		None Paid			....	NIL	..
10		None Paid			....	NIL	..
11◆		None Paid			....	NIL	..
12		None Paid			....	NIL	..
13		None Paid			....	NIL	..
14		None Paid			....	NIL	..
15	Q0.84⅜		7-15-08	7-10	2.53⅛	3.375	3
16◆	A0.04		11-30-07	11-13	....	0.04	
17		None Paid			....	NIL	..
18		None Paid			....	NIL	..
19◆		None Paid			....	NIL	..
20	Q0.02		6-30-08	6-12	0.04	0.08	
21		None Paid			....	NIL	.
22		None Paid			....	NIL	.
23	Q0.24		6-2-08	5-19	0.48	0.96	
24		Div Omitted 4-26-01			....	NIL	.
25	gQ0.25		7-21-08	7-8	g0.70	g1.00	
26		None Paid			....	NIL	.
27		h[24]	10-31-06	11-1	....	NIL	.
28		Q0.03	5-1-08	4-11	0.06	0.12	
29		Q0.42	6-1-08	5-14	0.84	1.68	
30		A0.18	3-28-08	3-12	t0.18	0.18	
31		Q0.50	7-15-08	6-26	1.50	2.00	
32		None Paid			....	NIL	.
33		S0.05⅛	7-3-08	6-10	0.11	0.11	
34		None Paid			....	NIL	.
35		Q0.44	8-11-08	6-27	1.26	1.76	
36		Q0.25	7-15-08	6-25	1.20	1.00	
37		Q0.12	6-30-08	6-10	0.24	0.48	
38		None Paid			....	NIL	.
39		None Paid			....	NIL	.
40		None Paid			....	NIL	.
41		None Paid			....	0.108	

◆Stock Splits & Divs By Line Reference Index [11]3-for-

HEARING EXHIBIT 00000067

s		% Annualized					
Or Bid		%Div	P-E	EPS 5 Yr	Total Return 12	36	Cash Divs. Ea. Yr.
ow	Last	Yield	Ratio	Growth	Mo	Mo	Since
5.80	36.08	...	57	NM	6.8	22.5	....
0.33	0.37	...	d	1	-87.1	-46.2	....
9.16	39.33	...	23	5	-29.1	-5.5	....
0.25	32.53	...	28	3	34.3	0.0	....
5.67	40.69	0.1	61	4	111	0.0	2007
2.78	13.11	5.9	7	15	-30.2	5.2	1987
7.27	17.34	9.4	..	...	-22.7	0.0	2006
7.06	17.37	...	6	NM	-61.4	-2.0	....
1.37	12.63	...	5	3	-60.0	0.0	....
7.76	10.91	...	6	NM	-13.4	53.0	....
0.08	31.33	...	18	33	12.7	13.4	....
2.91	3.05	...	d	Neg	-55.3	-13.1	....
4.54	27.18	...	29	1	28.1	0.0	....
8.48	19.21	...	17	1	-14.5	5.6	....
7.67	48.25	7.0	..	...	...	...	2000
9.48	40.53	0.1	10	32	-19.5	-0.6	2001
2.97	2.98	...	37	NM	-29.7	4.3	....
2.32	53.49	...	15	-1	-9.6	1.3	....
8.42	90.06	...	21	24	-28.6	10.7	....
6.25	6.80	1.2	9	4	-55.8	-23.2	2004
4.10	15.91	...	d	1	-43.4	0.0	....
9.73	10.29	...	28	-15	-59.6	-42.2	....
2.52	62.80	1.5	16	16	22.4	14.6	1973
9.83	52.41	...	17	-3	16.2	39.2	....
1.77	21.96	4.4	10	35	-37.2	13.2	1976
3.40	14.97	...	60	3	135	0.0	....
5.35	35.54	...	19	NM	-7.5	15.1	....
9.21	11.34	1.1	45	NM	-46.5	-8.2	1965
3.46	34.58	4.9	12	5	-12.0	0.7	1939
1.87	74.37	0.2	72	NM	111	81.3	1983
0.82	22.05	9.1	11	...	-26.2	-4.4	1994
4.28	4.28	...	3	2	0.0	0.0	....
86.2	107.54	0.1	24	NM	145	75.1	1995
23.6	25.00	...	12	47	-27.9	50.1	....
97.56	98.86	1.8	20	16	23.6	20.5	1954
7.4	8.41	22.0	5	3	-76.7	0.0	2007
58.0	58.39	0.8	22	23	33.2	36.4	2003
12.3	14.44	...	NM	...	0.0	0.0	....
0.2	0.74	...	d	-7	-80.7	-50.7	....
1.6	2.04	...	d	-4	-80.8	-38.2	....
9.92	10.29	0.8	38	NM	37.2	46.4	2006

P,P:Cycle 1. [7]CBOE,Ph:Cycle 3.
cle1. [17]P,P:Cycle 3. [18]Ph:Cycle 1.
[57]1x ADS rep 1 ord shr

Common and Convertible Preferred Stocks

Splits/Dividends ◆ Latest Payment				Total $			Financial Position Mil-$				Capitalization		2008 Street Estimates ($/Shr)				Earnings $ Per Shr. Years				Interim Earnings $ per Shr.		
Index	Period $	Date	Ex. Div.	So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt Mil-$	Shs. 000 Com.	Mean	High	Low	# of Ests.	End	2007	2008	Last 12 Mos.	Period	Prior	Curr.
1		None Paid		...	NIL	....	58.0	133	147	3-31-08	....	26684	0.57	0.61	0.55	4	Dc	v0.45	E0.63†	0.53	3 Mo Mar	v0.01	v0.09
2		None Paid		...	NIL	....	28.8	29.4	4.09	3-31-08	....	90253	d0.25	d0.23	d0.27	2	Dc	vd0.25	....	d0.26	3 Mo Mar	vd0.06	vd0.07
3		None Paid		...	NIL	....	25.9	124	171	3-31-08	NIL	17316	2.18	2.19	2.18	3	Mr	Pv1.72	....	1.72			
4		None Paid		...	NIL	....	217	1609	1062	3-31-08	32.9	101240	1.34	1.36	1.32	4	Sp	v1.15	....	1.18	6 Mo Mar	0.60	0.63
5		None Paid		...	0.04	0.01	10.6	310	244	3-31-08	85.9	42489	1.21	1.54	1.03	5	Dc	v0.65	....	0.67	3 Mo Mar	v0.16	v0.18
6	0.505	5-23-08	4-25	0.505	0.914	0.831	Total Assets $451659M			12-31-07	13247	1500214	1.35	1.35	1.35	1	Dc	v2.15	E1.75	2.15			
7	Q0.40%	6-16-08	5-28	0.81¼	1.625	1.62½	Co opt to redm fr 12-15-10[452]				....	....	....	....	....	....	Dc	....	....	....			
8	0.02½	10-6-95	9-20	...	NIL	....	0.70	166	72.6	4-30-08	180	6723	....	....	....	....	Oc	v3.93	....	2.93	6 Mo Apr	v2.09	v1.09
9		None Paid		...	NIL	....	Total Assets $4030M			12-31-07	2475	85037	2.84	3.11	2.69	8	Dc	Pv2.22	E2.66†	2.11	3 Mo Mar	0.71	v0.60
10		None Paid		...	NIL	....	Total Assets $106.3M			3-31-08	12.9	1543	1.79	1.79	1.79	1	Dc	Pv2.36	....	1.88	3 Mo Mar	v0.66	v0.18
11◆		None Paid		...	NIL	....	64.5	234	139	5-03-08	NIL	68927	1.65	1.67	1.64	14	Ja	v1.73	E2.00†	1.81	3 Mo Apr	v0.18	v0.26
12		None Paid		...	NIL	....	0.10	15.5	13.3	5-02-08	....	3581	....	....	....	....	Ja	vd0.95	....	d1.04	3 Mo Apr	v0.02	vd0.07
13		None Paid		...	NIL	....	110	177	24.9	1-26-08	NIL	20178	0.97	0.99	0.95	9	Ap	v1.22	....	0.94	9 Mo Jan	v0.98	v0.70
14		None Paid		...	NIL	....	3211	8363	6033	3-31-08	16945	671811	1.19	1.37	1.14	6	Dc	vd0.14	E1.16†	0.88	3 Mo Mar	d0.68	v0.34
15	Q0.84½	7-15-08	7-10	2.53½	3.375	3.37½	Cv into 1.4216 com[453]				....	....	....	....	....	....	Dc	....	....	....			
16◆	A0.04	11-30-07	11-13	...	0.04	0.04	2028	5323	8679	3-31-08	3138	484800	4.00	4.09	3.92	15	Dc	v3.47	E4.00†	3.51	3 Mo Mar	v0.81	v0.85
17		None Paid		...	NIL	....	12.8	24.3	2.13	3-31-08	....	10587	0.35	0.35	0.35	1	Dc	v0.62	....	0.08	3 Mo Mar	v0.05	v0.02
18		None Paid		...	NIL	....	328	1952	1037	3-31-08	2370	±98089	3.50	3.56	3.40	10	Je	v2.49	E3.50†	2.69	9 Mo Mar	±2.12	±2.32
19◆		None Paid		...	NIL	....	317	547	206	3-31-08	1453	34470	6.94	7.13	6.62	11	Dc	v4.58	E4.33†	4.54	3 Mo Mar	v0.94	v0.90
20	Q0.02	6-30-08	6-12	0.04	0.08	0.08	Total Assets $951M			3-31-08	248	15415	0.75	0.75	0.75	1	Dc	v0.63	....	0.79	3 Mo Mar	v0.14	v0.30
21		None Paid		...	NIL	....	148	172	61.3	3-31-08	0.03	15190	d4.68	d2.78	d5.79	6	Dc	vd2.88	....	d3.43	3 Mo Mar	vd0.48	vd1.03
22		None Paid		...	NIL	....	590	752	71.3	3-31-08	436	68504	0.34	0.43	0.24	12	Dc	v0.18	E0.37†	0.82	3 Mo Mar	vd0.06	v0.58
23	Q0.24	6-2-08	5-19	0.48	0.96	0.80	Total Assets $65805M			3-31-08	1598	475338	4.02	4.10	3.92	20	Dc	v3.31	E4.05†	3.45	3 Mo Mar	v0.84	v0.98
24	Div Omitted 4-26-01			...	NIL	....	250	2878	2175	3-31-08	315	91600	3.38	3.72	3.10	12	Dc	v2.55	E3.15†	2.92	3 Mo Mar	0.26	v0.63
25	gQ0.25	7-21-08	7-8	g0.70	g1.00	g0.78	834	1513	2382	[2]-29-08	259	±89288	....	....	....	....	Nv	Pv1.96	....	2.26	3 Mo Feb	0.40	v0.70
26		None Paid		...	NIL	....	36.9	54.6	6.05	3-31-08	15.0	32434	0.99	1.02	0.96	2	Dc	Pv0.25	....	0.25	3 Mo Mar	v0.03	v0.03
27	h[54]	10-31-06	11-1	....	NIL	....	3312	5185	3044	4-30-08	622	380108	2.12	2.20	2.09	7	Oc	v1.57	E1.86†	1.69	6 Mo Apr	v0.66	v0.78
28	Q0.03	5-1-08	4-11	0.06	0.12	0.12	138	419	238	12-31-07	....	23527	0.17	0.23	0.11	4	Mr	Pv0.25	....	0.25			
29	Q0.42	6-1-08	5-14	0.84	1.68	1.64	23.0	1668	1643	3-31-08	1516	76531	2.76	2.86	2.68	8	Dc	v2.73	E2.80†	2.59	3 Mo Mar	1.31	v1.17
30	A0.16	3-28-08	3-12	t0.18	0.18	t0.12	324	521	130	3-31-08	....	143690	0.97	1.17	0.76	10	Dc	Pv1.04	....	1.04	3 Mo Mar	0.20	v0.20
31	Q0.50	7-15-08	6-26	1.50	2.00	1.98	Total Assets $231M			3-31-08	83.0	7787	1.90	1.90	1.90	1	Dc	v2.01	....	2.01	3 Mo Mar	v0.47	v0.47
32		None Paid		...	NIL	....	38.1	76.2	35.4	9-30-07	1.19	★50000	0.18	0.18	0.18	1	Dc	....	....	1.40	9 Mo Sep	v0.30	v1.04
33	S0.05½	7-3-08	6-10	0.11	0.11	0.11	1762	4422	1837	3-31-08	877	158000	8.22	9.15	6.60	10	Dc	Pv3.25	....	4.56	3 Mo Mar	d0.08	v1.23
34		None Paid		...	NIL	....	12.5	203	88.3	3-31-08	74.8	12203	2.45	2.80	2.36	4	Dc	v2.20	....	2.09	3 Mo Mar	v0.30	v0.19
35	Q0.44	8-11-08	6-27	1.26	1.76	1.48	138	2991	2453	3-31-08	3646	210663	5.03	5.15	4.95	18	Sp	v4.64	E5.00†	5.21	6 Mo Mar	v2.05	v2.62
36	Q0.25	7-15-08	6-26	1.20	1.00	2.16¾	Total Assets $2370M			3-31-08	1582	78560	1.84	1.89	1.80	4	Dc	v1.89	E1.82	1.94	3 Mo Mar	0.36	v0.41
37	Q0.12	6-30-08	6-10	0.24	0.48	0.34	43.0	638	506	3-31-08	1539	82800	2.64	2.67	2.64	12	Mr	Pv2.66	E3.30†	2.66			
38		None Paid		...	NIL	....	210	240	7.73	12-31-07	....	133426	0.58	0.67	0.52	8	Dc	v0.06	....	0.06			
39		None Paid		...	NIL	....	33.4	78.2	32.8	3-30-08	1.79	58684	d0.49	d0.43	d0.61	5	Dc	vd0.77	....	d0.81	3 Mo Mar	d0.13	vd0.17
40		None Paid		...	NIL	....	349	521	619	3-31-08	1028	92302	d1.03	d0.49	d1.53	9	Dc	v0.56	Ed1.50‖	0.16	3 Mo Mar	v0.02	vd0.38
41		None Paid		...	0.108	....	88.0	202	111	3-31-08	NIL	89154	0.40	0.41	0.40	2	Dc	Pv0.28	....	0.27	3 Mo Mar	v0.12	v0.11

◆Stock Splits & Divs By Line Reference Index [1]3-for-2,'04 [3]3-for-2,'07 [16]2-for-1,'05 [2]2-for-1,'06 [19]3-for-2,'04

EXHIBIT 00000068

1 S&P 500
MidCap 400
◆ SmallCap 600
• Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Cos	Inst. Hold (000)	Shs.	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr. Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	AAWW	Atlas Air Worldwide Holdings	NDS	NR	276	21998		Air Freight & Logistics	52.00	14.00	61.08	43.69	66.45	46.52	41639	62.78	49.41	49.46	...	9	5	-14.0	14.5	...
2	ATLS	Atlas America	NDS	NR	255	33578		Oil & Gas Exploration & Prod	23.95	4.96	41.88	21.54	50.05	30.62	61047	48.34	44.00	45.05	0.3	90	...	26.5	60.2	2007
3[o1]	ATN	Atlas Energy Resources'B'	NY,Ch,P,B	NR	83	26086		Oil & Gas Exploration & Prod	22.88	21.80	38.85	22.10	45.40	23.65	55639	41.45	37.00	38.15	6.2	16	3	15.6	0.0	2007
4	AHD	Atlas Pipeline Hldgs LP	NY,Ph,P,B	NR	39	7368		Oil & Gas Storage & Transp	23.90	20.55	47.12	23.31	36.32	25.71	10704	36.32	28.45	33.50	5.1	d	2	-16.6	0.0	2007
5	APL	Atlas Pipeline Ptnrs LP	NY,Ph,Ch,P	NR	105	20405		Oil & Gas Storage & Transp	49.72	19.25	56.88	41.92	45.99	37.50	101527	42.63	37.50	39.06	9.6	d	Neg	-22.3	2.7	2000
#6[o2]	ATML	Atmel Corp	NDS	B-	411	333966		Semiconductors	30.68	0.42	6.49	4.27	4.49	2.83	892699	4.47	3.48	3.48	...	58	NM	-36.6	12.8	....
◆7[o3]	ATMI	ATMI Inc	NDS	B-	390	34479		Semiconductor Equipment	60.75	4.25	36.05	27.51	32.53	25.40	67924	29.96	27.65	27.92	...	20	NM	-8.2	-1.1	....
◆8	ATO	Atmos Energy Corp	NY,Ph,Ch	A-	580	58275		Gas Utilities	33.09	7.16	33.47	23.87	29.29	25.00	78105	27.84	26.31	27.57	4.7	15	2	-6.0	2.5	1984
9[o]	ATPG	ATP Oil & Gas	NDS	NR	285	26590		Oil & Gas Exploration & Prod	49.70	1.47	57.58	35.15	52.25	28.54	146785	46.49	37.82	39.47	...	20	NM	-14.3	21.6	....
10	ATRI	Atrion Corp	NDS	B+	52	840		Health Care Supplies	83.00	6.00	128.20	78.24	133.86	93.41	1770	112.29	93.41	95.82	1.0	13	1	-3.3	9.8	2003
◆11[o4]	ATW	Atwood Oceanics	NY,Ch	B	667	29052		Oil & Gas Drilling	58.44	1.93	103.68	43.77	125.89	72.76	182482	125.89	100.30	124.34	...	18	NM	77.8	57.8	2006
12[o5]	AUO	AU Optronics ADS[s4]	NY,Ph,Ch,P,B	NR	281	73430		Elect Equip Manufacturers	23.70	3.52	22.46	12.70	20.86	15.19	676661	19.26	15.19	15.84	0.2	5	23	-8.7	3.0	2003
◆13[o6]	VOXX	Audiovox'A'	Ph,Ch,P,NDS,B	B	204	16188		Distributors	72.50	1.00	16.36	9.49	12.70	8.17	16280	11.12	9.79	9.82	...	27	...	-20.7	-13.1	....
14	AZC	Augusta Resource	AS,To	NR	34	38808		Diversified Metals & Mining	2.32	1.89	4.64	1.65	6.16	2.64	30514	6.16	4.37	5.77	...	NA	1	83.7	0.0	....
15	AZK	Aurizon[s5] Mines	AS,Ph,To	C	79	44666		Gold	3.50	0.82	4.65	2.59	5.66	3.55	78792	5.04	4.26	4.91	...	NM	5	53.3	71.7	....
16	AOG	Aurora Oil & Gas	AS,P	C	67	51395		Oil & Gas Exploration & Prod	35.00	0.25	3.30	0.01	1.57	0.39	60421	0.85	0.41	0.43	...	d	...	-80.5	-43.7	....
17	AUSPF	Austral Pacific Energy	AS	NR	7	8412		Oil & Gas Exploration & Prod	3.85	0.04	1.89	0.90	1.10	0.31	11734	0.69	0.31	0.45	...	d	-7	-66.7	-47.5	....
18[o7]	AUTH	AuthenTec Inc	NDS	NR	177	18292		Semiconductors	....	....	19.81	9.21	14.55	8.65	84288	14.23	9.87	10.42	...	2	3	2.1	0.0	....
19[o8]	ABTL	Autobytel Inc	NDS	C	77	31406		Internet Software & Services	58.00	0.70	4.64	2.10	3.30	1.12	34281	1.73	1.12	1.42	....	d	Neg	-65.9	-32.5	....
20[o9]	ADSK	Autodesk, Inc	NDS	B	1141	196835		Application Software	48.27	0.88	51.32	36.74	49.71	29.58	701846	41.68	33.57	33.81	...	22	52	-28.7	0.1	....
21	ALV	Autoliv Inc	NY,Ph,Ch,P,B	B+	597	63531		Auto Parts & Equipment	61.00	13.25	65.09	51.32	62.63	44.00	199840	55.26	46.45	46.62	3.5	9	16	-14.5	5.4	1997
22[o]	ADP	Automatic Data Proc	NY,Ph,Ch,P,B	A+	1515	401234		Data Process/Outsourced Svcs	69.93	3.50	51.50	43.89	45.23	37.74	532807	44.16	41.25	41.90	2.8	19	8	-11.7	2.4	1974
23[o10]	AN	AutoNation Inc	NY,Ch	B	633	166630		Automotive Retail	44.37	0.21	23.19	14.65	17.40	10.00	871302	15.79	10.00	10.02	...	7	-6	-53.4	-20.6	....
24[o7]	AZO	AutoZone Inc	NY,Ch	B+	901	62166		Automotive Retail	120.37	6.56	140.29	103.40	130.79	103.07	201494	128.19	110.39	121.01	...	12	10	-12.4	9.5	....
25[o11]	AUXL	Auxilium Pharmaceuticals	NDS	NR	308	51039		Pharmaceuticals	17.80	3.77	31.25	11.84	36.35	22.50	210133	36.35	30.08	33.62	...	d	39	115	89.9	....
26	AWX	Avalon Holdings'A'	AS	B-	22	881		Environ & Facilities Svcs	9.50	1.70	10.87	5.25	6.24	4.01	878	5.50	4.01	4.33	...	16	NM	-55.3	1.6	....
27[o12]	AVB	AvalonBay Communities	NY,Ph,Ch,P,B	A	794	91497		Residential REITs	134.60	16.75	149.94	88.94	107.37	79.16	207554	105.09	87.61	89.16	4.0	35	-1	-24.2	7.1	1994
28	AVNX	Avanex Corp	NDS	NR	137	85506		Communications Equipment	273.50	0.62	2.38	0.86	1.22	0.52	475766	1.22	1.01	1.13	....	d	NM	-36.9	6.1	....
29	AVNR	AVANIR Pharmaceuticals'A'	Ph,Ch,P,NDS	C	51	6743		Pharmaceuticals	39.50	0.87	6.75	1.07	1.43	0.94	23415	1.29	1.00	1.00	....	d	-2	-56.8	-54.1	....
30	AVAN	AVANT Immunotherapeutics(New)	NDS	NR	29	1250		Biotechnology	....	....	....	....	19.79	6.93	143650	19.79	12.59	14.56	....	d	3	0.0	0.0	....
31	AVTR	Avatar Hldgs	NDS	B	207	7136		Real Estate Mgmt & Develop	87.14	11.25	86.52	37.51	58.36	29.53	34503	36.99	29.53	30.29	...	28	39	-60.3	-13.6	....
32	AVR	Aventine Renewable Energy	NY	NR	180	36524		Oil & Gas Refining & Mktng	42.50	19.26	24.01	7.76	13.35	3.66	178885	5.65	4.00	4.40	....	d	4	-69.2	0.0	....
33[o13]	AVY	Avery Dennison Corp	NY,Ph,Ch,P,B	A-	876	93020		Office Services & Supplies	76.50	7.56	71.35	49.69	53.74	43.01	207969	51.82	43.01	43.93	3.7	10	5	-32.2	-3.6	1964
◆34[o14]	AVID	Avid Technology	NDS	C	352	43690		Computer Hardware	58.35	6.50	38.78	24.79	28.38	16.97	84156	21.50	16.97	16.99	....	d	Neg	-48.8	-30.4	....
#35[o2]	CAR	Avis Budget Group	NY,Ch,P	B-	474	85019		Trucking	416.67	13.62	31.47	12.51	18.00	8.30	341012	18.00	8.30	8.37	....	d	Neg	-58.1	-65.4	....
◆36[o15]	AVA	Avista Corp	NY,Ph,Ch,P,B	B	369	40471		Multi-Utilities	68.00	8.75	25.81	18.19	22.18	17.80	98233	22.18	20.92	21.46	3.1	23	1	0.9	8.4	1899
#37[o16]	AVT	Avnet, Inc	NY,Ch,P	B-	918	148575		Technology Distributors	40.56	5.55	44.68	25.55	36.82	25.85	362425	31.38	26.74	27.28	...	9	NM	-31.9	7.9	....
#38[o16]	AVCT	Avocent Corp	NDS	B-	472	45093		Communications Equipment	71.87	4.20	35.68	21.50	23.13	12.64	99000	21.08	18.18	18.60	...	20	25	-36.5	-10.9	....
39[o6]	AVP	Avon Products	NY,Ph,Ch,P,B	A	1208	385281		Personal Products	46.65	2.32	42.51	31.95	41.94	34.00	708383	39.07	35.22	36.02	2.2	17	-6	-1.4	0.8	1919
40[o2]	AVX	AVX Corp	NY,Ph,Ch,P,B	B-	279	50743		Elect Equip Manufacturers	50.00	4.75	18.40	13.00	14.00	11.22	52078	13.56	11.22	11.31	1.4	13	NM	-29.8	0.6	1995
41[o17]	AWRE	Aware Inc	NDS	C	56	6915		Communications Equipment	67.12	1.60	6.74	3.57	4.48	2.82	6418	4.00	3.00	3.02	...	d	77	-43.5	-20.0	....

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 2. [2]ASE,CBOE,P,Ph:Cycle 2. [3]ASE:Cycle 3. [4]P,Ph:Cycle 1. [5]ASE,CBOE,P:Cycle 1. [6]ASE,Ph:Cycle 1. [7]CBOE:Cycle 3. [8]ASE,CBOE,Ph:Cycle 1. [9]P:Cycle 1. [10]ASE,CBOE:Cycle 1. [11]CBOE,Ph:Cycle 3. [12]P:Cycle 2. [13]Ph:Cycle 1. [14]ASE,CBOE:Cycle 3. [15]CBOE:Cycle 1. [16]ASE,CBOE,P:Cycle 2. [17]CBOE,P,Ph:Cycle 1. [s1]Incl amts classified as current [s2]Ea ADS rep 10 common shrs,NT$10 par [s3]Oct'03 & prior pricing in $Cdn' [s4]Stk dstr of ANC Rental Corp.

Common and Convertible Prefe

Splits Dividends
◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1	None Paid			...	NIL
2◆	Q0.033	5-20-08	5-5	0.067	0.20
3	Q0.59	5-15-08	5-5	1.16	2.36
4	Q0.43	5-20-08	5-5	0.77	1.72
5	Q0.94	5-15-08	5-5	1.87	3.76
6	None Paid			...	NIL
7	None Paid			...	NIL
8	Q0.32½	6-10-08	5-22	0.65	1.30
9	None Paid			...	NIL
10	Q0.24	6-30-08	6-12	0.48	0.96
11◆	None Paid			...	NIL
12◆	0.06	9-13-07	8-10	...	0.06
13	None Paid			...	NIL
14	None Paid			...	NIL
15	None Paid			...	NIL
16	None Paid			...	NIL
17	None Paid			...	NIL
18	None Paid			...	NIL
19	None Paid			...	NIL
20◆	Q0.015	4-8-05	3-22	...	NIL
21	Q0.41	9-4-08	8-5	1.19	1.64
22	Q0.29	7-1-08	6-11	0.87	1.16
23	h[s4]	6-30-00	7-3	...	NIL
24	None Paid			...	NIL
25	None Paid			...	NIL
26	None Paid			...	NIL
27	Q0.89¼	7-15-08	6-26	2.63½	3.57
28	None Paid			...	NIL
29◆	None Paid			...	NIL
30	None Paid			...	NIL
31	None since reorg.			...	NIL
32	None Paid			...	NIL
33	Q0.41	6-19-08	6-2	0.82	1.64
34	None Paid			...	NIL
35◆	None Paid			...	0.44
36	Q0.16½	6-13-08	5-20	0.33	0.66
37	Div Omitted 1-24-02			...	NIL
38	None Paid			...	NIL
39◆	Q0.20	6-2-08	5-13	0.40	0.80
40	Q0.04	6-6-08	5-22	0.08	0.16
41	None Paid			...	NIL

◆Stock Splits & Divs By Line Reference Index [s3].

HEARING EXHIBIT 00000069

d Last	% Div Yield	P-E Ratio	EPS $ 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
49.46	...	9	5	-14.0	14.5	....
45.05	0.3	90	...	26.5	60.2	2007
36.15	6.2	16	3	15.6	0.0	2007
33.50	5.1	d	2	-16.6	0.0	2007
39.06	9.6	d	Neg	-22.3	2.7	2000
3.48	...	58	NM	-36.6	12.8	....
27.92	...	20	NM	-8.2	-1.1	....
27.57	4.7	15	2	-6.0	2.5	1984
39.47	...	20	NM	-14.3	21.6	....
95.82	1.0	13	1	-3.3	9.8	2003
124.34	...	18	NM	77.8	57.8	2006
15.84	0.2	5	23	-8.7	3.0	2003
9.82	...	27	...	-20.7	-13.1	....
5.77	...	NA	1	83.7	0.0	....
4.91	...	NM	5	53.3	71.7	....
0.43	...	d	...	-80.5	-43.7	....
0.45	...	d	-7	-66.7	-47.5	....
10.42	...	2	3	2.1	0.0	....
1.42	...	d	Neg	-65.9	-32.5	....
33.81	...	22	52	-28.7	0.1	....
46.62	3.5	9	16	-14.5	5.4	1997
41.90	2.8	19	8	-11.7	2.4	1974
10.02	...	7	-6	-53.4	-20.6	....
121.01	...	12	10	-12.4	9.5	....
33.62	...	d	39	115	89.9	....
4.33	...	16	NM	-55.3	1.6	....
89.16	4.0	35	-1	-24.2	7.1	1994
1.13	...	d	NM	-38.9	6.1	....
100	...	d	-2	-56.8	-54.1	....
1.86	...	d	3	0.0	0.0	....
30.29	...	28	39	-60.3	-13.6	....
5.00	...	d	4	-69.2	0.0	....
42.03	3.7	10	5	-32.2	-3.6	1964
15.89	...	d	Neg	-48.8	-30.4	....
2.67	...	d	Neg	-58.1	-65.4	....
21.46	3.1	23	1	0.9	6.4	1899
27.28	...	9	NM	-31.9	7.9	....
10.40	...	20	26	-36.5	-10.9	....
36.22	2.2	17	-6	-1.4	0.8	1919
13.51	1.4	13	NM	-29.8	0.6	1995
6.02	...	d	77	-43.5	-20.0	....

le 1. [17]CBOE:Cycle 3.
cle 5. [17]CBOE,P,Ph:Cycle 1.

00000070

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid		...	NIL	....	537	806	381	3-31-08	[51]420	21679	2.88	3.65	2.25	3	Dc	v6.17	....	5.63	3 Mo Mar	v0.29	vd0.25
2◆	Q0.033	5-20-08	5-5	0.067	0.20	0.067	116	454	489	3-31-08	2143	40301	...	...	...	...	Dc	v0.83	....	0.50	3 Mo Mar	0.23	v0.15
3	Q0.59	5-15-08	5-5	1.16	2.36	1.41	25.2	109	NA	3-31-08	739	±60711	2.43	2.51	2.31	4	Dc	Pv2.29	....	2.34	3 Mo Mar	0.53	v0.58
4	Q0.43	5-20-08	5-5	0.77	1.72	1.08	2.97	220	276	3-31-08	1314	27350	1.53	1.64	1.42	2	Dc	vd0.66	....	d0.89	3 Mo Mar	0.13	vd0.10
5	Q0.94	5-15-08	5-5	1.87	3.76	3.50	2.56	220	277	3-31-08	1289	38770	2.40	2.64	2.16	4	Dc	vd6.75	....	d7.96	3 Mo Mar	d0.14	vd1.35
6	None Paid		...	NIL	....	336	1056	562	3-31-08	20.2	444670	0.10	0.13	0.07	5	Dc	v0.10	....	0.06	3 Mo Mar	0.06	v0.02
7	None Paid		...	NIL	....	103	240	49.2	3-31-08	....	31214	1.41	1.48	1.31	8	Dc	v1.16	E1.41†	1.30	3 Mo Mar	v0.18	v0.32
8	Q0.32½	6-10-08	5-22	0.65	1.30	1.28½	169	1493	1226	3-31-08	2120	90189	1.97	2.03	1.92	7	Sp	v1.92	....	1.80	6 Mo Mar	v2.18	v2.06
9	None Paid		....	NIL	....	104	316	305	3-31-08	1390	35803	4.11	6.50	2.88	18	Dc	Pv1.55	....	1.95	3 Mo Mar	0.89	v1.29
10	Q0.24	6-30-08	6-12	0.48	0.96	0.88	5.27	36.9	7.61	3-31-08	4.70	1961	...	....	....	....	Dc	v7.06	....	7.30	3 Mo Mar	v1.59	v1.83
11◆	None Paid		...	NIL	....	99.2	223	48.9	3-31-08	50.0	32010	6.56	6.75	5.88	13	Sp	v4.37	E7.02†	5.19	6 Mo Mar	v1.57	v2.49
12◆	0.06	9-13-07	8-10	...	0.06	s0.06	3988	7995	5762	3-31-08	4674	7867000	3.72	3.72	3.72	1	Dc	v2.23	E3.48†	3.56	3 Mo Mar	d0.24	v1.09
13	None Paid		...	NIL	....	39.3	358	82.3	2-29-08	7.23	±22855	0.32	0.32	0.32	1	Fb	Pv0.37	....	0.37				
14	None Paid		...	NIL	....	15.3	16.9	1.21	3-31-08	1.35	88590	...	....	....	....	Dc	....	....	NA	3 Mo Mar	vd0.02	vd0.02
15	None Paid		....	NIL	....	20.7	58.4	42.6	3-31-08	22.0	147368	0.19	0.19	0.19	1	Dc	v0.04	....	0.01	3 Mo Mar		vd0.03
16	None Paid		...	NIL	....	7.33	12.9	12.8	3-31-08	118	102933	0.01	0.04	d0.01	3	Dc	Pvd0.04	....	d0.04	3 Mo Mar	d0.01	vd0.01
17	None Paid		...	NIL	....	3.87	11.5	32.0	3-31-08	9.34	44916	...	...	...	...	Dc	vd0.74	....	d0.84	3 Mo Mar	vd0.08	vd0.18
18	None Paid		...	NIL	....	49.9	61.2	9.64	3-28-08	....	28177	0.19	0.21	0.18	6	Dc	vd0.80	....	6.52	3 Mo Mar	vd7.31	v0.01
19	None Paid		...	NIL	....	43.7	58.3	14.8	3-31-08	NIL	44152	d0.45	d0.37	d0.54	3	Dc	vd0.12	....	d0.33	3 Mo Mar	v0.17	vd0.04
20◆	Q0.015	4-8-05	3-22	...	NIL	....	942	1423	734	4-30-06	....	223948	1.90	1.93	1.89	18	Ja	v1.47	E1.90†	1.54	3 Mo Apr	0.34	v0.41
21	Q0.41	9-4-08	8-5	1.19	1.64	1.54	226	2378	2092	3-31-08	891	72652	5.07	6.12	4.06	14	Dc	v3.68	E5.09†	3.88	3 Mo Mar	v0.91	v1.11
22	Q0.29	7-1-08	6-11	0.87	1.16	h0.92	1676	27820	25863	3-31-08	52.5	518418	2.18	2.19	2.17	13	Je	v2.04	E2.18†	2.24	9 Mo Mar	v1.69	v1.89
23	h[54]	6-30-00	7-3	...	NIL	....	34.4	3269	2990	3-31-08	1668	178536	1.34	1.46	1.16	15	Dc	v1.39	E1.35†	1.30	3 Mo Mar	0.37	v0.28
24	None Paid		...	NIL	....	81.6	2386	2383	5-03-08	1932	63296	10.01	10.13	9.74	19	Au	v8.53	E9.98†	9.38	9 Mo May	v5.33	v6.18
25	None Paid		...	NIL	....	76.0	101	NA	3-31-08	....	40670	d1.15	d1.03	d1.30	12	Dc	vd1.07	....	d0.57	3 Mo Mar	vd0.33	vd0.30
26	None Paid		...	NIL	....	3.95	12.0	7.82	3-31-08	0.23	±3803	...	....	....	...	Dc	v0.38	....	0.27	3 Mo Mar	v0.09	vd0.02
27	Q0.89¼	7-15-08	6-26	2.63½	3.57	3.33	Total Assets $25773M			3-31-08	3511	76976	7.73	7.73	7.73	1	Dc	v4.38	E2.55†	2.78	3 Mo Mar	v0.56	v0.60
28	None Paid		...	NIL	....	49.9	117	46.4	3-31-08	....	229424	0.04	0.05	0.04	7	Je	vd0.14	....	d0.01	9 Mo Mar	d0.12	0.01
29◆	None Paid		...	NIL	....	23.4	25.8	7.52	3-31-08	11.8	69453	d0.77	d0.77	d0.77	1	Sp	vd0.53	....	d0.13	6 Mo Mar	vd0.65	vd0.25
30	None Paid		...	NIL	....	11.4	22.6	11.4	3-31-08	0.91	14927	...	....	....	....	Dc	vd3.45	....	d5.64	3 Mo Mar		vd2.19
31	None since reorg.		...	NIL	....	Total Assets $725M			3-31-08	115	8539	...	....	....	....	Dc	v2.23	....	1.08	3 Mo Mar	v1.08	vd0.06
32	None Paid		...	NIL	....	73.9	262	122	3-31-08	300	41838	0.35	0.63	d0.01	13	Dc	v0.80	Ed0.12‡	0.19	3 Mo Mar	0.35	vd0.26
33	Q0.41	6-18-08	6-2	0.82	1.64	1.61	73.2	2134	2115	3-29-08	1545	98500	4.04	4.15	3.95	7	Dc	v3.07	E4.20†	2.96	3 Mo Mar	0.80	v0.69
34	None Paid		...	NIL	....	150	429	223	3-31-08	....	39362	0.05	0.50	d0.34	7	Dc	vd0.19	....	d0.73	3 Mo Mar	v	vd0.54
35◆	None Paid		...	0.44	....	219	1207	1095	3-31-08	7236	101093	1.25	1.38	1.16	3	Dc	vd6.88	....	d9.13	3 Mo Mar	v0.13	vd0.12
36	Q0.16½	6-13-08	5-20	0.33	0.66	0.59½	12.9	438	640	3-31-08	865	53051	1.46	1.50	1.45	5	Dc	v0.72	....	0.93	3 Mo Mar	0.26	v0.47
37	Div Omitted 1-24-02			...	NIL	....	381	5709	2594	3-29-08	1179	150440	3.13	3.14	3.12	7	Je	v2.63	E3.13†	3.15	9 Mo Mar	v1.81	v2.33
38	None Paid		...	NIL	....	98.4	252	134	3-28-08	140	46233	1.76	1.87	1.70	5	Dc	v0.90	....	0.91	3 Mo Mar	v0.01	v0.02
39◆	Q0.20	6-2-08	5-13	0.40	0.80	0.74	892	3576	2533	3-31-08	1680	426759	2.17	2.25	2.09	10	Dc	v1.22	E2.12†	1.30	3 Mo Mar	v0.34	v0.43
40	Q0.04	6-6-08	5-22	0.08	0.16	0.15¾	663	1377	220	3-31-08	1.14	171077	0.87	0.89	0.86	7	Mr	v0.87	E0.90†	0.87			
41	None Paid		...	NIL	....	40.3	47.5	2.82	3-31-08	NIL	23915	d0.08	d0.08	d0.08	1	Dc	v0.01	....	d0.04	3 Mo Mar	v	vd0.05

◆Stock Splits & Divs By Line Reference Index [2]3-for-2,'06 :3-for-2,'07 :3-for-2,'08 [11]2-for-1,'06 [12]5%,'04 :9%,'05 :3%,'06 :1.99%,'07 [29]2-for-1,'04 [29]1-for-4 REVERSE,'06 [35]1-for-10 REVERSE,'06 [39]2-for-1,'04

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1986-06 High	1986-06 Low	2007 High	2007 Low	2006 High	2006 Low	Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	EHB	Entergy Ark 6% 1st Mtge Bonds	NY	A–	1	2		27.84	21.60	25.48	22.71	28.00	23.04	788	25.40	24.63	24.83	6.0	..	...	8.2	4.4	2003
2	EHA	Entergy Ark 6.70% 1st Mtge Bon	NY	A–	5	30		28.34	23.80	25.88	23.00	27.75	24.51	860	25.98	24.75	24.97	6.7	..	...	9.2	5.1	2002
¶3[e1]	ETR	Entergy Corp	NY,Ph,Ch,P,B	A–	1208	156583	Electric Utilities	94.03	7.75	125.00	89.60	127.48	99.45	339316	123.14	116.47	120.48	2.5	17	13	12.9	19.4	1988
4	ETR.PA	Entergy Corp 7.625% Equity Uts	NY,P	NR	77	9764		60.07	46.80	75.49	58.30	75.66	61.19	5673	72.50	68.66	70.70	5.4	..	...	...	...	2006
5	EHL	Entergy LA 7.60% 1st Mtge Bond	NY	A–	11			26.50	24.40	25.60	24.22	25.62	24.24	1143	25.36	24.56	24.98	7.6	..	...	9.6	4.0	2002
6	EMQ	Entergy Miss 6% 1st Mtge Bonds	NY	...	6	2		27.90	21.45	25.25	22.10	25.45	23.01	716	25.35	24.61	24.74	6.1	..	...	9.3	4.3	2003
7	EMO	Entergy Miss 7.25% 1st Mtge Bo	NY	A–	9	596		27.65	24.25	26.10	24.34	26.50	24.56	173	25.59	24.96	25.12	7.2	..	...	6.8	5.5	2003
8	EST	Enterprise Acquisition	AS,P	NR	19	15891		...	...	9.15	8.98	9.34	9.00	6110	9.34	9.19	9.32	...	NM	...	0.0	0.0	2007
9[e2]	EPE	Enterprise GP Holdings L.P.	NY,Ph,P	NR	82	20543	Oil & Gas Storage & Transp	40.65	30.70	46.95	32.78	36.86	28.15	38581	32.02	29.61	30.08	5.7	28	4	-17.2	0.0	2005
10[e2]	EPD	Enterprise Products Partners	NY,Ph,Ch	B+	379	112397	Oil & Gas Storage & Transp	29.98	6.87	33.70	26.13	32.84	26.75	96748	31.06	29.04	29.54	6.9	23	20	-1.5	9.4	1998
11	ENT	Enterra Energy Trust	NY,Ch,P,NDS,To	NR	30	2242	Oil & Gas Exploration & Prod	26.75	0.73	8.25	1.04	5.08	1.16	171465	5.08	3.85	4.89	15.4	d	Neg	-23.4	-37.2	2004
12	EDCI	Entertainment Distribution Co	NDS	B–	73	36619	Communications Equipment	53.75	0.53	2.70	0.57	0.74	0.39	17411	0.55	0.42	0.48	...	d	-26	-78.8	-51.0	....
◆13	EPR	Entertainment Properties Tr	NY,Ph,Ch,P	A	470	30320	Specialized REITs	63.65	10.00	58.93	40.26	56.31	42.47	70203	56.31	48.25	49.44	6.8	15	12	0.2	9.6	1998
14	ENTN	Entorian Technologies	NDS	NR	44	3956	Electronic Manufactur Svcs	15.51	2.39	5.49	1.75	2.02	0.76	4766	1.19	0.76	0.79	...	d	5	-60.6	-35.0	....
15[e4]	EVC	Entravision Communic'A'	NY	NR	251	56306	Broadcasting & Cable TV	20.56	5.20	11.25	6.70	7.84	3.66	91914	5.81	3.66	4.02	...	45	-37	-62.5	-20.7	....
16	EGI	Entree Gold	AS,Ph,To	NR	31	21386	Diversified Metals & Mining	2.65	0.79	3.65	1.30	2.79	1.32	12273	2.06	1.35	1.97	...	d	3	-22.0	0.0	....
17	ENMD	Entrelled Inc	NDS	C	58	6393	Biotechnology	101.25	0.82	2.00	1.03	1.27	0.51	33220	0.75	0.55	0.55	...	d	13	-64.1	-37.8	....
18	ENTR	Entropic Communications	NDS	NR	80	11823	Semiconductors	...	...	8.46	6.00	7.57	3.72	28912	5.21	4.00	4.75	...	d	3	0.0	0.0	....
19	ENTU	Entrust Inc	NDS	C	87	35836	Systems Software	150.00	1.98	4.60	1.65	3.41	1.57	136442	3.41	2.68	2.94	...	d	30	-31.1	-17.4	....
20	EPG	Environmental Power[s6]	AS,P,NDS	NR	46	5939	Ind Power Prod & Energy Trad	35.87	0.21	9.34	3.92	6.25	3.65	17614	5.62	3.94	4.17	...	d	Neg	-51.9	-8.1	....
21	ETC	Environmental Tectonics	AS	C	18	2277	Aerospace & Defense	21.00	0.87	4.88	1.70	2.95	1.35	1917	2.82	1.35	1.35	...	d	Neg	-44.4	-34.7	....
◆22[e3]	ENZ	Enzo Biochem	NY,Ch,P	C	239	18647	Life Sciences Tools & Svcs	114.35	0.40	18.98	9.70	13.27	7.00	46888	12.02	9.10	11.22	...	d	Neg	-25.9	-12.4	....
23[e4]	ENZN	Enzon Pharmaceuticals	NDS	B–	309	56177	Biotechnology	84.12	1.50	10.36	6.31	9.85	7.00	66817	8.85	7.00	7.12	...	6	...	-6.6	4.6	....
¶24[e6]	EOG	EOG Resources	NY,Ph,Ch,P,B	B+	1233	236153	Oil & Gas Exploration & Prod	86.91	4.06	91.63	59.21	144.99	77.18	731621	137.25	122.61	131.20	0.4	19	19	77.0	32.4	1990
25	EONC	eOn Communications	NDS	NR	11	202	Communications Equipment	155.62	1.05	8.70	2.40	2.60	0.67	701	1.04	0.67	0.75	...	d	10	-84.8	-50.1	2008
26	EPCYY	EPCOS AG ADS[s6]	NY	NR	6	45	Elect Equip Manufacturers	177.87	5.60	23.09	15.51	17.40	12.20	....	19.92	16.24	16.24[e8]	2.0	NA	...	-7.8	14.4	2007
◆27[e7]	EPIC	Epicor Software	NDS	B–	348	55798	Application Software	39.75	0.65	15.58	10.48	12.85	8.85	153806	8.88	8.85	8.91	...	14	18	-52.1	-18.6	....
◆28[e8]	EPIQ	EPIQ Systems	NDS	B	325	32560	Application Software	17.36	0.88	20.72	10.98	18.28	12.11	44403	16.73	14.16	14.20	...	51	-3	-10.9	10.2	....
¶29[e8]	EFX	Equifax Inc	NY,Ph,Ch,P,B	B+	702	107999	Diversif Comm & Prof Svcs	45.00	4.37	46.30	35.22	39.95	31.49	146827	38.14	33.43	33.62	0.5	19	12	-23.9	-1.0	1914
30[e10]	EQIX	Equinix Inc	NDS	NR	613	54197	Internet Software & Services	528.00	2.00	121.13	71.95	102.74	57.26	193304	101.00	85.80	89.22	...	NM	NM	3.0	29.0	....
#31[e11]	EQT	Equitable Resources	NY,Ph,Ch,P,B	B+	721	95233	Gas Utilities	44.48	3.68	56.75	39.26	76.14	47.16	216187	74.22	56.96	69.06	1.3	33	6	38.3	28.2	1950
32[e1]	ELS	Equity Lifestyle Properties	NY,Ph,Ch,P,B	B	346	23482	Residential REITs	56.01	13.75	59.67	43.65	53.74	39.70	37668	50.95	43.62	44.00	1.8	38	43	-12.1	5.3	1993
¶33[e1]	EQY	Equity One	NY,Ch	B	363	33445	Retail REITs	28.40	8.25	30.88	21.21	26.69	20.11	131118	23.75	20.26	20.55	5.8	24	-3	-17.4	3.1	1998
¶34[e2]	EQR	Equity Residential	NY,Ph,Ch,P,B	A–	907	261266	Residential REITs	61.50	12.43	56.46	33.79	44.89	31.07	478706	44.35	37.76	38.27	5.0	NM	21	-13.4	6.2	1993
35	EQR.PE	Equity Resd'E'Cv Pfd	NY,Ph	BBB	15	88		60.72	20.75	62.59	37.19	49.80	35.41	6080	49.13	42.41	42.79	4.1	..	...	...	...	1994
36	EQR.PH	Equity Resd'H'Cv Pfd	NY	NR	2	6.5		79.00	37.55	81.35	49.62	64.46	51.00	99	63.85	56.24	56.54[e8]	3.1	..	...	...	...	1993
37[e3]	ERES	eResearchTechnology Inc	NDS	B–	291	47765	Life Sciences Tools & Svcs	29.80	0.40	12.34	6.12	17.82	8.94	124773	17.82	15.05	17.44	...	47	-2	65.6	9.2	....
38[e4]	ERIC	Ericsson(LM)Tel'B'ADS[s6]	NDS	NR	332	236042	Communications Equipment	131.56	0.78	21.70	11.11	14.00	8.52	1137508	13.66	10.00	10.40	2.8	11	NM	-46.1	-12.1	2005
39	ERIE	Erie Indemnity 'A'	NDS	A	278	20974	Property/Casualty Insurance	58.25	16.00	62.29	50.52	56.15	45.84	34299	51.40	45.84	48.15	3.8	15	2	-11.6	-2.3	1996
40[e12]	ESE	ESCO Technologies	NY,P	B–	305	26764	Industrial Machinery	58.42	1.31	52.41	29.63	52.11	32.65	48702	51.74	45.79	46.92	...	36	NM	29.5	-2.4	....
41	ESMK	Esmark Inc	NDS	NR	133	36812	Steel	....	....	20.04	9.00	20.55	6.81	97007	20.55	17.29	19.12	...	NIL	1	0.0	0.0	....

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 3. [2]CBOE:Cycle 2. [3]ASE,CBOE,P,Ph:Cycle 3. [4]ASE,CBOE,P:Cycle 2. [5]ASE,CBOE,P:Cycle 1. [6]ASE,CBOE,P,Ph:Cycle 1. [7]CBOE:Cycle 1. [8]CBOE,Ph:Cycle 1. [9]P:Cycle 1. [10]ASE,CBOE,Ph:Cycle 3. [11]ASE,P:Cycle 3. [12]Ph:Cycle 3. [51]Or earlier re-spec cond [52]Or earlier,re-spec cond [53]Re-spec cond [54]Incl 7.5M shrs subj to conv [55]6 mos Dec'07 [56]Also trades ASE [57]Pfd in $M [58]Ea ADS rep 1 ord,no par [59]ADR equal 1 ord CFB

Common and Convertible Preferred

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate	Pa 20
1	Q0.37½	5-1-08	4-28	0.75	1.50	
2	Q0.419	7-1-08	6-26	1.256	1.675	1.
3	Q0.75	6-2-08	5-7	1.50	3.00	
4	Q0.953	5-19-08	4-29	0.953	3.813	3.
5	Q0.47½	7-1-08	6-26	1.42½	1.90	
6	Q0.37½	5-1-08	4-28	0.75	1.50	
7	Q0.453	6-2-08	5-28	0.906	1.812	1.
8	None Paid			...	NIL	
9	Q0.425	5-8-08	4-28	0.835	1.70	
10	Q0.506	5-7-08	4-28	1.00¾	2.03	1.
11	Div Omitted	9-17-07		...	NIL	
12	None Paid			...	NIL	
13	Q0.84	7-15-08	6-26	2.44	3.36	2.
14	None Paid			...	NIL	
15	None Paid			...	NIL	
16	None Paid			...	NIL	
17	None Paid			...	NIL	
18	None Paid			...	NIL	
19	None Paid			...	NIL	
20◆	None Paid			...	NIL	
21	None Paid			...	NIL	
22◆	5%Stk	11-15-04	10-21	...	NIL	
23	None Paid			...	NIL	
24◆	Q0.12	7-31-08	7-15	0.33	0.48	
25◆	None Paid			...	NIL	
26	0.437	2-22-08	2-11	0.437	0.437	C
27	None Paid			...	NIL	
28◆	None Paid			...	NIL	
29	Q0.04	6-13-08	5-21	0.08	0.16	
30	None Paid			...	NIL	
31◆	Q0.22	6-1-08	5-7	0.44	0.88	
32	Q0.20	7-11-08	6-25	0.55	0.80	C
33	Q0.30	6-30-08	6-12	0.80	1.20	
34	Q0.483	7-11-08	6-12	1.44¾	1.93	
35	Q0.43¾	7-1-08	6-12	1.31¼	1.75	
36	Q0.43¾	6-30-08	6-12	0.87½	1.75	
37◆	None Paid			...	NIL	
38◆	2-for-1Stk	6-9-08	5-10	0.422	0.843	
39	Q0.44	7-18-08	7-1	1.32	1.76	
40◆	None Paid			...	NIL	
41	None Paid			...	NIL	

◆Stock Splits & Divs By Line Reference Index [20]1-for-

HEARING EXHIBIT 00000071

ne, 2008			% Annualized					
st Sale Or Bid			%Div	P-E	EPS 5 Yr	Total Return		Cash Divs.
Igh	Low	Last	Yield	Ratio	Growth	12 Mo	36 Mo	Ea. Yr. Since
5.40	24.63	24.83	6.0	..	...	8.2	4.4	2003
5.98	24.75	24.97	6.7	..	...	9.2	5.1	2002
3.14	118.47	120.48	2.5	17	13	12.9	19.4	1988
2.50	68.66	70.70	5.4	..	...	...	...	2006
5.36	24.56	24.98	7.6	..	...	9.6	4.0	2002
5.35	24.61	24.74	8.1	..	...	9.3	4.3	2003
5.59	24.96	25.12	7.2	..	...	6.8	5.5	2003
9.34	9.19	9.32	..	NM	...	0.0	0.0	2007
2.02	29.61	30.06	5.7	28	4	-17.2	0.0	2005
1.06	29.04	29.54	6.9	23	20	-1.5	9.4	1998
5.08	3.85	4.69	15.4	d	Neg	-23.4	-37.2	2004
0.55	0.42	0.48	...	d	-26	-76.8	-51.0	....
5.31	48.25	49.44	6.8	16	12	0.2	9.6	1998
1.19	0.76	0.79	...	d	5	-80.6	-35.0	....
5.81	3.66	4.02	...	45	-37	-62.5	-20.7	....
2.08	1.35	1.97	...	d	3	-22.0	0.0	....
0.75	0.55	0.55	...	d	13	-64.1	-37.8	....
5.21	4.00	4.75	...	d	3	0.0	0.0	....
3.41	2.68	2.94	...	d	30	-31.1	-17.4	....
5.62	3.94	4.17	...	d	Neg	-51.9	-8.1	....
2.82	1.35	1.35	...	d	Neg	-44.4	-34.7	....
2.02	9.10	11.22	...	d	Neg	-25.9	-12.4	....
8.85	7.00	7.12	...	6	...	-8.6	4.6	....
7.25	122.61	131.20	0.4	19	19	77.0	32.4	1990
1.04	0.67	0.75	...	d	10	-84.8	-50.1	2006
9.92	16.24	16.24s	2.0	NA	...	-7.8	14.4	2007
8.88	6.85	6.91	...	14	18	-52.1	-18.6	....
6.73	14.16	14.20	...	51	-3	-10.9	10.2	....
8.14	33.43	33.62	0.5	13	12	-23.9	-1.0	1914
1.06	85.80	89.22	...	NM	NM	3.0	29.0	....
4.20	66.96	69.06	1.3	33	6	38.3	28.2	1950
0.94	43.62	44.00	1.8	38	43	-12.1	5.3	1993
3.75	20.26	20.55	5.8	24	-3	-17.4	3.1	1996
4.35	37.76	38.27	5.0	NM	21	-13.4	6.2	1993
9.15	42.41	42.79	4.1	..	...	...	...	1994
3.89	56.24	56.54s	3.1	..	...	...	...	1993
7.89	15.05	17.44	...	47	-2	85.6	9.2	....
3.65	10.00	10.40	2.8	11	NM	-46.1	-12.1	2005
1.40	45.84	46.15	3.8	15	2	-11.6	-2.3	1996
1.74	45.79	46.92	...	36	NM	29.5	-2.4	....
0.50	17.29	19.12	...	NIL	1	0.0	0.0	....

ycle 1. [6]ASE,CBOE,P,Phl:Cycle 1. [7]CBOE:Cycle 1. [54]Incl 7.5M shrs subj to conv [55]6 mos Dec'07

Splits◆Dividends							Financial Position				Capitalization		2008				Earnings $ Per Shr.				Interim Earnings		
Latest Payment				Total $			MM-$				Lg Trm Debt	Shs. 000	Street Estimates ($/Shr)				Years			Last 12	$ per Shr.		
Index	Period $	Date	Ex. Div.	So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	MM-$	Com.	Mean	High	Low	# of Ests.	End	2007	2006	Mos.	Period	Prior	Curr.
1	Q0.37½	5-1-08	4-28	0.75	1.50	1.50	Co opt to redm fr 11-12-2007[61]				.....	....	...	...	...	...	Dc	....	....	....	Matures 11-1-2032		
2	Q0.419	7-1-08	6-26	1.256	1.675	1.67½	Co opt redm fr 4-1-2007 at $25[52]				.....	....	...	...	...	...	Dc	....	....	....	Matures 4-1-2032		
3	Q0.75	6-2-08	5-7	1.50	3.00	2.58	915	3946	3206	3-31-08	9927	191897	6.82	7.00	6.70	15	Dc	v5.60	E6.89†	6.13	3 Mo Mar	1.03	v1.56
4	Q0.953	5-19-08	4-29	0.953	3.813	3.81¼	Pur contract for Entergy Corp com 2-17-09[53]				.....	....	...	...	...	...	Dc	....	....	....			
5	Q0.47½	7-1-08	6-26	1.42½	1.90	1.90	Co opt redm fr 4-1-2007 at $25[52]				.....	....	...	...	...	...	Dc	....	....	....	Matures 4-1-2032		
6	Q0.37½	5-1-08	4-28	0.75	1.50	1.50	Co opt redm for 11-1-2007 at $25				.....	....	...	...	...	...	Dc	....	....	....	Matures 11-12032		
7	Q0.453	6-2-08	5-28	0.906	1.812	1.812	Co opt redm fr 11-22-2007 at $25[52]				.....	....	...	...	...	...	Dc	....	....	....	Matures 12-1-2032		
8		None Paid		...	NIL	....	0.03	0.17	9.05	12-31-07	.....	[34]31250	...	...	...	...	Dc	[b]0.85	....	0.05	No pro-forma EPS		
9	Q0.425	5-8-08	4-28	0.835	1.70	1.49	65.4	4298	4613	3-31-08	11052	p139192	1.32	1.88	1.10	6	Dc	v0.97	E1.09†	0.83	3 Mo Mar	0.52	v0.38
10	Q0.508	5-7-08	4-28	1.00¾	2.03	1.91½	39.7	2375	NA	3-31-08	6772	435950	1.71	2.00	1.35	14	Dc	v0.96	E1.28†	1.28	3 Mo Mar	0.20	v0.52
11		Div Omitted 9-17-07		...	NIL	0.60	3.58	36.3	211	3-31-08	110	61436	...	...	...	...	Dc	vd2.38	....	d2.38			
12		None Paid		...	NIL	....	84.6	144	88.0	3-31-08	24.3	68658	0.10	0.10	0.10	1	Dc	vd0.22	....	d0.22	3 Mo Mar	d0.09	vd0.09
13	Q0.84	7-15-08	6-26	2.44	3.36	2.96¾	Total Assets $2181M			3-31-08	1106	30626	2.94	2.94	2.94	1	Dc	v2.99	E3.15†	3.08	3 Mo Mar	v0.67	v0.76
14		None Paid		...	NIL	....	43.9	58.3	6.35	3-31-08	0.06	46747	d0.13	d0.13	d0.13	1	Dc	vd0.85	....	d0.91	3 Mo Mar	d0.06	vd0.12
15		None Paid		...	NIL	....	86.9	190	NA	3-31-08	489	±95416	0.17	0.26	0.07	5	Dc	Pvd0.42	E0.09†	d0.48	3 Mo Mar	d0.03	vd0.08
16		None Paid		...	NIL	....	63.4	64.5	0.50	3-31-08	....	94048	....	....	....	....	Dc	vd0.16	....	d0.16	3 Mo Mar	vd0.02	vd0.02
17		None Paid		...	NIL	....	43.6	43.9	11.0	3-31-08	14.9	85774	d0.34	d0.34	d0.34	1	Dc	vd0.28	....	d0.29	3 Mo Mar	vd0.09	vd0.10
18		None Paid		...	NIL	....	35.1	89.2	23.9	3-31-08	.....	66662	0.17	0.21	0.15	12	Dc	vd2.47	....	d2.32	3 Mo Mar	d0.21	vd0.06
19		None Paid		...	NIL	....	22.8	45.4	62.2	3-31-08	.....	61165	0.09	0.10	0.09	7	Dc	Pvd0.10	....	d0.08	3 Mo Mar	d0.04	vd0.02
20◆		None Paid		...	NIL	....	20.8	68.1	3.57	3-31-08	60.0	15579	d0.59	d0.43	d0.71	3	Dc	vd1.66	....	d1.31	3 Mo Mar	d0.17	v0.18
21		None Paid		...	NIL	....	1.87	20.6	18.9	2-29-08	18.1	9035	...	...	...	...	Fb	vd1.61	....	d1.61			
22◆	5%Stk	11-15-04	10-21	...	NIL	....	96.5	118	11.3	4-30-08	....	37205	d0.26	d0.26	d0.26	1	Jl	vd0.38	....	d0.29	9 Mo Apr	vd0.29	vd0.20
23		None Paid		...	NIL	....	163	281	105	3-31-08	275	44323	d0.81	d0.72	d0.90	2	Dc	v1.29	Et	1.29			
24◆	Q0.12	7-31-08	7-15	0.33	0.48	0.33	204	1690	1724	3-31-08	1165	[b]248307	9.04	10.64	7.05	26	Dc	v4.37	E7.08†	4.45	3 Mo Mar	v0.88	v0.96
25◆		None Paid		...	NIL	....	1.36	5.60	1.92	4-30-08	....	2734	...	...	...	...	Jl	vd0.49	....	d1.28	9 Mo Apr	vd0.35	vd1.14
26	0.437	2-22-08	2-11	0.437	0.437	0.262	353	1069	499	12-31-07	246	65317	1.53	1.53	1.53	1	Sp	....	....	NA	3 Mo Dec	....	v0.40
27		None Paid		...	NIL	....	104	240	170	3-31-08	382	57898	0.90	0.94	0.85	8	Dc	v0.71	....	0.51	3 Mo Mar	v0.08	vd0.12
28◆		None Paid		...	NIL	....	13.7	60.7	27.1	3-31-08	57.8	35350	0.61	0.63	0.61	3	Dc	v0.21	....	0.28	3 Mo Mar	v	v0.07
29	Q0.04	6-13-08	5-21	0.08	0.16	0.16	85.0	445	329	3-31-08	1363	129521	2.54	2.57	2.50	6	Dc	v2.02	E2.55†	1.98	3 Mo Mar	v0.54	v0.50
30		None Paid		...	NIL	....	298	374	244	3-31-08	999	36767	0.71	1.38	0.31	17	Dc	Pvd0.16	....	0.14	3 Mo Mar	d0.15	v0.15
31◆	Q0.22	6-1-08	5-7	0.44	0.88	0.88	89.8	665	553	3-31-08	1253	101252	2.00	2.28	1.68	10	Dc	v2.10	E2.07†	2.21	3 Mo Mar	v0.46	v0.57
32	Q0.20	7-11-08	6-25	0.55	0.80	0.52½	Total Assets $2046M			3-31-08	1659	24559	0.76	0.76	0.76	1	Dc	v1.33	E1.17†	1.15	3 Mo Mar	v0.68	v0.52
33	Q0.30	6-30-08	6-12	0.60	1.20	1.20	Total Assets $2115M			3-31-08	1147	74015	1.30	1.48	1.15	2	Dc	v0.95	E0.86†	0.98	3 Mo Mar	v0.27	v0.28
34	Q0.483	7-11-08	6-12	1.44¾	1.93	1.85	Total Assets $15690M			3-31-08	9396	270502	0.45	0.49	0.41	2	Dc	v3.44	E0.35†	3.54	3 Mo Mar	v0.41	v0.51
35	Q0.43¾	7-1-08	6-12	1.31¼	1.75	1.75	Cv into 1.1128 com.$23.47				.....	....	...	...	...	...	Dc	....	....	....			
36	Q0.43¾	6-30-08	6-12	0.87½	1.75	2.18¾	Cv into 1.448 com				.....	....	...	...	...	...	Dc	....	....	....			
37◆		None Paid		...	NIL	....	48.9	79.9	26.2	3-31-08	0.07	50672	0.49	0.50	0.48	3	Dc	v0.30	....	0.37	3 Mo Mar	v0.04	v0.11
38◆	2-for-1Stk	6-9-08	6-10	0.422	0.843	0.368	10435	27584	12699	3-31-08	3650	±3181460	0.83	0.95	0.64	10	Dc	v1.06	E0.91†	0.45	3 Mo Mar	0.30	v0.14
39	Q0.44	7-18-08	7-1	1.32	1.76	1.60	Total Assets $2875M			3-31-08	NIL	±51804	3.17	3.18	3.16	2	Dc	Pv3.43	....	3.06	3 Mo Mar	0.88	v0.51
40◆		None Paid		....	NIL	....	30.9	244	116	3-31-08	235	25941	1.81	1.88	1.75	8	Sp	v1.28	....	1.31	6 Mo Mar	v0.31	v0.34
41		None Paid		...	NIL	....	No pro-forma Fin'ls				....	39354	...	...	...	...	Dc	....	....	NIL			

◆Stock Splits & Divs By Line Reference Index: [20]1-for-7 REVERSE,'04 [22]5%,'04 [24]2-for-1,'05 [28]1-for-5 REVERSE,'08 [29]3-for-2,'07 [31]2-for-1,'05 [37]3-for-2,'04 [38]2-for-1,'06 [40]2-for-1,'05

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Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1986-06 High	1986-06 Low	2007 High	2007 Low	2008 High	2008 Low	Jun. Sales In 100s	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
◆1[e1]	KEX	Kirby Corp	NY,Ch	B+	545	51397	Marine	41.36	0.87	50.72	33.06	61.65	37.72	158464	55.96	47.45	48.00	...	17	27	27.3	30.1	....
2	KIRK	Kirkland's Inc	NDS	NR	37	9080	Homefurnishing Retail	22.40	4.10	6.15	0.57	3.00	0.55	45752	2.90	1.59	2.25	...	d	Neg	-42.7	-37.3	....
◆3	KRG	Kite Realty Group Tr	NY	NR	275	30407	Retail REITs	19.70	12.50	21.80	13.95	15.65	11.50	28275	14.27	12.49	12.50	6.6	23	13	-28.5	-0.5	2004
4[e2]	KFN	KKR Financial Hldgs LLC	NY,P,B	NR	230	90862	Specialized Finance	27.43	20.51	30.27	9.39	16.78	10.12	131579	12.27	10.28	10.50	15.2	5	5	-53.2	-17.7	2005
¶5[e3]	KLAC	KLA-Tencor Corp	NDS	B	974	163579	Semiconductor Equipment	97.75	1.43	62.67	46.59	48.35	35.02	868496	46.52	36.90	40.71	1.5	15	25	-28.6	-2.9	2005
6	KDX	Klondex Mines Ltd	To	C	...	....	Precious Metals & Minerals	3.30	0.06	2.57	1.93	2.45	1.44	3621	1.73	1.44	1.70	...	d	-14	-25.1	11.6	....
7	KMGB	KMG Chemicals	NDS	B+	71	4366	Specialty Chemicals	10.75	1.45	28.25	9.25	17.70	9.71	17481	11.88	9.71	10.33	0.6	17	27	-55.5	-13.4	1997
8[e4]	NITE	Knight Capital Group 'A'	NDS	B–	460	65100	Investment Bank & Brokerage	81.62	2.25	21.76	11.50	19.50	12.04	337010	18.33	17.23	17.98	...	24	14	7.3	34.7	....
◆9[e5]	KNX	Knight Transportation	NY	B+	364	79885	Trucking	22.50	1.50	20.77	14.30	18.97	14.35	221061	18.87	16.15	18.30	0.9	25	-1	-9.1	6.8	2004
10	VLCCF	Knightsbridge Tankers	NDS	NR	156	3934	Oil & Gas Storage & Transp	47.50	5.47	34.00	23.01	35.00	20.25	37181	34.30	29.55	32.21	8.1	8	29	11.8	3.8	1997
11	KNL	Knoll Inc	NY,Ph	NR	318	50221	Office Services & Supplies	22.95	14.75	24.90	15.80	18.38	10.85	86888	15.78	12.14	12.15	4.0	8	22	-46.3	-8.0	2005
12	KNOL	Knology Inc	NDS	NR	184	28080	Broadcasting & Cable TV	11.45	1.61	19.78	10.16	15.87	8.47	29833	15.87	10.84	10.99	...	d	5	-37.2	78.0	....
◆13[e6]	KNOT	Knot Inc	NDS	B–	283	29757	Internet Software & Services	29.46	0.22	32.18	12.36	16.16	9.40	65647	12.09	9.40	9.78	...	90	62	-51.5	10.7	....
14	KOG	Kodiak Oil & Gas	AS,Ch,P	NR	86	60134	Oil & Gas Exploration & Prod	4.65	3.06	6.80	1.54	5.50	1.56	435103	5.50	3.14	4.56	...	d	3	-29.0	0.0	....
¶15[e4]	KSS	Kohl's Corp	NY,Ch	B+	1240	283636	Department Stores	78.63	1.65	78.55	44.16	50.93	37.31	1496986	47.10	39.85	40.04	...	12	16	-41.9	-9.4	....
16	KNM	Konami Corp ADS[51]	NY,P	NR	26	1130	Home Entertainment Software	36.55	12.85	33.04	21.80	42.79	20.22	2230	36.89	33.36	34.85	1.2	29	...	55.4	21.7	2003
17	KONG	KongZhong Corp ADS	NDS	NR	29	3642	Application Software	15.30	5.01	9.91	3.45	7.48	3.88	27809	4.64	3.68	3.73	...	NM	5	-21.1	-25.8	....
18[e7]	PHG	Koninklijke Philips Electrns N	NY,Ph,Ch,P,B	NR	312	104086	Industrial Conglomerates	55.79	2.69	45.90	35.35	42.91	33.75	131231	38.67	33.75	33.80	2.8	NM	-24	-15.2	13.0	2007
19	KB	Kookmin Bank ADS[52]	NY,Ph,Ch,P	NR	303	43092	Diversified Banks	98.60	22.90	98.00	63.53	72.98	48.76	132068	62.93	58.04	58.51	3.5	7	74	-34.2	8.3	2005
◆20	KOPN	Kopin Corp	NDS	C	166	33736	Semiconductors	49.87	1.56	4.50	2.97	3.42	1.90	92339	3.30	2.80	2.87	...	d	8	-30.5	-15.5	....
21[e8]	KOP	Koppers Holdings	NY,Ph,P	NR	369	19404	Commodity Chemicals	28.10	14.50	46.91	21.88	51.85	31.34	78194	49.74	39.11	41.87	2.1	13	1	27.5	0.0	2006
22	KEP	Korea Electric Power ADS[53]	NY,Ph,Ch,P,,B	NR	243	131867	Electric Utilities	28.25	8.43	25.93	19.36	21.99	13.77	209635	16.69	14.23	14.53	1.9	14	-5	-33.5	-2.1	1995
‡23[e9]	KFY	Korn/Ferry Intl	NY	B–	394	47070	HR & Employment Services	44.12	5.59	27.13	15.35	18.95	13.10	86794	16.10	15.49	15.73	...	11	NM	-40.1	-2.4	....
¶24[e3]	KFT	Kraft Foods 'A'	NY,Ph,Ch,P,,B	NR	1783	1135469	Packaged Foods & Meats	43.95	26.35	37.20	29.95	32.99	28.33	1652484	32.57	28.33	28.45	3.8	15	-2	-17.8	-0.3	2001
25	KTOS	Kratos Defense & Security Sltn	NDS	NR	90	31042	Wireless Telecom Svcs	163.50	1.85	3.09	1.01	2.35	1.50	25721	2.04	1.83	1.96	...	d	...	21.2	-30.9	....
26[e10]	KKD	Krispy Kreme Doughnuts	NY,Ch,P	NR	161	15527	Restaurants	49.74	3.35	13.93	2.50	5.65	2.23	245896	5.65	3.14	4.99	...	d	Neg	-42.5	-8.9	....
¶27[e7]	KR	Kroger Co	NY,Ph,Ch,B	B	1235	545573	Food Retail	34.90	2.09	31.94	22.94	29.75	23.39	1591929	29.75	25.86	28.87	1.2	16	40	2.6	14.9	2006
28	KRO	Kronos Worldwide	NY,Ch,P	NR	102	1372	Commodity Chemicals	49.20	16.00	38.06	14.55	31.59	15.14	7635	23.85	15.14	15.39	6.5	d	Neg	-33.9	-15.8	2004
29	KSW	KSW Inc	AS,NDS	NR	33	1919	Distributors	7.04	0.38	8.65	5.72	7.04	4.61	2960	4.95	4.81	4.78	...	8	1	-36.1	44.7	2008
30[e11]	KTC	KT Corp ADS[54]	NY,Ph,Ch,B	NR	253	159267	Integrated Telecom Svcs	79.87	15.50	30.24	21.01	27.34	20.95	97841	22.76	20.95	21.32	3.3	8	7	-8.8	1.5	2000
31	KUB	Kubota Corp ADR[55]	NY,Ch,P,B	NR	78	4711	Constr & Farm Mach/Hvy Truck	60.80	8.12	53.83	32.52	43.41	28.34	12863	43.41	34.51	35.79	1.5	14	...	-12.3	8.3	1949
◆32[e7]	KLIC	Kulicke & Soffa Ind	NDS	C	347	41141	Semiconductor Equipment	43.85	0.93	12.46	6.47	7.95	4.55	202049	7.95	6.27	7.29	...	10	NM	-32.1	-2.0	....
33	KYO	Kyocera Corp[56] ADR	NY,Ch,P,B	NR	78	6831	Elect Equip Manufacturers	280.93	18.86	110.01	81.00	100.78	73.09	4114	100.78	89.66	94.05	1.0	20	NM	-9.3	8.9	1960
34[e3]	ID	L-1 Identity Solutions	NY,NDS	C	254	47014	Elect Equip Manufacturers	51.25	1.25	21.87	13.75	18.54	10.66	121712	15.84	12.77	13.32	...	40	NM	-37.4	8.3	....
¶35[e7]	LLL	L-3 Communications Hldgs	NY,Ph,Ch,P,B	A–	1385	106183	Aerospace & Defense	86.50	12.78	115.29	79.26	115.33	90.19	295522	107.19	90.19	90.87	1.3	14	20	-6.8	7.3	2004
◆36[e12]	LZB	La-Z Boy	NY,Ph,Ch,P,B	B	327	49143	Home Furnishings	30.94	4.12	15.20	5.31	9.30	5.84	87812	7.93	6.04	7.65	2.1	d	Neg	-33.1	-15.1	1963
37	LB	LaBarge Inc	AS	B	73	5863	Electrical Component & Equip	22.00	0.37	15.10	9.70	15.00	10.16	13657	13.38	12.20	13.00	...	16	32	5.3	-10.0	....
¶38[e13]	LH	Laboratory Corp Amer Hldgs	NY,Ch,P	B+	1121	111180	Health Care Services	77.18	2.81	82.32	65.13	80.77	68.89	244497	75.51	68.89	69.63	...	15	14	-11.4	12.2	....
◆39[e14]	LAB	LaBranche & Co	NY	C	260	47680	Investment Bank & Brokerage	51.45	5.25	10.36	4.03	8.12	3.70	182257	8.12	6.12	7.06	...	d	-34	10.2	7.4	....
◆40	LG	Laclede Group	NY,Ph,Ch,P,B	B+	370	10567	Gas Utilities	37.51	13.00	36.03	28.83	41.96	31.86	37113	41.96	39.13	40.37	3.7	11	14	32.7	14.1	1945

S&P 500 ‡ MidCap 400 ◆ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 2. [2]CBOE,P:Cycle 3. [3]ASE,CBOE,P,Ph:Cycle 3. [4]ASE,CBOE,P,Ph:Cycle 1. [5]ASE,CBOE,Ph:Cycle 3. [6]CBOE,P,Ph:Cycle 1. [7]ASE,CBOE,P:Cycle 1. [8]CBOE:Cycle 3. [9]P:Cycle 2. [10]ASE,CBOE:Cycle 1. [11]CBOE:Cycle 1. [12]Ph:Cycle 2. [13]ASE,P:Cycle 2. [14]ASE,CBOE,Ph:Cycle 2. [51]Ea ADS rep 1 Common shr [52]Ea ADS rep 1 com,W5000 par [53]Ea ADS rep 0.5 com,5,000 Won [54]Ea ADS rep 0.5 shr,W5,000 [55]ADR's equal 5 com shrs,no par [56]ADR's equal to 1 com par 50 yen

Common and Convertible Preferred

Splits Dividends

◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Pa 20
1◆	None Paid			...	NIL	
2	None Paid			...	NIL	
3	Q0.20½	7-17-08	7-2	0.61½	0.82	
4	Q0.40	5-30-08	5-13	0.90	1.60	
5	Q0.15	6-2-08	5-15	0.30	0.60	
6	None Paid			...	NIL	
7	S0.02	6-27-08	6-11	0.04	0.04	0.
8	None Paid			...	NIL	
9◆	Q0.04	6-27-08	6-4	0.07	0.16	
10	Q0.75	6-9-08	5-22	1.50	3.00	
11	Q0.12	6-30-08	6-12	0.24	0.48	
12	None Paid			...	NIL	
13	None Paid			...	NIL	
14	None Paid			...	NIL	
15	None Paid			...	NIL	
16	0.254	6-13-08	3-26	0.254	0.497	
17	None Paid			...	NIL	
18	1.094	4-7-08	3-28	1.094	1.094	
19	2.486	4-1-08		2.486	0.561	
20	None Paid			...	NIL	
21	Q0.22	7-1-08	5-15	0.61	0.88	
22	0.377	4-4-08		0.377	0.377	
23	None Paid			...	NIL	
24	Q0.27	7-16-08	6-25	0.81	1.08	
25	None Paid			...	NIL	
26	None Paid			...	NIL	
27	Q0.09	9-1-08	8-13	0.25½	0.36	
28	Q0.25	6-20-08	6-6	0.50	1.00	
29◆	0.20	6-17-08	5-21	0.20	NIL	
30	0.972	3-25-08		0.972	1.515	
31	0.37	6-30-08		0.37	0.282	
32	None Paid			...	NIL	
33	0.536	12-13-07		...	0.911	
34◆	None Paid			...	NIL	
35	Q0.30	6-16-08	5-14	0.60	1.20	
36	Q0.04	6-10-08	5-23	0.08	0.16	
37	None Paid			...	NIL	
38	None Paid			...	NIL	
39	Div Postponed 10-21-03			...	NIL	
40	Q0.37½	7-1-08	6-9	1.12½	1.50	

◆Stock Splits & Divs By Line Reference Index, 2-for

HEARING EXHIBIT 00000073

...ne;2008				% Annualized					
ast Sale Or Bid			%Div	P-E	EPS	Total Return		Cash
High	Low	Last	Yield	Ratio	5 Yr Growth	12 Mo	36 Mo	Divs. Ea.Yr. Since
55.96	47.45	48.00	...	17	27	-27.3	30.1	....
2.90	1.59	2.25	...	d	Neg	-42.7	-37.3	....
14.27	12.49	12.50	6.6	23	13	-28.5	-0.6	2004
12.27	10.28	10.50	15.2	5	5	-53.2	-17.7	2005
46.62	38.90	40.71	1.5	15	25	-23.6	-2.9	2005
1.73	1.44	1.70	...	d	-14	-25.1	11.6	....
11.88	9.71	10.33	0.8	17	27	-55.5	13.4	1997
19.33	17.23	17.98	...	24	14	7.3	34.7	....
18.87	16.15	18.30	0.9	25	1	-9.1	6.6	2004
34.30	29.55	32.21	8.1	6	29	11.8	3.8	1997
15.78	12.14	12.15	4.0	8	22	-45.3	-8.0	2005
15.87	10.84	10.99	...	d	5	-37.2	78.0	....
12.09	9.40	9.78	...	30	62	-51.5	10.7	....
5.50	3.14	4.56	...	d	3	-29.0	0.0	....
47.10	39.85	40.04	...	12	16	-41.9	-9.4	....
36.89	33.36	34.85	1.2	29	...	55.4	21.7	2003
4.64	3.68	3.73	...	NM	5	-21.1	-25.8	....
38.67	33.75	33.80	2.8	NM	-24	-15.2	13.0	2007
62.93	58.04	58.51	3.5	7	74	-34.2	8.3	2005
3.30	2.80	2.87	...	d	8	-30.5	-15.5	....
49.74	39.11	41.87	2.1	13	1	27.5	0.0	2006
16.69	14.23	14.53	1.9	14	-5	-33.5	-2.1	1995
18.10	15.49	15.73	...	11	NM	-40.1	-2.4	....
30.67	26.33	26.45	3.8	15	-2	-17.8	-0.3	2001
2.24	1.83	1.86	...	d	...	-21.2	-30.9	....
5.35	3.14	4.98	...	d	Neg	-42.5	-8.9	....
28.75	25.86	28.57	1.2	18	40	2.6	14.9	2006
23.85	15.14	15.39	6.5	d	Neg	-33.9	-15.8	2004
5.35	4.61	4.76	...	8	1	-36.1	44.7	2008
26.26	20.95	21.32	3.3	8	7	-6.8	1.5	2000
40.71	34.51	35.79	1.5	14	...	-12.3	8.3	1949
7.65	6.27	7.29	...	10	NM	-32.1	-2.0	....
100.78	89.66	94.05	1.0	20	NM	-9.3	8.9	1960
13.84	12.77	13.32	...	40	NM	-37.4	8.3	....
102.19	90.19	90.87	1.3	14	20	-6.8	7.3	2004
7.93	6.04	7.65	2.1	d	Neg	-33.1	-15.1	1963
15.38	12.20	13.00	...	16	32	5.3	-10.0	....
76.61	68.89	69.63	...	15	14	-11.4	12.2	....
8.12	6.12	7.06	...	d	-34	10.2	7.4	....
42.36	39.13	40.37	13.7	11	14	32.7	14.1	1946

[3]CBOE,Ph:Cycle 3. [4]CBOE,P,Ph:Cycle 1.
Ea ADS rep 1 Common shr
n 50 yen

Common and Convertible Preferred Stocks

◆Splits/Dividends

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆		None Paid			...	NIL	....	3.69	274	195	3-31-08	281	53935	2.87	3.00	2.64	12	Dc	v2.29	E2.90f	2.51	3 Mo Mar	0.46	v0.68
2		None Paid			...	NIL	....	5.67	57.2	37.8	5-03-08	....	19615	d1.00	d1.00	d1.00	1	Ja	vd1.33	....	d1.08	3 Mo Apr	vd0.38	vd0.13
3	Q0.20½	7-17-08	7-2	0.61½	0.82	0.79	Total Assets $1019M				3-31-08	577	29138	0.56	0.56	0.56	1	Dc	v0.46	E0.54f	0.49	3 Mo Mar	v0.06	v0.09
4	Q0.40	5-30-08	5-13	0.90	1.60	1.60	Total Assets $19046M				3-31-08	7601	150843	1.90	2.08	1.70	7	Dc	vd1.11	E2.24f	d1.56	3 Mo Mar	0.59	v0.12
5	Q0.15	6-2-08	5-15	0.30	0.60	0.54	647	2776	983	3-31-08	....	170061	2.72	2.85	2.14	22	Je	v2.61	E2.75f	2.26	9 Mo Mar	v1.87	v1.52
6		None Paid			...	NIL	....	5.71	5.85	0.53	3-31-08	NIL	22857	...	...	...	...	Dc	vd0.05	....	d0.05			
7	S0.02	6-27-08	6-11	0.04	0.04	0.07¾	2.29	74.0	42.0	4-30-08	55.7	11015	0.68	0.71	0.65	3	Jl	v0.80	....	0.61	9 Mo Apr	v0.62	v0.43
8		None Paid			...	NIL	....	Total Assets $1592M			3-31-08	70.0	89810	1.33	1.47	1.14	8	Dc	v1.21	....	0.75	3 Mo Mar	v0.31	v0.35
9◆	Q0.04	6-27-08	6-4	0.07	0.16	0.11	28.6	151	54.2	3-31-08	....	88335	0.63	0.71	0.59	13	Dc	v0.72	E0.74f	0.66	3 Mo Mar	0.19	v0.13
10	Q0.75	6-9-08	5-22	1.50	3.00	2.50	82.1	107	17.8	12-31-07	103	17100	2.39	2.88	2.01	9	Dc	v4.96	....	5.27	3 Mo Mar	0.56	v0.87
11	Q0.12	6-30-08	6-12	0.24	0.48	0.45	14.4	272	167	3-31-08	373	47726	1.52	1.61	1.32	5	Dc	v1.45	E1.60f	1.51	3 Mo Mar	v0.30	v0.36
12		None Paid			...	NIL	....	31.5	65.6	71.4	3-31-08	606	35507	d0.06	0.01	d0.16	7	Dc.	vd1.25	....	d1.15	3 Mo Mar	vd0.19	vd0.09
13		None Paid			...	NIL	....	49.9	73.7	25.0	3-31-08	....	31896	0.24	0.36	0.11	11	Dc	v0.36	....	0.33	3 Mo Mar	v0.05	v0.02
14		None Paid			...	NIL	....	9.90	11.9	1.96	3-31-08	NIL	88030	d0.05	d0.02	d0.11	6	Dc	vd0.43	....	d0.29	3 Mo Mar	d0.17	vd0.03
15		None Paid			...	NIL	....	272	3295	1847	5-03-08	2048	306723	3.38	3.40	3.37	24	Ja	v3.39	E3.25f	3.24	3 Mo Apr	v0.64	v0.49
16	0.254	6-13-08	3-26	0.254	0.497	0.465	442	1330	685	12-31-07	291	137309	1.35	1.35	1.35	1	Mr	....	....	1.19	9 Mo Dec	0.92	1.11
17		None Paid			...	NIL	....	115	132	11.3	3-31-07	NIL	1423200	0.11	0.12	0.09	3	Dc	v0.08	E0.01f	0.08			
18	1.094	4-7-08	3-28	1.094	1.094	0.901	7570	23888	16207	3-31-08	5154	1028349	2.28	2.28	2.28	1	Dc	v1.06	....	0.16	3 Mo Mar	v1.21	v0.31
19	2.486	4-1-08		2.486	0.561	3.878	Total Deposits $133297M				6-30-07	45605	336379	7.16	7.16	7.16	1	Dc	....	E8.09f	7.86			
20		None Paid			...	NIL	....	86.7	129	21.6	3-29-08	....	67742	....	....	....	....	Dc	vd0.10	....	d0.04	3 Mo Mar	vd0.05	v0.01
21	Q0.22	7-1-08	5-15	0.61	0.88	0.68	13.1	419	202	3-31-08	432	20633	3.45	3.60	3.37	5	Dc	Pv3.03	....	3.16	3 Mo Mar	0.50	v0.63
22	0.377	4-4-08		0.377	0.377	0.39	3509	10161	11609	6-30-07	16471	641568	0.79	0.79	0.79	1	Dc.	v1.33	E1.05f	1.33			
23		None Paid		...	NIL	....	298	473	220	1-31-08	....	p46388	1.46	1.48	1.45	8	Ap	v1.24	v1.46	1.46			
24	Q0.27	7-16-08	6-25	0.81	1.08	1.02	605	11678	14254	3-31-08	17428	1516032	1.88	2.00	1.55	15	Dc	v1.63	E1.90f	1.59	3 Mo Mar	±0.43	v0.40
25		None Paid		...	NIL	....	11.0	104	80.2	3-30-08	74.9	79996	0.18	0.18	0.18	1	Dc	vd0.55	....	d0.30	3 Mo Mar	d0.27	vd0.02
26		None Paid		...	NIL	....	29.1	79.0	42.0	5-04-08	74.1	65862	d0.10	d0.10	d0.10	2	Ja	vd1.05	....	d0.87	3 Mo Apr	vd0.12	v0.06
27	Q0.09	9-1-08	8-13	0.25½	0.36	0.29	916	7114	8689	2-02-08	6529	661600	1.70	1.71	1.69	10	Ja	v1.69	E1.95f	1.69			
28	Q0.25	6-20-08	6-6	0.50	1.00	1.00	27.4	640	234	3-31-08	633	49000	...	...	...	...	Dc	vd1.36	....	d1.63	3 Mo Mar	0.26	vd0.01
29◆	0.20	6-17-08	5-21	0.20	NIL	....	17.7	43.4	25.6	3-31-08	NIL	8281	...	...	...	...	Dc	v0.59	....	0.58	3 Mo Mar	v0.14	v0.13
30	0.972	3-25-08		0.972	1.515	1.062	2636	6818	6538	6-30-07	6239	206205	1.48	1.75	1.22	2	Dc	v2.73	E2.57f	2.73			
31	0.37	6-30-08		0.37	0.282	0.553	783	7484	5028	12-31-07	1459	1288528	3.07	3.07	3.07	1	Mr	....	E2.63f	2.16	9 Mo Dec	2.38	2.06
32		None Paid		...	NIL	....	161	419	156	3-29-08	175	53384	0.25	0.35	0.20	3	Sp	v0.57	....	0.71	6 Mo Mar	v0.03	v0.17
33	0.536	12-13-07		...	0.911	1.022	4857	9861	2557	12-31-07	81.2	189449	5.43	5.43	5.43	1	Mr	v3.76	E5.35f	3.76			
34◆		None Paid		...	NIL	....	8.52	144	98.9	3-31-08	269	p77586	0.15	0.17	0.11	8	Dc	v0.24	....	0.33	3 Mo Mar	d0.12	vd0.03
35	Q0.30	6-16-08	5-14	0.60	1.20	1.00	536	4858	2679	3-28-08	4537	122800	6.67	6.82	6.15	14	Dc	v5.98	E6.65f	6.23	3 Mo Mar	1.29	v1.54
36	Q0.04	6-10-08	5-23	0.08	0.16	0.48	14.9	427	163	4-26-08	99.5	51887	d0.02	...	d0.07	5	Ap	v0.08	vd0.26	d0.26			
37		None Paid		...	NIL	....	0.27	119	77.6	3-30-08	0.49	15349	0.91	0.91	0.91	1	Je	v0.71	....	0.82	9 Mo Mar	0.53	0.64
38		None Paid		...	NIL	....	50.1	908	1037	3-31-08	1064	111300	4.82	4.92	4.75	17	Dc	v3.93	E4.80f	4.09	3 Mo Mar	0.98	v1.14
39	Div Postponed 10-21-03			...	NIL	....	Total Assets $5345.4M			3-31-08	209	61854	0.30	0.35	0.26	3	Dc	vd5.71	....	d6.27	3 Mo Mar	vd0.09	vd0.65
40	Q0.37½	7-1-08	6-9	1.12½	1.50	1.46	145	578	450	3-31-08	355	21823	2.43	2.43	2.43	1	Sp	v2.32	....	3.79	6 Mo Mar	v1.86	v3.34

◆Stock Splits & Divs By Line Reference Index: [1]2-for-1,'06 [2]3-for-2,'04 [3]3-for-2,'05 [4]5%,'07 [5]2-for-5 REVERSE,'05

‖ S&P 500
‡ MidCap 400
✣ SmallCap 600
• Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %DIV Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	NWMO	New Motion	NDS	NR	47	2609	Advertising	....	....	....	....	10.25	3.26	14723	4.51	3.81	4.16	....	d	2	0.0	0.0	....
2[s1]	EDU	New Oriental Edu & Tech ADS[51]	NY,Ch,P	NR	259	21685	Education Services	37.96	20.60	92.15	32.80	86.49	45.31	127795	71.52	58.00	58.42	....	35	3	20.9	0.0	....
3[s2]	NWY	New York & Co	NY	NR	172	22931	Apparel Retail	24.41	9.41	16.20	5.59	9.57	3.65	142553	9.57	7.90	9.13	....	24	5	-15.1	-21.7	....
4[s3]	NYB	New York Community Bancorp	•NY,Ph,Ch,P	B+	674	189397	Thrifts & Mortgage Finance	35.57	1.11	19.87	15.80	20.70	14.44	916705	20.70	17.74	17.84	5.6	18	-16	14.3	7.1	1994
5[s3]	NYT	New York Times 'A'	NY,Ph,Ch,P,B	B+	647	136494	Publishing	53.00	8.43	26.90	16.02	21.14	14.01	247806	17.65	15.19	15.39	6.0	18	-32	-35.9	-17.6	1958
6[s4]	NAL	NewAlliance Bancshares	NY	NR	384	76828	Thrifts & Mortgage Finance	16.96	12.92	17.09	11.23	14.00	9.50	172144	13.46	12.26	12.48	2.2	NM	-8	-12.1	-1.0	2004
7[s7]	NCT	Newcastle Investment	NY	NR	228	24730	Mortgage REITs	33.89	12.26	33.49	12.15	13.70	6.88	96481	9.86	6.86	7.01	14.3	d	1	-67.8	-30.0	2003
8[s8]	NWL	Newell Rubbermaid	NY,Ph,Ch,P,B	B	988	242253	Housewares & Specialties	55.18	2.62	32.19	24.22	25.94	16.68	592858	20.24	16.88	16.79	5.0	10	NM	-40.5	-7.3	1946
9[s9]	NFX	Newfield Exploration	NY,Ch	B	725	127532	Oil & Gas Exploration & Prod	54.50	3.93	58.08	39.30	69.77	44.15	429359	68.42	61.25	65.25	....	16	16	41.3	16.9	....
✣10[s10]	NEU	NewMarket Corp	NY,Ph,Ch,P,B	B	399	9426	Specialty Chemicals	165.00	2.70	60.36	38.81	93.57	42.79	61234	80.80	66.01	66.23	1.2	11	40	43.6	68.8	2006
‖11[e11]	NEM	Newmont Mining	NY,Ph,Ch,P,B	C	1131	364556	Gold	81.92	12.75	56.35	38.01	57.55	42.36	1275987	53.24	45.88	52.16	0.8	19	Neg	37.2	11.4	1934
12	NRP	Newpark Resources	NY,Ch,P	C	296	85224	Oil & Gas Equipment & Svcs	25.50	0.71	8.41	4.93	8.41	3.76	199906	8.41	7.02	7.86	....	23	59	2.7	4.6	....
✣13	NEWP	Newport Corp	NDS	B–	287	33460	Elect Equip Manufacturers	192.06	1.29	21.34	11.85	13.94	9.34	34397	13.94	11.38	11.39	....	10	NM	-24.3	-4.5	....
‖14[e1]	NWS.A	News Corp 'A'	NY,Ch	NR	1215	1570815	Movies & Entertainment	28.59	6.31	25.40	19.00	20.55	14.96	2411011	18.27	14.96	15.04	0.8	12	28	-27.4	-1.5	1995
15[e5]	NWS	News Corp 'B'	NY,Ch,P	....	424	184194		33.50	1.34	25.78	19.68	21.19	15.25	829993	18.80	15.25	15.35	0.8	13	28	-31.2	-2.6	1984
16	NEWS	NewStar Financial	NDS	NR	130	32293	Specialized Finance	19.50	17.54	20.85	7.75	9.58	4.50	27003	6.64	5.03	5.91	....	9	4	-59.5	0.0	....
17	NEWT	Newtek Business Services	Ch,P,NDS	NR	47	7227	Data Process/Outsourced Svcs	12.62	0.43	2.70	0.85	1.50	0.91	2960	1.24	0.96	1.03	....	d	Neg	-45.7	-23.4	....
18	NEXC	NexCen Brands	NDS	NR	169	32528	Apparel Retail	345.00	2.25	13.18	3.68	5.03	0.35	219346	0.74	0.35	0.58	....	d	NM	-95.2	-45.4	....
19	NXY	Nexen Inc	NY,Ph,Ch,P,To,B	B+	342	352136	Oil & Gas Exploration & Prod	31.82	0.71	34.79	25.17	42.71	25.11	531035	42.71	37.48	39.75	0.5	14	3	28.5	35.5	1975
20	NXY.PB	Nexen Inc 7.35% Subord Nts	NY	BB+	14	5057		27.25	23.65	26.06	22.93	25.29	22.95	5815	24.93	24.02	24.23	7.6	....	....	2.9	4.4	2004
21	NXST	Nexstar Broadcasting Grp'A'	NDS	NR	154	10995	Broadcasting & Cable TV	14.50	3.50	15.41	4.69	9.30	3.97	28537	5.77	3.97	4.09	....	d	43	-69.0	-9.9	....
22	WAVE	NextWave Wireless	NDS	NR	121	31651	Communications Equipment	11.10	6.00	12.75	4.39	7.59	3.28	130559	5.50	3.88	4.04	....	d	2	-51.7	0.0	....
23[s6]	EGOV	NIC Inc	NDS	NR	190	29170	Internet Software & Services	78.00	1.00	8.90	4.95	8.83	5.83	39287	8.58	6.80	6.83	....	34	15	5.9	21.2	2006
24[s12]	NICE	NICE-Systems[24] ADR	NDS	NR	249	32786	Communications Equipment	50.00	3.32	40.95	29.04	35.87	24.90	55374	34.32	29.34	29.57	....	17	NM	-14.2	16.8	2006
25	NICK	Nicholas Financial	NDS	B+	27	3367	Consumer Finance	14.50	0.70	12.61	6.70	7.94	5.09	4566	7.06	5.09	5.09	....	5	19	-46.8	-20.0	....
‖26[s10]	GAS	NICOR Inc	NY,Ph,Ch,P	B	608	32044	Gas Utilities	49.92	10.00	53.66	37.80	44.55	32.35	161587	44.55	40.20	42.59	4.4	18	7	3.7	5.7	1954
27	NJ	NIDEC Corp ADS[54]	NY,Ch	NR	65	9801	Elect Equip Manufacturers	23.40	4.23	19.76	11.56	19.59	14.54	10985	19.53	16.52	16.63	0.7	33	35	19.7	8.3	2002
28	NHWK	NightHawk Radiology Hldgs	NDS	NR	238	27896	Health Care Services	26.00	15.60	27.73	16.75	21.00	8.97	84489	8.40	8.97	7.08	....	20	4	-60.3	0.0	....
29[s13]	NIHD	NII Holdings	NDS	NR	834	166843	Wireless Telecom Svcs	69.94	0.91	90.43	42.50	52.72	28.71	545769	52.37	45.93	47.49	....	21	27	-42.4	15.0	....
‖30[s5]	NKE	NIKE, Inc 'B'[55]	NY,Ph,Ch,P,B	A+	1655	353803	Footwear	50.80	0.64	67.93	47.46	70.60	51.50	951786	70.28	57.63	59.61	1.5	16	20	5.0	13.7	1984
31	NINE	Ninetowns Internet Tech GpADS	NDS	NR	11	721	Application Software	14.22	4.21	7.20	2.64	3.30	2.00	6421	2.65	2.00	2.05	....	d	4	-46.4	-33.5	....
32	NTT	Nippon Tel & Tel ADS[57]	NY,Ph,Ch,P,B	NR	190	140684	Integrated Telecom Svcs	92.50	14.01	27.96	20.72	24.98	19.43	143702	24.66	22.53	24.30	1.5	38	....	8.0	5.1	1995
33	NIS	NIS Group Co[58] ADS	NY,Ch,P	NR	5	104	Consumer Finance	14.58	1.56	6.36	0.96	1.32	0.40	3892	1.05	0.40	0.79	7.2	d	5	-80.7	-44.9	2008
‖34[e3]	NI	NiSource Inc	NY,Ph,Ch,P,B	B	802	210026	Multi-Utilities	33.75	4.00	26.43	17.49	19.82	16.78	508562	18.07	17.07	17.92	5.1	13	7	-9.8	-6.7	1987
35	NSANY	Nissan Motor Co ADR[59]	NDS	NR	132	52749	Automobile Manufacturers	27.71	4.50	25.68	18.55	21.83	15.88	171759	18.71	16.12	16.45	3.9	7	....	-19.4	-3.3	2001
36	NL	NL Industries, Inc	NY,Ph,Ch,P,B	B–	137	5278	Commodity Chemicals	161.25	3.37	14.50	9.13	11.92	8.55	12061	11.90	9.52	9.53	5.2	d	Neg	2.4	-8.2	2005
37	NMSS	NMS Communications	NDS	C	71	19350	Communications Equipment	78.62	0.70	2.25	1.20	1.69	1.05	12136	1.29	1.05	1.11	....	d	1	-33.3	-25.7	....
38	NMTI	NMT Medical	NDS	C	75	8540	Health Care Equipment	25.98	0.75	16.06	4.83	7.23	3.65	7066	6.05	4.58	4.68	....	d	-20	-58.6	-21.0	....
39	NNBR	NN Inc	NDS	B	121	13898	Industrial Machinery	26.75	4.75	13.50	7.86	14.24	7.45	53109	14.24	12.89	13.84	2.3	NM	Neg	17.3	5.3	1994
40[s12]	NED	Noah Education Hldgs ADS[60]	NY,Ch,P	NR	27	4625	Education Services	....	....	23.70	6.44	8.49	4.76	23117	7.25	5.13	5.40	....	d	....	0.0	0.0	....

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 1. [2]CBOE,Ph:Cycle 1. [3]CBOE,P:Cycle 1. [4]B [5]ASE,CBOE,P,Ph:Cycle 1. [6]ASE,CBOE,P:Cycle 2. [7]CBOE,Ph:Cycle 2. [8]CBOE,P:Cycle 3. [9]ASE:Cycle 3. [10]P:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 3. [12]CBOE:Cycle 1. [13]CBOE:Cycle 3. [51]Ea ADS rep 4 common shrs [52]Incl curr amts [53]Or earlier upon tax law changes,re-spec cond [54]Ea ADR rep 1 ord shr NIS 1.00 [56]Ea ADS rep 0.25 com shr,Yen 50 par [58]Ltd vtg [57]Ea ADS rep .005 com, par y50,000 [58]Ea ADS rep 0.5 Ord Shr [59]Each ADR represents 2 Ord,par yen 50 [60]Ea ADS rep 1 Ord Shr

◆ Splits Dividends

Index	Latest Payment Period $*	Date	Ex. Div.	Total $ So Far 2008
1		None Paid		....
2		None Paid		....
3		None Paid		....
4◆	Q0.25	5-16-06	5-5	0.50
5	Q0.23	9-15-06	8-28	0.69
6	Q0.07	5-16-08	5-2	0.13½
7	Q0.25	7-30-08	7-2	1.22
8	Q0.21	6-13-08	5-28	0.42
9◆		None Paid		....
10	Q0.20	7-1-08	6-11	0.60
11	Q0.10	8-27-08	8-4	0.20
12		None Paid		....
13		Div Omitted 9-10-01		....
14◆	S0.06	4-16-08	3-10	0.06
15◆	S0.06	4-16-08	3-10	0.06
16		None Paid		....
17		None Paid		....
18		None Paid		....
19◆	Q0.049	7-1-08	6-6	0.10
20	Q0.459	8-1-08	7-11	1.378
21		None Paid		....
22		None Paid		....
23	0.25	2-28-08	2-13	0.25
24◆		None Paid		....
25◆		None Paid		....
26	Q0.46¼	8-1-08	6-26	1.39¼
27◆	0.07	6-17-06	3-26	0.07
28		None Paid		....
29◆		None Paid		....
30◆	Q0.23	7-1-08	6-5	0.69
31		None Paid		....
32	2%Stk	12-5-95	9-27	....
33◆	0.014	12-21-06	9-27	....
34	Q0.23	8-20-08	7-29	0.69
35	0.372	7-3-08	3-26	0.372
36	Q0.12½	6-26-08	6-6	0.25
37		None Paid		....
38		None Paid		....
39	Q0.08	6-23-08	6-11	0.16
40		None Paid		....

◆Stock Splits & Divs By Line Reference Inde
[30]2-for-1,'07 [33]2-for-1,'04 :2-for-1,'04 :6-for-5,'

HEARING EXHIBIT 00000075

Common and Convertible Preferred Stocks

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt MII-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1		None Paid		....	NIL	....	29.9	52.8	22.7	3-31-08	0.04	22560	....	....	....	....	Dc	Pvd0.37	....	d0.34	3 Mo Mar	d0.04	vd0.01
2		None Paid		....	NIL	....	260	281	73.6	2-29-08	12.8	37664	1.21	1.26	1.15	7	My	v0.83	....	1.66	9 Mo Feb	v3.99	v4.82
3		None Paid		....	NIL	....	61.3	231	142	5-03-08	18.0	59371	0.41	0.56	0.37	5	Ja	vd0.08	E0.56f	0.02	3 Mo Apr	v0.01	v0.11
4◆	Q0.25	5-16-06	5-5	0.50	1.00	1.00	Total Deposits $13769M			3-31-08	[12]840	p324062	1.01	1.08	0.94	15	Dc	v0.90	E0.99f	0.90	3 Mo Mar	0.22	v0.22
5	Q0.23	9-15-06	8-28	0.69	0.92	0.86½	47.0	612	943	3-30-06	679	±143777	0.92	1.02	0.81	5	Dc	v1.45	E0.87f	1.45	3 Mo Mar	vNIL	±NIL
6	Q0.07	5-16-08	5-2	0.13½	0.28	0.25½	Total Deposits $4408M			3-31-08	2424	108590	0.54	0.57	0.50	8	Dc	v0.23	....	0.09	3 Mo Mar	v0.09	v0.13
7	Q0.25	7-30-08	7-2	1.22	1.00	2.82	Total Assets $10024M			3-31-08	5161	52780	0.38	0.38	0.38	1	Dc	vd1.52	....	d3.06	3 Mo Mar	v0.70	vd0.84
8	Q0.21	6-13-08	5-28	0.42	0.84	0.84	752	3103	2302	3-31-08	1946	276900	1.78	1.85	1.70	9	Dc	v1.88	E1.75f	1.71	3 Mo Mar	0.18	v0.21
9◆		None Paid		....	NIL	....	157	857	1216	3-31-08	1052	131749	4.18	5.78	3.13	25	Dc	v3.44	....	3.70	3 Mo Mar	vd0.76	vd0.50
10	Q0.20	7-1-08	6-11	0.60	0.80	0.50	46.0	511	183	3-31-08	162	15482	4.90	5.00	4.80	3	Dc	v5.62	....	5.96	3 Mo Mar	0.93	v1.27
11	Q0.10	6-27-08	6-4	0.20	0.40	0.40	1073	2546	1418	3-31-08	2886	±453528	2.38	3.16	1.83	15	Dc	vd4.17	E2.69f	d3.51	3 Mo Mar	0.15	v0.81
12		None Paid		....	NIL	....	8.20	442	121	3-31-08	178	89839	0.41	0.45	0.40	6	Dc	Pv0.30	....	0.34	3 Mo Mar	0.08	v0.13
13	Div Omitted 9-10-01			....	NIL	....	134	374	99.9	3-29-08	175	36539	0.62	0.69	0.55	5	Dc	v1.12	....	1.09	3 Mo Mar	0.13	v0.10
14◆	S0.06	4-16-08	3-10	0.06	0.12	0.12	3244	13806	10020	3-31-08	13208	p2617009	1.16	1.21	1.12	16	Je	v1.08	E1.21f	1.68	9 Mo Mar	v0.80	v1.38
15◆	S0.06	4-16-08	3-10	0.06	0.12	0.10	....	....	....	....	....	2099924	1.13	1.28	1.04	8	Je	v0.95	E1.21f	1.63	9 Mo Mar	v0.70	v1.36
16		None Paid		....	NIL	....	Total Assets $2688M			3-31-08	2073	48518	0.71	0.80	0.63	6	Dc	vd0.23	E0.63f	d0.03	No pro-Forma EPS		
17		None Paid		....	NIL	....	Total Assets $227M			3-31-08	110	36949	....	....	....	....	Dc	vd0.31	....	d0.30	3 Mo Mar	d0.08	vd0.07
18		None Paid		....	NIL	....	Total Assets $239M			9-30-07	87.1	54943	0.08	0.08	0.08	1	Dc	vd0.01	....	d0.01	....	....	....
19◆	Q0.049	7-1-08	6-6	0.10	g0.20	0.134	582	5356	4962	3-31-08	4338	529439	5.57	6.26	5.05	3	Dc	v2.00	....	2.92	3 Mo Mar	0.21	v1.14
20	Q0.459	8-1-08	7-11	1.378	1.836	1.838	Co opt to redeem fr 11-4-2008 at $25[53]										Dc				Matures 11-1-2043		
21		None Paid		....	NIL	....	58.4	122	94.4	3-31-08	578	±28419	d0.16	d0.16	d0.16	1	Dc	vd0.70	....	d0.92	3 Mo Mar	d0.32	vd0.54
22		None Paid		....	NIL	....	262	322	167	9-29-07	317	92714	d3.27	d3.27	d3.27	....	Dc	vd3.81	....	d3.81	No pro-forma EPS		
23	0.25	2-28-08	2-13	0.25	0.25	0.75	38.4	80.2	46.8	3-31-08	....	62318	0.19	0.20	0.18	3	Dc	v0.19	....	0.20	3 Mo Mar	v0.04	v0.05
24◆		None Paid		....	NIL	....	239	382	229	12-31-07	NIL	59957	1.70	1.75	1.67	17	Dc	v0.67	E1.70f	0.67			
25◆		None Paid		....	NIL	....	Total Assets $182M			3-31-06	99.9	10293	0.96	0.97	0.96	2	Mr	v0.94	....	0.94			
26	Q0.46½	8-1-08	6-26	1.39½	1.86	1.86	72.9	1247	1555	3-31-08	372	45139	2.36	2.40	2.30	4	Dc	v2.99	E2.40f	2.86	3 Mo Mar	1.04	v0.91
27◆	0.07	6-17-08	3-26	0.07	0.126	0.107	796	3289	2370	12-31-07	34.6	144940	0.75	0.76	0.74	2	Mr	v0.51	....	0.51			
28		None Paid		....	NIL	....	66.8	97.6	22.2	3-31-08	98.2	30735	0.74	0.80	0.70	4	Dc	v0.47	E0.35f	0.35	3 Mo Mar	0.14	v0.02
29◆		None Paid		....	NIL	....	1621	2089	667	3-31-08	2426	169000	2.68	2.99	2.27	11	Dc	Pv2.11	....	2.29	3 Mo Mar	0.47	v0.65
30◆	Q0.23	7-1-08	6-5	0.69	0.92	0.74	2926	8904	2943	2-29-08	446	±492710	3.65	3.75	3.50	8	My	v2.93	E3.65f	3.62	9 Mo Feb	±2.07	±2.76
31		None Paid		....	NIL	....	104	115	11.4	6-30-07	NIL	34962	d0.01	d0.01	d0.01	1	Dc	....	Ed0.18f	0.16			
32	2%Stk	12-5-95	9-27	....	0.411	0.364	6786	33607	30433	12-31-07	29536	15741	1.96	1.96	1.96	1	Mr	....	....	0.64	9 Mo Dec	2.88	2.06
33◆	.014	12-21-06	9-27	....	0.109	....	Total Assets $3848M			12-31-07	864	139814	d0.61	d0.61	d0.61	1	Mr	....	....	d0.76	9 Mo Dec	0.03	d0.68
34	Q0.23	8-20-08	7-29	0.69	0.92	0.92	61.2	2521	3753	3-31-08	5383	274207	1.29	1.36	1.22	11	Dc	v1.17	E1.35f	0.74	3 Mo Mar	v0.79	v0.36
35	0.372	7-3-08	3-26	0.372	0.74	0.642	4095	59089	48482	12-31-07	17389	4090642	2.33	2.33	2.33	1	Mr	....	E1.68f	3.22	9 Mo Dec	0.16	1.49
36	Q0.12½	6-26-08	6-6	0.25	0.50	0.50	47.4	101	45.9	3-31-08	49.4	48593	....	....	....	....	Dc	Pvd0.04	....	d0.17	3 Mo Mar	v0.12	vd0.01
37		None Paid		....	NIL	....	10.3	27.7	16.1	3-31-08	....	45913	d0.06	d0.06	d0.06	1	Dc	vd0.21	....	d0.23	3 Mo Mar	vd0.12	vd0.14
38		None Paid		....	NIL	....	28.1	35.0	7.81	3-31-08	....	13008	d1.23	d1.13	d1.36	6	Dc	Pvd0.70	....	d0.97	3 Mo Mar	d0.03	vd0.30
39	Q0.06	6-23-08	6-11	0.18	0.32	0.32	12.9	157	96.5	3-31-08	100	15962	1.02	1.05	1.00	2	Dc	vd0.07	....	0.03	3 Mo Mar	0.22	v0.32
40		None Paid		....	NIL	....	142	181	12.5	12-31-07	....	±34926	....	....	....	....	Je	v0.30	....	d0.52	6 Mo Dec	1.04	0.22

◆Stock Splits & Divs By Line Reference Index: [1]3-for-1,'04 [2]2-for-1,'05 [14]2-for-1,'04 [16]2-for-1,'04 [19]2-for-1,'05 :2-for-1,'07 [24]2-for-1,'06 [25]3-for-2,'05 [27]4-for-1,'04 :2-for-1,'05 [29]3-for-1,'04 :2-for-1,'05 [30]2-for-1,'07 [33]2-for-1,'04 :2-for-1,'04 :6-for-5,'05 :2-for-5 REVERSE,'05 :2-for-1,'06

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	Price Range 1995-96 High	1995-96 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008. Jun. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	NE	Noble Corp[51]	NY,Ph,Ch,B	B	1236	213962	Oil & Gas Drilling	43.08	0.75	57.64	33.80	68.99	40.40	1015565	68.99	60.52	64.96	0.2	10	65	35.2	27.9	2005
2[e1]	NBL	Noble Energy	NY,Ph,Ch,P,B	B+	1091	161616	Oil & Gas Exploration & Prod	54.64	3.93	81.71	46.04	105.11	64.98	405894	104.24	94.90	100.56	0.7	10	41	61.1	37.7	1975
3	NOBL	Noble International	NDS	B–	153	10980	Auto Parts & Equipment	21.88	2.66	22.74	14.53	16.38	4.08	33970	5.66	4.08	4.47	7.2	d	16	-78.5	-32.1	2000
4[e3]	NOK	Nokia Corp [52]ADS	NY,Ph,Ch,P,B	NR	1462	845883	Communications Equipment	62.50	1.94	42.22	18.87	38.64	23.61	4099994	28.22	23.61	24.50	2.5	9	...	-10.8	15.1	2007
5	NMR	Nomura Holdings ADS[53]	NY,Ph	NR	144	51218	Investment Bank & Brokerage	24.30	8.91	23.61	15.22	17.89	13.08	67416	17.67	14.50	14.75	2.0	36	-29	-25.0	7.8	2002
6	NBD	Norbord Inc[54]	To	B–	19	12	Forest Products	19.00	5.70	9.94	6.97	8.08	4.50	116270	8.62	5.45	5.46	6.6	d	Neg	-31.5	-11.8	1957
7[e1]	NAT	Nordic Amer Tanker Shipping	NY,Ph,Ch,P	NR	165	5358	Oil & Gas Storage & Transp	56.68	9.62	44.16	29.50	42.00	25.51	103415	40.45	34.50	38.82	8.4	26	...	2.3	8.8	1997
8	NDSN	Nordson Corp	NDS	B+	439	24453	Industrial Machinery	57.81	3.00	61.58	44.33	77.29	42.30	85177	77.29	68.81	72.89	1.0	23	20	48.4	32.2	1969
9[e3]	JWN	Nordstrom, Inc	NY,Ph,Ch,P,B	A–	1029	169076	Department Stores	51.40	2.96	59.70	30.46	40.59	28.00	975374	36.18	30.28	30.30	2.1	11	48	-37.1	-0.6	1971
10[e3]	NSC	Norfolk Southern	NY,Ph,Ch,P,B	B+	1415	262081	Railroads	57.71	7.00	59.77	45.36	67.74	41.36	791931	67.72	60.50	62.67	1.9	16	31	16.1	26.8	1901
11[e7]	NT	Nortel Networks	NY,Ch,P,To	C	312	274316	Communications Equipment	860.00	4.30	31.79	15.05	15.28	5.73	1829950	10.58	7.50	8.22	...	21	Neg	-65.6	-31.8	....
12[e8]	NOA	North Amer Energy Ptnrs	NY,Ch,To	NR	93	25619	Oil & Gas Equipment & Svcs	18.15	15.40	23.72	12.30	24.50	9.68	75585	24.50	17.13	21.88	...	75	...	3.5	0.0	....
13	NGA	North Amer Galvanizing & Coati	AS,NDS	B	62	4059	Diversif Comm & Prof Svcs	7.25	0.41	11.97	2.96	9.27	4.28	28059	9.27	7.36	8.79	...	11	NM	-1.6	94.3	....
14	NAO	North Amer Insur Leaders	AS	NR	27	11580		7.55	7.10	7.96	7.33	8.02	6.90	1436	8.00	7.92	7.93	...	72	2	3.1	0.0	....
15	NAO.U	North Amer Insur Leaders Ut[55]	AS	NR	3	142		8.38	7.55	8.45	7.15	8.30	6.90	10	8.30	7.88	7.90	...	...	...	...	...	....
16[e8]	PAL	North Amer Palladium	AS,Ch,To	C	63	10213	Precious Metals & Minerals	14.52	1.00	12.36	3.40	9.43	3.26	183196	5.93	4.90	5.50	...	d	Neg	-41.0	4.8	....
17	FFFD	North Central Bancshares	NDS	A	28	520	Thrifts & Mortgage Finance	45.99	8.25	41.24	30.18	33.93	22.02	145	28.00	22.02	22.57e	6.2	8	-5	-42.2	-13.1	1994
18	NRT	North Europn Oil Rty Tr	NY,Ch,B	NR	45	1180	Oil & Gas Exploration & Prod	43.75	11.37	41.00	29.42	40.39	29.71	1626	39.00	35.66	38.65	10.1	13	...	...	...	1976
19	NBN	Northeast Bancorp[57]	AS,Ph,Ch,P,NDS	A–	22	528	Thrifts & Mortgage Finance	46.68	3.08	20.59	14.00	15.75	11.00	225	14.60	11.00	11.25	3.2	14	-12	-28.5	-14.0	1988
20[e9]	NU	Northeast Utilities	NY,Ph,Ch,P,B	B	594	111971	Electric Utilities	28.90	7.62	33.62	26.21	31.61	23.96	196789	27.07	25.41	25.53	3.3	14	53	-7.3	10.3	1999
21[e10]	NAK	Northern Dynasty Minerals	AS,To	NR	53	14280	Diversified Metals & Mining	9.24	2.90	15.60	6.70	13.87	7.95	34390	9.79	7.95	8.03	...	d	-19	-27.8	27.8	....
22	NOG	Northern Oil & Gas	AS,Ch,P	NR	7	2768	Oil & Gas Exploration & Prod	....	....	8.45	1.10	16.40	5.65	200472	16.40	11.02	13.28	...	d	2	171	0.0	....
23	NTIC	Northern Technol Intl	AS,NDS	B	18	154	Metal & Glass Containers	12.75	1.87	12.25	6.71	20.85	6.40	9107	20.85	13.25	17.48	...	21	43	72.8	40.5	....
24[e11]	NTRS	Northern Trust	NDS	A–	1309	162337	Asset Mgmt & Custody Banks	92.12	2.35	83.17	56.52	78.00	62.54	462682	75.96	67.84	68.57	1.6	17	16	10.0	17.1	1896
25	NFBK	Northfield Bancorp	NDS	NR	70	3499	Regional Banks	....	....	12.00	9.45	11.75	9.78	12559	11.73	10.30	10.75	...	43	3	0.0	0.0	....
26	NFLD	Northfield Laboratories	NDS	NR	52	3160	Biotechnology	41.50	3.00	5.93	0.75	1.21	0.71	8078	0.96	0.71	0.71	...	d	–1	-44.1	-60.3	....
27	NXG	Northgate Minerals	AS,Ph,Ch,P,To,B	NR	130	103524	Gold	9.87	0.31	4.00	2.40	3.45	2.47	456482	3.10	2.69	2.75	...	14	NM	-2.4	35.3	....
28	NRIM	Northrim Bancorp	NDS	A	95	3170	Regional Banks	26.53	2.83	28.96	18.21	23.50	17.44	1069	19.50	18.01	18.15	3.7	11	4	-25.0	-1.8	1995
29[e12]	NOC	Northrop Grumman	NY,Ph,Ch,P,B	A–	1392	297074	Aerospace & Defense	71.37	6.67	85.21	66.23	83.40	66.24	458489	75.43	66.24	66.90	2.4	13	17	-11.8	9.2	1951
30[e8]	NSTR	Northstar Neuroscience	NDS	NR	129	11942	Health Care Equipment	17.75	8.36	14.81	8.46	9.44	1.09	47478	1.78	1.48	1.59	...	d	4	-86.5	0.0	....
31[e8]	NRF	NorthStar Realty Finance	NY	NR	239	43386	Mortgage REITs	16.71	8.50	18.15	7.61	10.74	7.00	218199	10.45	8.10	8.32	17.3	10	1	-18.9	4.1	2005
32[e13]	NWA	Northwest Airlines	NY,Ph,P	NR	458	221999	Airlines	....	....	28.50	13.91	20.12	5.34	1341266	8.19	5.34	6.66	...	d	2	-71.6	0.0	....
33	NWSB	Northwest Bancorp	NDS	A	170	9717	Thrifts & Mortgage Finance	29.73	3.62	30.03	25.26	30.16	21.78	28842	24.63	21.78	21.82	4.0	23	...	-15.1	5.7	1995
◆34[e9]	NWN	Northwest Natural Gas	NY,Ph,Ch,P,B	A–	448	16980	Gas Utilities	43.69	11.16	52.85	39.79	50.74	41.07	36001	48.22	44.36	46.26	3.2	18	10	2.2	10.8	1952
35	NWPX	Northwest Pipe	NDS	B	236	8578	Construction & Engineering	34.59	6.53	40.11	29.54	58.73	35.10	20104	58.73	45.93	55.80	...	24	24	55.1	32.9	....
36	NWE	NorthWestern Corp	NY,Ph,Ch,P,NDS	NR	313	34739	Multi-Utilities	35.85	24.80	36.66	24.45	29.70	23.71	33098	26.80	25.24	25.42	5.2	17	5	-16.4	-0.3	2005
37	NWFL	Norwood Financial	NDS	A	18	141	Regional Banks	34.28	10.00	33.75	29.90	32.25	28.90	238	33.89	27.29	29.00	3.4	12	8	-3.9	1.5	1998
38	NBF	Nova Biosource Fuels	AS,BB	NR	90	29743	Oil & Gas Refining & Mktng	6.30	0.03	4.05	1.53	3.00	0.60	184076	1.20	0.60	0.67	...	d	...	-78.6	85.9	....
39[e14]	NCX	NOVA Chemicals	NY,Ph,Ch,P,To,Mo,B	C	183	57546	Commodity Chemicals	122.50	11.00	41.79	27.63	32.46	23.14	99749	28.01	24.00	24.67	1.6	7	NM	-29.8	-5.6	1998
40	NVD	Novadel Pharma	AS	NR	17	9957	Pharmaceuticals	9.12	0.43	1.94	0.16	0.57	0.20	13467	0.35	0.22	0.23	...	NA	9	-79.8	-42.6	....

Index: 1 S&P 500; MidCap 400; ◆ SmallCap 600; • Options

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE,P,Ph:Cycle 3. [2]ASE,CBOE:Cycle 2. [3]ASE,CBOE,P,Ph:Cycle 1. [4]ASE,Ph:Cycle 1. [5]ASE,P:Cycle 1. [6]CBOE:Cycle 3. [7]ASE,CBOE,P:Cycle 3,To:Cycle 1. [8]ASE:Cycle 3. [9]Ph:Cycle 3. [10]CBOE,P,Ph:Cycle 2. [11]CBOE,Ph:Cycle 1. [12]ASE,CBOE,P:Cycle 2. [13]ASE,CBOE:Cycle 3. [14]CBOE:Cycle 1. [51]Ordinary Shares [52]Redesignated as Com from Pfd Apr'95 [53]Ea ADS rep 1 com shr,Y50 [54]Formerly Nexfor Inc [55]Excl subsid shs [56]Ea Unit rep 1 common & 1 wrnt [57]Also trades ASE [58]Incl current amts [59]Pfd in $M [60]7 mos Dec 31 [61]To be deermined

Common and Convertible P

Splits Dividends ◆

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008
1◆	Q0.04	5-30-08	5-12	0.83
2◆	Q0.18	5-19-08	5-1	0.30
3◆	Q0.08	6-30-08	6-11	0.16
4	0.834	5-30-08	5-9	0.834
5	0.081	6-12-08		0.163
6	gQ0.10	6-21-08	5-28	gQ0.20
7	Q1.18	6-3-08	5-21	1.68
8	Q0.18¼	6-17-08	5-30	0.54¾
9◆	Q0.16	6-16-08	5-28	0.32
10	Q0.29	6-10-08	4-30	0.58
11◆	Div Omitted 8-23-01			
12	None Paid			
13◆	None Paid			
14	None Paid			
15	None Paid			
16	None Paid			
17	Q0.35	7-3-08	6-11	1.05
18	Q0.98	5-28-08	5-14	1.74
19	Q0.09	5-23-08	4-30	0.18
20	Q0.213	9-30-08	8-27	0.613
21	None Paid			
22	None Paid			
23	Div Omitted 11-18-05			
24	Q0.28	7-1-08	6-6	0.84
25	None Paid			
26	None Paid			
27	None Paid			
28◆	Q0.17	7-25-08	7-10	0.49
29◆	Q0.40	6-14-08	5-29	0.77
30	None Paid			
31	Q0.36	5-15-08	5-1	0.72
32	None Paid			
33	Q0.22	5-15-08	4-29	0.44
34	Q0.37½	5-15-08	4-28	0.75
35	None Paid			
36	Q0.33	6-30-08	6-11	0.66
37◆	Q0.25	8-1-08	7-11	0.75
38◆	None Paid			
39	Q0.098	8-15-08	7-29	0.303
40	None Paid			

◆Stock Splits & Divs By Line Reference Inc

HEARING EXHIBIT 00000077

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate	Total $ Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	Q0.04	5-30-08	5-12	†0.83	0.16	0.12	319	985	478	3-31-08	701	268683	6.02	6.46	5.58	31	Dc	v4.48	E6.28†	4.98	3 Mo Mar	0.83	v1.43
2◆	Q0.18	5-19-08	5-1	0.30	0.72	0.43½	807	1776	1783	3-31-08	1851	172212	8.69	10.22	6.00	16	Dc	v5.45	E10.35†	5.43	3 Mo Mar	1.23	v1.21
3◆	Q0.08	6-30-08	6-11	0.16	0.32	0.32	15.9	336	285	3-31-08	253	23652	0.01	0.01	0.01	1	Dc	vd0.40	....	d0.47	3 Mo Mar	d0.01	vd0.08
4	0.834	5-30-08	5-9	0.834	0.834	0.577	17416	44432	28274	3-31-08	281	3786741	2.50	2.69	2.30	20	Dc	Pv2.64	E2.63†	2.74	3 Mo Mar	0.38	v0.48
5	0.081	6-12-08		0.163	0.554	0.381	Total Assets $304012M			12-31-07	95324	1909085	....	....	....	....	Mr	v0.41	....	0.41			
6	gQ0.10	6-21-06	5-28	g0.20	g0.40	g0.40	25.6	369	183	3-29-08	704	148200	d0.49	d0.30	d0.85	10	Dc	Pvd0.31	....	d0.42	3 Mo Mar	d0.11	vd0.22
7	Q1.16	8-3-06	5-21	1.68	4.72	3.81	13.3	44.8	24.3	12-31-07	105	29975	3.12	5.05	2.09	10	Dc	v1.56	....	1.50	3 Mo Mar	0.85	v0.78
8	Q0.18¾	6-17-06	5-30	0.54¾	0.73	0.70	27.7	426	404	4-30-08	72.8	33687	3.56	3.66	3.26	6	Oc	v2.65	....	3.17	6 Mo Apr	v1.07	v1.59
9◆	Q0.16	6-16-06	5-28	0.32	0.64	0.54	119	3260	1663	5-03-08	2235	216900	2.77	2.80	2.69	19	Ja	v2.87	E2.90†	2.81	3 Mo Apr	0.60	v0.54
10	Q0.29	6-10-06	4-30	0.58	1.16	0.96	364	2036	2227	3-31-08	6217	$375755	4.03	4.10	3.95	10	Dc	v3.68	E4.00†	3.73	3 Mo Mar	v0.71	v0.76
11◆	Div Omitted 8-23-01			....	NIL	....	3225	8444	6210	3-31-08	3838	464855	0.57	0.92	0.37	14	Dc	vd1.98	E0.40†	d2.03	3 Mo Mar	d0.23	vd0.28
12	None Paid			....	NIL	....	21.2	223	161	12-31-07	190	35952	....	....	....	....	Mr	....	....	0.29	9 Mo Dec	0.90	0.47
13◆	None Paid			....	NIL	....	2.97	22.5	NA	3-31-08	....	12300	0.77	0.77	0.77	1	Dc	Pv0.72	....	0.77	3 Mo Mar	v0.19	v0.24
14	None Paid			....	NIL	....	Total Assets $114M			12-31-07	....	17969	....	....	....	....	Je	v0.13	....	0.11	No Pro forma EPS		
15	None Paid			....	NIL	....	....	....	....	....	....	....	....	....	....	....	Je	....	....	....			
16	None Paid			....	NIL	....	79.7	200	46.5	3-31-08	2.45	81782	0.31	0.31	0.31	1	Dc	vd0.47	....	d0.42	3 Mo Mar	v0.09	v0.15
17	Q0.35	7-3-08	6-11	1.05	1.40	1.38	Total Deposits $371M			3-31-08	93.8	1340	....	....	....	....	Dc	v2.93	....	2.78	3 Mo Mar	v0.75	v0.60
18	Q0.98	5-28-08	5-14	1.74	3.92	2.91	Total Assets $5.9M			4-30-08	NIL	9191	....	....	....	....	Oc	v2.91	....	2.95	6 Mo Apr	1.70	1.74
19	Q0.09	5-23-08	4-30	0.18	0.36	0.36	Total Deposits $363.6M			3-31-08	179	2315	....	....	....	....	Je	v0.78	....	0.83	9 Mo Mar	v0.56	v0.63
20	Q0.213	9-30-06	8-27	0.613	0.85	0.77½	290	1301	1421	3-31-08	4350	155440	1.77	1.80	1.70	11	Dc	v1.59	E1.82†	1.48	3 Mo Mar	v0.49	v0.38
21	None Paid			....	NIL	....	46.1	48.4	8.98	3-31-08	NIL	92544	....	....	....	....	Dc	vd1.07	....	d1.11	3 Mo Mar	vd0.16	vd0.19
22	None Paid			....	NIL	....	Total Assets $18.3M			3-31-08	....	31269	0.27	0.27	0.27	1	Dc	vd0.18	....	d0.18	3 Mo Mar	d0.01	vd0.01
23	Div Omitted 11-18-05			....	NIL	....	0.46	7.33	2.25	2-29-08	1.20	3723	....	....	....	....	Au	v0.87	....	0.83	6 Mo Feb	v0.39	v0.35
24	Q0.28	7-1-08	6-6	0.84	1.12	1.00	Total Deposits $58392.5M			3-31-08	5745	220136	4.10	4.25	4.00	16	Dc	v3.24	E4.15†	4.11	3 Mo Mar	v0.84	v1.71
25	None Paid			....	NIL	....	128	128	672	3-31-08	$261	×43112	....	....	....	....	Dc	v0.24	....	0.25	3 Mo Mar	0.12	v0.13
26	None Paid			....	NIL	....	26.4	27.4	3.38	2-29-08	....	26959	d0.67	d0.67	d0.67	1	My	vd1.03	....	d0.78	9 Mo Feb	vd0.79	vd0.54
27	None Paid			....	NIL	....	52.6	144	108	3-31-08	1.17	255258	0.36	0.43	0.27	4	Dc	v0.15	....	0.19	3 Mo Mar	v0.04	v0.06
28◆	Q0.17	7-25-08	7-10	0.49	0.68	s0.555	Total Deposits $809M			3-31-08	31.2	6312	1.56	1.56	1.56	1	Dc	Pv1.80	....	1.72	3 Mo Mar	0.42	v0.34
29◆	Q0.40	6-14-08	5-29	0.77	1.60	1.48	494	6949	5737	3-31-08	3928	$342057	5.10	5.20	5.00	20	Dc	v5.12	E5.03†	4.78	3 Mo Mar	1.10	v0.76
30	None Paid			....	NIL	....	77.8	78.5	2.59	3-31-08	....	25894	d0.75	d0.75	d0.77	4	Dc	vd0.92	....	d0.49	3 Mo Mar	vd0.26	vd0.21
31	Q0.36	5-15-08	5-1	0.72	1.44	1.43	Total Assets $4793M			3-31-08	$2732	62305	3.72	3.89	3.60	3	Dc	v0.51	E0.81†	3.55	3 Mo Mar	0.10	v3.14
32	None Paid			....	NIL	....	3034	5037	4104	12-31-07	6839	p278083	d2.63	d1.72	d4.66	8	Dc	Pv$10.44	Ed1.50†	d1.14	3 Mo Mar	d3.36	vd15.80
33	Q0.22	5-15-08	4-29	0.44	0.88	0.84	Total Deposits $5736M			3-31-08	205	49966	1.10	1.16	1.07	3	Dc	....	....	0.95	9 Mo Sep	v0.83	v0.75
34	Q0.37½	5-15-08	4-28	0.75	1.50	1.44	6.42	236	312	3-31-08	512	26415	2.58	2.63	2.48	4	Dc	v2.76	....	2.69	3 Mo Mar	v1.76	v1.63
35	None Paid			....	NIL	....	0.34	245	52.8	3-31-08	101	9087	2.78	2.90	2.66	3	Dc	v2.26	....	2.31	3 Mo Mar	0.49	v0.54
36	Q0.33	6-30-06	6-11	0.66	1.32	1.28	33.7	271	321	3-31-08	$757	38973	~1.75	1.75	1.75	2	Dc	Pv1.44	....	1.53	3 Mo Mar	0.51	v0.60
37◆	Q0.25	6-1-08	7-11	0.75	1.00	0.92	Total Deposits $374M			3-31-08	18.0	2740	....	....	....	....	Dc	v2.30	....	2.43	3 Mo Mar	v0.51	v0.64
38◆	None Paid			....	NIL	....	2.66	11.5	15.0	4-30-08	79.0	110048	d0.13	d0.06	d0.21	6	Oc	Pvd0.18	....	d0.19	6 Mo Apr	vd0.10	vd0.11
39	Q0.098	6-15-06	7-29	0.303	g0.40	0.361	59.0	1774	1361	3-31-08	1525	83136	3.00	3.90	2.34	15	Dc	v4.16	E3.30†	4.23	3 Mo Mar	0.53	v0.60
40	None Paid			....	NIL	....	2.34	3.95	1.82	3-31-08	0.18	60689	d0.06	d0.06	d0.06	1	Dc	....	....	NA	3 Mo Mar	d0.09	vd0.03

◆Stock Splits & Divs By Line Reference Index: [2]2-for-1,'07 [4]2-for-1,'05 [5]3-for-2,'06 [6]2-for-1,'05 [11]1-for-10 REVERSE,'08 [13]3-for-2,'07 [35]5%,'06 [36]5%,'07 [39]2-for-1,'04 [37]5%,'06 [38]3-for-2,'06

Sale Or Bid h	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
99	60.52	64.96	0.2	10	65	35.2	27.9	2005
24	94.90	100.56	0.7	10	41	61.1	37.7	1975
66	4.08	4.47	7.2	d	16	-78.5	-32.1	2000
22	23.61	24.50	2.5	9	...	-10.8	15.1	2007
87	14.50	14.75	2.0	36	-29	-25.0	7.6	2002
62	5.45	5.46	6.6	d	Neg	-31.5	-11.8	1967
45	34.50	38.82	8.4	26	...	2.3	8.8	1997
29	68.81	72.89	1.0	23	20	48.4	32.2	1969
.18	30.28	30.30	2.1	11	48	-37.1	-0.6	1971
72	60.50	62.67	1.9	16	31	18.1	28.8	1901
58	7.50	8.22	...	21	Neg	-65.6	-31.8	.....
50	17.13	21.68	...	75	...	3.5	0.0	.....
27	7.36	8.78	...	11	NM	-1.6	94.3	.....
.00	7.92	7.93	...	72	2	3.1	0.0	.....
30	7.66	7.90	...	...	...	...	...	.....
93	4.90	5.50	...	d	Neg	-41.0	4.8	.....
.00	22.02	22.57s	6.2	8	-6	-42.2	-13.1	1994
.00	35.66	38.65	10.1	13	...	...	...	1976
.60	11.00	11.25	3.2	14	-12	-28.5	-14.0	1988
.07	25.41	25.53	3.3	14	53	-7.3	10.3	1999
.79	7.95	8.03	...	d	-19	-27.8	27.8	.....
.40	11.02	13.28	...	d	2	171	0.0	.....
.85	13.25	17.48	...	21	43	72.8	40.5	.....
.96	67.84	68.57	1.6	17	16	10.0	17.1	1896
.73	10.30	10.75	...	43	3	0.0	0.0	.....
.96	0.71	0.71	...	d	-1	-44.1	-60.3	.....
.10	2.69	2.75	...	14	NM	-2.4	35.3	.....
.50	18.01	18.15	3.7	11	4	-25.0	-1.8	1995
.43	66.24	66.90	2.4	13	17	-11.8	9.2	1951
.78	1.48	1.59	...	d	4	-86.5	0.0	.....
.45	8.10	8.32	17.3	10	-1	-18.9	4.1	2005
L15	5.34	6.66	...	d	2	-71.6	0.0	.....
.63	21.78	21.82	4.0	23	...	-15.1	5.7	1995
L22	34.36	46.26	3.2	18	10	2.2	10.8	1952
L73	35.93	55.80	...	24	24	55.1	32.3	.....
.86	25.24	25.42	5.2	17	5	-16.4	-0.3	2005
.85	27.29	29.00	3.4	12	8	-3.9	1.5	1998
.26	0.60	0.67	...	d	...	-78.6	85.9	.....
L01	24.00	24.67	1.6	7	NM	-29.8	-5.6	1998
L36	0.22	0.23	...	NA	-9	-79.9	-42.6	.....

e [1]CBOE:Cycle 3.
CBOE:Cycle 1. [51]Ordinary Shares
[58]Incl current amts [59]Pfd In $M

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Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos.	Shs. (000)	Principal Business	Price Range 1998-06 High	Price Range 1998-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	June, 2008 Jun. Sales In 100s	June, 2008 Last Sale Or Bid High	June, 2008 Last Sale Or Bid Low	June, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	% Annualized P-E Ratio	% Annualized EPS 5 Yr. Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	PCZ	Petro-Canada	NY,Ph,Ch,To	A+	406	257703	Integrated Oil & Gas	51.86	4.75	61.18	34.84	62.78	40.56	319382	59.44	52.62	55.75	0.9	6	21	7.0	18.9	1991
2[e1]	PZE	Petrobras Energia Particip ADS	NY,Ph,P	NR	98	11095	Integrated Oil & Gas	21.43	3.56	18.29	7.62	17.00	10.01	103215	14.82	11.01	12.00	1.4	NIL	...	8.8	1.0	....
3[e2]	PTR	PetroChina Co Ltd ADR	NY,Ch,P,B	NR	251	58442	Integrated Oil & Gas	142.60	14.25	266.81	108.20	182.97	114.52	258250	148.75	127.00	128.86	3.8	9	1	-9.5	24.9	2000
4	HK	Petrohawk Energy	NY,Ch,NDS	B-	634	183674	Oil & Gas Exploration & Prod	24.50	1.30	19.11	10.23	48.82	14.00	1812905	48.82	29.74	46.31	...	NM	NM	163	59.4	....
5[e3]	PBR	Petroleo Brasileiro S.A. ADS[65]	NY	NR	953	575664	Integrated Oil & Gas	26.86	2.33	59.58	20.69	77.61	44.34	3200492	72.34	64.76	70.83	0.0	16	1	135	79.6	2001
6	PBRLA	Petroleo Brasileiro Pfd ADS	NY,Ph,Ch,P,B	NR	415	531124		23.45	2.16	50.84	18.57	64.89	36.83	1376863	61.65	53.20	57.95	0.9	85	24	120	76.1	2001
◆7[e4]	PETD	Petroleum Development	NDS	B	360	12934	Oil & Gas Exploration & Prod	49.26	0.21	61.91	35.73	79.09	50.75	40914	75.08	66.37	66.49	...	59	3	36.5	29.4	....
◆8	PQ	Petroquest Energy	NY,NDS,To	B-	415	41479	Oil & Gas Exploration & Prod	14.40	0.37	15.99	10.02	28.16	10.77	274247	28.16	21.76	26.90	...	32	57	79.4	56.9	....
#9[e5]	PETM	PETsMART Inc	NDS	B	621	115669	Specialty Stores	39.24	2.25	35.48	23.49	24.94	18.75	494531	24.07	19.80	19.95	0.6	13	21	-37.0	-11.6	2003
10[e6]	PFB	PFF Bancorp	NY	A	208	20469	Thrifts & Mortgage Finance	39.49	4.86	35.36	7.12	13.42	1.06	112945	1.45	1.06	1.06	...	...	Neg	-96.0	-95.7	1999
¶11[e7]	PFE	Pfizer, Inc	NY,Ph,Ch,,B	B+	2915	4666784	Pharmaceuticals	50.04	1.66	27.73	22.24	24.24	17.12	1298947	19.46	17.12	17.47	7.3	7	12	-28.8	-11.2	1901
12	PFSW	PFSweb Inc	NDS	NR	48		IT Consulting & Other Svcs	247.59	1.17	7.47	3.80	6.01	3.50	5302	5.55	3.50	4.75	...	7	5	13.5	-17.1	2006
¶13[e8]	PCG	PG&E Corp	NY,Ph,Ch,P,B	B	962	242184	Multi-Utilities	48.17	6.50	52.17	42.58	45.68	36.26	516843	40.86	38.20	39.69	3.9	14	2	-11.7	4.8	2005
14	PGTI	PGT Inc	NDS	NR	115	9996	Building Products	18.84	10.60	13.42	4.69	5.00	2.18	20884	3.54	2.60	3.44	...	d	4	-71.4	0.0	....
15[e9]	PPH	Pharmac'l HOLDRs Tr Dep Receip	AS,Ph,Ch	NR	95	8891		115.87	58.70	86.40	73.09	84.10	66.40	158056	70.89	66.40	67.47	3.2	..	...	-16.1	0.0	2006
#16[e4]	PPDI	Pharmaceutical Product Dvlp	NDS	B+	733	96955	Life Sciences Tools & Svcs	41.17	2.14	43.14	30.52	49.39	38.71	122871	45.00	41.56	42.90	0.9	23	35	14.1	26.0	2005
◆17[e7]	PDGI	PharmaNet Development Group	NDS	NR	393	21037	Life Sciences Tools & Svcs	45.73	2.41	42.75	18.59	43.05	13.45	92694	17.70	15.62	15.77	...	d	Neg	-47.3	-23.7	....
18	PIP	PharmAthene Inc	AS,P	NR	8	2240	Biotechnology	9.08	6.75	8.00	3.35	3.98	2.27	879	2.99	2.27	2.37	...	.	3	-67.0	0.0	....
19	PIP.WS	PharmAthene Inc Wrrt	AS,P	NR	5	446		2.52	0.77	2.00	0.24	0.62	0.10	1831	0.31	0.10	0.14s	...	...	...	...	...	....
20	PXSL	Pharmaxis Ltd ADS[66]	NDS	NR	8	1240	Pharmaceuticals	43.24	20.00	62.50	34.59	58.50	18.41	125	72.00	18.41	22.00s	...	d	...	-47.9	-7.3	....
◆21[e11]	PMC	PharMerica Corp	NY,Ch,P	NR	366	34036	Health Care Distributors	...	...	23.20	13.22	23.74	12.99	85233	23.74	19.35	22.59	...	d	3	0.0	0.0	....
22	PARS	Pharmos Corp	NDS	C	25	4589	Pharmaceuticals	250.00	1.55	2.28	0.31	1.00	0.30	1445	0.45	0.35	0.39	...	d	12	-72.5	-45.5	....
◆23	PPWD	Phase Forward	NDS	NR	445	44439	Health Care Technology	16.47	5.03	25.32	12.29	22.24	14.33	67406	19.24	18.04	17.97	...	25	NM	6.2	31.6	....
24	PHC	PHC Inc'A'	AS,Ch,BB	B-	38	7650	Health Care Facilities	9.75	0.06	3.76	2.50	3.20	2.13	2730	2.85	2.40	2.59	...	22	20	-12.4	0.5	....
25	PHH	PHH Corp	NY,Ch	NR	330	60073	Specialized Finance	31.13	20.04	31.52	17.45	21.86	14.91	131327	19.14	15.25	15.35	...	NM	4	-49.7	-14.5	....
26	PHHK	PHI Inc[41]	NDS	B-	171	10912	Oil & Gas Equipment & Svcs	39.48	6.25	35.38	25.02	40.89	28.06	7205	40.69	35.33	40.17	...	18	1	33.1	17.8	....
◆27	PHLY	Philadelphia Consol Hldg	NDS	B	536	51843	Property/Casualty Insurance	45.99	1.54	48.00	30.30	39.28	29.62	69413	38.64	33.97	33.97	...	7	44	-18.5	6.3	....
¶28[e12]	PM	Philip Morris Intl	NY,Ph,Ch,P	NR	1391	332007	Tobacco	...	...	...	...	54.70	46.90	1958765	52.75	48.53	49.39	3.7	15	2	0.0	0.0	2008
29	PHI	Philippine Long D Tel ADS[62]	NY,Ph,Ch	NR	209	30773	Wireless Telecom Svcs	51.90	0.31	76.75	44.20	76.72	47.01	40756	60.51	47.01	53.42	4.6	12	NM	0.6	28.1	2005
#30[e13]	PVH	Phillips-Van Heusen	NY,Ph,Ch,P,B	B+	621	51178	Apparel, Access & Lux Goods	52.90	3.75	62.19	36.33	47.94	30.50	227665	45.74	36.23	36.62	0.4	11	NM	-38.0	5.5	1970
31[e1]	PNX	Phoenix Companies	NY	NR	386	77707	Life & Health Insurance	20.25	6.03	16.88	11.44	13.88	7.59	215051	10.64	7.59	7.61	2.1	17	NM	-46.6	-10.7	2002
32	PFX	Phoenix Companies 7.45%'QUIBS'	NY,P	BBB-	13	854		26.75	19.60	25.62	19.36	24.25	15.49	3519	20.35	15.49	16.27	11.4	..	...	-24.7	-5.5	2002
33	PXG	Phoenix Footwear Group	AS,P	C	29	2721	Footwear	14.30	1.12	5.65	1.10	2.37	1.24	393	1.69	1.40	1.58	...	d	Neg	-56.7	-36.8	....
◆34	PTEC	Phoenix Technologies	NDS	C	218	23513	Systems Software	30.25	1.25	14.08	4.35	17.60	9.83	107105	11.73	9.83	11.00	...	d	-21	27.0	8.6	....
◆35[e14]	PHTN	Photon Dynamics	NDS	C	167	13761	Elect Equip Manufacturers	94.37	2.00	13.25	7.71	15.28	7.76	160329	15.28	11.50	15.06	...	d	-31	35.8	-8.5	....
◆36[e15]	PLAB	Photronics, Inc	NDS	B-	342	40740	Semiconductor Equipment	46.50	0.33	16.97	8.91	12.87	7.03	60315	9.25	7.03	7.04	...	d	NM	-51.5	-31.2	....
37	PACE	Physicians Formula Hldg	NDS	NR	97	14737	Personal Products	21.00	17.25	23.25	8.26	12.83	7.71	9751	10.81	9.08	9.35	...	15	4	-38.6	0.0	....
38	PICO	PICO Hldgs	NDS	B-	201	12560	Multi-Sector Holdings	56.87	8.05	49.00	33.01	44.67	28.62	23305	44.67	40.72	43.45	...	d	NM	-0.1	16.9	....
◆39	PNY	Piedmont Natural Gas	NY,Ph,Ch,P,,B	A	422	36811	Gas Utilities	28.44	4.25	27.98	22.00	27.95	24.01	104560	27.95	25.22	26.16	4.0	17	6	7.1	6.2	1956
40[e13]	PIR	Pier 1 Imports	NY,Ph,Ch,P,B	◆C	297	89979	Homefurnishing Retail	26.44	1.25	9.06	3.26	8.25	3.43	698678	7.30	3.43	3.44	...	d	Neg	-54.3	-33.9	....

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 1. [2]ASE,CBOE:Cycle 3. [3]ASE,CBOE:Cycle 1. [4]ASE,CBOE,Ph:Cycle 1. [5]Ph:Cycle 2. [6]CBOE:Cycle 2. [7]ASE,CBOE,P,Ph:Cycle 3. [8]ASE,CBOE,P:Cycle 3. [9]ASE,CBOE:Cycle 2. [10]P,B [11]CBOE,P,Ph:Cycle 3. [12]ASE,CBOE,Ph:Cycle 3. [13]CBOE:Cycle 3. [14]ASE,CBOE,P,Ph:Cycle 1. [15]ASE,P:Cycle 3. [51]90% owned by CNPC [52]Ea ADS rep 2 Ord,No par [53]Incl 1850M pfd shrs [54]Pfd in $M [55]Subsid pfd in $M [56]As defined [57]Incl 1.9M shrs subj to conversion [58]If com exceeds $11.50 for 20 trad'g days,as defined [59]Ea ADS rep 15 Ord Shrs [60]Incl liabs under mgmt programs [61]Non-vtg [62]Ea ADS rep 1 com,par P5 [63]Or earlier upon certain tax law changes,re-spec cond

Splits Dividends ◆

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1◆	Q0.128	7-1-08	5-30	0.393	g0.52
2	None Paid			...	0.209
3	2.237	6-26-08	5-16	2.237	4.961
4◆	None Paid			...	NIL
5◆	0.128	6-10-08	4-7	0.603	1.756
6◆	None Paid			0.603	1.758
7	None Paid			...	NIL
8	None Paid			...	NIL
9	Q0.03	6-15-08	7-30	0.09	0.12
10◆	Div Suspended 1-29-08			...	NIL
11	Q0.32	9-3-08	8-6	0.96	1.28
12◆	None Paid			...	NIL
13	Q0.39	7-15-08	6-26	1.14	1.56
14	None Paid			...	NIL
15	None Paid			0.034	2.324
16◆	Q0.10	6-27-06	6-10	0.20	0.40
17◆	None Paid			...	NIL
18	None Paid			...	NIL
19	Terms&trad. basis should be checked in detail				
20	None Paid			...	NIL
21	None Paid			...	NIL
22◆	None Paid			...	NIL
23	None Paid			...	NIL
24	None Paid			...	NIL
25	None Paid			...	NIL
26	Div Postponed 10-29-99			...	NIL
27◆	None Paid			...	NIL
28	None Paid			...	1.84
29	2.932	4-28-08	3-14	2.932	5.137
30	Q0.03¾	6-19-08	5-20	0.07½	0.15
31	A0.16	7-11-06	6-11	0.16	0.16
32	Q0.466	7-15-08	6-27	1.397	1.863
33	None Paid			...	NIL
34	None Paid			...	NIL
35	None Paid			...	NIL
36	None Paid			...	NIL
37	None Paid			...	NIL
38	None Paid			...	NIL
39◆	Q0.26	7-15-08	6-23	0.77	1.04
40	Div Omitted 10-3-06			...	0.40

◆Stock Splits & Divs By Line Reference Index [1]2-[2]1-for-5 REVERSE,'05 [3]3-for-1,'06 [4]2-for-1,'04

HEARING EXHIBIT 00000079

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate	Total $ Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	Q0.128	7-1-08	5-30	0.393	g0.52	0.441	262	4750	4313	3-31-08	2743	483640	9.81	10.11	9.43	3	Dc	Pv5.53	....	6.57	3 Mo Mar	1.17	v2.21
2	None Paid			....	0.209	....	28.1	1652	1682	12-31-06	1542	2132043	1.40	1.46	1.34	2	Dc	NIL		NIL			
3	2.237	6-26-08	5-16	2.237	4.961	4.739	16342	43672	34165	3-31-08	5084	[91]80531248	10.56	11.14	9.99	2	Dc	v10.29	E13.98†	NA	3 Mo Mar		v2.24
4◆	None Paid			....	NIL	....	7.20	254	426	3-31-08	1560	p193004	1.04	1.47	0.72	16	Dc	v0.31	....	0.13	3 Mo Mar	d0.12	vd0.30
5◆	0.128	6-10-08	4-7	0.603	1.758	0.694	7569	29575	26351	12-31-07	16516	[93]4387038	2.98	3.36	1.83	6	Dc	v3.00	E4.32†	1.95	3 Mo Mar	0.91	v1.81
6◆	None Paid			0.603	1.758	0.881	....	....	....	....	....	3700000	5.59	6.57	4.86	4	Dc	Pv1.37	....	0.69			
7	None Paid			....	NIL	....	26.2	170	277	3-31-08	203	14849	2.53	2.87	2.25	5	Dc	v2.24	....	1.13	3 Mo Mar	0.17	vd0.94
8	None Paid			....	NIL	....	12.1	75.0	125	3-31-08	194	50199	1.83	2.14	1.16	11	Dc	v0.79	....	0.85	3 Mo Mar	v0.22	v0.28
9	Q0.03	6-15-08	7-30	0.09	0.12	0.12	55.7	753	587	5-04-08	526	127330	1.51	1.54	1.49	16	Ja	v1.95	E1.52†	1.49	3 Mo Apr	0.78	v0.32
10◆	Div Suspended 1-29-08			....	NIL	0.76	Total Deposits $3253M			3-31-08	200	22625	d6.09	d6.09	d6.09	1	Mr	vd9.80	....	d9.80			
11	Q0.32	9-3-08	8-6	0.96	1.28	1.16	28628	51011	21682	3-30-08	8143	[94]6765197	2.34	2.40	2.27	18	Dc	v1.17	E2.35†	1.13	3 Mo Mar	v0.48	v0.41
12◆	None Paid			....	NIL	....	13.7	130	106	3-31-08	5.31	9912	1.98	1.98	1.98	1	Dc	vd0.14	....	0.68	3 Mo Mar	vd0.24	v0.04
13	Q0.39	7-15-08	6-26	1.14	1.56	1.41	1558	5756	7664	3-31-08	9215	[95]357259	2.95	3.05	2.84	14	Dc	v2.78	E2.93†	2.69	3 Mo Mar	v0.71	v0.52
14	None Paid			....	NIL	....	18.2	62.1	15.3	3-29-08	129	27636	d0.03	0.03	d0.09	7	Dc	Pv0.02	....	d0.07	3 Mo Mar	0.03	vd0.06
15	None Paid			0.034	2.324	....	Receipt Val based on 20 Pharm'l Ind Co's[96]					24888					Dc	....	....	....	Expire 12-31-2040		
16◆	Q0.10	6-27-08	6-10	0.20	0.40	0.19	492	1034	479	3-31-08		119646	1.83	1.91	1.71	10	Dc	v1.35	E1.88†	1.34	3 Mo Mar	v0.35	v0.33
17◆	None Paid			....	NIL	....	63.9	212	126	3-31-08	143	19322	0.18	0.50	d0.20	3	Dc	v0.68	....	d0.20	3 Mo Mar	0.35	vd0.53
18	None Paid			....	NIL	....	25.6	38.5	9.73	3-31-08	15.9	[97]22087	....	....	....	....	Dc	vd1.88	....	5.39	3 Mo Mar	vd7.50	vd0.23
19	Terms&trad: basis should be checked in detail						Wrrts expire 7-27-2009					9000					Dc	....	....	....	Callable fr 7-28-06 at $0.01[98]		
20	None Paid			....	NIL	....	113	107	NA	3-31-08	NIL	194515	d1.64	d1.64	d1.64	1	Je	vd1.78	....	d1.41	9 Mo Mar	d1.41	d1.04
21	None Paid			....	NIL	....	25.2	364	100	3-31-08	240	30417	0.79	0.82	0.76	6	Dc	vd1.13	....	d1.28	3 Mo Mar	v0.26	v0.11
22◆	None Paid			....	NIL	....	11.3	12.0	2.00	3-31-08	4.00	25762	d0.71	d0.71	d0.71	1	Dc	vd0.61	....	d0.56	3 Mo Mar	d0.19	vd0.14
23	None Paid			....	NIL	....	175	238	88.9	3-31-08		42757	0.49	0.56	0.46	13	Dc	Pv0.72	....	0.71	3 Mo Mar	0.10	v0.09
24	None Paid			....	NIL	....	3.66	14.4	7.03	3-31-08	0.60	±20199	0.10	0.10	0.10	2	Je	v0.09	....	0.12	9 Mo Mar	0.04	0.07
25	None Paid			....	NIL	....	Total Assets $11246M			3-31-08	[99]4625	54137	1.25	1.25	1.25	1	Dc	vd0.22	....	0.06	3 Mo Mar	v0.27	v0.55
26	Div Postponed 10-29-99			....	NIL	....	57.6	226	53.1	3-31-08	201	±15292	2.07	2.07	2.07	1	Dc	v1.85	....	2.24	3 Mo Mar	±0.04	v0.43
27◆	None Paid			....	NIL	....	Total Assets $4100M			3-31-08	....	71216	3.74	4.00	3.60	5	Dc	v4.40	....	4.57	3 Mo Mar	0.89	v0.86
28	None Paid			....	1.84	....	1231	13633	7393	3-31-08	6643	2108000	....	....	....	....	Dc	pv40.17	E3.25	40.37	3 Mo Mar	0.69	v0.89
29	2.932	4-28-08	3-14	2.932	5.137	3.254	774	1199	1143	12-31-07	1292	188741	4.82	4.88	4.77	2	Dc	v4.57	E4.51†	4.57			
30	Q0.03½	6-19-08	5-20	0.07½	0.15	0.15	184	790	291	5-04-08	399	51407	3.17	3.20	3.15	11	Je	v3.21	E3.42	3.19	3 Mo Apr	v0.92	v0.90
31	A0.16	7-11-08	6-11	0.16	0.16	0.16	Total Assets $28535M			3-31-08	744	114400	0.66	0.85	0.45	10	Dc	v1.07	....	0.46	3-Mo Mar	0.44	vd0.17
32	Q0.466	7-15-08	6-27	1.397	1.863	1.86¼	Co opt redm fr 1-15-2007 at $25[100]				....	8166	0.20	0.20	0.20	1	Dc	....	....	....	Matures 1-15-2032		
33	None Paid			....	NIL	....	0.40	43.0	24.6	3-29-08	....	27513	d0.11	d0.02	d0.18	4	Dc	vd0.17	....	d0.25	3 Mo Mar	0.05	vd0.03
34	None Paid			....	NIL	....	78.9	84.9	25.5	3-31-08	....	17754	0.43	0.59	0.27	4	Sp	vd0.63	....	d0.04	6 Mo Mar	vd0.55	v0.04
35	None Paid			....	NIL	....	63.7	118	32.5	3-31-08	2.67	41988	d0.11	d0.06	d0.17	7	Sp	vd2.09	....	d0.96	6 Mo Mar	vd1.38	vd0.25
36	None Paid			....	NIL	....	69.5	177	134	4-27-08	204	41988	d0.11	d0.06	d0.17	7	Oc	v0.56	Ed0.15[101]	d0.04	6 Mo Apr	v0.47	vd0.13
37	None Paid			....	NIL	....	....	72.2	39.9	3-31-08	9.75	14096	0.68	0.69	0.68	4	Dc	v0.60	....	0.64	3 Mo Mar	v0.30	v0.34
38	None Paid			....	NIL	....	Total Assets $687M			3-31-08	29.2	18834	1.95	1.95	1.95	1	Dc	vd0.07	....	d0.19	3 Mo Mar	v0.03	vd0.09
39◆	Q0.26	7-15-08	6-23	0.77	1.04	0.99	9.57	438	369	4-30-08	824	73377	1.49	1.52	1.47	4	Oc	v1.40	....	1.55	6 Mo Apr	v1.63	v1.78
40	Div Omitted 10-3-08			....	0.40	....	93.4	563	276	3-01-08	184	89037	d1.12	d0.73	d1.30	12	Fb	vd1.09	Ed0.28†	d0.82	3 Mo May	d0.64	vd0.37

◆Stock Splits & Divs By Line Reference Index: [1]2-for-1,'05 [2]1-for-2 REVERSE,'04 [3]2-for-1,'07 [4]2-for-1,'08 [5]2-for-1,'07 [6]2-for-1,'08 [7]3-for-2,'05 [8]1-for-4.7 REVERSE,'08 [9]2-for-1,'06 [10]3-for-2,'04 [11]1-for-5 REVERSE,'05 [12]3-for-1,'06 [13]2-for-1,'04

S&P 500 ▮ MidCap 400 ◆ SmallCap 600 ▫ Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	1986-06 High	1986-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	SOLF	Solarfun Power Hldgs ADS[51]	NDS	NR	75	7351	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	973248	23.24	17.37	17.50	...	15	1	70.7	0.0	....
2	SLH	Solera Holdings	NY,P	NR	303	55574	Application Software	....	....	25.57	15.41	28.65	20.96	121310	28.65	25.00	27.66	...	d	2	45.8	0.0	....
3	XPL	Solitario Exploration & Royalt	AS,P,T6,B	C	29	8974	Precious Metals & Minerals	4.23	2.67	6.10	3.50	6.10	4.47	880	5.20	4.47	4.92	...	d	-40	8.7	0.0	....
4	SQA	Solutia Inc	NY,Ch,P	NR	63	46303	Diversified Chemicals	....	....	21.75	17.00	20.50	9.48	181206	15.85	11.75	12.82	...	1	3	0.0	0.0	....
5	SNSTA	Sonesta Intl Hotels	NDS	C	24	945	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	610	27.25	22.92	25.40	0.8	42	NM	-18.0	-3.7	2005
+6	SAH	Sonic Automotive'A'	NY,Ch	B+	330	33938	Automotive Retail	39.75	4.68	33.10	19.33	21.71	12.88	129085	18.98	12.88	12.89	3.7	6	2	-52.3	-12.0	2003
+7[e2]	SONC	Sonic Corp	NDS	B+	444	59216	Restaurants	24.75	1.07	26.19	20.02	23.33	14.22	326660	19.38	14.22	14.80	...	15	11	-34.4	-12.5	....
8	SOFO	Sonic Foundry	NDS	C	39	1699	Systems Software	64.96	0.10	4.77	1.18	1.49	0.80	8585	0.72	0.60	0.60	...	d	-49	-70.9	-22.7	....
9	SNCI	Sonic Innovations	NDS	NR	141	22345	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	2.82	61647	4.09	2.82	3.34	...	d	-9	-65.8	-13.1	....
+10	SNIC	Sonic Solutions	NDS	NR	254	27078	Application Software	23.67	1.00	19.35	7.38	10.94	5.61	82362	9.49	5.61	5.96	...	d	-1	-53.9	-29.8	....
11[e3]	SNWL	SonicWALL Inc	NDS	B-	329	58086	Internet Software & Services	56.69	1.79	11.53	7.50	10.91	6.45	100655	8.02	6.45	6.45	...	81	NM	-23.6	5.8	....
#12[e4]	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	597	62095	Paper Packaging	40.00	6.33	44.91	28.45	34.85	25.97	98157	34.85	30.78	30.95	3.5	13	6	-24.5	9.2	1925
13[e5]	SONO	SonoSite Inc	NDS	B-	291	20673	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	32351	30.59	27.20	28.01	...	33	NM	-12.0	-4.4	....
14[e6]	SONS	Sonus Networks	NDS	NR	330	162180	Communications Equipment	93.66	0.18	9.03	5.13	5.95	2.92	965430	4.78	3.40	3.42	...	57	91	-59.1	-9.9	....
15[e4]	SNE	Sony Corp[53] ADR	NY,Ph,Ch,P,B	NR	394	156952	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	39.52	211263	52.36	43.11	43.74	0.5	12	19	-14.0	8.4	1947
#16[e7]	BID	Sotheby's	NY,Ph,Ch,B	B-	612	74078	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.67	23.75	474785	28.00	25.00	26.37	2.3	10	NM	-42.0	25.9	2007
17	FIRE	Sourcefire Inc	NDS	NR	101	10454	Systems Software	....	....	18.83	7.23	8.49	4.96	28791	8.37	7.41	7.73	...	d	3	-43.4	0.0	....
18	LNUX	SourceForge Inc	NDS	NR	120	42269	Application Software	320.00	0.54	5.55	2.05	2.55	1.31	240362	1.81	1.31	1.60	...	80	NM	-62.7	-1.8	....
+19[e8]	TSFG	South Financial Group	NDS	B+	416	56982	Regional Banks	32.98	5.31	27.47	15.29	18.02	3.66	368318	5.69	3.66	3.92	1.0	d	Neg	-82.1	-45.9	1994
+20	SJI	South Jersey Indus	NY,Ph,Ch,P,B	A-	336	17485	Gas Utilities	34.26	6.95	41.27	31.20	39.36	31.90	35699	39.36	36.70	37.36	2.9	19	10	7.5	10.2	1952
21	STXX	South Texas Oil	NDS,BB	NR	5	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	2.20	22958	5.87	2.20	3.69	...	d	1	-60.4	70.5	....
22	SOCB	Southcoast Financial	NDS	NR	42	1590	Regional Banks	24.04	3.17	21.14	12.55	16.00	12.46	2215	14.47	13.04	13.95e	...	44	-17	-32.4	-12.8	....
23[e9]	SO	Southern Co	NY,Ph,Ch,P,B	A-	1143	337852	Electric Utilities	37.40	8.93	39.35	33.16	40.60	33.71	856943	36.20	34.28	34.92	4.8	15	2	5.2	4.3	1948
24	SSE	Southern Conn Bancorp	AS	NR	23	411	Regional Banks	11.38	6.06	8.12	6.65	7.50	6.73	2099	7.15	6.90	7.05	...	d	16	-7.9	-4.7	....
25[e10]	PCU	Southern Copper	NY,Ph,Ch,P,B	B	665	52478	Diversified Metals & Mining	58.39	4.21	143.25	49.16	125.79	73.25	354592	113.45	100.12	108.63	6.4	24	38	28.0	86.8	1996
+26[e11]	SUG	Southern Union	NY,Ph,Ch,P,B	B	486	90358	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.56	193626	27.73	25.95	27.02	2.2	15	...	-16.1	5.4	2006
27[e12]	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	961	611094	Airlines	23.32	0.51	16.96	12.12	14.89	11.02	2333325	14.89	12.82	13.04	0.1	33	12	-10.0	-1.0	1976
28	OKSB	Southwest Bancorp(OK)	NDS	A	232	11024	Regional Banks	26.67	3.66	28.63	16.10	18.52	11.49	20475	17.73	11.49	11.50	3.3	8	8	-47.6	-12.5	1981
+29	SWX	Southwest Gas	NY,Ph,Ch,P,B	B+	457	34854	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	43836	31.35	26.98	29.73	3.0	15	12	-11.8	7.5	1956
30	SGB	Southwest Georgia Fin	AS,Ch,P,B	B+	15	30	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.61	141	18.50	16.60	17.80	3.1	33	-11	-5.4	-2.0	1981
31	SWWC	Southwest Water Co	NDS	B+	154	12216	Water Utilities	19.07	1.49	16.41	11.53	12.75	9.87	25784	10.81	9.87	10.02	2.4	d	Neg	-17.8	-0.8	1960
#32[e13]	SWN	Southwestern Energy	NY,Ch	B	961	316070	Oil & Gas Exploration & Prod	22.14	0.64	28.50	15.57	50.00	23.77	1789683	49.24	43.58	47.61	...	60	30	101	62.8	2008
#33[e6]	SOV	Sovereign Bancorp	NY	B	697	273907	Thrifts & Mortgage Finance	26.60	0.83	26.70	9.92	13.26	6.48	1942173	9.54	7.10	7.36	...	11	Neg	-64.1	-27.1	1987
+34	SSS	Sovran Self Storage	NY,Ph,P,B	B+	328	18976	Specialized REITs	60.00	17.50	63.93	39.75	46.50	33.56	28530	45.15	41.37	41.56	6.1	21	4	-9.2	2.9	1995
35	DSP	SP Acquisition Hldgs	AS,P	NR	31	29402		....	....	9.29	9.00	9.77	8.84	6960	9.40	9.24	9.30	...	....	....	0.0	0.0	....
36	DSP.U	SP Acquisition Hldgs Unit	AS	NR	14	9119		....	....	10.20	9.70	10.25	9.70	320	10.00	9.76	9.90s	...	..	...	....	....	....
37	SBSA	Spanish Broadcasting Sys'A'	NDS	C	150	33555	Broadcasting & Cable TV	42.00	3.90	4.95	1.67	2.08	0.98	73454	1.44	0.98	1.14	...	d	-21	-77.7	-52.9	....
38[e4]	SPSN	Spansion Inc'A'	NDS	NR	269	129045	Semiconductors	18.59	11.71	15.05	3.71	4.29	2.10	215342	3.23	2.23	2.25	...	d	4	-80.2	0.0	....
39	LOV	Spark Networks	AS,Ch,P	NR	28	6701	Internet Software & Services	7.75	4.50	6.51	3.50	6.00	3.84	6251	4.43	3.93	4.29	...	24	4	-22.9	0.0	....
+40[e14]	SPAR	Spartan Motors	NDS	B	253	24150	Auto Parts & Equipment	11.22	0.22	25.02	6.82	9.98	6.56	64033	9.70	7.33	7.47	1.3	6	41	-58.6	18.4	1988

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,Ph:Cycle 3. [2]ASE:Cycle 3. [3]ASE,CBOE,P:Cycle 3. [4]Ph:Cycle 1. [5]CBOE,Ph:Cycle 3. [6]ASE,CBOE,P,Ph:Cycle 1. [7]ASE:Cycle 1. [8]P:Cycle 2. [9]CBOE:Cycle 2. [10]ASE,CBOE:Cycle 3. [11]Ph:Cycle 3. [12]ASE,CBOE,P,Ph:Cycle 3. [13]CBOE:Cycle 3. [14]P:Cycle 3. [51]Ea ADS rep 5 Ord Shr [52]Incl liabs subj to compromise [53]ADR equal 1 ord shr, 50y [54]Subsid pfd in $M [55]Incl 12M shrs subj to conv

Common and Convertible Pref

Splits ◆ Dividends

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Total $ Inc Rat
1			None Paid		....	NIL
2			None Paid		....	NIL
3			None Paid		....	NIL
4			None Paid		....	NIL
5		$0.10	7-1-08	6-16	1.20	0.2
6	Q0.12		7-15-08	6-11	0.36	0.4
7◆			None Paid		....	NIL
8			None Paid		....	NI
9			None Paid		....	NIL
10			None Paid		....	NIL
11			None Paid		....	2.0
12	Q0.27		6-10-08	5-14	0.53	1.0
13			None Paid		....	NIL
14			None Paid		....	NI
15		$0.119	6-9-08		0.119	0.2
16	Q0.15		6-13-08	5-28	0.30	0.6
17			None Paid		....	NIL
18			None Paid		....	NIL
19	Q0.01		8-1-08	7-11	0.39	0.0
20◆	Q0.27		7-2-08	6-6	0.54	1.0
21			None Paid		....	NIL
22◆	10%Stk		6-22-07	5-30	....	NIL
23	Q0.42		6-6-08	5-1	0.82¼	1.6
24◆	5%Stk		5-9-05	4-22	....	S
25◆			None Paid		3.10	6.8
26◆	Q0.15		7-11-08	6-25	0.45	0.6
27	Q0.005		6-26-08	6-10	0.014	0.0
28	Q0.09¼		7-1-08	6-13	0.283	0.3
29	Q0.22¼		9-2-08	8-13	0.66¼	0.9
30◆	Q0.14		7-31-08	7-2	0.42	0.5
31◆	Q0.06		7-18-08	6-26	0.18	0.2
32◆	Div Postponed 6-26-00				....	N
33◆	Div Suspended 1-23-09				....	NIL
34	Q0.63		7-22-08	7-3	1.89	2.5
35			None Paid		....	NIL
36			None Paid		....	NIL
37			None Paid		....	NIL
38			None Paid		....	NIL
39			None Paid		....	NIL
40◆	S0.05		12-17-08	11-13	0.10	0.1

◆Stock Splits & Divs By Line Reference Index [31]1.33-for-1,'04 :5%,'04 :5%,'05 [32]2-for-1,'05 :2-f

HEARING EXHIBIT 00000081

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Years End	Earnings $ Per Shr. 2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1		None Paid		....	NIL	....	45.7	293	144	9-30-07	0.93	48005	....	....	....	....	Dc	v0.42	E1.16f	0.74	3 Mo Mar	d0.01	v0.31
2		None Paid		....	NIL	....	139	265	136	3-31-08	640	64816	1.17	1.18	1.16	3	Je	vd2.82	....	d0.69	9 Mo Mar	d1.79	0.34
3		None Paid		....	NIL	....	9.33	9.60	2.41	3-31-08	....	29634	....	....	....	....	Dc	vd0.13	....	d0.19	3 Mo Mar	0.01	vd0.05
4		None Paid		....	NIL	....	71.0	1612	742	3-31-08	[52]848	p60763	....	....	....	....	Dc	Pvd1.99	....	11.77	3 Mo Mar	d0.08	v13.68
5	S0.10	7-1-08	6-16	1.20	0.20	0.20	24.9	38.2	13.3	3-31-08	32.7	3698	....	....	....	....	Dc	v0.36	....	0.60	3 Mo Mar	d0.22	v0.02
6	Q0.12	7-15-08	6-11	0.36	0.48	0.48	5.11	1665	1493	3-31-08	783	±40423	2.35	2.45	2.16	10	Dc	v2.13	....	2.04	3 Mo Mar	v0.44	v0.35
7◆		None Paid		....	NIL	....	19.1	60.8	92.0	2-29-08	735	58916	1.00	1.05	0.99	15	Au	v0.91	....	0.98	6 Mo Feb	v0.29	v0.36
8		None Paid		....	NIL	....	3.79	8.58	5.94	3-31-08	0.39	35582	d0.19	d0.17	d0.22	3	Sp	vd0.18	....	d0.24	6 Mo Mar	d0.10	d0.16
9		None Paid		....	NIL	....	14.1	51.4	27.1	3-31-08	10.0	26849	d0.05	0.02	d0.12	3	Dc	v0.03	....	d0.01	3 Mo Mar	v0.02	vd0.02
10		None Paid		....	NIL	....	63.4	99.2	62.4	3-31-08	....	28383	d0.17	0.02	d0.26	7	Mr	vd0.21	Ed0.03	NA	3 Mo Jun		v
11		None Paid		....	2.00	....	147	205	130	3-31-08	NIL	60988	0.26	0.30	0.20	10	Dc	v0.43	E0.08	0.43	3 Mo Mar		v
12	Q0.27	6-10-08	5-14	0.53	1.08	1.02	74.0	1074	755	3-30-08	796	99500	2.45	2.47	2.45	6	Dc	v2.10	E2.45f	1.71	3 Mo Mar	v0.52	v0.13
13		None Paid		....	NIL	....	313	415	28.5	3-31-08	225	16770	0.80	0.84	0.78	4	Dc	v0.40	E0.84f	0.50	3 Mo Mar	vd0.03	v0.07
14		None Paid		....	NIL	....	376	539	125	3-31-08	....	271138	0.07	0.09	0.05	6	Dc	vd0.09	E0.06f	d0.09	3 Mo Mar	NIL	NIL
15	S0.119	6-9-08		0.119	0.215	0.215	7289	49740	40103	12-31-07	6603	1003126	3.02	3.25	2.80	2	Mr	v3.51	E3.04f	3.51			
16	Q0.15	6-13-08	5-28	0.30	0.60	0.50	81.4	1061	687	3-31-08	212	67345	2.37	2.58	2.21	6	Dc	Pv3.25	....	2.69	3 Mo Mar	±0.37	vd0.19
17		None Paid		....	NIL	....	103	126	28.2	3-31-08	....	24985	d0.05	d0.02	d0.13	6	Dc	vd0.32	....	d0.07	3 Mo Mar	d0.39	vd0.14
18		None Paid		....	NIL	....	45.3	54.0	8.22	4-30-08	....	68466	0.05	0.05	0.05	5	Jl	v0.13	....	0.02	9 Mo Apr	v0.12	v0.01
19	Q0.01	8-1-08	7-11	0.39	0.04	0.72	Total Deposits $9789M			3-31-08	742	72630	d0.41	0.31	d1.27	12	Dc	v0.99	Ed1.11f	d2.06	3 Mo Mar	v0.27	vd2.78
20◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005	11.9	318	285	3-31-08	358	29729	2.29	2.32	2.25	5	Dc	v2.10	....	2.01	3 Mo Mar	v0.92	v0.83
21		None Paid		....	NIL	....	2.23	5.06	7.97	3-31-08	26.5	16483	....	....	....	....	Dc	vd0.45	....	d0.60	3 Mo Mar	d0.05	vd0.20
22◆	10%Stk	6-22-07	5-30	....	NIL	....	Total Deposits $309M			3-31-08	107	4792	0.54	0.54	0.54	1	Dc	v0.63	....	0.32	3 Mo Mar	v0.14	v0.16
23	Q0.42	6-6-08	5-1	0.82½	1.68	1.59½	281	4826	5443	3-31-08	14888	[54]767212	2.32	2.35	2.26	16	Dc	v2.26	E2.33f	2.23	3 Mo Mar	v0.45	v0.47
24◆	5%Stk	5-9-05	4-22	....	ST	....	Total Deposits $107M			3-31-08	1.59	3058	....	....	....	....	Dc	vd0.19	....	d0.09	3 Mo Mar	v0.01	v0.11
25◆		None Paid		3.10	6.80	6.80	1584	2858	992	3-31-08	1289	294466	8.48	9.77	7.30	10	Dc	v7.53	....	4.39	3 Mo Mar	v1.87	v1.92
26◆	Q0.15	7-11-08	6-25	0.45	0.60	0.40	32.7	894	1435	3-31-08	2950	124003	1.87	1.92	1.74	10	Dc	v1.75	E1.86	1.77	3 Mo Mar	v0.62	v0.64
27	Q0.005	6-26-08	6-10	0.014	0.018	0.018	3122	5050	5781	3-31-08	2079	731758	0.26	0.49	0.02	14	Dc	v0.84	E0.40f	0.77	3 Mo Mar	v0.12	vd0.05
28	Q0.09½	7-1-08	6-13	0.283	0.38	0.36	Total Deposits $1824M			3-31-08	328	14524	1.28	1.32	1.26	4	Dc	Pv1.46	....	1.51	3 Mo Mar	v0.31	v0.36
29	Q0.22½	9-2-08	8-13	0.66½	0.90	0.85	17.4	401	471	3-31-08	1264	43277	2.06	2.17	1.92	4	Dc	v1.95	....	1.92	3 Mo Mar	v1.17	v1.14
30◆	Q0.14	7-31-08	7-2	0.42	0.56	0.55	Total Deposits $225M			3-31-08	10.0	2548	....	....	....	....	Dc	v0.66	....	0.54	3 Mo Mar	v0.38	v0.29
31◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23	2.22	62.6	37.8	3-31-08	181	24468	0.34	0.40	0.30	4	Dc	vd0.33	....	d0.38	3 Mo Mar	v0.03	vd0.02
32◆	Div Postponed 6-26-00			....	NIL	....	0.47	397	652	3-31-08	1076	341963	1.45	1.85	1.19	22	Dc	v0.64	....	0.80	3 Mo Mar	0.15	v0.31
33◆	Div Suspended 1-23-09			....	NIL	0.32	Total Deposits $4984SM			3-31-08	24349	482443	0.65	0.90	0.40	13	Dc	vd2.85	E0.66f	d2.74	3 Mo Mar	v0.09	v0.20
34	Q0.63	7-22-08	7-3	1.89	2.52	2.49	Total Assets $1186M			3-31-08	482	21851	1.93	1.96	1.90	2	Dc	v1.81	E1.96f	1.78	3 Mo Mar	v0.44	v0.41
35		None Paid		....	NIL	....	1.32	....	18.9	6-30-07	0.25	[55]±53000	....	....	....	....	Dc	....	....	....			
36		None Paid		....	NIL	....	....	....	....	....	....	±40000	....	....	....	....	Dc	....	....	....			
37		None Paid		....	NIL	....	51.1	86.3	44.5	3-31-08	319	±64805	d0.10	d0.10	d0.10	1	Dc	vd0.12	Ed0.14f	d0.21	3 Mo Mar	d0.02	vd0.11
38		None Paid		....	NIL	....	454	1511	1091	3-30-08	1362	p138765	d2.38	d2.09	d2.95	8	Dc	vd1.95	Ed2.18f	d2.24	3 Mo Mar	vd0.56	vd0.85
39		None Paid		....	NIL	....	8.30	12.9	10.2	9-30-07	....	26818	0.33	0.33	0.33	1	Dc	....	....	0.18	6 Mo Jun	vNIL	vNIL
40◆	S0.05	12-17-08	11-13	0.10	0.13	0.133	5.30	282	115	3-31-08	84.5	31954	1.21	1.32	1.12	4	Dc	v0.75	....	0.99	3 Mo Mar	v0.22	v0.46

◆Stock Splits & Divs By Line Reference Index [7]3-for-2,'04 [3]3-for-2,'06 [32]2-for-1,'05 [22]10%,'04 [10]10%,'05 [10]10%,'06 [10]10%,'07 [24]10%,'04 [5]5%,'05 [32]2-for-1,'06 [35]5%,'04 [5]5%,'05 [30]6-for-5,'04 [31]1,33-for-1,'04 [5]5%,'04 [5]5%,'05 [32]2-for-1,'05 [2]2-for-1,'05 [2]2-for-1,'06 [33]5%,'06 [46]3-for-2,'06 [3]3-for-2,'07

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Holders	Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	June, 2008 Jun. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	WBMD	WebMD Health Hldgs'A'	NDS	NR	205	8606	Internet Software & Services	47.30	19.80	63.49	38.73	41.99	21.86	67640	35.40	27.21	27.90	...	48	4	-38.5	0.0	....
◆2[e1]	WBSN	Websense Inc	NDS	NR	415	50325	Internet Software & Services	34.86	3.68	25.07	15.56	21.16	15.43	110862	18.70	16.84	16.84	...	20	Neg	-20.2	-10.6	....
#3[e1]	WBS	Webster Financial	NY,Ph	B+	476	35085	Regional Banks	52.15	1.93	51.24	30.74	34.90	18.44	355612	26.12	18.44	18.60	6.5	12	-11	-53.8	-23.0	1997
4[e2]	WZEN	Webzen Inc ADS[53]	NDS	NR	17	1536	Home Entertainment Software	14.05	3.44	5.51	2.88	4.45	2.49	14095	4.45	2.92	3.01	...	NIL	...	-25.0	-14.9	2007
5	WGNR	Wegener Corp	NDS	C	10	162	Communications Equipment	14.25	0.31	1.50	0.78	1.49	0.65	1724	1.22	0.96	1.15	...	23	5	7.3	-19.1	....
6[e3]	WTW	Weight Watchers Intl	NY,Ph,Ch	NR	350	42382	Specialized Consumer Svcs	58.95	28.25	58.24	44.48	50.19	35.45	159270	42.83	35.45	35.51	2.0	13	14	-24.8	-10.2	2006
#7	WRI	Weingarten Rlty SBI	NY,Ph,Ch,P,B	A–	513	54203	Retail REITs	47.94	8.22	52.30	31.44	38.77	27.59	210218	34.71	30.00	30.32	6.9	20	14	-22.6	-3.1	1958
8	WMK	Weis Markets	NY,Ph,Ch,B	B	228	8854	Food Retail	46.25	22.08	47.10	38.24	40.18	30.22	10901	35.92	32.13	32.47	3.6	19	-3	-16.1	-2.2	1940
#9	WCG	WellCare Health Plans[53]	NY,P	NR	493	36946	Managed Health Care	71.84	17.30	128.42	20.81	58.73	31.30	152385	55.73	34.01	36.15	...	7	5	-61.2	-0.1	....
¶10[e4]	WLP	WellPoint Inc	NY,Ph,Ch,P	NR	1672	441946	Managed Health Care	80.39	20.17	89.95	72.90	90.00	43.02	1001857	57.06	46.78	47.66	...	9	20	-40.3	-10.7	....
¶11[e3]	WFC	Wells Fargo	NY,Ph,Ch,,B	A	2415	2424718	Diversified Banks	36.99	0.82	37.99	29.29	34.56	23.46	3792573	27.54	23.46	23.75	5.2	10	1	-29.2	-4.2	1939
12	WGA	Wells-Gardner Electr	AS,Ch,P	C	24	986	Consumer Electronics	34.58	0.91	4.39	1.41	1.88	1.19	2243	1.88	1.50	1.50	...	NM	3	-44.6	-17.5	2006
¶13[e3]	WEN	Wendy's Intl	NY,Ph,Ch,P,B	B+	574	76942	Restaurants	67.19	3.87	42.22	25.40	31.25	22.18	251541	31.25	26.25	27.22	1.8	32	-8	-25.1	-14.8	1976
#14	WERN	Werner Enterprises	NDS	A–	443	62499	Trucking	23.24	1.64	22.00	16.66	21.12	15.26	319952	20.17	17.81	18.58	1.1	19	1	-8.2	0.4	1987
15	WSBC	Wesbanco Inc	NDS	A–	221	11565	Regional Banks	34.00	8.18	34.25	20.01	27.74	17.06	21957	22.06	17.06	17.15	6.5	9	3	-38.2	-12.0	1986
16	WSC	Wesco Financial	AS,Ch,P	B	178	6430	Property/Casualty Insurance	505.00	32.00	501.00	374.88	449.66	368.04	447	427.00	368.04	382.00	0.4	25	12	-3.9	3.1	1973
17[e3]	WCC	WESCO International	NY	NR	458	49362	Trading Cos & Distributors	80.29	2.85	69.67	37.65	46.51	31.01	140051	46.51	39.91	40.04	...	18	35	-34.4	10.1	....
18[e6]	WMAR	West Marine	NDS	B–	175	15364	Specialty Stores	41.50	3.00	18.38	8.15	9.47	4.00	35197	4.61	4.00	4.10	...	d	Neg	-69.9	-39.0	....
◆19	WST	West Pharmaceutical Services	[7]NY,Ph,Ch,P,	B	432	33216	Health Care Supplies	52.77	5.25	54.83	35.20	48.92	36.98	50913	48.46	43.04	43.28	1.3	21	22	-7.8	17.7	1950
#20[e4]	WABC	Westamerica Bancorporation	NDS	A	399	22052	Regional Banks	61.20	3.54	59.29	39.77	61.49	39.00	56317	56.34	50.55	52.59	2.7	16	1	20.1	3.4	1935
#21[e9]	WR	Westar Energy	NY,Ph,Ch	B	571	85530	Electric Utilities	44.18	8.50	28.57	22.84	25.92	21.20	274483	24.09	21.20	21.51	5.4	10	8	-8.2	1.5	1924
22	WSTL	Westell Technologies'A'	NDS	NR	84	34765	Communications Equipment	56.00	0.87	3.16	1.33	2.00	1.20	17543	1.44	1.33	1.35	...	d	Neg	-48.2	-37.8	....
23	WAL	Western Alliance Bancorp	NY,P	NR	171	6739	Regional Banks	39.10	24.39	35.89	18.06	18.90	7.74	42251	10.52	7.74	7.76	...	11	5	-72.7	0.0	....
#24[e10]	WDC	Western Digital	NY,Ch	B–	949	211141	Computer Storage/Peripherals	54.75	1.00	31.70	16.21	40.00	21.91	1139641	40.00	34.42	34.53	...	8	40	76.7	38.2	....
25	WES	Western Gas Ptnrs LP	NY,Ch,P	NR	...	...	Integrated Oil & Gas	....	....	....	....	17.49	16.00	62140	17.49	16.00	16.85	...	14	2	0.0	0.0	....
26	WGW	Western Goldfields	AS,P,BB,To	NR	57	35667	Gold	3.08	0.15	4.27	1.80	4.14	2.07	18807	2.41	2.08	2.34	...	d	...	-7.1	97.1	....
27	WNR	Western Refining	NY	NR	303	28375	Oil & Gas Refining & Mktng	29.44	14.33	66.13	23.60	25.77	7.81	636294	17.23	10.50	11.84	2.0	6	1	-78.2	0.0	2006
¶28[e11]	WU	Western Union	NY,Ch,P	NR	1312	652450	Data Process/Outsourced Svcs	24.14	16.85	24.83	17.96	26.15	18.56	1467755	26.15	22.37	24.72	0.2	19	3	21.7	0.0	2007
29	WFD	Westfield Financial	AS,NDS	NR	179	18454	Thrifts & Mortgage Finance	10.75	3.95	11.89	8.52	10.59	8.70	40074	9.99	9.01	9.05	2.2	75	8	-3.4	12.9	2002
30	WJA	WestJet Airlines	To	NR	26	2	Airlines	21.13	3.20	23.49	14.11	22.62	12.50	229187	15.45	12.50	12.55	...	6	NM	-18.0	-1.8	....
31[e12]	WLK	Westlake Chemical	NY,B	NR	196	26936	Commodity Chemicals	37.70	14.50	37.14	18.34	22.21	12.51	75430	17.73	14.85	14.86	1.3	15	23	-45.3	-14.1	2004
32	WLB	Westmoreland Coal	AS,Ch	C	67	3068	Coal & Consumable Fuels	33.65	0.12	26.75	12.14	21.51	9.81	18370	21.51	17.50	21.11	...	d	Neg	-27.4	-1.5	....
33	WLB.P	Westmoreland Coal Cv Dep Ex Pf	AS	NR	1	1.5		59.50	4.50	52.00	41.10	45.50	39.00	18	45.00	41.00	44.75	...	..	...	...	...	....
34	WN	Weston (George) Ltd	To,Mo	A–	46	3	Food Retail	131.50	8.33	83.90	49.74	56.50	43.43	34541	52.25	45.94	47.13	3.0	11	-9	-39.3	-23.1	1930
35	WBK	Westpac Banking ADS[53]	NY,Ph,Ch,P,B	NR	99	2101	Diversified Banks	97.12	8.37	144.04	91.43	123.50	94.95	4970	109.00	95.01	95.29	6.5	12	5	-3.3	14.9	1817
36	WHG	Westwood Holdings Grp	NY,Ch,P,,B	NR	68	3692	Asset Mgmt & Custody Banks	26.74	11.40	39.96	22.18	43.03	31.57	6194	43.03	36.20	39.80	3.0	30	12	27.7	38.8	2002
37	WON	Westwood One	NY,Ph,Ch	B	213	58030	Broadcasting & Cable TV	40.50	0.56	8.38	1.76	2.42	1.02	102839	1.82	1.02	1.24	...	6	Neg	-85.0	-61.4	2005
38	WTSLA	Wet Seal'A'	NDS	C	214	86146	Apparel Retail	26.18	0.69	6.75	2.04	5.12	1.81	337726	5.00	4.35	4.77	...	25	37	-23.5	-7.9	....
¶39[e13]	WY	Weyerhaeuser Co	NY,Ph,Ch,P,B	B	1015	176039	Forest Products	75.50	17.37	87.09	59.67	73.75	49.80	583494	62.25	49.80	51.14	4.7	d	Neg	-33.7	-5.0	1933
#40[e8]	WGL	WGL Holdings	NY,Ph,Ch,P,,B	B+	567	35718	Gas Utilities	34.79	9.75	35.91	29.79	36.22	30.26	110684	36.22	34.17	34.74	4.1	14	2	9.5	5.9	1852

S&P 500 ¶ MidCap 400 ◆ SmallCap 600 # Options

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 1. [2]CBOE:Cycle 3. [3]ASE,CBOE,P,Ph:Cycle 1. [4]ASE,CBOE,Ph:Cycle 3. [5]CBOE,P:Cycle 3. [6]ASE:Cycle 1. [7]B [8]P:Cycle 1. [9]ASE,CBOE,Ph:Cycle 2. [10]ASE,CBOE,P:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 2. [12]P,Ph:Cycle 1. [13]CBOE,P:Cycle 1. [51]Subsid pld in $M [52]Ea ADS rep 0.30 common shr [53]Formerly WellCare Group [54]Incl curr amts [55]Total issue amt [56]Excl 26.5M Sub Units [57]Incl current amts [58]Each ADS rep 5 Ord shrs,A$1.00

Common and Convertible Prefe

Splits Dividends ◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate
1		None Paid		...	NIL
2◆		None Paid		...	NIL
3	Q0.30	5-19-08	5-1	0.60	1.20
4		None Paid		....	0.146
5		None Paid		....	NIL
6	Q0.17½	7-11-08	6-25	0.52½	0.70
7◆	Q0.52½	6-16-08	6-4	1.05	2.10
8	Q0.29	5-19-08	5-1	0.58	1.16
9		None Paid		...	NIL
10◆		None Paid		....	NIL
11◆	Q0.31	6-1-08	5-7	0.62	1.24
12◆	5%Stk	4-18-08	3-26	...	NIL
13	Q0.12½	5-19-08	5-1	0.25	0.50
14	Q0.05	7-22-08	7-2	0.15	0.20
15	Q0.28	7-1-08	6-11	0.835	1.12
16	Q0.38½	6-5-08	5-8	0.77	1.54
17		None Paid		...	NIL
18		None Paid		....	NIL
19◆	Q0.14	8-6-08	7-21	0.42	0.56
20	Q0.35	5-16-08	5-1	0.69	1.40
21	Q0.29	7-1-08	6-5	0.85	1.16
22		None Paid		....	NIL
23		None Paid		...	NIL
24		None Paid		...	NIL
25		Plan qtly div		...	NIL
26		None Paid		...	NIL
27	Q0.06	5-7-08	4-21	0.12	0.24
28	A0.04	12-28-07	12-12	...	0.04
29◆	Q0.05	5-22-08	5-6	†0.25	0.55
30◆		None Paid		...	NIL
31	Q0.05	6-13-08	5-28	0.10	0.20
32		None Paid		...	NIL
33		None Paid		...	1.00
34	gQ0.36	7-1-08	6-11	g1.08	g1.44
35	3.271	7-10-08	5-20	3.271	6.181
36	Q0.30	7-1-08	6-11	0.85	1.45
37	Div Suspended 5-8-07			...	NIL
38		None Paid		...	NIL
39	Q0.60	8-25-08	7-30	1.80	2.40
40	Q0.355	8-1-08	7-8	1.05½	1.42

◆Stock Splits & Divs By Line Reference Index [52]

HEARING EXHIBIT 00000083

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008	Total $ Ind. Rate	Total $ Paid 2007	Financial Position Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1		None Paid		...	NIL	....	300	385	105	3-31-08	NIL	±57566	0.07	0.13	0.02	5	Dc	v1.10	E0.58↓	0.69	3 Mo Mar	0.01	vd0.40
2◆		None Paid		...	NIL	....	71.6	161	261	3-31-08	160	45395	1.23	1.30	1.21	11	Dc	vd0.32	E0.84↑	d0.55	3 Mo Mar	0.09	vd0.14
3	Q0.30	5-19-08	5-1	0.60	1.20	1.17	Total Deposits $12354M			3-31-08	1535	[1]52490	2.02	2.14	1.85	7	Dc	v1.76	....	1.61	3 Mo Mar	v0.62	v0.47
4		None Paid		....	0.146	...	83.5	109	9.24	12-31-07	NIL	12213	...	...	...	...	Dc	v.	....	NIL			
5		None Paid		...	NIL	....	...	8.52	7.71	2-29-08	....	12647	...	...	...	...	Au	vd0.06	....	0.05	6 Mo Feb	vd0.09	v0.02
6	Q0.17½	7-11-08	6-25	0.52½	0.70	0.70	59.3	216	468	3-29-08	1507	78930	2.89	2.92	2.85	3	Dc	v2.48	E2.73↑	2.57	3 Mo Mar	0.63	v0.72
7◆	Q0.52½	6-16-08	6-4	1.05	2.10	1.98	Total Assets $5044M			3-31-08	3215	★63950	1.61	1.99	1.23	2	Dc	v2.44	E1.48↑	2.25	3 Mo Mar	v0.53	v0.34
8	Q0.29	5-19-08	5-1	0.58	1.16	1.16	67.3	324	NA	3-29-08	....	26968	1.65	1.65	1.65	1	Dc	Pv1.89	....	1.73	3 Mo Mar	0.50	v0.34
9		None Paid		...	NIL	....	1473	1947	1418	6-30-07	153	41706	4.84	6.10	4.05	10	Dc	....	E5.10↑	5.02	9 Mo Sep	v2.03	v3.62
10◆		None Paid		...	NIL	....	6397	13410	15292	3-31-08	9266	526178	5.47	5.71	5.35	13	Dc	v5.56	E5.50↓	5.37	3 Mo Mar	v1.26	v1.07
11◆	Q0.31	6-1-08	5-7	0.62	1.24	1.18	Total Deposits $324743M			3-31-08	103175	3302350	2.21	2.59	1.20	18	Dc	v2.38	E2.32↓	2.32	3 Mo Mar	v0.66	v0.60
12◆	5%Stk	4-18-08	3-26	...	NIL	....	0.89	28.4	10.8	3-31-08	5.65	10369	...	...	...	...	Dc	v0.02	....	0.01	3 Mo Mar	v0.03	v0.02
13	Q0.12½	5-19-08	5-1	0.25	0.50	0.46	207	349	300	3-30-08	521	67415	1.11	1.23	0.99	6	Dc	v0.98	E0.85↓	0.87	3 Mo Mar	0.15	v0.05
14	Q0.05	7-22-08	7-2	0.15	0.20	0.19	77.9	373	190	3-31-08	....	70390	0.81	1.02	0.68	13	Dc	v1.02	E1.00↓	0.93	3 Mo Mar	v0.21	v0.12
15	Q0.28	7-1-08	6-11	0.835	1.12	1.09	Total Deposits $2960M			3-31-08	[4]573	28547	1.68	1.75	1.60	3	Dc	v2.09	....	1.89	3 Mo Mar	v0.55	v0.36
16	Q0.38½	6-5-08	5-6	0.77	1.54	1.50	Total Assets $3150M			3-31-08	44.8	7120	...	...	...	...	Dc	Pv15.33	....	15.07	3 Mo Mar	3.17	v2.91
17		None Paid		....	NIL	....	94.4	1649	1274	3-31-08	748	44000	5.08	5.39	4.75	8	Dc	v4.99	....	2.18	3 Mo Mar	v0.93	v1.02
18		None Paid		....	NIL	....	12.0	342	114	3-29-08	88.9	21894	d0.25	d0.19	d0.31	2	Dc	vd2.30	....	d2.58	3 Mo Mar	vd0.53	vd0.81
19◆	Q0.14	8-6-08	7-21	0.42	0.56	0.53	129	412	NA	3-31-08	395	32200	2.45	2.50	2.29	5	Dc	v2.05	....	2.04	3 Mo Mar	0.77	v0.76
20	Q0.35	5-16-08	5-1	0.69	1.40	1.36	Total Deposits $3265M			3-31-08	36.7	28772	3.09	3.15	2.95	9	Dc	v2.96	E3.30↑	3.14	3 Mo Mar	0.76	v0.92
21	Q0.29	7-1-08	6-5	0.85	1.16	1.06	6.96	742	889	3-31-08	[5]2007	97887	1.51	1.55	1.50	4	Dc	v1.83	....	2.11	3 Mo Mar	0.34	v0.62
22		None Paid		....	NIL	....	68.3	108	29.7	3-31-08	....	±71467	d0.09	d0.09	d0.09	2	Mr	vd1.08	....	d1.08			
23		None Paid		....	NIL	....	Total Deposits $3816M			3-31-08	812	30230	0.62	0.75	0.44	6	Dc	v1.06	....	0.73	3 Mo Mar	v0.39	v0.14
24		None Paid		....	NIL	....	949	2629	1494	3-28-08	503	221397	4.18	4.23	4.14	16	Je	v2.50	E4.18↑	3.83	9 Mo Mar	v1.56	v2.89
25		Plan qtly div		...	NIL	....	NA	7.27	11.4	3-31-08	....	[6]★50260	1.18	...	...	6	Dc	pv1.15	....	1.19	3 Mo Mar	0.14	v0.18
26		None Paid		....	NIL	....	32.8	61.0	21.1	3-31-08	76.7	136354	0.02	0.02	0.02	1	Dc	vd0.43	....	d0.54	3 Mo Mar	d0.03	vd0.14
27	Q0.06	5-7-08	4-21	0.12	0.24	0.20	40.3	1177	893	3-31-08	1330	68323	0.41	1.00	0.15	7	Dc	v3.53	....	2.00	3 Mo Mar	0.93	vd0.60
28	A0.04	12-28-07	12-12	....	0.04	0.04	Total Assets $5972.8M			3-31-08	[7]3379	739973	1.28	1.31	1.26	22	Dc	v1.11	E1.29↑	1.13	3 Mo Mar	v0.25	v0.27
29◆	Q0.05	5-22-08	5-6	10.25	0.55	10.35	Total Deposits $630M			3-31-08	148	29478	0.26	0.26	0.26	2	Dc	v0.29	....	0.12	3 Mo Mar	v0.07	v0.06
30◆		None Paid		....	NIL	....	784	857	686	3-31-08	1277	129770	...	...	...	...	Dc	v1.47	....	1.64	3 Mo Mar	v0.23	v0.40
31	Q0.05	6-13-08	5-28	0.10	0.20	0.18	7.85	1032	350	3-31-08	554	65634	1.03	1.75	0.74	8	Dc	v1.76	E1.00↓	1.54	3 Mo Mar	v0.30	v0.08
32		None Paid		....	NIL	....	24.9	139	224	3-31-08	159	9500	...	...	...	...	Dc	Pvd2.53	....	d4.53	3 Mo Mar	0.79	vd1.21
33		None Paid		....	1.00	....	Arrears $20.60 to 7-1-07				....	....	....	....	....	....	Dc	....	....	....	Arrears $18.5375 to 10-1-05		
34◆	gQ0.36	7-1-08	6-11	g1.08	g1.44	g1.44	1721	5277	5178	3-22-08	4968	129100	...	...	...	...	Dc	v3.92	....	4.13	3 Mo Mar	v0.70	v0.91
35	3.271	7-10-08	5-20	3.271	6.181	2.91	Total Deposits $20635M			9-30-07	87126	1865088	9.43	9.43	9.43	1	Sp	v6.28	....	5.28			
36	Q0.30	7-1-08	6-11	0.85	1.45	10.80	26.7	32.3	5.34	3-31-08	NIL	6989	...	...	...	...	Dc	Pv1.28	....	1.34	3 Mo Mar	v0.25	v0.31
37	Div Suspended 5-8-07			...	NIL	0.02	5.93	118	206	3-31-08	201	±101644	0.24	0.24	0.24	1	Dc	v0.28	E0.20↑	0.21	3 Mo Mar	0.01	vd0.06
38		None Paid		...	NIL	....	109	157	56.9	5-03-08	3.83	91936	0.19	0.22	0.12	8	Ja	v0.23	E0.40↑	0.25	3 Mo Apr	0.07	v0.09
39	Q0.60	8-25-08	7-30	1.80	2.40	2.40	Total Assets $23806M			3-30-08	7014	211243	d0.25	0.72	d0.85	12	Dc	v3.59	Ed0.30↑	d0.20	3 Mo Mar	v3.09	vd0.70
40	Q0.355	8-1-08	7-8	1.05½	1.42	1.36½	18.5	721	628	3-31-08	597	49467	2.42	2.45	2.40	3	Sp	v2.19	E2.48↑	2.57	6 Mo Mar	v2.20	v2.58

◆Stock Splits & Divs By Line Reference Index [2]2-for-1,'06 [3]3-for-2,'04 [4]2-for-1,'05 [5]2-for-1,'06 [6]5%,'04 5%,'05 5%,'06 5%,'07 5%,'08 [7]2-for-1,'04 [8]3.28-for-1,'07 [9]3-for-2,'04

Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return % Annualized 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
35.40	27.21	27.90	...	48	4	-36.5	0.0	....
18.70	16.84	16.84	...	20	Neg	-20.2	-10.6	....
26.12	18.44	18.80	6.5	12	-11	-53.8	-23.0	1987
4.45	2.92	3.01	...	NIL	...	-25.0	-14.9	2007
1.22	0.96	1.15	...	23	5	7.3	-19.1	....
42.83	35.45	35.61	2.0	13	14	-24.8	-10.2	2006
34.71	30.00	30.32	6.9	20	14	-22.6	-3.1	1958
35.92	32.13	32.47	3.6	19	-3	-18.1	-2.2	1940
55.73	34.01	36.15	...	7	5	-61.2	-0.1	....
57.06	46.78	47.66	...	9	20	-40.3	-10.7	....
27.54	23.46	23.75	5.2	10	1	-29.2	-4.2	1939
1.88	1.50	1.50	...	NM	3	-44.6	-17.5	2008
31.25	26.25	27.22	1.8	32	-6	-25.1	-14.8	1976
20.17	17.81	18.58	1.1	19	1	-8.2	0.4	1987
22.08	17.06	17.15	6.5	9	3	-38.2	-12.0	1986
27.00	368.04	382.00	0.4	25	12	-3.9	3.1	1973
46.51	39.91	40.04	...	18	35	-34.4	10.1	....
4.61	4.00	4.10	...	d	Neg	-69.9	-39.0	....
48.46	43.04	43.28	1.3	21	22	-7.8	17.7	1950
56.34	50.55	52.59	2.7	16	1	20.1	3.4	1935
24.09	21.20	21.51	5.4	10	8	-8.2	1.5	1924
1.44	1.33	1.35	...	d	Neg	-48.2	-37.8	....
10.52	7.74	7.76	...	11	5	-72.7	0.0	....
40.00	34.42	34.53	....	8	40	76.7	38.2	....
17.49	16.00	16.85	...	14	2	0.0	0.0	....
2.41	2.08	2.34	...	d	...	-7.1	97.1	....
17.23	10.50	11.84	2.0	6	1	-78.2	0.0	2006
26.15	22.37	24.72	0.2	19	3	21.7	0.0	2007
9.99	9.01	9.05	2.2	75	8	-3.4	12.9	2002
15.45	12.50	12.55	...	8	NM	-18.0	-1.8	....
17.73	14.85	14.86	1.3	15	23	-45.3	-14.1	2004
21.44	17.50	21.11	....	d	Neg	-27.4	-1.5	....
45.97	41.00	44.75	...	...	...	...	...	....
52.25	45.94	47.13	3.0	11	-9	-39.3	-23.1	1930
99.61	95.01	95.29	6.5	12	5	-3.3	14.9	1617
43.66	36.20	39.80	3.0	30	12	27.7	38.8	2002
1.80	1.02	1.24	...	6	Neg	-85.0	-61.4	2005
5.60	4.35	4.77	...	25	37	-23.5	-7.9	....
52.23	49.80	51.14	4.7	d	Neg	-33.7	-5.0	1933
46.21	34.17	34.74	4.1	14	2	9.5	5.9	1852

[1]BASE:Cycle 1. [2]B [3]P:Cycle 1.
[4]Mil-shr [5]Formerly WellCare Group

EXHIBIT 00000084

STANDARD
&POOR'S

Security Owner's

Stock Guide

AUGUST 2008

HEARING EXHIBIT 00000085

Index	Ticker	Name of Issue (Cell Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	July, 2008 Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized: Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	ARII	Amer Railcar Ind	NDS	NR	192	16257	Constr & Farm Mach/Hvy Truck	40.96	22.01	43.46	12.95	26.00	14.50	27497	23.08	16.27	22.00	0.5	14	-5	-40.5	0.0	2008
2	ARL	Amer Realty Investors	NY	NR	11	92	Real Estate Mgmt & Develop	24.45	1.37	10.50	7.00	13.04	7.90	1574	10.05	7.90	8.36		1	NM	-0.6	-5.8	
3	ARP	Amer Reprographics	NY,P	NR	258	36262	Office Services & Supplies	39.00	13.00	35.34	14.33	19.97	13.49	67561	17.55	15.30	16.01		10	1	-42.8	-1.4	
4	ASI	Amer Safety Ins Hldgs	NY,P	B	104	6363	Property/Casualty Insurance	19.65	3.25	24.21	17.45	21.05	12.58	14414	15.59	12.58	14.80		12	-1	-32.4	-1.7	
5	ASEI	Amer Science & Engr	Ch,NDS	B-	239	5119	Aerospace & Defense	93.86	2.00	73.40	0.01	57.99	42.10	23136	57.16	49.09	56.52	1.4	30	NM	-2.5	12.5	2007
6	AMS	Amer Shared Hosp Sv	AS,Ch,P	B-	27	842	Health Care Services	12.12	0.18	6.80	1.80	2.99	1.71	2008	2.50	1.80	2.39		14	-12	-61.7	-24.8	2001
7	AQQ	Amer Spectrum Rlty	AS,P	NR	10	4	Real Estate Mgmt & Develop	60.36	5.00	28.75	16.25	82.00	22.01	106	46.25	35.50	35.50		d	NM	120	70.6	
8	AWR	Amer States Water	NY,Ch	B+	305	10063	Water Utilities	43.79	6.66	46.14	33.57	40.25	31.78	20483	36.21	33.03	36.12	2.8	24	12	-1.0	8.9	1931
9[x2]	AMSC	Amer Superconductor	NDS	C	275	29155	Electrical Component & Equip	75.12	2.09	32.74	9.20	47.53	15.51	225793	40.00	30.05	36.49		d	30	-71.3	47.5	
10[x3]	AMT	Amer Tower 'A'	NY,Ch	NR	1139	394572	Wireless Telecom Svcs	55.50	0.60	46.53	36.34	49.10	32.10	1096174	43.15	36.18	41.90		84	NM	-3.7	24.7	
11[x4]	AVD	Amer Vanguard	NY,AS,Ch,P	B+	174	14845	Fertilizers & Ag Chemicals	27.75	0.18	20.30	11.51	17.97	9.84	39734	13.60	9.84	13.08	0.8	20	-1	-7.8	-9.2	1996
12[x5]	AWK	Amer Water Works Co	NY,Ph,Ch,P	NR	35	656	Water Utilities					23.65	18.09	89730	23.23	18.09	19.25	4.2	d	NM	0.0	0.0	2008
13	AMWD	Amer Woodmark	NDS	B+	206	13613	Building Products	48.75	1.02	46.10	18.00	25.33	15.60	16522	24.52	19.50	23.59	1.5	61	-23	-21.9	-9.1	1998
14	UHAL	AMERCO	NDS	NR	188	6344	Trucking	106.95	1.36	89.96	57.03	71.98	42.28	15246	49.12	42.26	46.06		17	NM	-20.9	-5.7	
15[x6]	AEE	Ameren Corp	NY,Ph,Ch,P,B	A-	764	125101	Multi-Utilities	56.77	19.87	55.00	47.10	54.29	39.84	335161	43.16	39.84	41.09	6.2	13	-1	-16.3	-5.3	1905
16[x7]	AMX	America Movil 'L' ADS[x4]	NY,Ph,Ch,P,B	NR	1218	604625	Wireless Telecom Svcs	46.15	3.84	69.15	41.89	67.39	47.08	2092863	54.46	47.08	50.49	1.0	15	40	-18.5	35.4	2001
17	CRMT	America's Car-Mart	NDS	B-	131	6139	Automotive Retail	25.70	0.20	14.20	10.27	21.33	9.02	76541	21.33	17.52	19.92		16	-10	-50.1	-1.8	
18[x8]	ACF	AmeriCredit Corp	NY,Ch	B-	440	133979	Consumer Finance	64.90	1.06	29.46	9.54	16.00	6.25	535985	10.74	6.25	8.77		10	45	-62.7	-31.7	
19	APU	AmeriGas Partners L.P	NY,Ph,Ch,P,B	NR	119	3626	Gas Utilities	49.30	8.50	39.44	23.35	41.00	19.92	212810	28.51	19.92	25.40	9.1	14	21	-11.8	-4.6	1995
20[x9]	AGP	AMERIGROUP Corp	NY	NR	604	61502	Managed Health Care												d	12	6.5	-9.4	
21[x10]	AMP	Ameriprise Financial	NY,Ph,Ch,P,B	NR	1158	190863	Asset Mgmt & Custody Banks	55.79	32.00	69.25	51.31	57.55	35.48	792931	43.82	35.48	42.50	1.6	11	5	-32.1	0.0	2005
22[x6]	ABC	AmerisourceBergen Corp	NY,Ph,Ch,P,B	A-	975	153006	Health Care Distributors	48.96	4.93	56.56	42.21	48.60	36.70	331564	44.45	36.70	41.57	0.7	14	-1	-14.4	-7.9	2001
23[x10]	ASCA	Ameristar Casinos	NDS	B	228	27377	Casinos & Gaming	33.41	0.93	38.00	24.25	27.92	11.16	251840	14.60	11.16	13.17	3.2	d	11	-52.3	-22.6	2004
24	AMN	Ameron Intl	NY,Ph,Ch,P,B	A-	328	7737	Building Products	80.58	11.00	116.47	24.84	138.65	73.36	25682	138.65	110.02	129.29	0.9	17	28	34.5	50.4	1939
25	ATLO	Ames National	NDS	NR	16	117	Regional Banks	42.82	11.91	23.19	17.64	25.50	15.12	3907	25.50	15.60	23.12	4.8	21	1	-32.5	-10.0	1998
26	AME	AMETEK, Inc	NY,Ph,Ch,P,B	A	712	89230	Electrical Component & Equip	34.08	2.75	48.45	30.67	53.12	37.09	187709	52.50	45.71	47.86	0.5	21	23	23.5	22.5	1942
27[x1]	AMGN	Amgen Inc	NDS	B+	2019	828649	Biotechnology	86.92	0.25	76.95	46.21	64.00	39.16	3414060	64.00	46.84	52.63		14	12	-5.7	-12.7	
28	AMCS	AMICAS Inc	NDS	C	82	32138	Health Care Technology	37.37	0.93	3.68	2.34	3.05	1.70	12129	2.90	2.50	2.82		d	-39	-24.4	-18.1	
29[x10]	AMKR	Amkor Technology	NDS	B-	505	113222	Semiconductor Equipment	95.31	1.13	16.29	7.60	12.70	6.14	795850	10.77	8.00	8.76		7	NM	-38.8	15.4	
30[x11]	AHS	AMN Healthcare Svcs	NY,Ch,P	NR	351	36566	Health Care Services	37.40	8.90	29.10	18.40	19.37	14.25	57686	19.37	16.34	18.90		17	9	-11.9	3.9	
31[x12]	AMPL	Ampal-Amer Israel 'A'	Ch,P,NDS,B	NR	84	2029	Multi-Sector Holdings	35.00	1.25	8.50	4.27	7.71	4.23	12761	5.99	4.23	5.57		62	50	8.8	14.8	
32	AP	Ampco-Pittsburgh	NY,Ph,Ch	B	242	7453	Industrial Machinery	37.33	4.87	54.46	22.99	53.69	29.00	15512	45.83	38.78	43.48	1.7	11	NM	-13.3	46.1	1968
33[x13]	APH	Amphenol Corp 'A'	NY,Ph,Ch,B	B+	862	170022	Elect Equip Manufacturers	35.24	0.64	47.24	30.50	52.08	34.19	392777	52.08	43.59	47.57	0.1	20	30	35.2	29.5	2005
34[x14]	AMR	AMR Corp	NY,Ph,Ch	B-	482	260062	Airlines	89.93	1.25	41.00	13.65	16.49	4.00	5854709	10.66	4.00	9.03		d	1	-69.7	-14.1	
35	AAR	AMR Corp 7.875% 'PINES'	NY	BBB-	4	9.5		25.25	2.43	24.90	18.06	23.36	10.50	9539	16.00	10.50	15.45	12.7			-29.4	-1.1	1999
36	AMY	AmREIT 'A'	AS,Ph,Ch,P	NR	28	1096	Retail REITs	8.82	6.05	9.25	6.56	8.04	5.91	1036	7.20	6.54	7.03	7.1	d	-23	-12.9	0.7	2002
37	AXR	AMREP Corp	NY,Ph,Ch	B	119	1240	Diversif Comm & Prof Svcs	137.51	3.25	149.99	20.90	58.25	27.94	7704	52.52	41.12	49.40		23	28	-18.0	27.3	
38[x12]	AMSG	AmSurg Corp	NDS	B+	382	31799	Health Care Facilities	29.99	3.16	28.00	21.63	29.76	21.96	56526	27.83	23.96	26.80		17	1	5.1	-0.5	
39[x15]	AFSI	AmTrust Financial Svcs	NDS	NR	335	25362	Property/Casualty Insurance	9.57	7.50	22.08	8.31	17.50	10.59	58112	14.97	10.59	14.57	1.4	10	1	-16.5	0.0	2007
40	AMLN	Amylin Pharmaceuticals	NDS	C	515	153117	Biotechnology	51.54	0.28	53.25	35.55	37.38	23.75	623262	31.91	24.13	31.55		d	-4	-37.8	14.3	
41[x7]	APC	Anadarko Petroleum	NY,Ph,Ch,P,B	A-	1492	395139	Oil & Gas Exploration & Prod	56.97	4.59	68.00	38.40	81.36	50.91	1674040	75.90	56.02	57.91	0.6	10	32	14.9	10.8	1986

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 1. [2]ASE,Ph:Cycle 1. [3]CBOE,P,Ph:Cycle 1. [4]ASE,Ph:Cycle 2. [5]CBOE,Ph:Cycle 3. [6]Ph:Cycle 3. [7]ASE,CBOE,P,Ph:Cycle 2: [8]ASE,CBOE,P:Cycle 2. [9]ASE,CBOE,P:Cycle 3. [10]ASE,CBOE,P,Ph:Cycle 3. [11]Ph:Cycle 1. [12]ASE:Cycle 3. [13]CBOE,P:Cycle 1. [14]ASE,CBOE:Cycle 2. [15]CBOE:Cycle 3. [51]Incl curr amts [52]Pfd in $M,all held by RWE [53]Incl liabs subj to compromise [54]Ea.ADS rep 20'L'Ord shrs,no par [55]Incl current amts [56]Stk dstr of Sabre Hldgs Corp [57]Issue debt only [58]Excl 1M'B',4M'C',11M'D'shrs

Common and Convertible Preferred Sto

Splits Dividends

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007
1	Q0.03		7-11-08	8-25	0.09	0.12	0.12
2	Div Omitted 8-11-99					NIL	
3	None Paid					NIL	
4	Div Postponed 7-16-03					NIL	
5	Q0.20		6-6-08	5-15	0.40	0.80	0.40
6	Div Suspended 9-21-07					NIL	
7◆	Div Omitted 3-25-03					NIL	0.143
8	Q0.25		6-1-08	8-6	0.75	1.00	0.95½
9	None Paid					NIL	
10	None Paid					NIL	
11◆	S0.05		4-15-08	3-27	0.05	0.10	0.07
12	None Paid					0.80	
13◆	Q0.09		6-20-08	6-4	0.18	0.36	0.30
14	None Paid					NIL	
15	Q0.63½		8-30-08	8-9	1.27	2.54	2.54
16◆	0.516		8-4-08	7-22	0.516	2.365	12.23
17◆	None Paid					NIL	
18	None Paid					NIL	
19	Q0.64		8-18-08	8-6	1.89	2.56	12.66
20◆	None Paid					NIL	
21	Q0.17		8-22-08	8-6	0.47	0.68	0.56
22◆	Q0.07½		8-2-08	5-15	0.15	0.30	h0.22½
23◆	Q0.105		7-8-08	6-19	0.21	0.42	0.41
24	Q0.30		8-19-08	7-22	0.85	1.20	0.90
25◆	Q0.28		8-15-08	7-30	0.83	1.12	1.07
26◆	Q0.06		9-30-08	9-12	0.18	0.24	0.24
27	None Paid					NIL	
28			3-5-01	3-6		NIL	
29	None Paid					NIL	
30	None Paid					NIL	
31	0.21		12-28-95	12-13		NIL	
32	Q0.18		7-25-08	7-9	0.51	0.72	0.55
33◆	Q0.015		10-1-08	9-8	0.06	0.06	0.06
34	h[58]		3-15-00	3-16		NIL	
35	Q0.492		7-31-08	7-11	1.477	1.969	1.96¾
36	M0.041		7-31-08	7-17	0.29	0.497	0.497
37	1.00		8-24-07	8-8		1.00	1.00
38◆	None Paid					NIL	
39	Q0.05		10-13-08	9-30	0.17	0.20	0.07
40	None Paid					NIL	
41◆	Q0.09		6-25-08	6-9	0.18	0.36	0.36

◆Stock Splits & Divs By Line Reference Index [71]-for-4 REV [32]2-for-1,'04 [3]2-for-2,'06 [32]2-for-1,'04 [2]2-for-1,'07 [32]3-for-2,'04

HEARING EXHIBIT 00000086

Common and Convertible Preferred Stocks

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Cash & Equiv. MM-$	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt MM-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr Period	Prior	Curr.
1	Q0.03	7-11-08	6-25	0.09	0.12	0.12	316	476	81.6	3-31-08	275	21302	1.63	1.68	1.56	4	Dc	Pv1.75	....	1.60	3 Mo Mar	0.63	v0.48
2	Div Omitted 8-11-99			....	NIL	....	Total Assets $1758M			3-31-08	[11]1222	10444					Dc	Pv2.35	....	8.96	3 Mo Mar	d0.89	v5.72
3	None Paid			....	NIL	....	16.8	150	135	3-31-08	316	45823	1.55	1.58	1.52	7	Dc	v1.51	E1.60†	1.55	3 Mo Mar	0.37	v0.41
4	Div Postponed 7-16-03			....	NIL	....	Total Assets $932M			3-31-08	38.8	10604	1.96	2.09	1.90	3	Dc	Pv2.56	....	1.21	3 Mo Mar	v0.65	v0.55
5	Q0.20	6-6-08	5-15	0.40	0.80	0.40	125	205	56.1	3-31-08	9.54	5768	2.22	2.47	2.05	4	Mr	v1.87	....	1.87			
6	Div Suspended 9-21-07			....	NIL	0.143	9.46	17.3	14.6	3-31-08	19.8	5200	....	....	....	....	Dc	Pv0.19	....	0.17	3 Mo Mar	0.05	v0.03
7◆	Div Omitted 3-25-03			....	NIL	....	Total Assets $216M			3-31-08	184	1380					Dc	vd6.38	....	d6.06	3 Mo Mar	d0.83	vd0.51
8	Q0.25	9-1-08	8-6	0.75	1.00	0.95½	0.77	59.8	103	3-31-08	257	17245	1.76	1.86	1.72	4	Dc	v1.61	....	1.51	3 Mo Mar	0.40	v0.30
9	None Paid			....	NIL	....	106	173	48.9	3-31-08	....	42000	d0.71	d0.60	d0.76	9	Mr	vd0.65	....	d0.65			
10	None Paid			....	NIL	....	128	331	306	3-31-08	4433	396000	0.48	0.57	0.25	15	Dc	v0.13	E0.50†	0.18	3 Mo Mar	v0.05	v0.10
11◆	S0.05	4-15-08	3-27	0.05	0.10	0.07	2.29	161	53.5	3-31-08	96.6	26480	0.78	0.84	0.75	4	Dc	v0.68	....	0.66	3 Mo Mar	v0.08	v0.06
12	None Paid			....	NIL	....	9.20	414	871	3-31-08	4642	[22]★160000	1.21	....	1.10	....	Dc	vd2.14	....	d6.74	3 Mo Mar	0.02	vd4.58
13◆	Q0.09	6-20-08	6-4	0.18	0.36	0.30	56.9	143	58.0	4-30-06	26.0	14071	0.29	0.35	0.22	5	Ap	v2.04	v0.29	0.29			
14	None Paid			....	NIL	....	Total Assets $3953M			3-31-08	[23]1395	19631	2.50	2.56	2.44	2	Mr	Pv2.78	....	2.78			
15	Q0.63½	6-30-06	6-9	1.27	2.54	2.54	186	2303	3510	3-31-08	5066	209475	3.06	3.16	3.00	8	Dc	v2.98	E3.09†	3.04	3 Mo Mar	v0.60	v0.66
16◆	0.518	8-4-08	7-22	0.518	2.385	†2.23	1718	8749	11703	3-31-08	6998	±1739500	3.66	3.86	3.37	9	Dc	Pv3.11	E3.37†	3.10	3 Mo Mar	v0.75	v0.74
17◆	None Paid			....	NIL	....	Total Assets $185M			4-30-08	40.3	11734	1.04	1.08	1.01	4	Ap	v0.35	Pv1.26	1.26			
18	None Paid			....	NIL	....	Total Assets $18149M			3-31-08	[23]1551	114692	0.88	1.03	0.78	7	Je	v2.73	E0.88†	1.32	9 Mo Mar	v2.06	v0.85
19	Q0.64	8-18-08	8-6	1.69	2.56	†2.66	14.1	540	NA	3-31-08	930	57005	2.41	2.78	1.88	8	Sp	v3.26	E2.30†	3.45	6 Mo Mar	v3.06	v3.25
20◆	None Paid			....	NIL	....	619	1133	592	3-31-06	361	53539	2.36	2.51	2.27	11	Dc	v2.16	....	d1.25	6 Mo Jun	v1.01	vd2.40
21	Q0.17	8-22-08	8-6	0.47	0.68	0.56	Total Assets $109854M			3-31-08	2018	223400	3.71	3.91	3.55	8	Dc	v3.39	E3.78†	3.85	6 Mo Jun	v1.49	v1.75
22◆	Q0.07½	8-2-08	5-15	0.15	0.30	h0.22½	591	8808	8234	3-31-08	1223	161218	2.85	2.89	2.75	11	Sp	v2.50	E2.89†	1.34	9 Mo Jun	v1.99	v0.83
23◆	Q0.105	7-8-08	6-19	0.21	0.42	0.41	78.9	123	173	3-31-08	1615	57214	1.20	1.30	1.06	14	Dc	v1.19	....	d0.29	3 Mo Mar	v0.41	vd1.07
24	Q0.30	8-19-08	7-22	0.85	1.20	0.90	159	459	137	6-01-08	55.6	9179	6.85	6.96	6.75	2	Nv	v7.40	....	7.57	9 Mo May	v2.88	v2.85
25◆	Q0.26	8-15-08	7-30	0.83	1.12	1.07	Total Deposits $671M			3-31-08	39.5	9430	....	....	....	....	Dc	v1.17	....	1.11	6 Mo Jun	v0.57	v0.51
26◆	Q0.06	9-30-08	9-12	0.18	0.24	0.24	124	950	682	3-31-08	667	106692	2.53	2.55	2.50	10	Dc	v2.12	....	2.33	6 Mo Jun	v1.02	v1.23
27	None Paid			....	NIL	....	8647	14527	5954	3-31-08	9177	1088000	4.34	4.45	3.96	21	Dc	v2.82	E4.35†	2.92	3 Mo Mar	0.94	v1.04
28	0.	3-5-01	3-6	....	NIL	....	72.0	86.0	19.2	3-31-08	....	42868	d0.01	d0.01	d0.02	3	Dc	vd0.02	....	d0.03	3 Mo Mar	v	vd0.01
29	None Paid			....	NIL	....	414	970	613	3-31-08	1602	182581	1.34	1.42	1.29	5	Dc	v1.11	E1.26†	1.29	3 Mo Mar	v0.18	v0.36
30	None Paid			....	NIL	....	7.84	250	149	3-31-08	118	33832	1.18	1.24	1.10	9	Dc	v1.05	....	1.10	3 Mo Mar	v0.23	v0.28
31	0.21	12-28-85	12-13	....	NIL	....	Total Assets $400M			3-31-08	284	57703	....	....	....	....	Dc	Pv0.16	....	0.09	3 Mo Mar	vd0.11	vd0.18
32	Q0.18	7-25-08	7-9	0.51	0.72	0.55	71.6	224	NA	3-31-08	....	10178	....	....	....	....	Dc	v3.88	....	3.93	3 Mo Mar	v0.95	v1.00
33◆	Q0.015	10-1-08	9-8	0.06	0.06	0.06	180	1274	491	3-31-08	652	176663	2.37	2.39	2.35	10	Dc	v1.94	E2.40†	2.20	6 Mo Jun	v0.89	v1.15
34	h[56]	3-15-00	3-16	....	NIL	....	5069	9072	10640	6-30-08	[57]8708	251148	d7.52	d5.04	d10.88	12	Dc	v1.78	Ed7.00†	d6.70	6 Mo Jun	v1.38	vd7.10
35	Q0.492	7-31-08	7-11	1.477	1.969	1.96¾	Co opt to redm fr 7-13-2004 at $25				....	....	....	....	....	....	Dc	....	....	....	Due 7-13-2039		
36	M0.041	7-31-08	7-17	0.29	0.497	0.497	Total Assets $333M			3-31-08	159	[58]5776	0.67	0.67	0.67	1	Dc	Pvd1.02	....	d0.99	3 Mo Mar	d0.27	vd0.24
37	1.00	8-24-07	8-8	....	1.00	1.00	Total Assets $300M			4-30-06	21.1	5995	....	....	....	....	Ap	v6.76	v2.19	2.19			
38◆	None Paid			....	NIL	....	24.1	115	35.7	3-31-08	200	31417	1.55	1.57	1.53	19	Dc	v1.42	E1.56†	1.44	6 Mo Jun	v0.70	v0.72
39	Q0.05	10-13-08	9-30	....	0.20	0.07	Total Assets $1654M			3-31-08	236	59990	1.70	1.75	1.65	3	Dc	v1.49	....	1.50	3 Mo Mar	v0.36	v0.37
40	None Paid			....	NIL	....	1033	1226	260	3-31-08	900	137073	d1.95	d1.75	d2.15	18	Dc	vd1.59	Ed1.94†	d1.85	6 Mo Jun	vd0.72	vd0.98
41◆	Q0.09	6-25-08	6-9	0.18	0.36	0.36	1306	4306	4654	3-31-08	13358	466123	6.77	8.12	4.31	30	Dc	v6.07	E6.08†	4.98	3 Mo Mar	3.70	v0.61

◆Stock Splits & Divs By Line Reference Index [1]1-for-4 REVERSE,'04 [11]3-for-2,'04 [2]2-for-1,'05 [4]4-for-3,'06 [13]2-for-1,'04 [16]3-for-1,'05 [17]3-for-2,'05 [22]2-for-1,'05 [23]2-for-1,'05 [32]2-for-1,'05 [33]3-for-1,'05
[52]2-for-1,'04 [3]3-for-2,'06 [53]2-for-1,'04 [2]2-for-1,'07 [54]3-for-2,'04 [41]2-for-1,'06

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-99 High	1998-99 Low	2007 High	2007 Low	2008 High	2008 Low	Jul. 2008 Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return % Annualized 12 Mo	Total Return % Annualized 36 Mo	Cash Divs. Ea. Yr. Since
1	S&P 500[11]																						
	MidCap 400																						
◆	SmallCap 600																						
•	Options																						
2	Q0.06	9-4-08	8-12																				
3◆		None Paid																					
4	Q0.12½	8-15-08	7-30																		0.37½	0.50	
5		None Paid																				NIL	
6		None Paid																				NIL	
7	0.051	7-8-02	5-10																			0.051	
8◆	Q0.15	8-20-08	7-28																		0.41	0.60	
9◆	Q0.12½	6-1-06	5-14																		0.25	0.50	
10		None Paid																				NIL	
11	0.534	7-23-08	6-26																		2.626	3.047	
12	0.40	3-28-08	3-10																		0.40	NIL	
13	Q0.10	7-1-08	6-11																		0.30	0.40	
14	Q0.62	8-28-08	8-13																		1.86	2.48	
15		None Paid																				NIL	
16	0.37½	12-15-06	12-2																		1.50	1.50	
17		None Paid																				NIL	
18	Q0.20	9-15-08	8-13																		0.60	0.80	
19◆	Q0.09	9-15-08	8-27																		0.25	0.36	
20	Q0.13	8-5-08	5-13																		0.26	0.52	
21		Plan qtly div																				3.056	
22	Q0.07	6-2-08	5-15																		0.14	0.28	
23		None Paid																				NIL	
24	Q0.25	7-18-08	6-26																		0.75	1.00	
25		None Paid																				NIL	
26◆		None Paid																				NIL	
27	Q0.42	6-30-06	6-12																		0.84	1.68	
28		None Paid																				NIL	
29◆		Div Deferred 2-5-03																				NIL	
30		None Paid																				NIL	
31◆		None Paid																				NIL	
32		Div Suspened 3-25-088																				0.40	
33	Q0.44	8-1-08	7-22																		1.32	1.76	
34	Q0.15	8-19-06	8-1																		0.45	0.60	
35	Q0.56	8-5-08	7-30																		1.68	2.24	
36	0.071	6-2-06	4-30																		0.071	0.12	
37	4.50	3-31-08	3-7																		4.50	NIL	
38		None Paid																				NIL	
39		None Paid																				NIL	
40		None Paid																				0.12	
41		None Paid																				NIL	

◆Stock Splits & Divs By Line Reference Index [1]

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-99 High	1998-99 Low	2007 High	2007 Low	2008 High	2008 Low	Jul. 2008 Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return % Annualized 12 Mo	Total Return % Annualized 36 Mo	Cash Divs. Ea. Yr. Since
◆1	AIT	Applied Indus Technologies	NY,Ph,Ch,P	A–	518	38980	Trading Cos & Distributors	31.66	2.64	35.68	22.72	32.20	22.05	68700	28.63	22.92	28.72	2.2	12	45	–8.6	–7.0	1957
2[e1]	AMAT	Applied Materials	NDS	B	1612	108421	Semiconductor Equipment	57.50	0.03	23.00	17.35	21.75	16.13	5494040	19.40	16.85	17.32	1.4	23	NM	–20.8	–1.2	2005
3	AMCC	Applied Micro Circuits	NDS	C	269	52763	Semiconductors	439.00	4.12	15.86	8.69	9.92	6.46	301071	8.77	7.43	7.76		96	40	–30.1	–12.3	
◆4[e2]	APSG	Applied Signal Technology	NDS	B–	157	8894	Aerospace & Defense	39.20	3.00	18.65	12.25	15.96	10.73	13067	15.80	13.00	14.84	3.4	27	–12	3.0	–7.7	2003
5	AREX	Approach Resources	NDS	NR	118	8589	Oil & Gas Exploration & Prod			13.64	11.58	30.00	9.20	48915	30.00	17.01	20.11		47	3	0.0	0.0	
#6[e3]	AHG	Apria Healthcare Grp	NY	B	523	50498	Health Care Services	36.75	2.56	34.36	20.11	24.03	15.31	116871	19.83	18.60	19.21		10	–2	–30.5	–16.5	
7	ATS	APT Satellite Hldg Ltd ADS[51]	NY,P	NR	9	656	Alternative Carriers	19.37	1.10	4.95	1.36	2.25	1.00	6240	1.44	1.00	1.07		d		–42.9	–5.4	
#8[e4]	ATR	AptarGroup Inc	NY,Ph,Ch,P,B	A	634	65870	Metal & Glass Containers	31.14	4.00	44.75	28.72	46.19	32.87	129124	43.64	36.54	38.70	1.6	18	15	4.1	16.2	1993
#9[e5]	WTR	Aqua America	NY	A	462	62500	Water Utilities	29.79	1.99	26.62	18.86	22.00	14.46	288388	17.45	14.46	15.85	3.2	21	3	–29.9	–10.9	1939
10	ARSD	Arabian American Dev	NDS,BB	C	11	2837	Commodity Chemicals	9.50	0.00	8.95	2.83	8.00	4.50	3093	5.76	4.55	4.75		25	NM	–18.5	113	
11[e6]	ARA	Aracruz Celulose $ A ADS[52]	NY,Ph,Ch,P,B	NR	200	29377	Paper Products	62.69	4.68	80.24	49.01	92.22	56.76	117384	74.93	66.07	69.50	1.7	16	24	8.5	28.5	1995
12	ARBX	Arbinet-thexchange Inc	NDS	NR	64	14006	Alternative Carriers	29.90	4.08	6.80	4.84	6.07	3.29	9639	4.19	3.49	4.00		d	1	–25.9	–14.4	2008
◆13[e7]	ARB	Arbitron Inc	NY,Ph,Ch,P,B	NR	371	32418	Advertising	45.90	19.65	55.63	34.81	51.50	38.49	79547	46.42	43.98	47.00	0.9	36	–6	–9.5	3.8	2005
14	ABR	Arbor Realty Trust	NY	NR	219	15817	Mortgage REITs	31.20	18.05	34.45	13.91	18.80	7.85	61263	12.49	7.85	10.96	22.6	5	49	–45.1	–20.7	2004
15	KAD	Arcadia Resources	AS,BB	NR	35	46594	Health Care Services	4.20	0.09	2.40	0.61	1.30	0.26	18811	0.64	0.26	0.42		d		–53.3	–45.7	
16[e3]	MT	ArcelorMittal 'A'	NY,Ph,Ch,P,B	NR	307	65653	Steel	43.86	0.70	83.88	39.59	104.77	55.53	1299226	95.34	74.97	87.42	1.5	12	96	22.5	42.3	2005
17[e8]	ACGL	Arch Capital Group	NDS	B–	624	43370	Reinsurance	70.59	11.00	77.30	63.25	73.22	63.74	101595	70.50	63.74	69.73		7	29	–5.9	15.6	
◆18	ARJ	Arch Chemicals	NY,Ph,Ch,P,B	B–	394	24290	Specialty Chemicals	37.21	12.31	48.02	29.29	40.75	29.47	45006	39.56	29.47	32.10	2.5	30	–1	8.5	14.8	1999
#19[e9]	ACI	Arch Coal	NY,Ph,Ch,B	B–	712	137762	Coal & Consumable Fuels	56.44	2.37	45.22	27.18	77.40	32.98	1640290	75.41	47.75	56.31	0.6	19	63	84.3	27.3	1997
20[e3]	ADM	Archer-Daniels-Midland	NY,Ph,Ch,P,B	A+	1242	447087	Agricultural Products	46.71	3.32	47.33	30.20	48.95	27.14	1613874	33.91	27.14	28.63	1.8	10	45	–16.5	11.9	1927
21	ADM.PA	Archer-Dan-Midl Equity Uts	NY	NR	1	50						50.25	37.44	113842	44.22	37.44	39.07	7.8					2008
◆22	ACAT	Arctic Cat	NDS	B+	217	13360	Leisure Products	29.20	2.11	20.77	10.54	12.44	6.30	38024	9.85	6.30	8.90	3.1	d	Neg	–50.9	–23.5	1992
23	RDEA	Ardea Biosciences Inc	NDS	NR	29	8162	Pharmaceuticals	396.00	1.54	15.50	4.15	16.25	9.26	7335	14.33	9.26	13.01		d	84	133	59.4	
24	ARDNA	Arden Group CFA'	NDS	B+	119	472	Food Retail	141.03	4.81	170.00	113.00	159.50	114.06	310	147.87	122.01	144.10	0.7	16	13	1.7	19.1	2003
25[e10]	ARNA	Arena Pharmaceuticals	NDS	NR	248	65904	Biotechnology	47.00	3.48	14.78	7.76	8.68	4.55	819068	6.99	5.10	6.78		d	–29	–42.3	–5.7	
26	ARD	Arena Resources	NY,AS	NR	385	30423	Oil & Gas Exploration & Prod	23.85	0.12	45.35	16.41	57.60	29.25	197052	56.59	39.21	40.91		30	88	52.3	88.1	
27	ARCC	Ares Capital	NDS	NR	259	54350	Asset Mgmt & Custody Banks	20.02	14.44	20.55	14.03	14.78	8.97	257214	11.55	8.97	11.43	14.7	7	4	–24.0	–7.5	2005
28	AGX	Argan Inc	AS,Ch,P,BB	C	15	1232	Construction & Engineering	136.87	1.01	13.94	6.00	18.74	10.55	12592	18.74	13.20	16.49		NM	Neg	120	44.0	
29	AGII	Argo Group Intl Holdings	NDS	B–	346	23507	Property/Casualty Insurance	58.79	8.99	58.83	37.49	42.06	32.10	25235	35.45	32.10	34.04		6	3	–20.6	–0.1	
30	STST	ARGON ST	NDS	NR	194	13974	Aerospace & Defense	38.39	18.70	29.44	15.18	26.83	15.26	22971	26.83	22.65	24.78		36	1	16.9	–7.9	
31[e11]	ARBA	Ariba Inc	NDS	C	340	61413	Internet Software & Services	1100.06	5.40	13.30	7.50	17.25	8.26	401284	17.25	13.60	16.41		d	43	82.0	41.6	
32	RAMS	Aries Maritime Transport	NDS	NR	46	9363	Marine	16.50	9.07	10.45	5.91	7.77	2.81	13411	4.94	2.81	3.00	17.3	d	4	–67.9	–36.6	2005
33	ARKR	Ark Restaurants	NDS	B	40	1342	Restaurants	43.48	1.12	37.90	29.83	37.57	13.54	1317	26.44	13.54	19.03	9.2	9	19	–37.3	–3.5	2004
◆34	ABFS	Arkansas Best	NDS	B	450	30896	Trucking	50.57	4.12	44.97	21.49	45.13	17.94	293122	45.13	32.80	37.14	1.6	15	...	–9.5	0.6	2003
35	ATB	Artington Tankers	NY	NR	142	8792	Oil & Gas Storage & Transp	25.39	18.75	29.90	19.72	24.32	18.93	14156	23.04	20.05	20.39	11.1	36	5	–11.9	9.6	2005
36	ARMH	ARM Holdings ADS[54]	NDS	NR	119	51259	Semiconductors	50.00	1.75	10.07	6.92	7.58	4.76	141823	6.08	4.95	5.67	1.8	22	17	–37.8	–2.8	2004
37[e12]	AWI	Armstrong World Indus	NY,Ph,Ch,P,B	NR	262	20037	Building Products	42.50	30.00	57.48	35.04	40.96	26.25	54229	35.65	27.86	33.71		14	2	–16.5	0.0	2008
◆38[e8]	ARQL	ArQule Inc	NDS	C	203	31316	Biotechnology	40.37	1.92	10.59	5.47	6.09	3.03	39120	4.06	3.03	3.79		d	–18	–39.1	–18.8	
39[e8]	ARRY	Array BioPharma	NDS	NR	238	44622	Biotechnology	15.89	2.10	14.59	7.81	8.69	4.51	67780	6.10	4.51	7.81		d	–16	–36.2	2.2	
40	HRT	Arrhythmia Research Tech	AS,P	B+	29	589	Health Care Technology	48.15	0.87	33.89	6.75	9.30	4.26	1846	6.02	4.26	5.94		13	–2	–44.8	–27.0	
◆41[e13]	ARRS	Arris Group	NDS	B–	512	120796	Communications Equipment	61.25	1.50	17.89	9.53	10.39	4.98	719110	9.78	6.67	9.57		15	NM	–46.9	–1.4	

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 1. [2]ASE,Ph:Cycle 2. [3]ASE,CBOE:Cycle 3. [4]ASE:Cycle 1. [5]CBOE,P,Ph:Cycle 3. [6]CBOE:Cycle 2. [7]ASE,CBOE:Cycle 2. [8]ASE:Cycle 3. [9]CBOE:Cycle 1. [10]ASE,CBOE,Ph:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 2. [12]CBOE:Cycle 3. [13]CBOE,P:Cycle 2. [51]Ea ADS rep 8 Ord shr, HK$0.10 [52]Ea ADS rep 10 CTB' pref,no par [53]As defined [54]Pfd in $M [55]Incl current amts [56]Ea ADS rep 3 ord, 1p

Common and Convertible Prefer

HEARING EXHIBIT 00000088

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment: Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. '000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	Q0.15	6-29-08	8-13	0.45	0.60	0.54	70.5	569	171	3-31-08	25.0	42296	2.19	2.25	2.16	7	Je	v1.93	....	2.18	9 Mo Mar	v1.37	v1.62
2	Q0.06	9-4-08	8-12	0.18	0.24	0.23	2455	6606	2707	4-27-06	202	1355445	0.77	0.96	0.68	24	Oc	v1.20	E0.76↓	1.03	6 Mo Apr	v0.58	v0.41
3◆	None Paid			....	NIL	....	42.6	220	48.1	3-31-08	....	64790	d0.00	0.01	d0.01	5	Mr	vd1.70	E0.45↑	d1.70			
4	Q0.12½	8-15-08	7-30	0.37½	0.50	0.50	34.8	97.3	20.2	5-02-08	4.52	12584	0.61	0.66	0.59	7	Oc	v0.55	....	0.55	6 Mo Apr	v0.28	v0.28
5	None Paid			....	NIL	....	1.34	18.5	21.3	3-31-08	7.29	★20652	1.69	2.13	1.54	6	Dc	v0.24	....	0.43	3 Mo Mar	d0.06	v0.13
6	None Paid			....	NIL	....	21.0	438	537	3-31-08	417	44171	1.99	2.05	1.94	9	Dc	v1.95	E1.99↑	1.95	3 Mo Mar	0.47	v0.47
7	0.051	7-8-02	5-10	....	0.051	....	54.4	78.3	48.6	6-30-07	91.8	413265	....	....	....	....	Dc	....	....	d0.20			
8◆	Q0.15	8-20-08	7-28	0.41	0.60	0.50	335	1114	622	3-31-08	147	68013	2.24	2.27	2.22	9	Dc	v1.98	....	2.21	6 Mo Jun	v0.93	v1.16
9◆	Q0.12½	6-1-08	5-14	0.25	0.50	0.48	16.5	110	174	3-31-08	1213	133630	0.73	0.77	0.70	9	Dc	v0.71	E0.75	0.69	3 Mo Mar	v0.13	v0.11
10	None Paid			....	NIL	....	2.94	27.3	20.3	3-31-08	13.0	23472	....	....	....	....	Dc	v0.33	....	0.19	3 Mo Mar	0.20	v0.06
11	0.534	7-23-08	6-26	2.626	3.047	2.356	538	1371	520	3-31-08	1603	103059	4.61	5.30	3.92	6	Dc	Pv4.30	....	4.46	3 Mo Mar	0.97	v1.13
12	0.40	3-28-08	3-10	0.40	NIL	....	30.8	66.0	25.8	3-31-08	....	25535	0.03	0.03	0.03	1	Dc	vd0.28	....	d0.23	3 Mo Mar	d0.07	vd0.02
13	Q0.10	7-1-08	6-11	0.30	0.40	0.40	25.3	57.5	58.1	3-31-08	45.0	28191	1.41	1.44	1.37	5	Dc	v1.35	....	1.32	6 Mo Jun	v0.64	v0.61
14	Q0.62	8-26-08	8-13	1.86	2.48	2.46	Total Assets $2901M			3-31-08	1964	20837	2.32	2.52	2.21	4	Dc	v4.44	E2.35↓	4.09	3 Mo Mar	0.97	v0.62
15	None Paid			....	NIL	....	6.35	36.0	11.1	3-31-08	38.3	133280	d0.10	d0.10	d0.10	1	Mr	vd0.19	....	d0.19			
16	0.37½	12-15-08	12-2	1.50	1.50	0.975	7860	....	....	12-31-07	....	±1421571	9.58	11.63	7.65	14	Dc	v7.40	....	7.46	3 Mo Mar	1.62	v1.68
17	None Paid			....	NIL	....	Total Assets $14962M			3-31-08	300	64650	10.59	11.00	10.00	10	Dc	v11.28	E10.50↑	11.75	6 Mo Jun	5.24	5.71
18	Q0.20	9-15-08	8-13	0.60	0.80	0.80	107	590	410	3-31-08	135	24859	2.54	2.64	2.38	5	Dc	v1.43	....	1.06	3 Mo Mar	v0.60	v0.23
19◆	Q0.09	9-15-08	8-27	0.25	0.36	0.27	13.2	617	745	3-31-08	1058	143497	2.71	3.00	2.44	20	Dc	v1.21	E3.03↑	2.09	6 Mo Jun	v0.46	v1.34
20	Q0.13	6-5-08	5-13	0.26	0.52	0.46	3826	25229	15885	3-31-08	6026	643923	2.91	3.05	2.72	9	Je	v3.30	E2.95↑	3.68	9 Mo Mar	v1.83	v2.21
21	Plan qtly div			....	3.056	....	PurchArcher-Dan-Midl com & Deb'41[10]				....	....	....	....	....	....	Je	....	....	....			
22	Q0.07	6-2-08	5-15	0.14	0.28	0.28	35.0	227	113	3-31-08	....	±18070	d0.24	d0.23	d0.27	6	Mr	Pvd0.18	....	d0.18	3 Mo Jun	d0.39	vd0.39
23	None Paid			....	NIL	....	56.1	56.9	6.53	3-31-08	....	13355	d3.80	d3.60	d4.02	3	Dc	vd2.55	....	d3.11	3 Mo Mar	d0.37	vd0.93
24	Q0.25	7-18-08	6-26	0.75	1.00	1.00	87.7	116	41.3	3-29-08	1.23	3161	....	....	....	....	Dc	v9.24	....	9.26	3 Mo Mar	v2.05	v2.07
25	None Paid			....	NIL	....	333	344	38.6	3-31-08	9.02	[14]73844	d2.97	d2.53	d3.20	16	Dc	vd2.31	....	d2.53	3 Mo Mar	vd0.53	vd0.75
26◆	None Paid			....	NIL	....	6.69	33.2	20.9	3-31-08	40.5	35107	2.36	3.14	1.75	9	Dc	v1.02	....	1.35	3 Mo Mar	v0.18	v0.51
27	Q0.42	6-30-08	6-12	0.84	1.68	1.66	Net Asset Val $15.84			6-30-07	[15]552	★72058	1.40	1.54	1.28	10	Dc	....	....	1.74	6 Mo Jun	v0.80	v0.93
28	None Paid			....	NIL	....	66.6	113	95.2	4-30-08	3.50	11125	....	....	....	....	Ja	vd0.29	....	0.03	3 Mo Apr	vd0.18	v0.14
29◆	Div Deferred 2-5-03			....	NIL	2.545	Total Assets $5100M			3-31-08	369	p30700	4.13	4.53	3.73	7	Dc	vΔ5.58	....	5.65	3 Mo Mar	1.13	v1.20
30	None Paid			....	NIL	....	13.9	125	47.1	3-30-08	....	21527	0.94	0.98	0.92	6	Sp	v0.65	....	0.68	6 Mo Mar	v0.41	v0.44
31◆	None Paid			....	NIL	....	72.5	111	158	3-31-08	....	85486	0.45	0.46	0.45	11	Sp	vd0.21	....	d0.51	9 Mo Jun	d0.16	d0.46
32	Div Suspened 3-25-088			....	0.40	0.63	12.4	20.2	312	12-31-07	284	28417	0.07	0.33	d0.11	4	Dc	vd0.31	....	d0.57	3 Mo Mar	0.02	vd0.24
33	Q0.44	8-1-08	7-22	1.32	1.76	↑4.58	9.15	15.8	8.01	3-29-08	0.61	3597	2.35	2.35	2.35	1	Sp	v3.61	....	2.17	6 Mo Mar	v1.94	v0.50
34	Q0.15	8-19-08	8-1	0.45	0.60	0.60	196	411	238	3-31-08	1.58	24876	2.33	2.42	2.20	9	Dc	v2.26	E2.45↓	2.27	6 Mo Jun	v0.97	v0.98
35	Q0.56	8-5-08	7-30	1.68	2.24	2.33	15.8	16.9	4.02	3-31-08	229	15500	1.17	1.20	1.12	3	Dc	v0.76	....	0.54	6 Mo Jun	v0.80	v0.58
36	0.071	6-2-08	4-30	0.071	0.12	0.084	112	310	125	3-31-08	NIL	1301123	0.31	0.31	0.31	2	Dc	v0.18	E0.26↑	0.23	3 Mo Mar	v0.05	v0.04
37	4.50	3-31-06	3-7	4.50	NIL	....	160	1239	445	3-31-08	481	57139	2.39	2.45	2.34	2	Dc	Pv2.56	....	2.37	3 Mo Mar	v0.48	v0.27
38	None Paid			....	NIL	....	56.5	58.5	25.4	3-31-08	....	43833	d1.58	d1.55	d1.63	8	Dc	vd1.33	....	d1.24	3 Mo Mar	vd0.41	vd0.32
39	None Paid			....	NIL	....	86.5	93.0	35.1	3-31-08	15.0	47535	d1.99	d1.93	d2.04	10	Je	vd1.36	....	d1.74	9 Mo Mar	d0.97	d1.35
40	None Paid			....	0.12	....	2.34	10.5	3.55	3-31-08	0.09	2712	....	....	....	....	Dc	v0.47	....	0.45	3 Mo Mar	0.08	v0.06
41	None Paid			....	NIL	....	293	652	136	3-31-08	276	130763	0.63	0.70	0.51	10	Dc	v0.87	E0.62↓	0.57	3 Mo Mar	0.34	v0.04

◆Stock Splits & Divs By Line Reference Index [1]3-for-2,'04 [2]3-for-2,'06 [3]1-for-4 REVERSE,'07 [5]2-for-1,'07 [6]1,33-for-1,'05 [12]2-for-1,'06 [13]2-for-1,'07 [23]1-for-1.54 REVERSE,'07 [31]1-for-6 REVERSE,'04

ale Or Bid Low	Last	%Div Yield	P-E Ratio	EPS $ 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
22.92	26.72	2.2	12	45	−8.6	7.0	1957
16.65	17.32	1.4	23	NM	−20.8	−1.2	2005
7.43	7.76	...	86	40	−30.1	−12.3	....
13.00	14.64	3.4	27	−12	3.0	−7.7	2003
17.01	20.11	...	47	3	0.0	0.0	....
18.60	19.21	...	10	−2	−30.5	−16.5	....
1.00	1.07	...	d	...	−42.9	−5.4	....
36.54	38.70	1.6	18	15	4.1	16.2	1993
14.46	15.85	3.2	21	3	−29.9	−10.9	1939
4.55	4.75	...	25	NM	−18.5	113	....
66.07	69.50	1.7	16	24	8.5	28.5	1995
3.49	4.00	...	d	1	−25.9	−14.4	2008
43.96	47.00	0.9	36	−6	−9.5	3.8	2005
7.85	10.96	22.6	5	49	−45.1	−20.7	2004
0.26	0.42	...	d	...	−53.3	−45.7	....
74.97	87.42	1.5	12	96	22.5	42.3	2005
63.74	69.73	...	7	29	−5.9	15.6	....
29.47	32.10	2.5	30	−1	8.5	14.8	1999
47.75	56.31	0.6	19	63	84.3	27.3	1997
27.14	28.63	1.8	10	45	−16.5	11.9	1927
37.44	39.07	7.8	..	....	....	....	2008
6.30	8.90	3.1	d	Neg	−50.9	−23.5	1992
9.26	13.01	...	d	84	133	59.4	....
122.01	144.10	0.7	16	13	1.7	19.1	2003
5.10	6.78	...	d	−29	−42.3	−5.7	....
39.21	40.91	...	30	88	52.3	88.1	....
10.97	11.43	14.7	7	4	−24.0	−7.5	2005
14.20	16.49	...	NM	Neg	120	44.0	....
32.10	34.04	...	6	3	−20.8	−0.1	....
23.65	24.78	...	36	1	16.9	−7.9	....
14.60	16.41	...	d	43	82.0	41.6	....
2.81	3.00	17.3	d	4	−67.9	−36.6	2005
13.54	19.03	9.2	9	19	−37.3	−3.5	2004
32.80	37.14	1.6	15	...	−9.5	0.6	2003
20.05	20.39	11.1	38	5	−11.9	9.6	2005
14.95	5.67	1.8	22	17	−37.8	−2.8	2004
37.86	33.71	...	14	2	−16.6	0.0	2008
3.03	3.79	...	d	−18	−39.1	−18.8	....
11.51	7.81	...	d	−16	−36.2	2.2	....
5.26	5.94	...	13	−2	−44.6	−27.0	....
8.67	9.57	...	15	NM	−46.9	−1.4	....

[7]ASE,CBOE:Cycle 2. [7]ASE,CBOE:Cycle 2.
[22]ADS rep 10 Cl'B' pref,no par [23]As defined

0089

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1998-06 High	Price Range 1998-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	Jul. Sales In 1000s	July, 2008 Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS $ Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	CALM	Cal-Maine Foods	NDS	B	347	20409	Packaged Foods & Meats	22.80	1.24	31.45	8.30	40.75	20.75	263368	40.06	31.01	37.90	5.4	7	44	90.6	85.5	1998
2	CLMS	Calamos Asset Mgmt'A'	NDS	NR	288	20272	Asset Mgmt & Custody Banks	44.10	18.00	34.61	20.06	29.67	13.13	59705	20.84	13.13	20.48	2.2	24	18	-31.9	-13.2	2005
3	CCC	Calgon Carbon	NY,Ch,P	C	354	47196	Commodity Chemicals	30.75	4.00	16.96	5.43	20.25	12.63	107414	20.25	14.04	19.00	...	48	27	34.7	22.7	....
4	CFNB	Calif First Natl Bancorp	NDS	B–	39	1772	Specialized Finance	57.62	3.37	15.44	9.01	12.88	8.30	390	12.88	9.16	12.09	4.0	16	-4	-13.3	4.3	1994
5	CPKI	Calif Pizza Kitchen	NDS	NR	295	28223	Restaurants	23.41	9.47	25.23	14.26	16.91	9.32	132563	14.00	10.58	13.05	...	28	6	-33.8	-16.2	....
6	CWT	Calif Water Svc Grp	NY,Ch,P	B+	266	10553	Water Utilities	45.76	10.93	45.37	34.23	41.23	30.84	35482	37.10	30.84	36.74	3.2	26	2	-4.2	-1.4	1931
7	CALP	Caliper Life Sciences	NDS	NR	101	27677	Life Sciences Tools & Svcs	202.00	2.71	6.43	4.04	5.66	2.15	35628	4.06	2.15	3.97	...	d	21	-19.7	-16.9	....
8	ELY	Callaway Golf	NY,Ph,Ch,P,B	B	477	68148	Leisure Products	38.50	2.21	19.49	13.76	18.20	10.63	238797	13.91	10.63	12.68	2.2	12	86	-20.7	-1.6	1993
9	CALD	Callidus Software	NDS	NR	91	19812	Application Software	20.74	2.81	10.11	4.71	6.56	3.52	21649	5.37	3.75	4.80	...	d	-48	-43.2	14.5	....
10	CLSP	Callisto Pharmaceuticals	AS,BB	NR	11	1781	Biotechnology	5.80	0.69	1.00	0.29	0.62	0.09	5783	0.27	0.09	0.15	...	..	5	-78.6	-61.9	....
11	CPE	Calion Petroleum	NY	B–	254	17546	Oil & Gas Exploration & Prod	22.38	1.12	17.21	11.50	28.93	13.42	63601	28.00	20.52	22.99	...	29	NM	48.2	8.0	....
12	CPN	Calpine Corp	NY,Ph,Ch,P	NR	239	380157	Ind Power Prod & Energy Trad	....	....	....	....	23.36	15.00	499788	22.83	16.25	17.40	...	3	1	0.0	0.0	....
13	CLMT	Calumet Specialty Prd Ptnrs L.	NDS	NR	71	8969	Oil & Gas Refining & Mktng	44.21	21.70	55.26	32.87	37.88	11.19	41340	14.33	11.61	13.94	12.9	11	4	-71.2	0.0	2006
14	CADA	CAM Commerce Solutions	NDS	B–	50	1356	Systems Software	28.87	0.50	45.25	21.32	42.38	32.77	6495	40.08	39.37	39.95	3.1	29	NM	32.6	48.0	2005
15	CBM	Cambrex Corp	NY,Ph,Ch,P,.B	C	268	30252	Life Sciences Tools & Svcs	58.30	1.33	26.17	7.36	10.99	5.25	28793	8.29	5.44	7.61	...	17	NM	-42.9	-5.1	1999
16	CAC	Camden National	AS,NDS	A	91	1913	Regional Banks	47.97	10.12	46.34	28.03	34.96	22.47	4366	31.20	22.47	30.86	3.2	10	6	-22.0	-8.3	1997
17	CPT	Camden Property Trust	NY,Ph,Ch,P,B	B+	498	53527	Residential REITs	61.35	20.12	79.99	44.76	55.54	39.62	216798	52.06	40.84	49.18	5.7	58	31	-14.5	0.9	1993
18	CCJ	Cameco Corp	NY,Ph,Ch,To,Mo	B	509	236273	Coal & Consumable Fuels	45.34	1.69	56.00	34.22	44.00	30.78	739164	43.50	34.73	35.93	0.7	27	36	-16.0	13.8	1991
19	CAM	Cameron Intl	NY,Ch,P	B	1154	212916	Oil & Gas Equipment & Svcs	28.90	2.31	53.82	24.29	58.53	37.00	894462	58.53	45.58	47.76	...	18	59	21.9	39.5	....
20	CPB	Campbell Soup	NY,Ph,Ch,P,B	B+	809	156939	Packaged Foods & Meats	62.87	5.50	42.65	34.17	37.24	30.19	520712	37.24	33.04	36.38	2.4	18	1	-4.9	8.0	1902
21	CM	Canadian Imperial Bk Commerce	NY,Ph	B+	247	214253	Diversified Banks	99.60	7.87	107.45	70.00	78.48	48.70	679321	63.73	48.70	61.98	5.6	NA	1	-35.6	-6.2	1890
22	CNI	Canadian Natl Railway	NY,Ph,Ch,P,To,Mo,B	A	507	334358	Railroads	51.17	2.41	58.49	41.57	58.50	41.89	439886	54.34	45.00	52.75	1.7	15	29	0.5	20.1	1996
23	CNQ	Canadian Natural Resources	NY,Ch,P,To	B+	611	388604	Oil & Gas Exploration & Prod	64.38	5.70	87.17	44.58	109.32	57.07	955070	103.40	74.36	78.05	0.5	12	35	8.6	24.5	2001
24	CP	Canadian Pacific Railway	NY,Ch,To	NR	333	81663	Railroads	57.73	10.00	90.15	51.21	76.18	55.37	221944	68.33	59.61	62.61	1.5	15	29	-20.1	21.0	2002
25	CSIQ	Canadian Solar	NDS	NR	103	8962	Electrical Component & Equip	16.73	9.43	31.44	6.50	51.80	14.74	813270	39.22	25.25	28.77	...	41	4	199	0.0	....
26	SNG	Canadian Superior Energy	AS,Ph,Ch,To	NR	54	50211	Oil & Gas Exploration & Prod	3.65	0.84	3.68	1.79	4.95	2.87	115361	4.80	3.69	3.86	...	d	5	28.6	24.3	....
27	CTC.A	Canadian Tire 'A'	To,Mo	A+	41	947	General Merchandise Stores	75.22	8.50	87.75	67.40	74.78	47.93	54180	56.95	47.93	54.47	1.6	10	1	-35.2	-1.0	1996
28	CNR	CanArgo Energy	AS	C	27	30982	Oil & Gas Exploration & Prod	159.40	0.03	1.55	0.35	1.09	0.18	66835	0.30	0.23	0.24	...	d	-28	-73.4	-32.7	....
29	CFW	Cano Petroleum	AS,P	NR	103	26494	Oil & Gas Exploration & Prod	768.00	0.45	8.85	4.15	9.40	3.59	152225	8.03	3.59	3.95	...	d	...	-29.6	-7.0	....
30	CAJ	Canon Inc ADR	NY,Ph,Ch	NR	299	59820	Office Electronics	57.32	2.80	60.16	45.68	54.99	38.44	105741	51.00	45.34	45.63	2.3	12	–1	-16.7	11.5	1949
31	CMN	Cantel Medical	NY,P	B+	162	10185	Health Care Equipment	32.75	0.44	20.91	12.85	14.76	8.85	27471	10.22	9.00	9.33	...	19	11	-42.4	-20.0	....
32	ECP	Canterbury Park Holding	AS	B	37	1111	Casinos & Gaming	23.10	1.37	14.69	10.01	12.05	8.00	752	9.70	8.00	9.35	...	18	1	-29.3	-18.2	2006
33	CBNJ	Cape Bancorp	NDS	NR	25	4402	Regional Banks	....	....	....	....	10.15	8.63	2372	9.99	8.63	9.02	...	d	3	0.0	0.0	....
34	CPLA	Capella Education	NDS	NR	392	16969	Education Services	26.68	23.29	75.38	24.46	69.81	50.00	55509	63.14	50.00	52.20	...	86	4	52.6	0.0	....
35	CAA	Capital Alliance Income Tr	AS	NR	1		Mortgage REITs	24.00	7.01	10.50	3.75	4.70	2.56	86	4.80	4.17	4.30	...	d	Neg	-41.7	-19.3	2008
36	CCBG	Capital City Bank Grp	NDS	A	138	4677	Regional Banks	39.33	9.60	36.40	24.60	30.19	19.20	10477	24.07	19.20	23.75	3.1	15	...	-23.2	-12.3	1998
37	COF	Capital One Financial	NY,Ph,Ch,P,B	A	1296	362203	Consumer Finance	90.04	4.62	83.84	44.40	57.68	30.82	3401861	46.18	30.82	41.86	3.6	8	–7	-48.9	-21.8	1995
38	CPLP	Capital Product Ptnrs L.P.	NDS	NR	58	10982	Oil & Gas Storage & Transp	....	....	32.50	20.80	24.93	15.68	6577	20.50	15.68	17.01	9.3	13	3	-44.1	0.0	2007
39	CPI	Capital Properties 'A'	AS,Ch,P	B–	16	419	Real Estate Mgmt & Develop	33.36	2.00	32.85	21.00	23.50	17.45	23	22.87	21.80	22.50	1.1	54	5	-9.6	-1.4	1993
40	CSU	Capital Senior Living	NY,P	C	149	19710	Health Care Facilities	17.50	1.39	12.22	7.61	9.97	6.32	20194	7.76	6.62	6.94	...	32	69	-25.6	-4.2	....
41	CSWC	Capital Southwest	NDS	NR	160	1673	Asset Mgmt & Custody Banks	154.36	8.75	190.33	105.16	133.20	100.00	3446	133.20	102.02	130.39	0.6	d	Neg	-6.6	12.8	1983

S&P 500 ▫ MidCap 400 ◇ SmallCap 600 • Options

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P,Ph:Cycle 2. [2]Ph:Cycle 2. [3]ASE,P:Cycle 1. [4]ASE,CBOE,P:Cycle 1. [5]CBOE:Cycle 2. [6]CBOE,Ph:Cycle 3. [7]P:Cycle 1. [8]ASE,CBOE,P,Ph:Cycle 3. [9]ASE,CBOE:Cycle 2. [10]Vc:Cycle 3. [11]Ch,P,To,.B [12]CBOE:Cycle 1. [13]CBOE:Cycle 3. [14]ASE,CBOE,Ph:Cycle 1. [15]Ph:Cycle 3. [16]ASE,CBOE,P:Cycle 3. [17]ASE:Cycle 2. [51]Pfd in $M [52]Incl 13.1 Sub Uts [53]Incl current amts [54]Oct'97 & prior pricing in $Cdn [55]Non-vtg [56]ADRs rep 1 shrs com par 50 yen [57]Incl 8.8M sub uts

Common and Convertible Preferred

Splits Dividends ◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1◆	None Paid			....	2.064
2	Q0.11	8-27-08	8-8	0.33	0.44
3	Div Omitted 10-24-05			....	NIL
4	Q0.12	7-7-08	6-19	0.36	0.48
5◆	None Paid			....	NIL
6	Q0.293	8-15-08	7-31	0.87¼	1.17
7	None Paid			....	NIL
8	Q0.07	7-3-08	6-9	0.14	0.28
9	None Paid			....	NIL
10	None Paid			....	NIL
11	0.06¼	8-31-84	8-4	....	NIL
12	None Paid			....	NIL
13	Q0.45	8-14-08	7-31	1.53	1.80
14	Q0.31	7-14-08	7-1	0.92	1.24
15	Div Omitted 4-06-07			....	NIL
16	Q0.25	7-31-08	7-11	0.74	1.00
17	Q0.70	7-17-08	6-26	2.09	2.80
18◆	Q0.06	7-15-08	6-26	0.169	g0.24
19◆	None Paid			....	NIL
20	Q0.22	8-4-08	7-2	0.66	0.88
21	gQ0.87	7-28-08	6-25	g2.61	g3.48
22◆	Q0.23	9-30-08	9-5	0.683	g0.92
23◆	Q0.098	7-1-08	6-11	0.291	g0.40
24	Q0.246	7-28-08	6-25	0.712	g0.99
25	None Paid			....	NIL
26	None Paid			....	NIL
27	gQ0.21	9-2-08	7-29	g0.60¼	g0.84
28	None Paid			....	NIL
29	None Paid			....	NIL
30◆	0.513	9-3-08		1.114	1.031
31◆	None Paid			....	NIL
32	0.25	7-11-08	6-18	0.25	0.25
33	None Paid			....	NIL
34	None Paid			....	NIL
35	Div Omitted 6-9-05			....	NIL
36◆	Q0.18¾	8-23-08	6-5	0.37	0.74
37	Q0.37½	8-20-08	8-7	1.12½	1.50
38	Q0.41	8-15-08	8-4	1.20¼	1.64
39	Q0.06	8-27-08	8-11	0.18	0.24
40	None Paid			....	NIL
41	S0.40	5-30-08	5-13	0.40	0.80

◆Stock Splits & Divs By Line Reference Index [12]2-for

HEARING EXHIBIT 00000090

2008 Sale Or Bid Low	Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
31.01	37.90	5.4	7	44	90.6	85.5	1998
13.13	20.46	2.2	24	16	-31.9	-13.2	2005
14.04	19.00	...	48	27	34.7	22.7	....
9.16	12.09	4.0	18	-4	-13.3	4.3	1994
10.56	13.05	...	28	6	-33.8	-16.2	....
30.84	36.74	3.2	26	2	-4.2	-1.4	1931
2.15	3.97	...	d	21	-19.7	-16.9	....
10.63	12.58	2.2	12	98	-20.7	-1.6	1993
3.75	4.80	...	d	-48	-43.2	14.5	....
0.09	0.15	...	...	5	-78.6	-51.9	....
20.52	22.89	...	29	NM	48.2	8.0	....
16.25	17.40	...	3	1	0.0	0.0	....
11.61	13.94	12.9	11	4	-71.2	0.0	2006
39.37	39.95	3.1	29	NM	32.6	49.0	2005
5.44	7.61	...	17	NM	-42.9	-5.1	1989
22.47	30.86	3.2	10	6	-22.0	-8.3	1997
40.84	49.16	5.7	58	31	-14.5	0.9	1993
34.73	35.93	0.7	27	36	-16.0	13.8	1991
45.58	47.76	...	18	59	21.9	39.5	....
33.04	36.38	2.4	18	1	-4.9	8.0	1902
48.70	61.98	5.6	NA	1	-35.6	-6.2	1890
45.00	52.75	1.7	15	29	0.5	20.1	1996
74.36	78.05	0.5	12	35	8.6	24.5	2001
59.61	62.81	1.5	15	29	-20.1	21.0	2002
25.25	26.77	...	41	4	199	0.0	....
3.69	3.86	...	d	5	28.6	24.3	....
47.93	54.47	1.6	10	1	-35.2	-1.0	1996
9.23	0.24	...	d	-28	-73.4	-32.7	....
3.59	3.95	...	d	...	-29.6	-7.0	....
45.34	45.63	2.3	12	-1	-16.7	11.5	1949
9.00	9.33	...	19	11	-42.4	-20.0	....
8.00	9.35	...	18	1	-29.3	-18.2	2008
8.63	9.02	...	d	3	0.0	0.0	....
50.00	52.20	...	88	4	52.6	0.0	....
3.17	4.30	...	d	Neg	-41.7	-19.3	2008
9.20	23.75	3.1	15	...	-23.2	-12.3	1996
30.82	41.86	3.6	6	-7	-46.9	-21.8	1995
15.68	17.01	9.3	13	3	-44.1	0.0	2007
21.80	22.50	1.1	54	5	-9.6	-1.4	1983
6.62	6.94	...	32	69	-25.6	-4.2	....
102.02	130.39	0.6	d	Neg	-8.6	12.8	1983

Options:Cycle 3. [7]P:Cycle 1.
CASE,P:Cycle 3. [17]ASE:Cycle 2. [51]Pfd in $M

Splits Dividends ◆ Latest Payment Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position Mill-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2006	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	None Paid			...	2.064	0.05	85.8	225	127	3-01-08	90.2	±23712	...	...	...	...	My	Pv1.55	....	5.83	9 Mo Feb	±0.78	±4.86
2	Q0.11	8-27-08	8-8	0.33	0.44	0.44	896	950	38.7	3-31-08	525	±20112	0.66	0.78	0.61	5	Dc	v1.22	....	0.86	6 Mo Jun	v0.47	v0.11
3	Div Omitted 10-24-05			...	NIL	....	35.1	197	116	3-31-08	12.9	40240	0.43	0.46	0.40	10	Dc	v0.30	....	0.40	3 Mo Mar	v0.05	v0.21
4	Q0.12	7-7-06	6-19	0.36	0.48	0.47	Total Assets $338M			3-31-08	5.57	11388	...	...	...	...	Je	v0.86	....	0.67	9 Mo Mar	v0.65	v0.46
5◆	None Paid			...	NIL	....	12.4	48.8	153	3-30-06	....	25335	0.70	0.78	0.65	15	Dc	v0.50	....	0.47	3 Mo Mar	v0.12	v0.09
6	Q0.293	8-15-06	7-31	0.87¾	1.17	1.16	2.97	51.1	78.6	3-31-08	288	[51]20717	1.63	1.70	1.50	7	Dc	v1.50	....	1.43	3 Mo Mar	v0.08	v0.01
7	None Paid			...	NIL	....	16.2	70.0	49.1	3-31-08	12.9	47781	d0.10	d0.09	d0.15	4	Dc	vd0.51	....	d0.52	3 Mo Mar	vd0.20	vd0.21
8	Q0.07	7-3-08	6-9	0.14	0.28	0.28	39.3	680	368	3-31-08	....	66274	1.08	1.13	1.04	11	Dc	v0.81	E1.06†	0.95	3 Mo Mar	0.48	v0.61
9	None Paid			...	NIL	....	37.7	67.6	30.7	3-31-08	....	29756	d0.07	d0.03	d0.15	3	Dc	vd0.43	....	d0.19	3 Mo Mar	vd0.12	vd0.09
10	None Paid			...	NIL	....	d3.23	3.26	4.45	3-31-08	NIL	47218	d0.32	d0.32	d0.32	1	Dc	vd0.50	....	d0.51	3 Mo Mar	vd0.05	vd0.06
11	0.06¼	8-31-94	8-4	...	NIL	....	42.3	67.2	43.1	3-31-08	392	20951	1.87	2.40	1.23	8	Dc	v0.71	....	0.79	3 Mo Mar	v0.27	v0.35
12	None Paid			...	NIL	....	843	3168	3604	12-31-06	3351	417873	...	...	...	...	Dc	v5.62	....	6.14	No pro-forma EPS		
13	Q0.45	8-14-08	7-31	1.53	1.80	2.46	0.05	321	369	3-31-08	363	[52]132232	1.48	1.91	1.05	2	Dc	v2.28	E1.28†	1.39	3 Mo Mar	0.79	vd0.10
14	Q0.31	7-14-08	7-1	0.92	1.24	0.78	27.2	32.4	5.04	3-31-06	....	4136	1.50	1.50	1.50	1	Sp	v1.12	...	1.40	6 Mo Mar	0.43	0.71
15	Div Omitted 4-06-07			...	NIL	†14.03	40.0	178	92.6	3-31-08	119	29084	0.48	0.60	0.40	4	Dc	v7.30	E0.44†	0.14	3 Mo Mar	v7.31	v0.15
16	Q0.25	7-31-08	7-11	0.74	1.00	0.96	Total Deposits $1133M			3-31-08	705	p7704	...	...	...	...	Dc	Pv3.09	....	3.18	3 Mo Mar	0.72	v0.81
17	Q0.70	7-17-08	6-26	2.09	2.80	2.73	Total Assets $4892M			3-31-08	[52]911	53150	1.21	1.29	1.13	2	Dc	v2.51	E0.85†	2.58	3 Mo Mar	v0.22	v0.27
18◆	Q0.06	7-15-08	6-26	0.169	g0.24	0.169	130	1275	676	12-31-07	706	344431	1.54	1.54	1.54	1	Dc	Pv1.12	....	1.32	3 Mo Mar	v0.16	v0.36
19◆	None Paid			...	NIL	....	744	3255	1874	3-31-08	745	216664	2.61	2.70	2.55	20	Dc	v2.17	E2.66†	2.27	3 Mo Mar	v0.44	v0.55
20	Q0.22	8-4-08	7-2	0.66	0.88	0.82	50.0	1610	1663	4-27-08	1757	371518	2.07	2.09	2.05	14	Jl	v2.16	E2.00†	2.97	6 Mo Apr	v1.99	v2.80
21	gQ0.87	7-28-08	6-25	g2.61	g3.48	g3.11	Total Deposits $23206M			11-31-06	5313	380650	7.10	7.19	6.94	3	Oc	...	....	NA	3 Mo Jan	v2.11	vd4.39
22◆	Q0.23	9-30-08	9-5	0.683	g0.92	0.78	325	1308	1559	3-31-08	5901	478800	3.42	3.50	3.35	10	Dc	v4.20	E3.55†	4.21	3 Mo Mar	v0.61	v0.62
23◆	Q0.098	7-1-06	6-11	0.291	g0.40	0.296	26.2	2596	4126	3-31-08	10929	540543	5.94	6.59	5.18	6	Dc	v4.78	E6.30†	5.61	3 Mo Mar	v0.49	v1.31
24	Q0.246	7-28-08	6-25	0.712	g0.99	0.768	69.3	879	1150	3-31-08	4153	153631	4.05	4.13	4.00	6	Dc	v6.01	E4.08†	5.77	3 Mo Mar	v0.80	v0.56
25	None Paid			...	NIL	....	37.6	219	59.2	12-31-07	92.8	27770	2.21	2.61	1.86	6	Dc	vd0.01	....	0.71	3 Mo Mar	vd0.14	v0.59
26	None Paid			...	NIL	....	14.0	54.0	41.0	3-31-08	....	140312	d0.05	d0.05	d0.05	1	Dc	vd0.07	....	d0.07			
27	gQ0.21	9-2-06	7-29	g0.60½	g0.84	g0.72	288	2733	1698	[3-29-08	1355	±81475	...	...	...	...	Dc	Pv5.12	....	5.26	3 Mo Mar	0.58	v0.82
28	None Paid			...	NIL	....	4.23	5.85	8.36	3-31-08	12.1	242107	0.04	0.04	0.04	1	Dc	vd0.22	....	d0.22	3 Mo Mar	NIL	NIL
29	None Paid			...	NIL	....	0.50	5.51	17.9	3-31-08	55.2	38689	0.04	0.06	d0.02	5	Je	vd0.13	....	d0.10	9 Mo Mar	d0.17	d0.14
30◆	0.513	9-3-08		1.114	1.031	0.429	7505	23411	10859	3-31-08	106	1261015	3.54	3.70	3.39	2	Dc	v3.38	E3.95†	1.42	3 Mo Mar	v0.97	v0.81
31◆	None Paid			...	NIL	....	19.3	87.3	34.3	4-30-08	56.3	16419	0.49	0.50	0.49	2	Jl	v0.52	....	0.49	9 Mo Apr	v0.40	v0.37
32	0.25	7-11-08	6-18	0.25	0.25	0.25	7.64	11.6	7.28	3-31-08	....	4046	...	...	...	...	Dc	v0.62	....	0.53	3 Mo Mar	0.21	v0.12
33	None Paid			...	NIL	....	Total Deposits $792M			3-31-08	180	13314	...	...	...	...	Dc	v0.26	....	d0.01	3 Mo Mar	0.06	vd0.21
34	None Paid			...	NIL	....	131	150	36.9	3-31-08	....	16767	1.65	1.70	1.62	12	Dc	v1.33	....	0.58	3 Mo Mar	v0.23	v0.31
35	Div Omitted 6-3-05			...	NIL	....	Total Assets $13.9M			3-31-08	3.66	381	...	...	...	...	Dc	vd7.72	....	d7.34	3 Mo Mar	d0.36	v0.02
36◆	Q0.18½	6-23-08	6-5	0.37	0.74	0.71	Total Deposits $2010M			3-31-08	92.7	17175	1.35	1.42	1.30	8	Dc	v1.66	....	1.55	6 Mo Jun	v0.81	v0.70
37	Q0.37½	8-20-08	8-7	1.12½	1.50	0.107	Total Assets $147155M			3-31-08	31506	p374700	4.73	5.60	4.05	12	Dc	v3.97	E5.20†	3.15	6 Mo Jun	v3.51	v2.69
38	Q0.41	8-15-08	8-4	1.20½	1.64	0.38½	Total Assets $280M			12-31-07	274	[57]k22318	1.60	1.69	1.44	5	Dc	Pv0.95	....	1.32	3 Mo Mar	d0.02	v0.35
39	Q0.06	8-27-08	8-11	0.18	0.24	0.22	Total Assets $23M			3-31-08	NIL	3300	...	...	...	...	Dc	v0.42	....	0.42	3 Mo Mar	v0.12	v0.12
40	None Paid			...	NIL	....	24.6	41.5	27.6	3-31-08	184	26597	0.25	0.25	0.25	2	Dc	Pv0.16	....	0.22	3 Mo Mar		v0.06
41	S0.40	5-30-08	5-13	0.40	0.80	0.60	Net Asset Val $135.21			3-31-08	....	3889	...	...	...	...	Mr	vd35.74	....	d35.74			

◆Stock Splits & Divs By Line Reference Index [1]2-for-1,'04 [5]3-for-2,'07 [15]3-for-1,'05 [2]2-for-1,'06 [19]2-for-1,'05 [4]2-for-1,'07 [22]3-for-2,'04 [3]2-for-1,'06 [32]2-for-1,'04 [8]2-for-1,'05 [36]3-for-2,'06 [31]3-for-2,'05 [38]5-for-4,'05

HARRIS 00000091

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Corp. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1986-06 High	Price Range 1986-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	Jul. Sales In 100s	July, 2008 Last Sale Or Bid High	July, 2008 Last Sale Or Bid Low	July, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	% Annualized P-E Ratio	% Annualized EPS 5 Yr. Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	SBGI	Sinclair Broadcast Group'A'	NDS	B-	364	61769	Broadcasting & Cable TV	31.12	4.95	17.67	8.07	11.08	7.00	152230	7.94	7.00	7.63	10.5	8	18	-43.5	-0.2	2004
2	SMD	Singing Machine	AS	NR	5	458	Consumer Electronics	31.94	0.08	1.60	0.29	0.35	0.12	1029	0.22	0.12	0.20ss	...	Nil	1	-65.8	-24.7	....
3	SNEN	Sinoenergy Corp	NDS,BB	NR	2		Oil & Gas Equipment & Svcs	....	....	10.50	3.20	8.86	4.10	6375	7.25	4.10	6.80	...	8	3	33.8	0.0	2006
4	SHI	Sinopec Shanghai Petrochem ADS	NY,Ph	NR	45	1901	Commodity Chemicals	64.60	5.31	102.77	44.55	61.88	29.07	12881	34.99	29.07	33.04	3.9	d	-4	-45.6	-0.2	2003
5	SVA	Sinovac Biotech	AS,Ch,P	NR	24	12503	Biotechnology	7.92	0.75	9.50	2.25	5.22	3.03	25695	3.85	3.03	3.54	...	19	5	34.8	11.9	....
6	SIRF	SIRF Technology Hldg	NDS	NR	276	37040	Semiconductors	42.50	8.75	34.15	16.20	25.20	3.35	420583	4.73	3.35	3.40	...	d	Neg	-84.8	-42.7	....
7	SIRI	Sirius Satellite Radio	NDS	C	422	497370	Broadcasting & Cable TV	89.43	0.38	4.26	2.66	3.89	1.49	1187165	2.75	1.49	1.60	...	d	39	-27.2	-31.5	....
8	SIRO	Sirona Dental Sys	NDS	NR	243	19693	Health Care Equipment	43.47	22.42	44.20	24.71	33.80	23.76	58302	28.84	23.76	24.82	...	d	1	-26.3	0.0	....
9	SIX	Six Flags	NY,Ch,P	C	185	69729	Leisure Facilities	41.62	0.62	6.80	1.91	2.50	0.25	546128	1.29	0.25	1.14	...	d	-28	-77.1	-39.2	1998
10	SIX.PB	Six Flags 7.25% Cv Dep Pfd	NY,P	C	42	9993		33.38	11.52	24.95	13.85	16.00	4.00	7365	9.13	4.00	5.75	....	....	....	....	....	2001
11	SJW	SJW Corp	NY,AS,Ch,P	A-	199	8844	Water Utilities	45.33	3.89	43.00	27.65	35.11	23.29	31149	27.22	23.29	25.91	2.5	23	1	-11.1	2.0	1932
12	SKM	SK Telecom ADS	NY,Ph,Ch,P,B	NR	348	184476	Wireless Telecom Svcs	52.62	4.29	33.60	22.28	28.49	19.85	258237	22.35	19.92	21.32	3.5	10	1	-31.4	1.2	1997
13	SKX	Skechers U.S.A. Cl'A'	NY,Ch	B	384	31323	Footwear	40.30	3.25	38.03	17.36	25.20	16.05	218608	24.00	16.89	16.90	....	10	NM	-18.9	5.6	....
14	SKH	Skilled Hithcare Grp'A'	NY,Ch	NR	206	19894	Health Care Facilities	....	....	16.81	13.02	15.49	9.83	22157	14.73	13.02	14.61	...	25	3	-6.4	0.0	....
15	SKIL	SkillSoft plc ADS	NDS	NR	165	88030	Internet Software & Services	63.87	1.95	10.22	6.04	11.42	8.03	53645	10.32	8.30	10.25	...	Nil	1	13.4	39.1	....
16	SKY	Skyline Corp	NY,Ph,Ch,P,,B	B-	226	6908	Homebuilding	45.39	11.12	41.42	26.93	34.80	21.42	18912	29.22	21.42	26.07	2.8	d	Neg	-5.6	-8.3	1960
17	SKYW	SkyWest Inc	NDS	A-	551	54745	Airlines	34.10	0.56	29.50	21.27	27.19	10.84	203587	16.38	10.84	15.22	0.6	6	18	-34.3	-7.9	1987
18	SWKS	Skyworks Solutions	NDS	C	557	168625	Semiconductors	78.25	0.54	9.55	5.56	11.24	6.49	1728719	10.91	8.78	9.46	...	20	NM	8.6	5.3	....
19	SLG	SL Green Realty	NY,Ph,Ch,P	A-	599	68713	Office REITs	143.00	17.12	158.88	87.39	101.07	74.80	213094	89.07	75.97	83.34	3.8	45	32	-32.1	10.2	1997
20	SLI	SL Industries	AS,P	B-	61	4276	Electrical Component & Equip	19.50	2.87	24.00	12.23	22.50	12.00	659	15.50	12.40	13.65	...	10	1	-26.3	-6.1	....
21	SLM	SLM Corp	NY,Ph,Ch,B	B	875	490182	Consumer Finance	58.35	1.34	58.00	18.58	25.05	12.35	2090273	19.81	12.35	17.13	...	13	Neg	-66.8	-29.8	1983
22	JSM	SLM Corp 6.0% Sr Notes	NY	BBB-	10	571		25.85	20.50	24.84	16.21	20.00	14.52	5424	18.33	14.52	16.58	9.0	....	....	-2.6	-7.6	2004
23	SMBL	Smart Balance	NDS,BB	NR	105	54119	Packaged Foods & Meats	8.65	7.45	14.10	6.75	11.25	4.85	54724	7.80	6.02	7.40	...	d	3	-27.5	0.0	....
24	SMOD	SMART Modular Tech	NDS	NR	194	37967	Electronic Manufactur Svcs	13.54	6.98	15.89	6.86	10.40	3.50	55867	4.25	3.50	3.91	...	8	....	-69.8	0.0	....
25	MVE	Smart Move	AS	NR	3	56	Trucking	4.80	4.40	4.71	0.50	0.84	0.20	1830	0.44	0.27	0.34	....	....	3	-86.8	0.0	....
26	MVE.WS	Smart Move Wrrt	AS,P	NR	1	3		0.80	0.50	0.88	0.01	0.16	0.02	21	0.06	0.03	0.03	....	....	....	....	....	....
27	SPRO	SmartPros Ltd	AS,P,NDS	NR	14	354	HR & Employment Services	4.30	2.25	9.27	3.42	6.04	2.90	1130	3.80	3.18	3.55	...	12	5	-42.0	-3.2	....
28	SPROW	SmartPros Ltd Wrrt	AS,NDS	NR	1			0.80	0.15	2.15	0.50	0.75	0.02	492	0.32	0.02	0.15	....	....	....	....	....	....
29	SNN	Smith & Nephew plc ADS	NY,Ch	NR	146	6924	Health Care Equipment	84.35	30.55	67.83	51.54	69.20	51.01	49390	58.36	51.01	53.65	1.1	19	Neg	-8.3	6.5	2000
30	SWHC	Smith & Wesson Holding	AS,Ch,P,NDS	B-	189	17190	Leisure Products	14.85	0.04	22.80	5.55	7.77	3.72	96253	5.32	4.06	4.49	....	22	9	-73.0	0.7	....
31	AOS	Smith (A.O.)	NY,Ph,Ch,P,,B	B+	404	22671	Electrical Component & Equip	58.06	3.29	52.48	32.09	40.77	29.25	78589	40.77	30.70	39.70	1.9	13	19	-21.1	13.9	1983
32	SII	Smith Intl	NY,Ph,Ch,B	B+	1064	189847	Oil & Gas Equipment & Svcs	46.48	0.43	76.99	36.13	86.40	53.39	920547	86.40	72.66	74.36	0.6	20	45	22.7	32.2	2005
33	SMSI	Smith Micro Software	NDS	B-	246	17778	Application Software	32.00	0.17	21.20	7.32	9.15	4.44	90931	7.70	5.37	7.20	...	NM	45	-53.5	13.3	....
34	SFD	Smithfield Foods	NY,Ch	B	551	111226	Packaged Foods & Meats	34.64	0.55	35.79	24.40	32.18	16.51	909046	22.88	16.61	21.48	...	17	17	-35.3	-7.6	....
35	SMTX	SMTC Corp	NDS	NR	13	2436	Electronic Manufactur Svcs	150.62	0.72	8.05	1.39	2.96	1.09	8342	2.35	1.51	2.11	...	NM	NM	-65.1	35.9	....
36	SJM	Smucker (J.M.)	NY,Ph,Ch,P,,B	A+	569	31064	Packaged Foods & Meats	64.27	15.87	64.32	46.57	55.58	40.18	108562	49.13	40.18	48.74	2.6	15	8	-16.8	2.6	1949
37	SSCC	Smurfit-Stone Container	NDS	C	438	249111	Paper Packaging	25.75	9.00	14.06	8.85	10.90	3.68	1003858	5.88	3.68	5.71	...	d	15	-58.4	-22.8	....
38	SNA	Snap-On Inc	NY,Ph,Ch,P,B	B+	756	51360	Household Applicances	48.85	13.58	57.81	44.58	82.21	37.88	141369	58.12	48.83	56.29	2.1	13	1	3.5	19.5	1939
39	SNC	SNC-Lavalin Group	To,Mo	NR	55	248	Construction & Engineering	33.50	0.41	51.04	30.00	61.95	38.30	89478	58.50	50.25	55.69	0.9	29	21	37.1	33.6	1986
40	SOAP	Soapstone Networks	NDS	NR	85	5136	Application Software	698.00	2.28	13.96	6.65	9.20	3.72	21872	4.92	3.72	4.24	....	2	NM	-56.9	7.8	....

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 3. [2]CBOE:Cycle 3. [3]Ch,P,,B [4]ASE,CBOE,P:Cycle 3. [5]ASE,CBOE,Ph:Cycle 3. [6]ASE:Cycle 1. [7]ASE,CBOE:Cycle 2. [8]CBOE:Cycle 2. [9]P:Cycle 1. [10]Ph:Cycle 2. [11]CBOE,Ph:Cycle 1. [12]ASE,CBOE,P:Cycle 1. [13]ASE,CBOE,P,Ph:Cycle 1. [14]ASE,Ph:Cycle 1. [15]ASE,CBOE,Ph:Cycle 1. [16]CBOE,P:Cycle 2. [51]Redeem pfd stk in $M
[52]Fr 2-15-04,Co auto Cv opt if com exceeds $25.02 [53]Ea ADS rep 0.11 com,500 won [54]Ea ADS rep 1 ord, par IR 37.5p [55]If com exceeds $11.25 for 30 trad'g days,as defined
[56]If com at least $9.50 for 5 con trad days [57]Ea ADS rep 5 Ord,10 pence [58]o [59]Incl 7.2M exchangeable shs of subsid

Common and Convertible Prefe

Index	Splits Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1	Q0.20	7-15-08	6-27	0.575	0.80
2	None Paid			....	Nil
3◆	None Paid			....	Nil
4	1.301	7-14-08	5-6	1.301	1.301
5	None Paid			....	Nil
6	None Paid			....	Nil
7	None Paid			....	Nil
8	None Paid			....	Nil
9	None Paid			....	Nil
10	Q0.453	2-15-08	1-30	0.453	1.359
11◆	Q0.16¼	9-1-08	7-31	0.484	0.645
12	0.953	4-11-08		0.953	1.025
13	None Paid			....	Nil
14	None Paid			....	Nil
15	None Paid			....	Nil
16	Q0.18	10-1-08	9-11	0.72	0.72
17	Q0.03	7-7-08	6-26	0.09	0.12
18	None Paid			....	Nil
19	Q0.788	7-15-08	6-26	2.363	3.15
20	Div Omitted 5-23-01			....	Nil
21	Div Suspended 4-16-07			....	Nil
22	Q0.37½	6-16-08	5-28	0.75	1.50
23	None Paid			....	Nil
24	None Paid			....	Nil
25	None Paid			....	Nil
26	Terms&trad. basis should be checked in detail				
27	None Paid			....	Nil
28	Terms&trad. basis should be checked in detail				
29	0.369	5-9-08	4-16	0.369	0.595
30	None Paid			....	Nil
31	Q0.19	8-15-08	7-29	0.55	0.76
32◆	Q0.12	10-14-08	9-10	0.46	0.48
33	None Paid			....	Nil
34	None Paid			....	Nil
35◆	None Paid			....	Nil
36	Q0.32	9-2-08	8-13	0.94	1.28
37	None Paid			....	0.438
38	Q0.30	6-9-08	5-15	0.60	1.20
39◆	gQ0.12	8-27-08	8-11	g0.36	g0.48
40	2.00	6-22-07	6-7	....	Nil

◆Stock Splits & Divs By Line Reference,Index [31]

HEARING EXHIBIT 00000092

July, 2008	Last Sale Or Bid			% Annualized				
s	High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
30	7.94	7.00	7.63	10.5	8	18	-43.5	-0.2	2004
29	0.22	0.12	0.20e	...	NIL	1	-65.8	-24.7	....
75	7.25	4.10	6.80	...	6	3	33.8	0.0	2008
61	34.99	29.07	33.04	3.9	d	-4	-45.6	-0.2	2003
85	3.85	3.03	3.54	...	19	5	34.8	11.9	....
83	4.73	3.35	3.40	...	d	Neg	-84.8	-42.7	....
65	2.75	1.49	1.60	...	d	39	-27.2	-31.5	....
02	28.84	23.76	24.82	...	d	1	-26.3	0.0	....
28	1.29	0.25	1.14	...	d	-28	-77.1	-39.2	1998
65	9.13	4.00	5.75	...	....	....	....	....	2001
49	27.22	23.29	25.91	2.5	23	1	-11.1	2.0	1932
37	22.35	19.92	21.32	3.5	10	1	-31.4	1.2	1997
08	24.00	16.89	18.90	...	10	NM	-18.9	5.8	....
57	14.73	13.02	14.61	...	25	3	-6.4	0.0	....
45	10.32	8.30	10.25	...	NIL	1	13.4	39.1	....
12	29.22	21.42	26.07	2.8	d	Neg	-5.6	-9.3	1980
97	16.36	10.84	15.22	0.8	6	18	-34.3	-7.9	1987
19	10.91	8.76	9.46	...	20	NM	8.6	5.3	....
94	89.07	75.97	83.34	3.8	45	32	-32.1	10.2	1997
59	15.50	12.40	13.65	...	10	1	-26.3	-8.1	....
73	19.81	12.35	17.13	...	13	Neg	-66.8	-29.8	1983
24	18.33	14.52	16.58	9.0	....	....	-2.6	-7.6	2004
24	7.80	6.02	7.40	...	d	3	27.5	0.0	....
67	4.25	3.50	3.91	...	8	....	-69.8	0.0	....
30	0.44	0.27	0.34	...	....	3	-66.8	0.0	....
21	0.06	0.03	0.03	...	....	....	....	....	....
30	3.80	3.18	3.55	...	12	5	-42.0	-3.2	....
92	0.32	-0.02	0.15	...	....	....	....	....	....
90T	56.36	51.01	53.65	1.1	19	Neg	-8.3	6.5	2000
25	5.32	4.08	4.49	...	22	9	-73.0	0.7	....
89	40.77	30.70	39.70	1.9	13	19	-21.1	13.9	1983
47	88.40	72.68	74.38	0.8	20	45	22.7	32.2	2005
31	7.70	5.37	7.20	...	NM	45	-53.5	13.3	....
06	22.88	16.61	21.48	...	17	17	-35.3	-7.6	....
42	2.35	1.51	2.11	...	NM	NM	-65.1	35.9	....
62	49.13	40.18	48.74	2.6	15	8	-16.8	2.6	1949
58	5.88	3.68	5.71	...	d	15	-58.4	-22.8	....
69	58.12	48.63	56.29	2.1	13	1	-3.5	19.5	1939
78	58.50	50.25	55.69	0.9	29	21	37.1	33.6	1966
72	4.92	3.72	4.24	...	....	2	NM	-56.9	7.8	....

...de 1. 7ASE,CBOE:Cycle 2. 8CBOE:Cycle 2:
...E:Cycle 2. 81Redeem pfd stk in $M
...rading days,as defined

Splits/Dividends ◆ Latest Payment Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Q0.20	7-15-08	6-27	0.575	0.80	0.575	12.5	207	210	3-31-08	1322	±87606	0.86	1.03	0.78	4	Dc	Pv0.26	E0.92†	0.48	3 Mo Mar	±d0.03	v0.19
2		None Paid		....	NIL	....	0.45	6.47	3.17	3-31-08	....	31842	....	....	....	....	Mr	NIL	....	NIL			
3◆		None Paid		....	NIL	....	4.20	28.0	27.0	3-31-08	30.2	31416	....	....	....	....	Dc	v0.36	....	0.88	6 Mo Jun	0.19	0.27
4	1.301	7-14-08	5-6	1.301	1.301	0.523	116	1358	1248	3-31-08	78.9	7155786	10.57	10.57	10.57	1	Dc	v3.15	Ed1.86†	3.15	3 Mo Mar	NIL	NIL
5		None Paid		....	NIL	....	17.0	39.1	20.4	12-31-07	4.10	40282	0.22	0.24	0.21	2	Dc	v0.19	....	0.19	3 Mo Mar	0.04	v0.04
6		None Paid		....	NIL	....	120	182	42.9	3-31-08	....	-60334	d0.57	d0.19	d0.80	12	Dc	vd0.19	....	d6.20	6 Mo Jun	v0.09	vd5.92
7		None Paid		....	NIL	....	252	458	1199	3-31-08	977	p2969420	d0.30	d0.23	d0.36	13	Dc	vd0.39	Ed0.27†	d0.38	3 Mo Mar	d0.10	vd0.07
8		None Paid		....	NIL	....	99.8	294	162	3-31-08	515	54733	1.55	1.63	1.47	7	Sp	....	....	d0.14	No pro-forma EPS		
9		None Paid		....	NIL	....	12.6	121	368	3-31-08	2236	97632	d1.30	d1.30	d1.30	1	Dc	vd2.90	Ed1.65†	d2.86	3 Mo Mar	d1.86	vd1.62
10	Q0.453	2-15-08	1-30	0.453	1.359	1.81¼	Cv into 1.199 Com $20.85				....	....	....	....	....	....	Dc	....	....	....	Arrears $0.4531 to 5-15-08		
11◆	Q0.16¼	9-1-08	7-31	0.484	0.645	0.60½	1.72	27.6	34.2	3-31-08	217	18377	1.21	1.24	1.19	2	Dc	v1.04	....	1.11	6 Mo Jun	v0.41	v0.48
12	0.953	4-11-08		0.953	1.025	0.944	1243	5037	3465	12-31-06	2473	72000	1.76	1.87	1.66	2	Dc	v.	E2.06†	NIL			
13		None Paid		....	NIL	....	152	607	181	3-31-08	16.3	±45844	1.96	1.99	1.95	5	Dc	Pv1.63	....	1.81	6 Mo Jun	0.84	1.02
14		None Paid		....	NIL	....	3.99	159	87.6	3-31-08	461	±37065	0.97	1.01	0.95	8	Dc	v0.35	....	0.59	3 Mo Mar	d0.01	v0.23
15		None Paid		....	NIL	....	93.5	307	277	1-31-08	197	111679	0.25	0.26	0.24	6	Ja	v.	....	NIL			
16	Q0.18	10-1-08	9-11	0.72	0.72	0.72	116	158	23.9	2-29-08	....	8391	....	....	....	....	My	v0.31	vd0.66	d0.66			
17	Q0.03	7-7-08	6-26	0.09	0.12	0.12	618	1156	423	3-31-08	1708	58352	2.29	2.47	2.03	6	Dc	v2.49	E2.35†	2.44	3 Mo Mar	v0.53	v0.48
18		None Paid		....	NIL	....	228	496	163	3-28-08	200	161165	0.70	0.71	0.68	15	Sp	v0.36	....	0.48	9 Mo Jun	v0.22	v0.34
19	Q0.788	7-15-08	6-26	2.363	3.15	2.80	Total Assets $11430M			3-31-08	5758	58284	4.07	4.07	4.07	1	Dc	v10.90	E1.85†	10.52	3 Mo Mar	v2.53	v2.15
20	Div Omitted 5-23-01			....	NIL	....	NA	56.7	23.4	3-31-08	8.84	5862	....	....	....	....	Dc	v1.43	....	1.33	3 Mo Mar	0.29	v0.19
21	Div Suspended 4-16-07			....	NIL	0.25	Total Assets $150816M			3-31-08	112485	★★467377	1.49	1.60	1.34	6	Dc	vd2.26	E1.36†	d3.85	6 Mo Jun	v1.82	v0.23
22	Q0.37½	6-16-08	5-28	0.75	1.50	1.50	Co opt to redeem fr 12-15-08 at $25				....	....	....	....	....	....	Dc	....	....	....	Due 12-15-2043		
23		None Paid		....	NIL	....	7.03	42.6	23.7	3-31-08	89.5	62631	0.03	0.13	d0.04	5	Dc	vd4.12	....	d3.62	3 Mo Mar	d0.52	vd0.02
24		None Paid		....	NIL	....	117	382	117	5-30-08	81.2	61340	0.46	0.47	0.46	7	Au	v0.88	E0.47†	0.39	9 Mo May	v0.69	v0.20
25		None Paid		....	NIL	....	0.18	0.99	4.76	3-31-08	6.61	12400	....	....	....	....	Dc	vd1.20	....	d1.31	3 Mo Mar	d0.15	vd0.28
26	Terms&trad. basis should be checked in detail						Wrrts expire 12-7-2011				....	2800	....	....	....	....	Dc	....	....	....	Callable fr 12-7-09 at $0.01[55]		
27		None Paid		....	NIL	....	9.79	12.0	6.60	3-31-08	....	4978	....	....	....	....	Dc	v0.43	....	0.29	3 Mo Mar	0.12	vd0.02
28	Terms&trad. basis should be checked in detail						Wrrts expire 10-19-2009				....	900	....	....	....	....	Dc	....	....	....	Callable fr 4-19-2005 at $0.25[56]		
29	0.369	5-9-08	4-16	0.369	0.595	0.563	171	2008	2510	3-29-08	37.0	892000	2.91	2.98	2.84	6	Dc	Pv1.71	E2.86	d0.02	3 Mo Mar	0.48	v0.46
30		None Paid		....	NIL	....	4.36	122	63.4	4-30-08	118	46948	0.20	0.27	0.13	7	Ap	v0.31	v0.22	0.22			
31	Q0.19	8-15-08	7-29	0.55	0.76	0.70	46.6	808	439	3-31-08	417	[58]30053	3.01	3.15	2.90	4	Dc	v2.85	E3.08†	3.13	6 Mo Jun	±1.50	±1.78
32◆	Q0.12	10-14-08	9-10	0.46	0.48	0.38	148	3993	1295	3-31-08	794	200808	3.84	4.00	3.75	20	Dc	v3.20	E3.74†	3.42	6 Mo Jun	v1.55	v1.77
33		None Paid		....	NIL	....	26.2	47.0	10.6	3-31-08	....	30415	0.83	0.68	0.57	6	Dc	v0.10	....	0.03	3 Mo Mar	v0.06	vd0.01
34		None Paid		....	NIL	....	57.3	3850	1676	4-27-08	3471	134398	1.22	1.40	1.12	8	Ap	v1.49	v0.96	0.96			
35◆		None Paid		....	NIL	....	0.33	73.6	48.8	12-31-07	21.5	[58]13869	0.35	0.35	0.35	1	Dc	v0.18	....	0.02	3 Mo Mar	v0.19	v0.03
36	Q0.32	9-2-08	8-13	0.94	1.28	1.18	184	776	239	4-30-08	789	54722	3.19	3.21	3.17	4	Ap	v2.76	v3.00	3.00			
37		None Paid		....	0.438	....	10.0	1053	986	3-31-08	3472	256000	d0.16	0.05	d0.35	12	Dc	vd0.45	Ed0.20†	d0.29	3 Mo Mar	vd0.22	vd0.06
38	Q0.30	6-9-08	5-15	0.60	1.20	1.11	140	1307	672	6-28-08	500	57438	4.12	4.20	4.08	4	Dc	v3.09	E4.40†	3.80	6 Mo Jun	v1.41	v2.12
39◆	g0.12	8-27-08	8-11	g0.36	g0.48	g0.36	1038	3437	3194	3-31-08	2083	150966	....	....	....	....	Dc	v0.94	E1.95	1.51	3 Mo Mar	vd0.11	v0.46
40	2.00	6-22-07	6-7	....	NIL	2.00	104	107	6.62	3-31-08	....	14792	d1.56	d1.56	d1.56	1	Bc	v4.16	....	2.38	6 Mo Jun	v1.24	vd0.54

◆Stock Splits & Divs By Line Reference Index [31]1-for-2 REVERSE,'08 [32]3-for-1,'04 [33]2-for-1,'06 [34]2-for-1,'05 [35]1-for-5 REVERSE,'04 [36]3-for-1,'06

WARNING-EXTRACT 00000098

Common and Convertible P

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	SQM	Sociedad Quimica Y Minera ADS[51]	¹NY,Ph	NR	119	22050	Fertilizers & Ag Chemicals	14.03	1.58	20.64	12.36	59.45	13.20	402888	45.65	35.10	40.93	0.8	NA	1	150	49.6	1994
2	SBN	SoftBrands Inc	AS,P	NR	37	6803	Systems Software	2.42	0.75	2.34	1.58	1.90	0.85	2201	1.12	0.89	1.00	...	d	...	-52.5	-18.9	....
3[e2]	SWH	Software HOLDRs Tr Dep Receipt	AS,B	NR	17	1457		99.93	20.08	46.07	37.31	44.40	35.00	6477	41.51	38.70	41.13	0.4	..	...	-5.3	4.9	2006
4[e3]	SOHU	Sohu.com Inc	NDS	NR	380	24806	Internet Software & Services	43.40	0.52	84.83	20.94	91.50	35.75	574369	87.99	61.81	75.48	...	79	5	170	58.2	....
5[e4]	SOLF	Solarfun Power Hldgs ADS[52]	NDS	NR	80	7174	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	730922	16.66	12.06	13.80	...	12	1	5.6	0.0	....
6	SLH	Solera Holdings	NY,P	NR	319	55707	Application Software	....	....	25.57	15.41	30.48	20.96	145439	30.48	27.30	28.99	...	d	2	61.1	0.0	....
7	XPL	Solitario Exploration & Royalt	AS,P,To,B	C	28	8974	Precious Metals & Minerals	4.23	2.67	6.10	3.50	6.10	3.80	1309	5.20	3.80	4.00	...	d	-40	-17.3	0.0	....
8[e5]	SOA	Solutia Inc	NY,Ch,P	NR	63	45998	Diversified Chemicals	....	....	21.75	17.00	20.50	9.46	86248	15.64	12.22	15.27	...	1	3	0.0	0.0	....
9	SNSTA	Sonesta Intl Hotels	NDS	C	25	945	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	361	27.97	22.45	24.75	0.8	41	NM	-48.3	-2.9	2005
◆10	SAH	Sonic Automotive'A'	NY,Ch	B+	329	34024	Automotive Retail	39.75	4.66	33.10	19.33	21.71	7.82	219577	13.05	7.82	10.07	4.8	6	1	-53.1	-23.6	2003
◆11[e6]	SONC	Sonic Corp	NDS	B+	445	59901	Restaurants	24.75	1.07	26.19	20.02	23.33	12.50	287321	16.38	12.50	15.09	...	16	11	-28.9	-9.9	....
12	SOFO	Sonic Foundry	NDS	C	39	1689	Systems Software	64.96	0.10	4.77	1.18	1.49	0.53	10670	0.90	0.53	0.84	...	d	-49	-68.4	-13.2	....
13	SNCI	Sonic Innovations	NDS	NR	142	22345	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	2.24	17454	3.50	2.24	2.59	...	d	-9	-70.4	-18.8	....
◆14	SNIC	Sonic Solutions	NDS	NR	254	27182	Application Software	23.67	1.00	19.35	7.36	10.94	4.82	52144	6.84	4.82	5.15	...	d	1	-54.9	-34.4	....
15[e7]	SNWL	SonicWALL Inc	NDS	B-	329	58237	Internet Software & Services	66.68	1.79	11.53	7.50	10.91	5.76	92626	6.80	5.76	5.84	...	83	NM	-33.5	0.1	....
◆16[e8]	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	598	62107	Paper Packaging	40.00	6.33	44.91	28.45	34.85	25.97	119069	33.70	29.68	32.62	3.3	13	6	-12.7	8.2	1825
17[e9]	SONO	SonoSite Inc	NDS	B-	295	20872	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	48728	33.25	27.17	32.76	...	39	NM	6.5	-1.3	....
18[e10]	SONS	Sonus Networks	NDS	NR	327	162314	Communications Equipment	93.66	0.18	9.03	5.13	5.95	2.92	939388	3.89	3.02	3.63	...	61	-29	-56.3	-9.2	....
19[e10]	SNE	Sony Corp[54] ADR	NY,Ph,Ch,P,B	NR	382	158777	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	37.19	219826	43.65	37.19	37.87	0.6	11	19	-21.8	6.3	1947
◆20[e2]	BID	Sotheby's	NY,Ph,Ch,B	B-	603	74155	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.57	22.40	488450	28.81	22.40	27.74	2.2	10	NM	-46.2	23.5	2007
21	FIRE	Sourcefire Inc	NDS	NR	103	10449	Systems Software	....	....	18.83	7.23	8.49	4.96	11498	8.00	6.51	7.90	...	d	3	-43.8	0.0	....
22	LNUX	SourceForge Inc	NDS	NR	120	42299	Application Software	320.00	0.54	5.55	2.05	2.55	1.25	45769	1.66	1.25	1.39	...	70	NM	-66.1	-6.3	....
◆23[e11]	TSFG	South Financial Group	NDS	B+	408	52606	Regional Banks	32.98	5.31	27.47	15.29	18.02	2.52	434497	7.45	2.52	6.03	0.7	d	Neg	-73.2	-39.8	1994
◆24	SJI	South Jersey Indus	NY,Ph,Ch,P,,B	A-	335	17470	Gas Utilities	34.26	6.95	41.27	31.20	39.36	31.90	34366	36.90	36.00	37.30	2.9	19	10	13.8	11.6	1962
25	STXX	South Texas Oil	NDS,BB	NR	6	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	2.00	5910	3.75	2.00	2.52	...	d	1	-74.0	82.7	....
26	SOCB	Southcoast Financial	NDS	NR	41	1590	Regional Banks	24.04	3.17	21.14	12.55	16.00	11.07	2241	13.90	11.07	12.04	...	19	-17	-39.5	-19.2	....
▼27[e12]	SO	Southern Co	NY,Ph,Ch,P,B	A-	1144	337930	Electric Utilities	37.40	8.93	39.35	33.16	40.60	33.71	1104792	36.93	34.46	35.39	4.7	15	2	6.1	4.4	1948
28	SSE	Southern Conn Bancorp	AS	NR	21	502	Regional Banks	11.38	6.06	8.12	6.65	7.50	5.48	1606	7.08	5.48	6.85	...	d	18	-11.8	-6.9	....
29[e13]	PCU	Southern Copper	NY,Ph,Ch,P,B	B	659	156616	Diversified Metals & Mining	19.46	1.40	47.75	16.38	41.93	24.41	1080063	36.21	27.00	27.76	8.2	36	26	-21.1	64.2	1996
◆30[e8]	SUG	Southern Union	NY,Ph,Ch,P,B	B	471	90310	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.58	201194	27.24	24.75	26.12	2.3	14	...	-21.4	3.5	2006
▼31[e14]	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	999	611881	Airlines	23.32	0.51	16.96	12.12	16.08	11.02	2423545	16.08	12.68	15.59	0.1	37	1	-6.6	2.3	1976
32	OKSB	Southwest Bancorp(OK)	NDS	A	235	11109	Regional Banks	28.67	3.66	28.63	16.10	18.52	9.83	27555	14.63	9.83	13.94	2.7	10	2	-33.9	-14.6	1981
◆33	SWX	Southwest Gas	NY,Ph,Ch,P,,B	B+	459	34723	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	44124	30.07	27.63	28.90	3.1	15	12	-6.7	5.7	1956
34	SGB	Southwest Georgia Finl	AS,Ch,P,B	B+	15	30	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.33	221	17.60	15.33	16.35	3.4	26	-11	-11.8	-6.2	1981
35	SWWC	Southwest Water Co	NDS	B+	161	12222	Water Utilities	19.07	1.49	16.41	11.53	12.75	9.41	23491	11.13	9.41	10.79	2.2	d	Neg	-18.7	-3.6	1960
▼36[e15]	SWN	Southwestern Energy	NY,Ch	B	981	316239	Oil & Gas Exploration & Prod	22.14	0.64	28.50	15.57	52.69	23.77	1689332	52.69	31.19	36.31	...	45	30	73.2	35.9	2008
▼37[e16]	SOV	Sovereign Bancorp	NY	B	698	274145	Thrifts & Mortgage Finance	26.60	0.83	26.70	9.92	13.26	5.58	2695711	10.00	5.58	9.52	...	14	Neg	-56.6	-26.9	1987
◆38	SSS	Sovran Self Storage	NY,Ph,P,,B	B+	327	18992	Specialized REITs	60.00	17.50	63.93	38.75	46.50	33.56	49268	44.06	35.77	41.81	6.0	21	4	-0.9	1.3	1995
39	DSP	SP Acquisition Hldgs	AS,P	NR	31	29402		....	....	9.29	9.00	9.77	8.84	11779	9.42	9.15	9.35	...	..	....	0.0	0.0	....
40	DSP.U	SP Acquisition Hldgs Unit	AS	NR	14	9119		....	....	10.20	9.70	10.25	9.70	12374	10.00	9.70	9.80	...	..	....	...	...	....

Uniform Footnote Explanations-See Page 1. Other: ¹Ch,P ²ASE:Cycle 1. ³ASE,CBOE,Ph:Cycle 3. ⁴ASE,Ph:Cycle 3. ⁵Ph:Cycle 3. ⁶ASE:Cycle 3. ⁷ASE,CBOE,P:Cycle 3. ⁸Ph:Cycle 1. ⁹CBOE,Ph:Cycle 3. ¹⁰ASE,CBOE,P,Ph:Cycle 1. ¹¹P:Cycle 2. ¹²CBOE:Cycle 2. ¹³ASE,CBOE:Cycle 3. ¹⁴ASE,CBOE,P,Ph:Cycle 3. ¹⁵CBOE:Cycle 3. ¹⁶Ea ADS rep 1 Sr'B'shr,no-par ⁵²Ea ADS rep 5 Ord Shr ⁵³Incl liabs subj to compromise ⁵⁴ADR equal 1 ord shr, 50y ⁵⁵Subsid pfd in $M ⁵⁶Incl 12M shrs subj to conv

Splits/Dividends

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008
1◆	Q	0.431	5-28-08	5-1	0.431
2			None Paid		....
3			None Paid		....
4			None Paid		....
5			None Paid		....
6			None Paid		....
7			None Paid		....
8			None Paid		....
9	S	0.10	7-1-08	6-16	1.20
10	Q	0.12	10-15-08	9-11	0.48
11◆			None Paid		....
12			None Paid		....
13			None Paid		....
14			None Paid		....
15			None Paid		....
16	Q	0.27	9-10-08	9-13	0.80
17			None Paid		....
18			None Paid		....
19	S	0.119	6-9-08		0.119
20	Q	0.15	6-13-08	5-28	0.30
21			None Paid		....
22			None Paid		....
23	Q	0.01	8-1-08	7-11	0.39
24◆	Q	0.27	7-2-08	6-6	0.54
25			None Paid		....
26◆	10%Stk		6-22-07	5-30	....
27	Q	0.42	9-6-08	7-31	1.243
28◆	5%Stk		5-9-05	4-22	....
29◆			None Paid		1.033
30◆	Q	0.15	7-11-08	6-25	0.45
31	Q	0.005	9-18-08	8-26	0.018
32	Q	0.09½	7-1-08	6-13	0.283
33	Q	0.22½	9-2-08	8-13	0.66½
34◆	Q	0.14	7-31-08	7-2	0.42
35◆	Q	0.06	7-18-08	6-26	0.18
36◆	Div Postponed 6-26-00				....
37◆	Div Suspended 1-23-09				....
38	Q	0.63	7-22-06	7-3	1.89
39			None Paid		....
40			None Paid		....

◆Stock Splits & Divs By Line Reference.Ir
³⁴6-for-5,'04 ³⁵1.33-for-1,'04 :5%,'04 :5%,'0

HEARING EXHIBIT 00000094

Standard & Poor's

July, 2008

Jul. Sales In 100s	Last Sale Or Bid High	Low	Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea. Yr. Since
02688	45.65	35.10	40.93	0.6	NA	1	150	49.6	1994
2201	1.12	0.89	1.00	...	d	...	-52.5	-18.9	....
6477	41.51	38.70	41.13	0.4	..	...	-5.3	4.9	2008
74369	87.99	61.81	75.48	...	79	5	170	58.2	....
30922	16.66	12.06	13.80	...	12	1	5.5	0.0	....
45439	30.48	27.30	28.99	...	d	2	61.1	0.0	....
1309	5.20	3.80	4.00	...	d	-40	-17.3	0.0	....
88248	15.64	12.22	15.27	...	1	3	0.0	0.0	....
361	27.97	22.45	24.75	0.8	41	NM	-48.3	-2.9	2005
19877	13.06	7.82	10.07	4.8	6	1	-63.1	-23.6	2003
87321	16.38	12.50	15.09	...	16	11	-28.9	-9.9	....
10670	0.90	0.53	0.84	...	d	-49	-68.4	-13.2	....
17454	3.50	2.24	2.59	...	d	-9	-70.4	-18.8	....
52144	6.84	4.82	5.15	...	d	1	-54.9	-34.4	....
92628	6.80	5.76	5.84	...	83	NM	-33.5	0.1	....
19069	33.70	29.58	32.62	3.3	13	6	-12.7	8.2	1925
48728	33.25	27.17	32.76	...	39	NM	6.5	-1.3	....
39388	3.89	3.02	3.63	...	61	-29	-56.3	-9.2	....
19826	43.65	37.19	37.67	0.6	11	19	-21.8	6.3	1947
86450	28.81	22.40	27.74	2.2	10	NM	-46.2	23.5	2007
11498	8.00	6.51	7.90	...	d	3	-43.8	0.0	....
45769	1.66	1.25	1.39	...	70	NM	-66.1	-6.3	....
34497	7.45	2.52	6.03	0.7	d	Neg	-73.2	-35.8	1994
34366	38.90	36.00	37.30	2.9	18	10	13.6	11.6	1952
5910	3.75	2.00	2.52	....	d	1	-74.0	82.7	....
2241	13.90	11.07	12.04	...	19	-17	-39.5	-19.2	....
04702	36.83	34.46	35.39	4.7	15	2	6.1	4.4	1948
1806	7.08	5.48	6.85	...	d	18	-11.6	-6.9	....
80189	36.21	27.00	27.78	8.2	36	26	-21.1	64.2	1996
01194	27.24	24.75	26.12	2.3	14	...	-21.4	3.5	2006
23365	16.08	12.68	15.59	0.1	37	1	-6.6	2.3	1976
27455	14.83	9.83	13.94	2.7	10	2	-33.9	-14.6	1981
44189	30.07	27.63	28.90	3.1	15	12	-6.7	5.7	1956
624	17.50	15.33	16.35	3.4	26	-11	-11.8	-6.2	1981
23491	11.13	9.41	10.79	2.2	d	Neg	-18.7	-3.6	1960
93382	52.69	31.19	36.31	...	45	30	73.2	35.9	2008
9500	10.00	5.58	9.52	...	14	Neg	-56.6	-26.9	1987
49288	44.06	35.77	41.81	6.0	21	4	-0.9	1.3	1995
11229	9.42	9.15	9.35	...	...	...	0.0	0.0	....
12300	10.00	9.70	9.80	....	....	....	....	....	....

[7]AGE,CBOE,P:Cycle 3. [8]Ph:Cycle 1. [9]CBOE,Ph:Cycle 3. sh-sp-par. [82]Ea ADS rep 5 Ord Shr

Common and Convertible Preferred Stocks

Splits/Dividends ◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-S Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-S	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Estm.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	0.431	5-28-08	5-1	0.431	0.431	0.355	166	1058	280	3-31-08	502	±259200	1.56	1.56	1.56	1	Dc	....	....	NA	3 Mo Mar	0.16	v0.25
2		None Paid		....	NIL	....	9.40	39.0	51.9	3-31-08	14.3	41876	....	....	....	....	Sp	vd0.09	....	d0.04	6 Mo Mar	vd0.06	vd0.03
3		None Paid		....	0.288	†0.008	Receipts Val based on Software Ind Co's				....	3609	....	....	....	....	Dc	....	....	....	Expire 12-31-2040.		
4		None Paid		....	NIL	....	160	206	92.6	3-31-08	1.26	37759	2.79	3.61	1.61	14	Dc	v0.90	....	0.95	3 Mo Mar	v0.12	v0.55
5		None Paid		....	NIL	....	37.4	319	188	9-30-07	NIL	49005	....	....	....	....	Dc	v0.42	E1.16†	0.74	3 Mo Mar	d0.01	v0.31
6		None Paid		....	NIL	....	139	285	136	3-31-08	640	64816	1.17	1.18	1.16	3	Je	vd2.82	....	d0.69	9 Mo Mar	d1.79	-0.34
7		None Paid		....	NIL	....	9.33	9.60	2.41	3-31-08	....	29634	....	....	....	....	Dc	vd0.13	....	d0.19	3 Mo Mar	0.01	vd0.05
8		None Paid		....	NIL	....	71.0	1612	742	3-31-08	[83]848	p60763	....	....	....	....	Dc	Pvd1.99	....	11.77	3 Mo Mar	d0.08	v13.68
9	S0.10	7-1-08	6-16	1.20	0.20	0.20	24.9	38.2	13.3	3-31-08	32.7	3696	....	....	....	....	Dc	v0.36	....	0.60	3 Mo Mar	d0.22	v0.02
10	Q0.12	10-15-08	9-11	0.48	0.48	0.48	5.11	1665	1493	3-31-08	783	±40423	1.75	2.11	1.50	10	Dc	v2.13	....	1.74	6 Mo Jun	v1.01	v0.62
11◆		None Paid		....	NIL	....	34.1	71.1	112	5-31-08	747	56800	0.99	1.01	0.97	17	Au	v0.91	....	0.97	9 Mo May	v0.58	v0.64
12		None Paid		....	NIL	....	3.79	8.58	5.94	3-31-08	0.39	35582	d0.21	d0.20	d0.22	3	Sp	vd0.18	....	d0.24	6 Mo Mar	d0.10	d0.16
13		None Paid		....	NIL	....	14.1	51.4	27.1	3-31-08	10.0	26849	d0.05	0.02	d0.12	3	Dc	v0.03	....	d0.01	3 Mo Mar	v0.02	vd0.02
14		None Paid		....	NIL	....	63.4	99.2	62.4	3-31-08	....	26383	d0.17	0.02	d0.28	7	Mr	vd0.21	Ed0.03	NA	3 Mo Jun		v
15		None Paid		....	2.00	....	147	205	130	3-31-08	NIL	60988	0.26	0.30	0.20	10	Dc	v0.43	E0.07†	0.43	3 Mo Mar		v
16	Q0.27	9-10-08	8-13	0.80	1.08	1.02	74.0	1074	755	3-30-09	798	99500	2.48	2.47	2.45	6	Dc	v2.10	E2.45†	1.88	6 Mo Jun	v0.93	v0.71
17		None Paid		....	NIL	....	313	415	28.5	3-31-08	225	16770	0.77	0.82	0.67	4	Dc	v0.40	E0.84†	0.55	6 Mo Jun	v0.07	v0.22
18		None Paid		....	NIL	....	376	539	125	3-31-08	....	271138	0.06	0.09	0.05	7	Dc	vd0.09	E0.06†	d0.09	3 Mo Mar	NIL	NIL
19	S0.119	6-9-08		0.119	0.215	0.215	7289	49740	40103	12-31-07	6603	1003126	3.02	3.25	2.80	2	Mr	v3.51	E2.19†	3.51			
20	Q0.15	6-13-08	5-28	0.30	0.60	0.50	81.4	1061	687	3-31-08	212	67345	2.40	2.48	2.28	6	Dc	Pv3.25	....	2.69	3 Mo Mar	±0.37	vd0.19
21		None Paid		....	NIL	....	103	126	28.2	3-31-08	....	24985	d0.05	d0.02	d0.13	6	Dc	vd0.32	....	d0.07	3 Mo Mar	d0.39	vd0.14
22		None Paid		....	NIL	....	45.3	54.0	8.22	4-30-08	....	68466	0.05	0.05	0.05	5	Jl	v0.13	....	0.02	9 Mo Apr	v0.12	vd0.01
23	Q0.01	8-1-08	7-11	0.39	0.04	0.72	Total Deposits $9789M			3-31-08	742	72630	d0.55	d0.04	d1.23	11	Dc	v0.99	Ed1.50†	d2.53	6 Mo Jun	v0.51	vd3.01
24◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005	11.9	316	285	3-31-08	358	29729	2.30	2.32	2.28	5	Dc	v2.10	....	2.01	3 Mo Mar	v0.92	v0.83
25		None Paid		....	NIL	....	2.23	5.06	7.97	3-31-08	26.5	16483	....	....	....	....	Dc	vd0.45	....	d0.60	3 Mo Mar	d0.05	vd0.20
26◆	10%Stk	6-22-07	5-30	....	NIL	....	Total Deposits $309M			3-31-08	107	4792	0.54	0.54	0.54	1	Dc	v0.63	....	0.65	6 Mo Jun	v0.30	v0.32
27	Q0.42	9-6-08	7-31	1.243	1.68	1.59½	281	4626	5443	3-31-08	14888	[85]767212	2.32	2.35	2.26	15	Dc	v2.28	E2.36†	2.23	3 Mo Mar	v0.45	v0.47
28◆	5%Stk	5-9-05	4-22	....	ST	....	Total Deposits $107M			3-31-08	1.59	3058	....	....	....	....	Dc	vd0.19	....	d0.19	6 Mo Jun	vNIL	vNIL
29◆		None Paid		1.033	6.80	2.267	1584	2858	992	3-31-08	1289	883398	2.79	3.25	2.35	10	Dc	v2.51	....	0.77	6 Mo Jun	v1.45	v1.26
30◆	Q0.15	7-11-08	6-25	0.45	0.60	0.40	32.7	894	1435	3-31-08	2950	124003	1.87	1.92	1.74	10	Dc	v1.75	E1.86	1.77	3 Mo Mar	v0.62	v0.64
31	Q0.005	9-16-08	8-26	0.016	0.016	0.016	3122	5050	5781	3-31-08	2079	731758	0.31	0.47	0.15	13	Dc	v0.84	E0.42†	0.85	6 Mo Jun	v0.47	v0.48
32	Q0.09½	7-1-08	6-13	0.283	0.36	0.36	Total Deposits $1624M			3-31-08	328	14524	1.24	1.30	1.19	4	Dc	v1.46	....	1.33	6 Mo Jun	v0.77	v0.64
33	Q0.22½	9-2-08	8-13	0.66½	0.90	0.85	17.4	401	471	3-31-08	1264	43277	2.06	2.17	1.92	5	Dc	v1.95	....	1.92	3 Mo Mar	v1.17	v1.14
34◆	Q0.14	7-31-08	7-2	0.42	0.56	0.55	Total Deposits $225M			3-31-08	10.0	2548	....	....	....	....	Dc	v0.66	....	0.82	6 Mo Jun	v0.63	v0.59
35◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23	2.22	62.6	37.8	3-31-08	181	24468	0.34	0.40	0.30	4	Dc	vd0.33	....	d0.38	3 Mo Mar	v0.03	vd0.02
36◆	Div Postponed 6-26-00			....	NIL	....	0.47	397	652	3-31-08	1076	341963	1.52	1.70	1.35	23	Dc	v0.84	....	0.80	3 Mo Mar	0.15	v0.31
37◆	Div Suspended 1-23-09			....	NIL	0.32	Total Deposits $49845M			3-31-08	24349	482443	0.71	0.83	0.55	13	Dc	vd2.85	E0.68†	d2.81	6 Mo Jun	v0.39	v0.43
38	Q0.63	7-22-08	7-3	1.89	2.52	2.49	Total Assets $1186M			3-31-08	482	21851	1.93	1.96	1.90	2	Dc	v1.81	E1.96†	1.78	3 Mo Mar	v0.44	v0.41
39		None Paid		....	NIL	....	1.32	....	18.9	6-30-07	0.25	[86]★53000	....	....	....	....	Dc	....	....	....			
40		None Paid		....	NIL	....	....	....	....	....	....	★40000	....	....	....	....	Dc	....	....	....			

◆Stock Splits & Divs By Line Reference Index: [1]10-for-1,'08 [2]3-for-2,'04 3-for-2,'06 [3]2-for-1,'05 [4]10%,'04 10%,'05 10%,'06 10%,'07 [5]10%,'04 5%,'05 [6]2-for-1,'06 3-for-1,'08 [7]5%,'04 5%,'05 [8]6-for-5,'04 [9]1.33-for-1,'04 5%,'04 5%,'05 [10]2-for-1,'05 2-for-1,'05 2-for-1,'08 [11]5%,'06

00000095

S&P 500 | MidCap 400 ✣ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	July, 2008 Jul. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS $ 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
#1[o1]	ADVS	Advent Software	NDS	B–	421	28386	Application Software	76.50	4.66	58.27	32.29	55.34	32.90	70081	45.85	32.90	43.54	...	70	NM	16.9	17.9	....
2	ANX	ADVENTRX Pharmaceuticals	AS	NR	42	11301	Biotechnology	5.38	0.15	2.98	0.39	0.69	0.23	37720	0.41	0.23	0.34	...	d	1	-67.3	-53.2	....
3	ABCO	Advisory Board	NDS	NR	339	20376	Diversif Comm & Prof Svcs	58.84	22.55	69.46	46.70	65.80	35.75	32370	40.60	35.75	38.35	...	22	5	-31.5	-9.1	....
4[o2]	ACM	Aecom Technology	NY,Ch,P	NR	350	48915	Construction & Engineering	....	....	38.25	20.60	34.50	19.86	160278	33.40	27.43	28.47	....	24	3	-9.6	0.0	....
5[o3]	ANW	Aegean Marine Petrol Nwk	NY,Ph,Ch,P,B	NR	129	22505	Marine Ports & Services	17.44	14.53	48.83	13.70	44.43	22.23	82593	40.00	32.80	36.20	0.1	54	4	63.2	0.0	2007
6[o4]	AEG	AEGON N.V. Ord[51]	NY,Ph,Ch,P,B	NR	217	133329	Life & Health Insurance	62.56	1.24	21.91	16.62	17.68	11.31	332567	13.19	11.31	11.68	8.7	7	15	-33.6	-1.4	1997
7	AED	AEGON N.V. 6.5% Perp Cap Secs	NY,P	A–	14	346		26.12	23.33	26.05	19.50	24.00	10.19	9747	18.79	10.19	17.06	9.5	..	..	-20.7	0.0	2006
8	AEPI	AEP Industries	NDS	C	140	4747	Metal & Glass Containers	68.05	2.77	54.18	30.87	33.10	16.00	3991	19.18	16.00	17.44	....	6	NM	-58.4	-3.0	....
9[o5]	AER	AerCap Holdings N.V.	NY	NR	139	75276	Aerospace & Defense	25.10	21.85	32.82	18.54	21.12	11.37	99555	15.27	11.39	15.26	....	6	3	-51.8	0.0	....
10	ACY	Aerocentury Corp	AS	B–	24	437	Aerospace & Defense	10.25	2.05	24.50	6.58	26.67	7.76	2235	13.55	8.85	11.40	....	6	NM	-39.3	49.4	....
#11[o6]	ARO	Aeropostale Inc	NY,Ch,P	NR	761	81528	Apparel Retail	23.64	2.33	31.88	18.29	38.08	20.76	714792	36.08	28.05	32.25	....	19	33	17.9	15.3	....
12	AIM	Aerosonic Corp	AS	B	21	1186	Aerospace & Defense	29.50	0.87	8.45	4.30	5.24	2.02	606	3.03	2.02	2.65	....	d	Neg	-65.2	-25.4	....
13[o7]	AVAV	AeroVironment Inc	NDS	NR	187	9799	Aerospace & Defense	....	....	26.93	17.97	32.98	18.44	74143	32.98	26.31	32.63	....	33	1	44.2	0.0	....
¶14[o8]	AES	AES Corp	NY,Ph,Ch	B	910	579672	Ind Power Prod & Energy Trad	72.81	0.92	24.24	16.69	22.48	15.70	1319038	19.50	16.05	16.14	....	14	1	-24.8	0.3	....
15	AES.PC	AES Tr III 6.75% Cv Pfd	NY,Ch	B–	79	5531		110.00	5.85	51.00	45.15	49.70	45.25	2034	49.00	45.36	47.54	7.1	....	....	....	....	2000
¶16[o9]	AET	Aetna Inc	NY,Ph,Ch,P,B	NR	1499	438246	Managed Health Care	52.48	5.75	60.00	39.02	59.80	34.00	1297830	42.66	34.00	41.01	0.1	10	32	-22.5	1.1	2001
17	ATRM	Aetrium Inc	NDS	C	52	2665	Semiconductor Equipment	28.25	0.58	6.24	3.25	6.00	2.60	5475	3.64	2.60	3.48	....	7	1	-33.3	3.4	....
¶18[o9]	ACS	Affiliated Computer Svcs'A'	NY,Ch,P	B+	863	87135	Data Process/Outsourced Svcs	63.66	4.25	61.67	39.46	57.40	40.43	203417	53.25	48.06	48.20	....	14	–1	–8.1	–0.4	....
¶19[o10]	AMG	Affiliated Managers Grp	NY,Ch	B+	805	45088	Asset Mgmt & Custody Banks	108.58	8.91	136.51	98.67	118.36	72.59	251806	93.98	72.59	86.40	....	14	22	-26.0	6.9	....
20	AFFM	Affirmative Insurance Hldg	NDS	NR	81	11419	Property/Casualty Insurance	18.75	11.28	18.73	9.05	10.30	6.15	2038	7.05	6.15	6.78	1.2	9	4	-52.9	-26.9	2004
21	AFFY	Affymax Inc	NDS	NR	106	7474	Biotechnology	37.20	29.30	41.00	20.35	23.06	13.14	10416	21.54	14.99	19.77	....	d	1	-24.9	0.0	....
#22[o9]	AFFX	Affymetrix Inc	NDS	B–	446	73670	Life Sciences Tools & Svcs	163.50	4.50	31.95	20.00	23.85	7.24	601291	10.99	7.24	7.88	....	49	1	-69.4	-44.7	....
¶23[o11]	AFL	AFLAC Inc	NY,Ph,Ch,P,B	A	1555	309682	Life & Health Insurance	49.65	1.31	63.91	45.18	68.81	52.90	1012279	63.63	52.90	55.61	1.7	14	18	–0.8	9.6	1973
#24[o12]	AG	AGCO Corp	NY,Ch	B–	928	99311	Constr & Farm Mach/Hvy Truck	36.31	1.66	71.95	28.67	71.94	45.90	487529	63.14	45.90	59.85	....	16	–3	28.5	37.3	....
25	AGF.B	AGF Management'B'	To	NR	32	8.5	Asset Mgmt & Custody Banks	29.00	2.95	40.00	25.99	29.95	19.00	50277	22.75	19.42	21.94	4.6	10	1	-40.5	10.5	1976
26[o11]	FEED	AgFeed Industries	NDS	NR	23	450	Agricultural Products	3.00	2.00	16.36	1.98	21.31	8.40	87428	14.95	10.00	14.11	....	56	3	95.7	0.0	....
¶27[o9]	A	Agilent Technologies	NY,Ch	B–	1007	272231	Elect Equip Manufacturers	162.00	10.50	40.42	30.26	38.00	28.79	579674	36.92	34.40	36.06	....	19	NM	–7.5	12.3	....
✣28[o13]	AGYS	Agilysys Inc	NDS	B+	294	22925	Technology Distributors	21.25	1.48	23.86	12.63	15.70	9.21	33212	12.69	10.66	12.00	1.0	48	NM	-39.6	-11.6	1965
#29[o14]	ATG	AGL Resources	NY,Ph,Ch,P,B	A	554	48595	Gas Utilities	40.09	9.25	44.57	35.24	39.13	32.56	145379	35.44	32.66	34.56	4.9	12	5	–11.7	0.1	1939
30[o15]	AEM	Agnico Eagle Mines[55]	NY,Ph,Ch,P,To,B	B–	421	98490	Gold	45.67	2.62	59.45	33.25	63.45	52.61	749577	80.79	52.95	54.65	0.3	67	NM	37.9	67.4	1983
31	ADC	Agree Realty	NY,Ch,P	A	197	3879	Retail REITs	37.70	12.87	36.00	27.29	31.04	20.82	10086	29.94	22.05	28.88	6.9	14	....	1.9	4.0	1994
32	GRO	Agria Corp. ADS[56]	NY,Ch,P	NR	51	10563	Agricultural Products	....	....	17.00	7.00	11.75	3.52	44602	4.89	3.79	4.45	....	3	....	0.0	0.0	....
33[o3]	AGU	Agrium Inc	NY,Ph,Ch,P,To,B	B	482	102436	Fertilizers & Ag Chemicals	31.83	6.75	76.14	30.13	113.86	50.86	1173537	108.50	80.05	86.00	0.1	19	NM	94.5	57.5	1995
✣34[o16]	AIRM	Air Methods	NDS	B	391	11892	Health Care Services	56.13	1.37	59.50	21.62	51.50	22.47	76458	31.71	22.47	28.67	....	14	47	-28.8	49.9	....
¶35[o17]	APD	Air Products & Chem	NY,Ph,Ch,P,B	A	1374	182111	Industrial Gases	72.45	7.25	105.02	68.58	106.06	80.73	403109	100.14	94.17	95.21	1.8	18	19	7.7	19.7	1954
36	AYR	Aircastle Ltd	NY	NR	238	57465	Trading Cos & Distributors	33.45	25.75	41.31	23.30	26.84	7.68	230454	11.56	8.20	10.95	16.9	6	3	-67.2	0.0	2007
#37[o18]	ARG	Airgas Inc	NY,Ph,Ch	B+	683	65651	Industrial Gases	43.43	0.84	55.89	39.00	65.45	37.84	195043	60.70	51.67	57.28	0.8	22	23	15.3	28.9	2003
38[o19]	AMCN	AirMedia Group ADS[56]	NDS	NR	82	20687	Advertising	....	....	25.15	15.60	26.51	12.13	39502	15.06	12.13	14.00	....	NM	....	0.0	0.0	....
39	AIRN	Airspan Networks	NDS	NR	73	21961	Communications Equipment	49.01	0.40	5.05	1.51	1.81	0.47	58113	0.84	0.47	0.58	....	d	–7	-83.6	-53.3	....
#40[o20]	AAI	AirTran Hldgs	NY,Ch	B–	372	91630	Airlines	34.75	2.14	13.09	7.13	9.13	1.28	1046896	3.49	1.28	2.92	....	d	–4	-72.5	-35.6	....
41	AIXG	Aixtron AG ADS[57]	NDS	NR	42	2286	Semiconductor Equipment	5.00	2.74	14.80	4.54	16.08	8.79	17434	10.38	8.79	8.99	0.9	33	NM	-1.1	37.6	2008

Uniform Footnote Explanations-See Page 1. Other: [1]P,Ph:Cycle 2. [2]CBOE,P:Cycle 3. [3]CBOE,P,Ph:Cycle 3. [4]CBOE,Ph:Cycle 1. [5]CBOE:Cycle 1. [6]ASE,CBOE,P,Ph:Cycle 1. [7]CBOE,Ph:Cycle 3. [8]ASE,CBOE,P,Ph:Cycle 2. [9]CBOE,P:Cycle 1. [10]ASE:Cycle 3. [11]ASE,CBOE,Ph:Cycle 2. [12]P:Cycle 2. [13]P:Cycle 1. [14]P:Cycle 3. [15]CBOE,Mo,P:Cycle 2. [16]ASE,Ph:Cycle 1. [17]P,P:Cycle 3. [18]Ph:Cycle 1. [19]Ph:Cycle 3. [20]ASE,CBOE:Cycle 1. [51]Amer Reg Ctf [52]As defined [53]AES Corp com [54]Stk dstr of Verigy Ltd [55]Canadian funds prior to'99 [56]Ea ADS rep 2 Ord Shrs [57]Ea ADS rep 1 ord shr

Spills Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007
1		None Paid			....	NIL	....
2		None Paid			....	NIL	....
3		None Paid			....	NIL	....
4		None Paid			....	NIL	....
5		None Paid			....	0.04	0.
6	Q	0.505	5-23-08	4-25	0.505	0.914	0.8
7	Q	0.40%	6-16-08	5-28	0.81⅛	1.625	1.6
8	Q	0.02⅛	10-6-95	9-20	....	NIL	....
9		None Paid			....	NIL	....
10		None Paid			....	NIL	....
11◆		None Paid			....	NIL	....
12		None Paid			....	NIL	....
13		None Paid			....	NIL	....
14		None Paid			....	NIL	....
15	Q	0.84⅜	7-15-08	7-10	2.53⅛	3.375	3.3
16◆	A	0.04	11-30-07	11-13	....	0.04	0.
17		None Paid			....	NIL	....
18		None Paid			....	NIL	....
19◆		None Paid			....	NIL	....
20	Q	0.02	6-30-06	6-12	0.04	0.08	0.
21		None Paid			....	NIL	....
22		None Paid			....	NIL	....
23	Q	0.24	9-2-08	8-18	0.72	0.96	0.
24		Div Omitted 4-26-01			....	NIL	....
25	g	Q0.25	7-21-08	7-8	g0.70	g1.00	g0.
26		None Paid			....	NIL	....
27	h	54	10-31-06	11-1	....	NIL	....
28		Q0.03	8-1-08	7-11	0.09	0.12	0.
29		Q0.42	6-1-08	5-14	0.84	1.68	1.
30		A0.18	3-26-08	3-12	10.18	0.18	10.
31		Q0.50	7-15-08	6-26	1.50	2.00	1.
32		None Paid			....	NIL	....
33		S0.05⅛	7-3-08	6-10	0.11	0.11	0.
34		None Paid			....	NIL	....
35		Q0.44	8-11-08	6-27	1.26	1.76	1.
36		Q0.25	7-15-08	6-26	1.20	1.00	2.1
37		Q0.12	6-30-08	6-10	0.24	0.48	0.
38		None Paid			....	NIL	....
39		None Paid			....	NIL	....
40		None Paid			....	NIL	....
41		None Paid			....	0.108	....

◆Stock Splits & Divs By Line Reference Index [11]3-for-2,

HEARING EXHIBIT 00000096

Standard & Poor's

	% Annualized					
	%Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
13.54	...	70	NM	16.9	17.9	....
0.34	...	d	1	-67.3	-53.2	....
18.35	...	22	5	-31.5	-9.1	....
28.47	...	24	3	9.6	0.0	....
16.20	0.1	54	4	63.2	0.0	2007
11.68	6.7	7	15	-33.6	-1.4	1987
17.06	9.5	..	..	-20.7	0.0	2006
17.44	...	6	NM	-58.4	-3.0	....
15.26	...	6	3	-51.8	0.0	....
11.40	...	6	NM	-39.3	49.4	....
32.25	...	19	33	17.9	15.3	....
2.65	...	d	Neg	-65.2	-25.4	....
32.63	...	33	1	44.2	0.0	....
16.14	...	14	1	-24.8	0.3	....
47.54	7.1	..	..	..	..	2000
41.01	0.1	10	32	-22.5	1.1	2001
3.48	...	7	1	-33.3	3.4	....
48.20	...	14	-1	-8.1	-0.4	....
86.40	...	14	22	-28.0	6.9	....
6.78	1.2	9	4	-52.9	-26.9	2004
19.77	...	d	1	-24.9	0.0	....
7.88	...	49	1	-69.4	-44.7	....
55.61	1.7	14	18	-0.8	9.6	1973
59.85	...	16	-3	28.5	37.3	....
21.94	4.6	10	1	-40.5	10.5	1976
14.11	...	56	3	95.7	0.0	....
36.06	...	19	NM	-7.5	12.3	....
12.98	1.0	48	NM	-39.6	-11.6	1965
34.[illegible]	4.9	12	5	-11.7	0.1	1939
54.[illegible]	0.3	57	NM	37.9	67.4	1983
28.[illegible]	6.9	14	...	1.9	4.0	1994
[illegible]	...	3	....	0.0	0.0	....
88.[illegible]	0.1	19	NM	94.5	57.5	1995
28.[illegible]	...	14	47	-28.8	49.9	....
94.[illegible]	1.8	16	19	7.7	19.7	1954
10.[illegible]	16.9	6	3	-67.2	0.0	2007
51.[illegible]	0.8	22	23	15.3	28.9	2003
14.[illegible]	...	NM	...	0.0	0.0	....
[illegible]	...	d	-7	-63.6	-53.3	....
[illegible]	...	d	-4	-72.5	-35.6	....
.839	0.9	33	NM	1.1	37.6	2008

Cycle 1. [7]CBOE,Ph;Cycle 3.
CB,P;Cycle 3. [18]Ph;Cycle 1.
ADS rep 1 ord shr

Common and Convertible Preferred Stocks

◆ Splits Dividends — Latest Payment

Index	Period	$	Date	Ex. Div.	Total $ 5o Per 2008	Ind. Rate	Paid 2007	Financial Position Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.
1		None Paid			....	NIL	....	58.0	133	147	3-31-08	....	26684	0.57	0.61	0.55	4
2		None Paid			....	NIL	....	28.8	29.4	4.09	3-31-08	....	90253	d0.25	d0.23	d0.27	2
3		None Paid			....	NIL	....	25.9	124	171	3-31-08	NIL	17316	2.18	2.19	2.18	3
4		None Paid			....	NIL	....	217	1609	1062	3-31-08	32.9	101240	1.34	1.36	1.32	4
5		None Paid			....	0.04	0.01	10.6	310	244	3-31-08	85.9	42489	1.21	1.54	1.03	5
6	0.505	5-23-08	4-25	0.505	0.914	0.831	Total Assets $451659M			12-31-07		13247	1500214	1.32	1.32	1.32	1
7	Q0.40¾	6-16-08	5-28	0.81¼	1.625	1.62½	Co opt to redm ir 12-15-10[452]					....	....	....	....	....	....
8	0.02½	10-6-95	9-20	....	NIL	....	0.70	166	72.6	4-30-06		180	6723	....	....	....	....
9		None Paid		....	NIL	....	Total Assets $4030M			12-31-07		2475	85037	2.84	3.11	2.69	8
10		None Paid		....	NIL	....	Total Assets $108.3M			3-31-08		12.9	1543	1.79	1.79	1.79	1
11◆		None Paid		....	NIL	....	64.5	234	139	5-03-08		NIL	66927	1.85	1.87	1.64	14
12		None Paid		....	NIL	....	0.10	15.5	13.3	5-02-08		....	3561	....	....	....	....
13		None Paid		....	NIL	....	118	189	32.1	4-30-08		NIL	20643	0.97	0.99	0.95	9
14		None Paid		....	NIL	....	3211	8363	6033	3-31-08		16945	671811	1.19	1.37	1.14	6
15	Q0.84⅜	7-15-08	7-10	2.53⅛	3.375	3.37½	Cv into 1.4216 com[453]					....	....	....	....	....	....
16◆	A0.04	11-30-07	11-13	....	0.04	0.04	2028	5323	8679	3-31-08		3138	484800	4.00	4.09	3.92	15
17		None Paid		....	NIL	....	12.8	24.3	2.13	3-31-08		....	10587	0.35	0.35	0.35	1
18		None Paid		....	NIL	....	328	1952	1037	3-31-08		2370	±96089	3.50	3.56	3.40	11
19◆		None Paid		....	NIL	....	317	547	208	3-31-08		1453	34470	6.67	7.05	6.30	11
20	Q0.02	6-30-08	6-12	0.04	0.08	0.08	Total Assets $951M			3-31-08		248	15415	0.75	0.75	0.75	1
21		None Paid		....	NIL	....	148	172	61.3	3-31-08		0.03	15190	d4.57	d2.78	d5.65	7
22		None Paid		....	NIL	....	590	752	71.3	3-31-08		436	68504	0.26	0.43	d0.09	12
23	Q0.24	9-2-08	8-18	0.72	0.96	0.80	Total Assets $65805M			3-31-08		1598	475338	3.98	4.07	3.93	19
24	Div Omitted 4-26-01			....	NIL	....	250	2878	2175	3-31-08		315	91600	3.42	3.85	3.15	12
25	gQ0.25	7-21-08	7-8	g0.70	g1.00	g0.78	912	1618	2705	5-31-08		171	±89430	....	....	....	....
26		None Paid		....	NIL	....	36.9	54.6	6.05	3-31-08		15.0	32434	0.94	1.02	0.86	3
27	h[64]	10-31-06	11-1	....	NIL	....	3312	5185	3044	4-30-08		622	360108	2.11	2.20	2.09	7
28	Q0.03	8-1-08	7-11	0.09	0.12	0.12	70.6	419	238	12-31-07		....	23527	0.17	0.23	0.11	4
29	Q0.42	6-1-08	5-14	0.84	1.68	1.64	23.0	1666	1643	3-31-08		1516	76531	2.77	2.86	2.61	9
30	A0.18	3-28-08	3-12	t0.18	0.18	t0.12	324	521	130	3-31-08		....	143690	0.84	0.98	0.63	8
31	Q0.50	7-15-08	6-26	1.50	2.00	1.96	Total Assets $231M			3-31-08		83.0	7797	1.94	1.94	1.94	1
32		None Paid		....	NIL	....	1387	1697	57.0	12-31-07		....	x50000	0.18	0.18	0.18	1
33	S0.05½	7-3-08	6-10	0.11	0.11	0.11	1762	4422	1837	3-31-08		877	158000	8.25	9.25	6.60	10
34		None Paid		....	NIL	....	12.5	203	88.3	3-31-08		74.8	12203	2.09	2.36	1.89	5
35	Q0.44	8-11-08	6-27	1.28	1.76	1.48	126	3121	2128	6-30-08		3647	211838	5.09	5.15	5.04	18
36	Q0.25	7-15-08	6-26	1.20	1.00	2.18¾	Total Assets $2370M			3-31-08		1582	78560	1.82	1.86	1.80	3
37	Q0.12	6-30-08	6-10	0.24	0.48	0.34	43.0	636	506	3-31-08		1539	82800	2.64	2.67	2.64	12
38		None Paid		....	NIL	....	210	240	7.73	12-31-07		....	133426	0.57	0.63	0.52	9
39		None Paid		....	NIL	....	33.4	78.2	32.8	3-30-08		1.79	58684	d0.49	d0.43	d0.61	5
40		None Paid		....	NIL	....	349	521	619	3-31-08		1028	92302	d1.33	d0.75	d1.91	9
41		None Paid		....	0.108	....	88.0	202	111	3-31-08		NIL	89154	0.39	0.40	0.39	2

◆Stock Splits & Divs By Line Reference Index [11]3-for-2,'04 [13]3-for-2,'07 [182]2-for-1,'05 [2]2-for-1,'06 [18]3-for-2,'04

Earnings $ Per Shr.

Years End	2007	2008	Last 12 Mos.
Dc	v0.45	E0.62†	0.53
Dc	vd0.25	....	d0.26
Mr	Pv1.72	....	1.72
Sp	v1.15	....	1.18
Dc	v0.65	....	0.67
Dc	v2.15	E1.75	2.15
Dc	....	....	....
Oc	v3.93	....	2.93
Dc	v2.22	E2.68†	2.11
Dc	v2.36	....	1.88
Ja	v1.73	E2.00†	1.81
Ja	vd0.95	....	d1.04
Ap	v1.22	v1.00	1.00
Dc	vd0.14	E1.16†	0.88
Dc	....	....	....
Dc	v3.47	E4.00†	3.51
Dc	v0.62	....	0.48
Je	v2.49	E3.50†	2.69
Dc	v4.58	E6.03†	4.39
Dc	v0.63	....	0.79
Dc	vd2.88	....	d3.43
Dc	v0.18	E0.16†	0.73
Dc	v3.31	E3.99†	3.61
Dc	v2.55	E3.80†	2.92
Nv	Pv1.96	....	2.16
Dc	Pv0.25	....	0.25
Oc	v1.57	E1.86†	1.69
Mr	Pv0.25	....	0.25
Dc	v2.73	E2.80†	2.59
Dc	Pv1.04	....	0.82
Dc	v2.01	....	2.01
Dc	v1.34	....	1.34
Dc	Pv3.25	....	4.56
Dc	v2.20	....	2.09
Sp	v4.54	E5.16†	4.26
Dc	v1.89	E1.82	1.94
Mr	Pv2.66	E3.38†	2.84
Dc	v0.06	....	0.06
Dc	vd0.77	....	d0.81
Dc	v0.56	Ed1.25†	0.16
Dc	Pv0.28	....	0.27

Interim Earnings $ per Shr.

Period	Prior	Curr.
3 Mo Mar	v0.01	v0.09
3 Mo Mar	vd0.06	vd0.07
6 Mo Mar	0.60	0.63
3 Mo Mar	v0.16	v0.18
6 Mo Apr	v2.09	v1.09
3 Mo Mar	0.71	v0.60
3 Mo Mar	v0.66	v0.18
3 Mo Apr	v0.18	v0.26
3 Mo Apr	v0.02	vd0.07
3 Mo Mar	d0.68	v0.34
3 Mo Mar	v0.81	v0.85
3 Mo Mar	v0.11	vd0.02
9 Mo Mar	±2.12	±2.32
6 Mo Jun	v1.98	v1.79
3 Mo Mar	v0.14	v0.30
3 Mo Mar	vd0.48	vd1.03
6 Mo Jun	vd0.04	v0.51
6 Mo Jun	v1.68	v1.98
3 Mo Mar	0.26	v0.63
6 Mo May	0.99	1.19
3 Mo Mar	v0.03	v0.03
6 Mo Apr	v0.66	v0.78
3 Mo Mar	1.31	v1.17
6 Mo Jun	0.48	0.26
3 Mo Mar	v0.47	v0.47
3 Mo Mar	d0.08	v1.23
3 Mo Mar	v0.30	v0.18
9 Mo Jun	v3.33	v2.95
3 Mo Mar	0.36	v0.41
3 Mo Jun	0.63	v0.81
3 Mo Mar	d0.13	vd0.17
3 Mo Mar	v0.02	vd0.38
3 Mo Mar	v0.12	v0.11

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	Price Range 1998-06 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	Jul. Sales In 100s	July, 2008 Last Sale Or Bid High	July, 2008 Last Sale Or Bid Low	July, 2008 Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5-Yr Growth	Total Return .12 Mo	Total Return 36 Mo	Cash Divs. Ex.Yr. Since
1	ATLS	Atlas America	NDS	NR	261	33929	Oil & Gas Exploration & Prod	23.95	4.96	41.88	21.54	50.08	30.62	68785	46.25	35.00	37.04	0.5	74		-8.5	45.4	2007
2[e1]	ATN	Atlas Energy Resources'B'	NY,Ch,P,B	NR	88	26122	Oil & Gas Exploration & Prod	22.88	21.80	38.85	22.10	45.40	23.65	60363	40.25	32.86	35.48	6.9	15	3	1.7	0.0	2007
3	AHD	Atlas Pipeline Hldgs L.P.	NY,Ph,P,B	NR	40	7389	Oil & Gas Storage & Transp	23.90	20.55	47.12	23.31	38.98	25.71	6076	36.99	32.04	34.61	5.9	d	2	-21.1	0.0	2007
4	APL	Atlas Pipeline Ptnrs.LP'	NY,Ph,Ch,P	NR	104	20402	Oil & Gas Storage & Transp	49.72	18.25	56.88	41.92	45.99	34.96	61048	40.03	34.96	37.35	10.3	d	Neg	-27.7	-1.9	2000
#5[e2]	ATML	Atmel Corp	NDS	B-	399	334073	Semiconductors	30.88	0.42	6.49	4.27	4.49	2.83	896065	3.88	3.15	3.53		59	NM	-37.9	-8.9	
◆6[e3]	ATMI	ATMI Inc	NDS	B-	387	34498	Semiconductor Equipment	60.75	4.25	36.05	27.51	32.53	22.01	96120	26.18	22.01	22.53		18	NM	-29.0	-11.4	
◆7	ATO	Atmos Energy Corp	NY,Ph,Ch	A-	591	59405	Gas Utilities	33.09	7.16	33.47	23.87	29.29	25.00	89968	28.00	25.00	26.47	4.9	15	2	-8.6	0.6	1984
8[e]	ATPG	ATP Oil & Gas	NDS	NR	286	26980	Oil & Gas Exploration & Prod	49.70	1.47	57.58	35.15	52.25	28.54	153430	41.50	27.55	28.45		15	NM	-36.3	3.0	
9	ATRI	Atrion Corp	NDS	B+	64	651	Health Care Supplies	83.00	6.00	128.20	78.24	133.88	80.21	1146	112.42	80.21	110.42	0.9	15	1	7.4	12.2	2003
◆10[e4]	ATW	Atwood Oceanics	NY,Ch	B	663	29029	Oil & Gas Drilling	29.22	0.96	51.84	21.88	63.46	36.39	387756	63.46	41.51	45.91		13	NM	23.8	39.6	2008
11[e5]	AUO	AU Optronics ADS[51]	NY,Ph,Ch,P,B	NR	283	77265	Elect Equip Manufacturers	22.57	3.35	21.40	12.10	19.86	11.25	795552	15.23	11.25	11.30	7.5	4	23	-15.7	-3.4	2003
◆12[e6]	VOXX	Audiovox'A'	Ph,Ch,P,NDS,B	B	210	16211	Distributors	72.50	1.00	16.36	9.49	12.70	6.77	19762	10.23	6.77	9.13		NM		-27.9	-23.2	
13	AZC	Augusta Resource	AS,To	NR	34	38726	Diversified Metals & Mining	2.32	1.89	4.64	1.65	6.94	2.64	29559	6.94	5.10	6.69		NA		80.5	0.0	
14	AZK	Aurizon[52]Mines	AS,Ph,To	C	80	44675	Gold	3.50	0.82	4.65	2.59	5.68	3.55	79213	5.20	4.29	4.65		NM	5	20.4	63.0	
15	AQG	Aurora Oil & Gas	AS,P	C	62	51289	Oil & Gas Exploration & Prod	35.00	0.25	3.30	0.01	1.57	0.35	53198	0.51	0.35	0.37		d		-82.2	-44.1	
16[e7]	AUTH	AuthenTec Inc	NDS	NR	182	18390	Semiconductors			19.81	9.21	14.55	7.59	87548	11.18	7.59	7.64		1	3	-18.0	0.0	
17[e8]	ABTL	Autobytel Inc	NDS	C	78	31406	Internet Software & Services	58.00	0.70	4.64	2.10	3.30	1.04	25790	1.57	1.04	1.19		d	Neg	-68.9	-37.6	
¶18[e9]	ADSK	Autodesk, Inc	NDS	B	1134	199572	Application Software	48.27	0.88	51.32	36.74	49.71	29.58	813553	36.15	31.34	31.89		21	52	-25.8	-2.7	
19	ALV	Autoliv Inc	NY,Ph,Ch,P,B	B+	631	63630	Auto Parts & Equipment	61.00	13.25	65.09	51.32	62.63	36.69	354580	47.15	36.69	39.04	4.2	9	8	-34.3	-3.1	1997
¶20[e2]	ADP	Automatic Data Proc	NY,Ph,Ch,P,B	A+	1525	401449	Data Process/Outsourced Svcs	69.93	3.50	51.50	43.89	45.23	37.74	659012	43.34	40.26	42.71	2.7	20	8	-10.1	-0.2	1974
¶21[e10]	AN	AutoNation Inc	NY,Ch	B	636	167174	Automotive Retail	44.37	0.21	23.19	14.65	17.40	7.30	1753773	11.10	7.30	10.32		9	6	-52.8	-23.1	
¶22[e7]	AZO	AutoZone Inc	NY,Ch	B+	903	62101	Automotive Retail	120.37	6.56	140.29	103.40	133.66	103.07	212312	133.66	112.78	130.29		13	10	-0.9	9.2	
23[e11]	AUXL	Auxilium Pharmaceuticals	NDS	NR	315	51039	Pharmaceuticals	17.80	3.77	31.25	11.84	39.15	22.50	170522	39.15	31.46	37.10		d	39	135	79.9	
24	AWX	Avalon Holdings'A'	AS	B-	22	881	Environ & Facilities Svcs	9.50	1.70	10.87	5.25	6.24	3.30	618	4.35	3.30	3.97		15	NM	-60.3	-2.3	
¶25[e12]	AVB	AvalonBay Communities	NY,Ph,Ch,P,B	A	802	91826	Residential REITs	134.60	16.75	149.94	88.94	107.37	79.16	369584	104.99	82.93	99.71	3.6	39	-1	-11.1	6.9	1994
26	AVNX	Avanex Corp	NDS	NR	138	85816	Communications Equipment	273.50	0.62	2.38	0.86	1.22	0.52	249972	1.12	0.64	0.65		d	NM	-58.1	-7.9	
27	AVNR	AVANIR Pharmaceuticals'A'	Ph,Ch,P,NDS	C	52	6693	Pharmaceuticals	39.50	0.87	6.75	1.07	1.43	0.85	22940	1.04	0.85	0.88		d	-2	-58.1	-59.4	
28	AVAN	AVANT Immunotherapeutics(New)	NDS	NR	31	1250	Biotechnology					19.79	6.93	29541	16.98	13.49	16.24		d	3	0.0	0.0	
29	AVTR	Avatar Hldgs	NDS	B	213	7143	Real Estate Mgmt & Develop	87.14	11.25	86.52	37.51	58.36	26.13	15892	34.62	26.13	31.85		29	39	-56.3	-15.7	
30	AVR	Aventine Renewable Energy	NY	NR	181	37154	Oil & Gas Refining & Mktng	42.50	19.28	24.01	7.76	13.35	3.66	165227	7.86	4.27	6.80		d	4	-57.8	0.0	
¶31[e13]	AVY	Avery Dennison Corp	NY,Ph,Ch,P,B	A-	879	92816	Office Services & Supplies	78.50	7.56	71.35	49.69	53.74	40.05	246920	45.70	40.05	44.01	3.7	11	4	-31.8	-4.3	1964
◆32[e14]	AVID	Avid Technology	NDS	C	347	43564	Computer Hardware	68.35	6.50	38.78	24.79	28.38	16.60	116291	23.20	16.60	22.11		d		-38.0	-20.6	
¶33[e2]	CAR	Avis Budget Group	NY,Ch,P	B-	472	85252	Trucking	416.67	13.82	31.47	12.51	18.00	4.29	814705	7.97	4.20	6.10		d	Neg	-78.1	-69.4	
◆34[e15]	AVA	Avista Corp	NY,Ph,Ch,P,B	B	372	40632	Multi-Utilities	68.00	8.75	25.81	18.19	22.76	17.80	70394	22.76	20.32	22.62	2.9	24	1	5.7	7.6	1899
¶35[e16]	AVT	Avnet, Inc	NY,Ch,P	B-	918	149154	Technology Distributors	40.56	5.55	44.68	25.55	36.82	24.36	329393	29.28	24.36	27.26		9	NM	-33.6	1.3	
¶36[e16]	AVCT	Avocent Corp	NDS	B-	461	45276	Communications Equipment	71.87	4.20	35.68	21.50	24.80	12.64	214708	24.80	18.46	23.78		35	5	-20.5	-11.8	
¶37[e3]	AVP	Avon Products	NY,Ph,Ch,P,B	A	1228	385371	Personal Products	46.65	2.32	42.51	31.95	44.87	34.00	896612	44.87	34.40	42.40	1.9	19	-6	-7.4	7.9	1919
38[e2]	AVX	AVX Corp	NY,Ph,Ch,P,B	B-	278	50728	Elect Equip Manufacturers	50.00	4.75	18.40	13.00	14.00	10.05	68702	11.68	10.05	10.07	1.6	12	NM	-33.8	-3.1	1995
39[e17]	AWRE	Aware Inc	NDS	C	56	6915	Communications Equipment	87.12	1.60	6.74	3.67	4.48	1.75	10011	3.25	1.75	2.76		d	77	-60.1	-28.8	
40[e8]	AXA	AXA ADS[54]	NY,Ph,Ch,P,B	NR	232	59571	Multi-Line Insurance	40.75	9.05	47.10	36.57	40.17	26.28	241617	31.95	26.28	29.39	5.4	8	53	-24.6	8.0	1997
◆41[e18]	ACLS	Axcelis Technologies	NDS	NR	327	100852	Semiconductor Equipment	80.00	3.44	8.44	3.98	6.04	3.70	149182	5.35	4.47	5.02		d	19	-13.7	-11.5	

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 2. [2]ASE,CBOE,P,Ph:Cycle 2. [3]ASE:Cycle 3. [4]P,Ph:Cycle 1. [5]ASE,CBOE,P:Cycle 1. [6]ASE,Ph:Cycle 1. [7]CBOE:Cycle 3. [8]ASE,CBOE,Ph:Cycle 1. [9]P:Cycle 1. [10]ASE,CBOE:Cycle 1. [11]CBOE,Ph:Cycle 3. [12]P:Cycle 2. [13]Ph:Cycle 1. [14]ASE,CBOE:Cycle 3. [15]CBOE:Cycle 1. [16]ASE,CBOE,P:Cycle 2. [17]CBOE,P,Ph:Cycle 1. [18]ASE,CBOE,P:Cycle 1. [51]Ea ADS rep 10 common shrs,NT$10 par [52]Oct'03 & prior pricing in $Cdn [53]Stk dstr of ANC Rental Corp. [54]Ea ADS rep 1 ord shr [55]Incl current amts

Splits Dividends: ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1◆	Q0.05		8-19-08	8-4	0.117	0.20
2	Q0.61		8-14-08	8-4	1.77	2.44
3	Q0.51		8-19-08	8-4	1.28	2.04
4	Q0.96		8-14-08	8-4	2.83	3.84
5	None Paid					Nil
6	None Paid					Nil
7	Q0.32½		6-10-08	5-22	0.65	1.30
8	None Paid					Nil
9	Q0.24		6-30-08	6-12	0.48	0.96
10◆	None Paid					Nil
11◆	0.783		7-31-08	7-31	0.783	0.88
12	None Paid					Nil
13	None Paid					Nil
14	None Paid					Nil
15	None Paid					Nil
16	None Paid					Nil
17	None Paid					Nil
18◆	Q0.015		4-8-05	3-22		Nil
19	Q0.41		9-4-08	8-5	1.19	1.64
20	Q0.29		7-1-08	6-11	0.87	1.16
21	h[53]		6-30-00	7-3		Nil
22	None Paid					Nil
23	None Paid					Nil
24	None Paid					Nil
25	Q0.89¼		7-15-08	6-26	2.63½	3.57
26	None Paid					Nil
27◆	None Paid					Nil
28	None Paid					Nil
29	None since reorg.					Nil
30	None Paid					Nil
31	Q0.41		9-17-08	8-29	1.23	1.64
32	None Paid					Nil
33◆	None Paid					0.40
34	Q0.16¼		6-13-08	5-20	0.33	0.65
35	Div Omitted 1-24-02					Nil
36	None Paid					N
37◆	Q0.20		6-2-08	5-13	0.40	0.8
38	Q0.04		8-15-08	7-30	0.12	0.1
39	None Paid					Nil
40	1.862		5-20-08	4-24	1.862	3.2
41	None Paid					Nil

◆Stock Splits & Divs By Line Reference Index [53]1-for-10 REVERSE,'08 [57]2-for-1,'04

HEARING EXHIBIT 00000098

Id Last	% Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex.Yr. Since
37.04	0.5	74	...	8.5	45.4	2007
35.48	6.9	15	3	1.7	0.0	2007
34.61	5.9	d	2	-21.1	0.0	2007
37.35	10.3	d	Neg	-27.7	-1.9	2000
3.53	....	59	NM	-37.6	8.9	....
22.53	...	18	NM	-29.0	-11.4	....
26.47	4.9	15	2	-6.6	0.6	1984
28.45	...	15	NM	-36.3	3.0	....
110.42	0.9	15	1	7.4	12.2	2003
45.91	...	13	NM	23.8	39.6	2008
11.30	7.5	4	23	-15.7	-3.4	2003
9.13	...	NM	...	-27.9	-23.2	....
6.69	...	NA	1	80.5	0.0	....
4.65	...	NM	5	20.4	63.0	....
0.37	...	d	...	-82.2	-44.1	....
7.64	...	1	3	-19.0	0.0	....
1.19	...	d	Neg	-68.9	-37.6	....
31.89	...	21	52	-25.8	-2.7	....
39.04	4.2	9	8	-34.3	-3.1	1997
42.71	2.7	20	8	-10.1	-0.2	1974
10.32	...	9	-6	-52.6	-23.1	....
130.29	...	13	10	-0.9	9.2	....
37.10	...	d	39	135	79.9	....
3.97	...	15	NM	-60.3	-2.3	....
99.71	3.6	39	-1	-11.1	6.9	1994
0.65	...	d	NM	-58.1	-7.9	....
0.88	...	d	-2	-59.1	-59.4	....
16.24	...	d	3	0.0	0.0	....
31.65	...	29	39	-56.3	-15.7	....
6.80	...	d	4	-57.8	0.0	....
44.01	3.7	11	4	-31.6	-4.3	1964
22.41	...	d	1	-38.0	-20.6	....
4.10	...	d	Neg	-78.1	-69.4	....
21.62	2.9	24	1	5.7	7.6	1999
22.26	...	9	NM	-33.6	1.3	....
24.78	...	35	5	-20.5	-11.8	....
42.30	1.9	19	-6	-7.4	7.9	1919
16.97	1.8	12	NM	-33.8	-3.1	1995
9.76	...	d	77	-60.1	-28.8	....
28.39	5.4	8	53	-24.6	8.0	1997
14.62	...	d	-19	-13.7	-11.5	....

[7]CBOE:Cycle 3.
[17]CBOE,P,Ph:Cycle 1.

EXHIBIT 00000099

Common and Convertible Preferred Stocks

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position Cash& Equiv. MM-$	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MM-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	Q0.05		8-19-08	8-4	0.117	0.20	0.067	116	454	489	3-31-08	2143	40301	...	...	...	...	Dc	v0.83	....	0.50	3 Mo Mar	0.23	v0.15
2	Q0.61		8-14-08	8-4	1.77	2.44	1.41	25.2	109	NA	3-31-08	739	±60711	2.44	2.51	2.34	4	Dc	Pv2.29	....	2.34	3 Mo Mar	0.53	v0.58
3	Q0.51		8-19-08	8-4	1.28	2.04	1.08	2.97	220	278	3-31-08	1314	27350	1.53	1.64	1.42	2	Dc	vd0.66	....	d0.89	3 Mo Mar	0.13	vd0.10
4	Q0.96		8-14-08	8-4	2.83	3.84	3.50	2.56	220	277	3-31-08	1289	39770	2.39	2.84	2.16	4	Dc	vd6.75	....	d7.96	3 Mo Mar	d0.14	vd1.35
5	None Paid				...	NIL	....	336	1056	562	3-31-08	20.2	444570	0.10	0.13	0.07	5	Dc	v0.10	....	0.06	3 Mo Mar	0.06	v0.02
6	None Paid				...	NIL	....	97.8	237	40.3	6-30-08	....	31252	1.34	1.48	1.25	9	Dc	v1.16	E1.28†	1.34	6 Mo Jun	v0.44	v0.62
7	Q0.32½		6-10-08	5-22	0.65	1.30	1.28½	169	1493	1226	3-31-08	2120	90189	1.97	2.03	1.92	8	Sp	v1.92	....	1.80	6 Mo Mar	v2.18	v2.06
8	None Paid				...	NIL	....	104	316	305	3-31-08	1390	35803	4.26	6.50	3.10	18	Dc	Pv1.55	....	1.95	3 Mo Mar	0.89	v1.29
9	Q0.24		6-30-08	6-12	0.48	0.96	0.88	5.27	36.9	7.61	3-31-08	4.70	1961	...	...	...	...	Dc	v7.06	....	7.30	3 Mo Mar	v1.59	v1.83
10◆	None Paid				...	NIL	....	99.2	223	48.9	3-31-08	50.0	64020	3.35	3.52	3.00	15	Sp	v2.19	E3.51†	1.30	6 Mo Mar	v0.84	v1.25
11◆	0.783		7-31-08	7-31	0.783	0.882	s0.057	3988	7995	5762	3-31-08	4674	8260335	2.74	2.87	2.61	2	Dc	v2.12	E3.00†	3.39	3 Mo Mar	d0.23	v1.04
12	None Paid				...	NIL	....	39.3	358	82.3	2-29-08	7.23	±22855	0.32	0.32	0.32	1	Fb	Pv0.37	....	0.04	3 Mo May	±0.10	vd0.23
13	None Paid				...	NIL	....	15.3	16.9	1.21	3-31-08	1.35	88590	...	...	...	...	Dc	....	....	NA	3 Mo Mar	vd0.02	vd0.02
14	None Paid				...	NIL	....	20.7	58.4	42.6	3-31-08	22.0	147368	0.16	0.16	0.16	1	Dc	v0.04	....	0.01	3 Mo Mar		vd0.03
15	None Paid				...	NIL	....	7.33	12.9	12.8	3-31-08	118	102933	0.01	0.04	d0.01	3	Dc	Pvd0.04	....	d0.04	3 Mo Mar	d0.01	vd0.01
16	None Paid				...	NIL	....	49.9	61.2	9.64	3-28-08	NIL	28177	0.18	0.21	0.16	8	Dc	vd0.80	....	6.52	3 Mo Mar	vd7.31	v0.01
17	None Paid				...	NIL	....	43.7	58.3	14.8	3-31-08	NIL	44152	d0.45	d0.37	d0.54	3	Dc	vd0.12	....	d0.33	3 Mo Mar	v0.17	vd0.04
18◆	Q0.015		4-8-05	3-22	...	NIL	....	942	1423	734	4-30-08	....	223948	1.90	1.93	1.89	18	Ja	v1.47	E1.90†	1.54	3 Mo Apr	0.34	v0.41
19	Q0.41		9-4-08	8-5	1.19	1.64	1.54	127	2350	2165	6-30-08	752	71932	4.44	5.28	3.39	15	Dc	v3.68	E4.40†	4.40	6 Mo Jun	v1.83	v2.35
20	Q0.29		7-1-08	6-11	0.87	1.16	h0.92	1676	27820	25863	3-31-08	52.5	518418	2.18	2.19	2.17	14	Je	v2.04	E2.18†	2.24	9 Mo Mar	v1.69	v1.89
21	h[23]		6-30-00	7-3	...	NIL	....	42.1	3102	2969	6-30-06	1480	176656	1.22	1.40	1.00	15	Dc	v1.39	E1.19‡	1.22	6 Mo Jun	0.74	0.57
22	None Paid				....	NIL	....	81.6	2386	2383	5-03-08	1932	63296	10.01	10.08	9.74	18	Au	v8.53	E9.98†	9.36	9 Mo May	v5.33	v6.18
23	None Paid				...	NIL	....	76.0	101	NA	3-31-08	....	40670	d1.15	d1.03	d1.30	12	Dc	vd1.07	....	d0.57	3 Mo Mar	vd0.33	vd0.30
24	None Paid				...	NIL	....	3.95	12.0	7.82	3-31-08	0.23	±3803	...	...	...	...	Dc	v0.38	....	0.27	3 Mo Mar	v0.09	vd0.02
25	Q0.89¼		7-15-08	6-26	2.63½	3.57	3.33	Total Assets $25773M			3-31-08	3511	76976	7.73	7.73	7.73	1	Dc	v4.38	E2.55†	2.78	3 Mo Mar	v0.56	v0.60
26	None Paid				...	NIL	....	49.9	117	46.4	3-31-08	....	229424	0.04	0.05	0.04	7	Je	vd0.14	....	d0.01	9 Mo Mar	d0.12	0.01
27◆	None Paid				...	NIL	....	23.4	25.8	7.52	3-31-08	11.8	89453	d0.77	d0.77	d0.77	1	Sp	vd0.53	....	d0.13	6 Mo Mar	vd0.65	vd0.25
28	None Paid				...	NIL	....	11.4	22.6	11.4	3-31-08	0.91	14927	...	...	...	...	Dc	vd3.45	....	d5.64	3 Mo Mar		vd2.19
29	None since reorg.				...	NIL	....	Total Assets $725M			3-31-08	115	8539	...	...	...	...	Dc	v2.22	....	1.08	3 Mo Mar	v1.08	vd0.06
30	None Paid				...	NIL	....	73.9	262	122	3-31-08	300	41838	0.36	0.63	d0.01	14	Dc	v0.80	Ed0.12‡	0.19	3 Mo Mar	0.35	vd0.26
31	Q0.41		9-17-08	8-29	1.23	1.64	-1.61	73.2	2134	2115	3-29-08	1545	98500	3.83	3.95	3.75	7	Dc	v3.07	E3.85†	3.03	6 Mo Jun	1.67	1.63
32	None Paid				...	NIL	....	150	429	223	3-31-08	....	39362	0.20	0.30	...	6	Dc	vd0.19	....	d0.87	6 Mo Jun	d0.15	d0.83
33◆	None Paid				...	0.44	....	219	1207	1095	3-31-08	7236	101093	0.86	0.96	0.74	3	Dc	vd8.88	....	d9.13	3 Mo Mar	v0.13	vd0.12
34	Q0.16½		6-13-08	5-20	0.33	0.66	0.59½	12.9	438	640	3-31-08	865	53051	1.45	1.50	1.44	5	Dc	v0.72	....	0.93	3 Mo Mar	0.26	v0.47
35	Div Omitted 1-24-02				...	NIL	....	381	5709	2594	3-29-08	1179	150440	3.13	3.14	3.12	7	Je	v2.63	E3.13†	3.15	9 Mo Mar	v1.81	v2.33
36	None Paid				...	NIL	....	96.4	252	134	3-28-08	140	46233	1.81	1.91	1.76	4	Dc	v0.90	....	0.68	6 Mo Jun	v0.31	v0.09
37◆	Q0.20		6-2-08	5-13	0.40	0.80	0.74	892	3576	2533	3-31-08	1680	426759	2.16	2.25	2.09	10	Dc	v1.22	E2.29†	1.30	3 Mo Mar	v0.34	v0.43
38	Q0.04		8-15-08	7-30	0.12	0.16	0.15½	663	1377	220	3-31-08	1.14	171077	0.87	0.89	0.86	7	Mr	v0.87	E0.79‡	0.87			
39	None Paid				...	NIL	....	37.8	46.2	2.76	6-30-08	NIL	23766	d0.13	d0.13	d0.13	1	Dc	v0.01	....	d0.05	6 Mo Jun	vd0.05	vd0.11
40	1.862		5-20-08	4-24	1.862	3.286	1.424	Total Assets $727555M			12-31-07	[22]2313	2029996	2.91	2.91	2.91	1	Dc	v4.02	E3.74†	4.02			
41	None Paid				...	NIL	....	86.5	351	151	3-31-08	....	102441	d0.38	d0.21	d0.45	6	Dc	vd0.11	Ed0.34‡	d0.25	3 Mo Mar	v0.03	vd0.11

◆Stock Splits & Divs By Line Reference Index [1]3-for-2,'06 [2]3-for-2,'07 [3]3-for-2,'08 [16]2-for-1,'06 [21]2-for-1,'08 [11]5%,'04 [9]5%,'05 [3]5%,'06 [1]99%,'07 [5]5%,'08 [18]2-for-1,'04 [27]1-for-4 REVERSE,'06 [31]1-for-10 REVERSE,'08 [37]2-for-1,'04

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs (000)	Principal Business	Price Range 1998-99 High	Price Range 1998-99 Low	Price Range 2007 High	Price Range 2007 Low	Price Range 2008 High	Price Range 2008 Low	July, 2008 Jul. Sales in 100s	July, 2008 Last Sale Or Bid[12] High	July, 2008 Last Sale Or Bid[12] Low	July, 2008 Last Sale Or Bid[12] Last	% Annualized %Div Yield	% Annualized P-E Ratio	% Annualized EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea.Yr. Since
1	ENT	Enterra Energy Trust NY,Ch,P,NDS,To		NR	30	1905	Oil & Gas Exploration & Prod	26.75	0.73	8.25	1.04	5.08	1.16	102729	4.80	3.32	3.58	20.1	d	Neg	-33.5	-42.6	2004
2	EDCI	Entertainment Distribution Co NDS		B-	74	36629	Communications Equipment	53.75	0.53	2.70	0.57	0.74	0.35	14451	0.52	0.35	0.43	...	d	-26	-77.1	-52.5	....
◆3	EPR	Entertainment Properties Tr NY,Ph,Ch,P		A	484	30458	Specialized REITs	63.65	10.00	68.93	40.26	56.31	42.47	94616	56.00	46.72	53.64	6.3	17	12	18.6	13.1	1998
4	ENTN	Entorian Technologies NDS		NR	43	3952	Electronic Manufactur Svcs	15.61	2.39	5.49	1.75	2.02	0.60	2226	0.80	0.60	0.64	...	d	5	-81.4	-43.3	....
5[e1]	EVC	Entravision Communic'A' NY		NR	247	56495	Broadcasting & Cable TV	20.56	5.20	11.25	6.70	7.84	3.11	96831	4.04	3.11	3.16	...	35	-37	-69.0	-27.1	....
6	EGI	Entree Gold AS,To		NR	31	21371	Diversified Metals & Mining	2.65	0.79	3.85	1.30	2.79	1.32	19514	2.25	1.71	1.81	...	d	3	-32.3	4.5	....
7	ENMD	Entrelled Inc NDS		C	58	6381	Biotechnology	101.25	0.82	2.00	1.03	1.27	0.35	27512	0.70	0.35	0.62	...	d	13	-65.4	-44.3	....
8	ENTR	Entropic Communications NDS		NR	67	11623	Semiconductors	....	....	8.46	6.00	7.67	2.22	37138	4.70	2.22	2.25	...	d	3	0.0	0.0	....
9	ENTU	Entrust Inc NDS		C	84	35614	Systems Software	150.00	1.98	4.60	1.65	3.41	1.67	59191	2.95	2.20	2.23	...	d	30	-4.5	-20.9	....
10	EPG	Environmental Power[51] AS,P,NDS		NR	45	5922	Ind Power Prod & Energy Trad	35.87	0.21	9.34	3.92	6.25	3.27	18497	4.50	3.27	4.20	...	d	Neg	-51.1	-13.9	....
11	ETC	Environmental Tectonics AS		C	16	2277	Aerospace & Defense	21.00	0.87	4.88	1.70	2.95	1.25	781	1.93	1.21	1.75	...	d	Neg	-35.8	-31.9	....
◆12[e2]	ENZ	Enzo Biochem NY,Ch,P		C	234	18636	Life Sciences Tools & Svcs	114.35	0.40	18.98	9.70	14.39	7.00	59320	14.39	10.85	14.21	...	d	Neg	3.5	-6.5	....
13[e1]	ENZN	Enzon Pharmaceuticals NDS		B-	304	56476	Biotechnology	84.12	1.50	10.36	6.31	9.85	6.92	97115	8.48	8.92	8.17	...	d	6	-1.4	-1.7	....
¶14[e3]	EOG	EOG Resources NY,Ph,Ch,P,B		B+	1251	236037	Oil & Gas Exploration & Prod	86.91	4.06	91.63	59.21	144.99	77.16	948647	133.89	98.00	100.53	0.5	13	19	46.7	17.8	1990
15	EONC	eOn Communications NDS		NR	11	202	Communications Equipment	155.62	1.05	8.70	2.40	2.60	0.65	333	0.98	0.65	0.70[9]	...	d	10	-84.3	-51.9	2008
16	EPCYY	EPCOS AG ADS[53] NY		NR	6	45	Elect Equip Manufacturers	177.87	5.60	23.09	15.51	17.40	12.20	....	27.78	15.59	27.78[9]	1.2	NA	...	3.7	15.1	2007
◆17[e4]	EPIC	Epicor Software NDS		B-	361	55806	Application Software	39.75	0.65	15.58	10.48	12.65	6.08	200838	7.94	6.08	6.76	...	16	16	-51.2	-21.9	....
◆18[e5]	EPIQ	EPIQ Systems NDS		B	314	32632	Application Software	17.36	0.88	20.72	10.99	18.28	11.62	73307	16.19	11.62	11.68	...	36	1	-24.9	6.3	....
¶19[e6]	EFX	Equifax Inc NY,Ph,Ch,P,B		B+	709	107993	Diversfd Comm & Prof Svcs	45.00	4.37	46.30	35.22	39.95	31.49	230253	35.88	32.43	35.09	0.5	14	1	-19.5	-1.8	1914
20[e7]	EQIX	Equinix Inc NDS		NR	602	54196	Internet Software & Services	526.00	2.00	121.13	71.95	102.74	57.26	266106	95.23	79.51	81.36	...	NM	NM	6.0	28.2	....
#21[e8]	EQT	Equitable Resources NY,Ph,Ch,P,B		B+	760	95526	Gas Utilities	44.46	3.68	56.75	38.26	78.14	47.18	364971	71.35	51.47	52.25	1.7	25	6	5.0	15.5	1950
22[e9]	ELS	Equity Lifestyle Properties NY,Ph,Ch,P,B		B	355	23578	Residential REITs	56.01	13.75	59.57	43.65	53.74	39.70	66667	49.99	40.78	48.01	1.7	41	43	1.3	4.3	1993
#23[e9]	EQY	Equity One NY,Ch		B	364	33738	Retail REITs	29.40	9.25	30.88	21.21	28.69	18.81	190668	21.87	18.81	19.31	6.2	22	-3	-11.8	2.1	1998
¶24[e9]	EQR	Equity Residential NY,Ph,Ch,P,B		A-	912	251625	Residential REITs	61.50	12.43	58.46	33.79	45.37	31.07	910839	45.37	36.84	43.17	4.5	NM	21	4.4	7.4	1993
25	EQR.PE	Equity Resdl'E'Cv Pfd NY,Ph		BBB	14	88		80.72	20.75	62.59	37.19	50.00	35.41	274	50.00	41.29	46.80	3.6	..	..	....	....	1994
26	EQR.PH	Equity Resdl'H'Cv Pfd NY		NR	2	6.5		79.00	37.55	81.35	49.62	84.75	51.00	159	64.75	54.90	63.00	2.8	..	..	....	....	1993
27[e10]	ERES	eResearchTechnology Inc NDS		B-	312	47772	Life Sciences Tools & Svcs	29.80	0.40	12.34	6.12	18.85	8.94	185071	18.85	12.68	14.56	...	39	-2	46.3	0.8	....
28[e3]	ERIC	Ericsson(LM)Tel'B'ADS[54] NDS		NR	326	234670	Communications Equipment	131.56	0.78	21.70	11.11	14.00	8.62	1469907	12.65	10.30	10.48	2.8	13	NM	-40.5	-11.5	2005
29	ERIE	Erie Indemnity 'A' NDS		A	283	20978	Property/Casualty Insurance	58.25	16.00	62.29	50.52	56.15	41.00	29181	46.33	41.00	43.70	4.0	14	2	-12.9	-4.1	1996
30[e11]	ESE	ESCO Technologies NY,P		B-	315	26850	Industrial Machinery	58.42	1.31	52.41	29.63	52.11	32.65	80660	50.11	39.77	41.15	...	31	NM	10.9	-8.4	....
31	ESMK	Esmark Inc NDS		NR	141	36813	Steel	....	....	20.04	9.00	20.55	6.81	93637	19.25	19.12	19.20	...	NIL	1	0.0	0.0	....
32	ESP	Espey Mfg & Electr AS,Ch		B+	34	713	Electrical Component & Equip	20.45	5.56	24.30	16.36	23.75	14.75	562	21.60	18.10	21.05	3.8	13	30	5.0	17.8	1999
33	ESSA	ESSA Bancorp NDS		NR	46	7195	Thrifts & Mortgage Finance	....	....	12.21	9.56	13.57	10.50	27010	13.57	12.26	13.26	1.2	23	3	24.9	0.0	2008
◆34	ESS	Essex Property Trust NY,Ph,Ch,P		A-	515	29766	Residential REITs	133.99	14.62	148.54	94.08	124.33	84.59	113270	124.31	100.63	121.35	3.4	64	12	8.4	13.0	1994
◆35[e12]	ESL	Esterline Technologies NY		B	540	29056	Aerospace & Defense	46.65	2.75	59.20	36.15	62.90	42.68	64341	50.62	44.67	48.76	...	12	26	-1.1	5.8	....
36	DEG	Etablissements Delhaize ADS[55] NY,Ch,B		NR	68	2326	Food Retail	85.10	13.20	103.90	78.06	89.05	54.89	6762	66.63	54.89	54.91	3.0	9	23	-39.3	1.1	2001
37	ETEL	eTelecare Global Solutions[56] AD NDS		NR	20	3248	Data Process/Outsourced Svcs	....	....	18.23	7.46	8.97	4.93	735	6.51	5.00	5.46	...	11	1	-65.0	0.0	....
◆38[e13]	ETH	Ethan Allen Interiors NY,Ph,Ch,P,B		B+	433	37854	Home Furnishings	46.65	5.41	39.56	25.87	31.98	22.34	159809	26.57	22.34	25.10	4.0	12	1	-24.7	-5.6	1996
39	EURX	Eurand N.V. NDS		NR	55	7161	Pharmaceuticals	....	....	17.40	8.65	19.06	12.07	43032	19.06	13.76	18.39	...	NM	1	19.7	0.0	....
40[e13]	EEFT	Euronet Worldwide NDS		B-	315	50654	Data Process/Outsourced Svcs	39.78	1.75	33.25	24.64	30.57	15.40	115152	16.35	15.40	16.00	...	22	Neg	-31.9	-13.0	....
41[e14]	ESEA	Euroseas Ltd NDS,BB		NR	68	10570	Marine	18.93	5.75	21.52	6.90	17.49	8.33	31345	12.94	11.00	12.30	9.3	7	4	-11.0	0.0	2006

Uniform Footnote Explanations-See Page 1. Other: [1]ASE,CBOE,P:Cycle 2. [2]ASE,CBOE,P:Cycle 1. [3]ASE,CBOE,P,Ph:Cycle 1. [4]CBOE:Cycle 1. [5]CBOE,Ph:Cycle 1. [6]P:Cycle 1. [7]ASE,CBOE,Ph:Cycle 3. [8]ASE,P:Cycle 3. [9]CBOE:Cycle 3. [10]ASE,CBOE,P,Ph:Cycle 3. [11]Ph:Cycle 3. [12]Ph:Cycle 2. [13]ASE,Ph:Cycle 2. [14]CBOE,Ph:Cycle 3. [51]Also trades ASE [52]Pfd in $M [53]Ea ADS rep 1 ord,no par [54]ADR equal 1 ord.CTB' [55]Ea ADS rep 1 Ord shr,No par [56]Ea ADS rep 1 shr

Common and Convertible Prefer

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate
1	Div Omitted 9-17-07				....	NIL
2	None Paid				....	NIL
3	Q0.84		7-15-08	6-26	2.44	3.36
4	None Paid				....	NIL
5	None Paid				....	NIL
6	None Paid				....	NIL
7	None Paid				....	NIL
8	None Paid				....	NIL
9	None Paid				....	NIL
10◆	None Paid				....	NIL
11	None Paid				....	NIL
12◆	5%Stk		11-15-04	10-21	....	NIL
13	None Paid				....	NIL
14◆	Q0.13½		10-31-08	10-15	0.46½	0.54
15◆	None Paid				....	NIL
16	0.437		2-22-08	2-11	0.437	0.437
17	None Paid				....	NIL
18◆	None Paid				....	NIL
19	Q0.04		6-13-08	5-21	0.08	0.16
20	None Paid				....	NIL
21◆	Q0.22		9-1-06	8-6	0.66	0.88
22	Q0.20		7-11-08	6-25	0.55	0.80
23	Q0.30		6-30-08	6-12	0.60	1.20
24	Q0.483		7-11-08	6-12	1.44¾	1.93
25	Q0.43¾		7-1-08	6-12	1.31¼	1.75
26	Q0.43¾		6-30-08	6-12	0.87½	1.75
27◆	None Paid				....	NIL
28◆	2-for-1Stk		6-9-08	6-10	0.422	0.843
29	Q0.44		10-20-08	10-1	1.76	1.76
30◆	None Paid				....	NIL
31	None Paid				....	NIL
32◆	Q0.20		6-24-08	6-4	1.90	0.80
33	None Paid				....	0.16
34	Q1.02		7-15-08	6-26	2.97	4.08
35	None Paid				....	NIL
36	2.232		6-9-08	5-28	2.232	2.232
37	None Paid				....	NIL
38	Q0.25		10-27-08	10-8	0.91	1.00
39	None Paid				....	NIL
40	None Paid				....	NIL
41◆	Plan qtly div				0.61	1.24

◆Stock Splits & Divs By Line Reference Index [10]1-for-3 REVERSE,'06 [41]

HEARING EXHIBIT 00000100

Common and Convertible Preferred Stocks

Index	Splits/Dividends: Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position: Mil-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization: Lg Trm Debt Mil-$	Shs. 000 Com.	2008 Street Estimates ($/Shr): Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Div Omitted 9-17-07			...	NIL	0.60	3.56	36.3	211	3-31-08	110	61436	...	...	...	...	Dc	vd2.38	....	d2.38			
2	None Paid			...	NIL	....	64.6	144	68.0	3-31-08	24.3	68658	0.10	0.10	0.10	1	Dc	vd0.22	....	d0.22	3 Mo Mar	d0.09	vd0.09
3	Q0.84	7-15-08	6-26	2.44	3.36	2.96¾	Total Assets $2181M			3-31-08	1106	30626	2.95	2.96	2.94	2	Dc	v2.99	E3.15†	3.06	3 Mo Mar	v0.67	v0.76
4	None Paid			...	NIL	....	43.9	58.3	6.35	3-31-08	0.06	46747	d0.13	d0.13	d0.13	1	Dc	vd0.85	....	d0.91	3 Mo Mar	d0.06	vd0.12
5	None Paid			...	NIL	....	86.9	190	NA	3-31-08	489	±95416	0.15	0.22	0.07	3	Dc	Pvd0.42	E0.09†	d0.48	3 Mo Mar	d0.03	vd0.06
6	None Paid			...	NIL	....	63.4	64.5	0.50	3-31-08	...	94048	...	...	...	...	Dc	vd0.16	....	d0.16	3 Mo Mar	d0.02	vd0.02
7	None Paid			...	NIL	....	43.6	43.9	11.0	3-31-08	14.9	85774	d0.34	d0.34	d0.34	1	Dc	vd0.28	....	d0.29	3 Mo Mar	vd0.09	vd0.10
8	None Paid			...	NIL	....	35.1	89.2	23.9	3-31-08	....	66882	0.17	0.21	0.15	12	Dc	vd2.47	....	d2.32	3 Mo Mar	d0.21	vd0.06
9	None Paid			...	NIL	....	22.8	45.4	62.2	3-31-08	....	61165	0.09	0.10	0.08	7	Dc	vd0.10	....	d0.08	3 Mo Mar	d0.04	vd0.02
10◆	None Paid			...	NIL	....	20.8	68.1	3.57	3-31-08	60.0	15579	d0.59	d0.43	d0.71	3	Dc	vd1.66	....	d1.31	3 Mo Mar	d0.17	v0.18
11	None Paid			...	NIL	....	0.96	17.9	16.9	5-30-08	19.0	9035	...	...	...	...	Fb	vd1.61	....	d1.16	3 Mo May	d0.64	vd0.19
12◆	5%Stk	11-15-04	10-21	...	NIL	....	96.5	118	11.3	4-30-08	....	37205	d0.26	d0.26	d0.26	1	Jl	vd0.38	....	d0.29	9 Mo Apr	vd0.29	vd0.20
13	None Paid			...	NIL	....	163	281	105	3-31-08	275	44323	d0.81	d0.72	d0.90	2	Dc	v1.29	Et	1.29			
14◆	Q0.13½	10-31-08	10-15	0.46½	0.54	0.33	204	1690	1724	3-31-08	1185	$248307	9.55	11.13	7.77	26	Dc	v4.37	E7.76†	4.45	3 Mo Mar	v0.88	v0.96
15◆	None Paid			...	NIL	....	1.36	5.60	1.92	4-30-08	....	2734	...	...	...	...	Jl	vd0.49	....	d1.28	9 Mo Apr	vd0.35	vd1.14
16	0.437	2-22-08	2-11	0.437	0.437	0.262	353	1069	499	12-31-07	248	65317	1.55	1.55	1.55	1	Sp	....	....	NA	3 Mo Dec		v0.40
17	None Paid			...	NIL	....	104	240	170	3-31-08	382	57898	0.77	0.88	0.70	9	Dc	v0.71	....	0.42	6 Mo Jun	v0.19	vd0.10
18◆	None Paid			...	NIL	....	13.7	60.7	27.1	3-31-08	57.8	35350	0.61	0.62	0.60	3	Dc	v0.21	....	0.31	6 Mo Jun	v0.06	v0.16
19	Q0.04	6-13-08	5-21	0.08	0.16	0.16	85.0	445	329	3-31-08	1363	129521	2.52	2.56	2.49	7	Dc	v2.02	E2.51†	2.01	6 Mo Jun	v1.05	v1.04
20	None Paid			...	NIL	....	298	374	244	3-31-08	999	36767	0.65	1.00	0.31	15	Dc	Pvd0.16	....	0.15	6 Mo Jun	d0.11	0.20
21◆	Q0.22	9-1-08	8-6	0.66	0.88	0.88	89.8	665	553	3-31-08	1253	101252	2.08	2.28	1.68	9	Dc	v2.10	E2.07†	2.21	3 Mo Mar	v0.46	v0.57
22	Q0.20	7-11-08	6-25	0.55	0.80	0.52½	Total Assets $2046M			3-31-08	1659	24559	0.76	0.76	0.76	1	Dc	v1.33	E1.17†	1.34	6 Mo Jun	v0.67	v0.68
23	Q0.30	6-30-08	6-12	0.60	1.20	1.20	Total Assets $2115M			3-31-08	1147	74015	1.30	1.46	1.15	2	Dc	v0.95	E0.86†	0.96	3 Mo Mar	v0.27	v0.28
24	Q0.463	7-11-08	6-12	1.44¾	1.93	1.85	Total Assets $15690M			3-31-08	9396	270502	0.45	0.49	0.41	2	Dc	v3.44	E0.35†	3.54	3 Mo Mar	v0.41	v0.51
25	Q0.43¾	7-1-08	6-12	1.31¼	1.75	1.75	Cv into 1.1128 com.$23.47				....	....	...	...	...	...	Dc	....	....	....			
26	Q0.43¾	6-30-08	6-12	0.87½	1.75	2.18¾	Cv into 1.448 com				....	....	...	...	...	...	Dc	....	....	0.37			
27◆	None Paid			...	NIL	....	48.9	79.9	26.2	3-31-08	0.07	50872	0.49	0.50	0.49	2	Dc	v0.30	....	0.37	3 Mo Mar	v0.04	v0.11
28◆	2-for-1Stk	6-9-08	6-10	0.422	0.843	0.368	10435	27584	12699	3-31-08	3650	±3181460	0.71	0.78	0.58	11	Dc	v1.06	E0.80†	0.45	3 Mo Mar	0.30	v0.14
29	Q0.44	10-20-08	10-1	1.76	1.76	1.60	Total Assets $2875M			3-31-08	NIL	±51804	3.17	3.18	3.16	2	Dc	Pv3.43	....	3.06	3 Mo Mar	0.88	v0.51
30◆	None Paid			...	NIL	....	30.9	244	116	3-31-08	235	25941	1.81	1.88	1.75	9	Sp	v1.28	....	1.31	6 Mo Mar	v0.31	v0.34
31	None Paid			...	NIL	....	No pro-forma Fin'ls				....	39354	...	...	...	...	Dc	....	....	NIL			
32◆	Q0.20	6-24-08	6-4	1.90	0.80	0.65	13.4	28.4	2.10	3-31-08	NIL	2094	....	....	....	....	Je	v1.23	....	1.57	9 Mo Mar	0.84	1.18
33	None Paid			...	0.16	....	Total Deposits $397M			3-31-08	348	15036	0.44	0.44	0.44	3	Sp	vd0.33	....	0.58	9 Mo Jun	d0.58	0.33
34	Q1.02	7-15-08	6-26	2.97	4.08	3.63	Total Assets $3001M			3-31-08	1685	25527	2.11	2.37	1.87	3	Dc	v4.24	E1.90†	3.41	3 Mo Mar	v1.46	v0.63
35	None Paid			...	NIL	....	121	715	278	5-02-08	393	29503	3.60	3.65	3.55	8	Oc	v3.52	....	4.15	6 Mo Apr	v1.25	v1.88
36	2.232	6-9-08	5-28	2.232	2.232	1.768	Total Assets $12313M			9-30-07	2778	99134	6.21	6.21	6.21	1	Dc	Pv6.13	....	6.13			
37	None Paid			...	NIL	....	1.19	111	40.3	3-31-07	p23.5	p28766	0.52	0.55	0.49	9	Dc	....	....	0.50			
38	Q0.25	10-27-08	10-8	0.91	1.00	0.82	74.3	317	138	3-31-08	202	28909	2.09	2.13	2.03	7	Je	v2.15	v1.97	1.97			
39	None Paid			....	NIL	....	16.3	65.1	32.6	3-31-08	p1.22	×44380	...	...	...	...	Dc	vd0.34	....	0.14	3 Mo Mar	d0.51	vd0.03
40	None Paid			....	NIL	....	237	711	474	3-31-08	480	48957	1.34	1.39	1.30	8	Dc	v1.11	E	0.74	3 Mo Mar	v0.23	vd0.14
41◆	Plan qtly div			0.61	1.24	1.00	115	124	33.0	3-31-08	52.8	30428	1.86	2.01	1.79	4	Dc	v1.88	....	1.80	3 Mo Mar	0.58	v0.50

◆Stock Splits & Divs By Line Reference Index [10]1-for-7 REVERSE,'04 [12]5%,'04 [14]2-for-1,'05 [15]1-for-5 REVERSE,'08 [19]3-for-2,'07 [21]2-for-1,'05 [27]3-for-2,'04 [28]2-for-1,'08 [30]2-for-1,'05 [32]2-for-1,'06 [41]1-for-3 REVERSE,'06

le Or Bid Low	Last	%Div Yield	P-E Ratio	EPS $ 5 Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs. Ex. Yr. Since
3.32	3.58	20.1	d	Neg	-33.5	-42.6	2004
0.35	0.43	...	d	-26	-77.1	-52.5	....
46.72	53.64	6.3	17	12	18.6	13.1	1998
0.60	0.84	...	d	5	-81.4	-43.3	....
3.11	3.16	...	35	-37	-69.0	-27.1	....
1.71	1.81	...	d	3	-32.3	4.5	....
0.35	0.62	...	d	13	-65.4	-44.3	....
2.22	2.25	...	d	3	0.0	0.0	....
2.20	2.23	...	d	30	-4.5	-20.9	....
3.27	4.20	...	d	Neg	-51.1	-13.9	....
1.21	1.75	...	d	Neg	-35.8	-31.9	....
10.85	14.21	...	d	Neg	3.5	-6.5	....
6.92	8.17	...	6	...	-1.4	-1.7	....
98.00	100.53	0.5	13	19	46.7	17.8	1990
0.65	0.70e	...	d	10	-84.3	-51.9	2008
15.59	27.78e	1.2	NA	...	3.7	15.1	2007
6.08	6.76	...	18	18	-51.2	-21.9	....
11.62	11.68	...	38	1	-24.9	6.3	....
32.43	35.09	0.5	14	1	-19.5	-1.8	1914
79.51	81.36	...	NM	NM	6.0	26.2	....
51.47	52.25	1.7	25	6	5.0	15.5	1950
40.78	46.01	1.7	41	43	1.3	4.3	1993
18.81	19.31	6.2	22	-3	-11.8	2.1	1998
36.84	43.17	4.5	NM	21	4.4	7.4	1993
41.29	46.80	3.6	..	..	..	..	1994
54.90	63.00	2.6	..	..	..	..	1993
12.66	14.56	...	39	-2	46.3	0.8	....
10.30	10.48	2.8	13	NM	-40.5	-11.5	2005
41.00	43.70	4.0	14	2	-12.9	-4.1	1996
39.77	41.15	...	31	NM	10.9	-8.4	....
19.16	19.20	...	NIL	1	0.0	0.0	....
18.mm	21.05	3.8	13	30	5.0	17.8	1999
12.96	13.26	1.2	23	3	24.9	0.0	2008
00.00	121.35	3.4	64	12	8.4	13.0	1994
44.67	48.78	...	12	26	-1.1	5.8	....
54.87	54.91	3.0	9	23	-39.3	1.1	2001
5.86	5.46	...	11	1	-65.0	0.0	....
22.94	25.10	4.0	12	1	-24.7	-5.6	1996
13.mm	18.39	...	NM	1	19.7	0.0	....
15.90	16.00	...	22	Neg	-31.9	-13.0	....
11.59	12.30	9.3	7	4	-11.0	0.0	2006

[7]P:Cycle 1. [7]ASE,CBOE,Ph:Cycle 3. [8]EDGS rep 1 ord,no par

EXHIBIT 00000101

S&P 500 ‖ MidCap 400 ◇ SmallCap 600 • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold. Cos	Shs. (000)	Principal Business	1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr. Growth	Total Return % Annualized 12 Mo	Total Return % Annualized 36 Mo	Cash Divs. Ea.Yr. Since
1	KIRK	Kirkland's Inc	NDS	NR	39	9080	Homefurnishing Retail	22.40	4.10	6.15	0.57	3.00	0.55	6035	2.24	1.70	2.15	...	d	Neg	-19.4	-37.3	...
2	KRG	Kite Realty Group Tr	NY	NR	282	30930	Retail REITs	19.70	12.50	21.80	13.95	15.65	10.81	39773	12.85	10.81	12.42	6.6	23	13	-24.5	-4.4	2004
3	KFN	KKR Financial Hldgs LLC	NY,P,B	NR	247	91073	Specialized Finance	27.43	20.51	30.27	9.39	16.78	9.19	136121	11.34	9.19	10.27	15.6	5	5	-50.5	-19.0	2005
4	KLAC	KLA-Tencor Corp	NDS	B	963	163540	Semiconductor Equipment	97.75	1.43	62.67	46.59	48.35	35.02	1024838	42.03	36.15	37.59	1.6	14	25	-36.6	-6.4	2005
5	KDX	Kinross Gold Corp	To	C	...	...	Precious Metals & Minerals	3.30	0.06	2.57	1.93	2.45	1.21	3223	1.73	1.21	1.23	...	d	-14	-46.4	2.2	...
6	KMGB	KMG Chemicals	NDS	B+	72	4345	Specialty Chemicals	10.75	1.45	28.25	9.25	17.70	9.71	5284	11.81	10.00	11.16	0.7	18	27	-45.5	-10.5	1997
7	NITE	Knight Capital Group 'A'	NDS	B–	482	85155	Investment Bank & Brokerage	81.62	2.25	21.78	11.50	19.50	12.04	686025	18.32	12.71	16.39	...	12	14	2.8	22.3	...
8	KNX	Knight Transportation	NY	B+	372	79880	Trucking	22.50	1.50	20.77	14.30	21.89	14.35	376727	21.89	17.12	18.92	0.8	26	8	9.0	6.5	2004
9	VLCCF	Knightsbridge Tankers	NDS	NR	165	3959	Oil & Gas Storage & Transp.	47.50	5.47	34.00	23.01	35.00	20.25	44225	33.83	29.19	32.11	8.1	6	29	16.4	0.9	1997
10	KNL	Knoll Inc	NY,Ph	NR	314	50135	Office Services & Supplies	22.95	14.75	24.90	15.80	16.38	10.85	130550	16.14	12.01	15.44	3.1	9	23	-23.2	-2.5	2005
11	KNOL	Knology Inc	NDS	NR	190	28058	Broadcasting & Cable TV	11.45	1.61	19.78	10.16	15.87	8.47	36352	12.10	9.86	10.44	...	d	-5	-31.5	64.2	...
12	KNOT	Knot Inc	NDS	B–	270	29750	Internet Software & Services	29.46	0.22	32.18	12.36	16.16	7.60	61679	9.73	7.60	8.78	...	27	62	-49.6	9.7	...
13	KOG	Kodiak Oil & Gas	AS,Ch,P	NR	84	60148	Oil & Gas Exploration & Prod	4.65	3.08	6.80	1.54	5.50	1.56	214129	4.84	2.91	3.34	...	d	3	-30.2	0.0	...
14	KSS	Kohl's Corp	NY,Ch	B+	1261	283594	Department Stores	78.83	1.85	79.55	44.16	50.93	36.81	1663558	45.54	36.81	41.91	...	12	16	-33.5	-8.7	...
15	KNM	Konami Corp ADS	NY,P	NR	26	1130	Home Entertainment Software	36.55	12.85	33.04	21.80	42.79	20.22	2051	34.92	29.73	31.42	1.3	26	...	30.4	15.8	2003
16	KONG	KongZhong Corp ADS	NDS	NR	29	3855	Application Software	15.30	5.01	9.91	3.45	7.48	3.62	26994	4.57	3.62	3.91	...	NM	5	-12.7	-25.3	...
17	PHG	Koninklijke Philips Electron N	NY,Ph,Ch,P,B	NR	302	103351	Industrial Conglomerates	55.79	2.69	45.90	35.35	42.91	30.65	213905	36.20	30.65	33.28	2.8	NM	-24	-17.7	10.2	2007
18	KB	Kookmin Bank ADS	NY,Ph,Ch,P	NR	300	43092	Diversified Banks	98.60	22.90	98.00	63.53	72.98	48.78	196584	60.18	50.97	57.34	3.6	8	74	-39.9	3.9	2005
19	KOPN	Kopin Corp	NDS	C	162	33729	Semiconductors	49.87	1.56	4.50	2.97	3.42	1.90	52502	3.33	2.30	3.23	...	d	8	-24.1	-19.4	...
20	KOP	Koppers Holdings	NY,Ph,P	NR	376	19394	Commodity Chemicals	26.10	14.50	46.91	21.88	51.95	31.34	43083	44.80	39.29	43.21	2.0	14	1	50.3	0.0	2006
21	KEP	Korea Electric Power ADS	NY,Ph,Ch,P,B	NR	241	132497	Electric Utilities	28.25	8.43	25.93	19.35	21.99	13.77	203107	16.25	14.25	15.95	1.7	15	-5	-38.3	-2.8	1995
22	KFY	Korn/Ferry Intl	NY	B–	403	47721	HR & Employment Services	44.12	5.59	27.13	15.35	18.95	13.10	136593	18.47	15.42	17.50	...	12	NM	-35.9	-6.8	...
23	KFT	Kraft Foods 'A'	NY,Ph,Ch,P,B	NR	1789	113800	Packaged Foods & Meats	43.95	26.35	37.20	29.95	32.99	28.04	4424186	32.01	28.04	31.82	3.4	16	-2	-12.8	1.8	2001
24	KTOS	Kratos Defense & Security Stn	NDS	NR	90	31034	Aerospace & Defense	163.50	1.85	3.09	1.01	2.35	1.33	27693	2.01	1.33	1.80	...	d	...	-20.4	-34.3	...
25	KKD	Krispy Kreme Doughnuts	NY,Ch,P	NR	165	15527	Restaurants	49.74	3.35	13.93	2.50	5.65	2.23	240695	5.59	4.00	4.33	...	d	Neg	-41.9	-15.4	...
26	KR	Kroger Co	NY,Ph,Ch,B	B	1229	545386	Food Retail	34.90	2.09	31.94	22.94	29.95	23.39	1700730	29.95	26.53	28.28	1.3	17	40	-0.1	12.3	2006
27	KRO	Kronos Worldwide	NY,Ch,P	NR	99	1372	Commodity Chemicals	49.20	16.00	38.08	14.55	31.59	11.22	5341	15.96	11.22	14.43	6.9	d	Neg	-38.6	-19.6	2004
28	KSW	KSW Inc	AS,NDS	NR	33	1926	Distributors	7.04	0.38	8.65	5.72	7.04	4.42	3467	4.79	4.42	4.68	...	6	1	-42.9	47.0	2008
29	KTC	KT Corp ADS	NY,Ph,Ch,B	NR	251	164812	Integrated Telecom Svcs	79.87	15.50	30.24	21.01	27.34	19.13	177408	23.60	19.13	20.47	3.4	12	7	-15.2	1.0	2000
30	KUB	Kubota Corp ADR	NY,Ch,P,B	NR	81	4752	Constr & Farm Mach/Hvy Truck	60.60	6.12	53.83	32.52	43.41	28.34	8729	35.29	31.53	32.50	1.7	13	...	-21.6	6.5	1949
31	KLIC	Kulicke & Soffa Ind	NDS	C	346	41135	Semiconductor Equipment	43.65	0.93	12.46	6.47	7.95	4.55	151669	7.49	6.06	6.36	...	9	NM	-38.1	-11.6	...
32	KYO	Kyocera Corp ADR	NY,Ch,P,B	NR	78	6835	Elect Equip Manufacturers	280.93	18.86	110.01	81.00	100.78	73.09	3229	94.09	84.36	88.58	1.2	19	NM	-17.0	5.2	1960
33	ID	L-1 Identity Solutions	NY,NDS	C	259	47104	Elect Equip Manufacturers	51.25	1.25	21.87	13.75	18.54	10.66	127775	14.41	11.66	13.47	...	41	NM	-21.7	2.1	...
34	LLL	L-3 Communications Hldgs	NY,Ph,Ch,P,B	A–	1374	105713	Aerospace & Defense	88.50	12.78	115.29	79.26	115.33	87.40	283968	99.92	87.40	98.69	1.2	15	20	-5.2	7.5	2004
35	LZB	La-Z Boy	NY,Ph,Ch,P,B	B	333	49005	Home Furnishings	30.94	4.12	15.20	5.31	9.30	5.84	66586	7.80	5.96	7.38	2.2	d	Neg	-25.7	-15.9	1963
36	LB	LaBarge Inc	AS	B	78	5975	Electrical Component & Equip	22.00	0.37	15.10	9.70	15.21	10.16	8471	15.21	11.82	14.78	...	18	32	13.8	-13.0	...
37	LH	Laboratory Corp Amer Hldgs	NY,Ch,P	B+	1125	111228	Health Care Services	77.18	2.81	82.32	65.13	80.77	65.00	480382	72.11	65.00	67.58	...	15	14	-13.4	10.1	...
38	LAB	LaBranche & Co	NY	C	264	47618	Investment Bank & Brokerage	51.45	5.25	10.36	4.03	8.12	3.70	222441	7.94	6.12	6.91	...	d	-34	7.0	0.0	...
39	LG	Laclede Group	NY,Ph,Ch,P,B	B+	382	10507	Gas Utilities	37.51	13.00	36.03	28.83	42.61	31.86	29323	42.61	37.78	42.41	3.5	11	14	36.6	13.5	1946
40	LTS	Ladenburg Thalmann Fins	AS	NR	103	11699	Investment Bank & Brokerage	8.25	0.05	3.75	1.18	2.45	1.22	50734	1.86	1.22	1.75	...	35	NM	-2.7	41.6	...

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE,P,Ph:Cycle 1. [2]ASE,CBOE,P,Ph:Cycle 3. [3]ASE,CBOE,P,Ph:Cycle 1. [4]ASE,CBOE,Ph:Cycle 3. [5]CBOE:Cycle 3. [6]ASE,CBOE,P:Cycle 1. [7]P:Cycle 2. [8]CBOE:Cycle 1. [9]Ph:Cycle 2. [10]ASE,P:Cycle 2. [11]ASE,CBOE,Ph:Cycle 2. [51]Ea ADS rep 1 Common shr [52]Ea ADS rep 1 com,W5000 par [53]Ea ADS rep 0.5 com,5,000 Won [54]Ea ADS rep 0.5 shr,W5,000 [55]ADR's equal 5 com shrs,no par [56]ADR's equal to 1 com par 50 yen

Common and Convertible Pre

Splits/Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008	Re
1	None Paid				...	NIL
2	Q0.20½		7-17-08	7-2	0.61½	0.82
3	Q0.40		5-30-08	5-13	0.90	1.60
4	Q0.15		6-2-08	5-15	0.30	0.60
5	None Paid				...	NIL
6	S0.02		6-27-08	6-11	0.04	0.04
7	None Paid				...	NI
8◆	Q0.04		6-27-08	6-4	0.07	0.16
9	Q0.75		6-9-08	5-22	1.50	3.00
10	Q0.12		6-30-08	6-12	0.24	0.48
11	None Paid				...	NIL
12	None Paid				...	NIL
13	None Paid				...	NIL
14	None Paid				...	NIL
15	0.254		6-13-08	3-26	0.254	0.41
16	None Paid				...	NIL
17	1.094		4-7-08	3-28	1.094	1.09
18	2.486		4-1-08		2.486	0.50
19	None Paid				...	N
20	Q0.22		7-1-08	5-15	0.61	0.88
21	0.377		4-4-08		0.377	0.3
22	None Paid				...	NIL
23	Q0.27		7-16-08	6-25	0.81	1.08
24	None Paid				...	NIL
25	None Paid				...	N
26	Q0.09		9-1-08	8-13	0.25½	0.3
27	Q0.25		6-20-08	6-6	0.50	1.0
28◆	0.20		6-17-08	5-21	0.20	NIL
29	0.972		3-25-08		0.972	1.5
30	0.37		6-30-08		0.37	0.2
31	None Paid				...	NIL
32	0.564		7-7-08		0.564	0.9
33◆	None Paid				...	NIL
34	Q0.30		9-15-08	8-14	0.90	1.2
35	Q0.04		6-10-08	5-23	0.08	0.1
36	None Paid				...	NIL
37	None Paid				...	NIL
38	Div Postponed 10-21-03				...	NIL
39	Q0.37½		7-1-08	6-9	1.12½	1.5
40	None Paid				...	NIL

◆Stock Splits & Divs By Line Reference Index

HEARING EXHIBIT 00000102

Sales Or Bid. High	Low	Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized. Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
1.70	2.15		d	Neg		-19.4	-37.3	
10.61	12.42		6.6	23	13	-24.5	-4.4	2004
9.19	10.27		15.6	5	5	-50.5	-19.0	2005
36.15	37.59		1.6	14	25	-36.6	-6.4	2005
1.21	1.23			d	-14	-46.4	2.2	
10.00	11.18		0.7	18	27	-45.5	10.5	1997
12.71	16.39			12	14	2.8	22.3	
17.12	18.92		0.8	26	8	9.0	6.5	2004
29.19	32.11		8.1	6	29	16.4	0.9	1997
12.01	15.44		3.1	9	23	-23.2	-2.5	2005
9.88	10.44			d	5	-31.5	64.2	
7.80	8.76			27	62	-49.6	9.7	
2.91	3.34			d	3	-30.2	0.0	
36.81	41.91			12	16	-33.5	-8.7	
29.73	31.42		1.3	26		30.4	15.8	2003
3.62	3.91			NM	5	-12.7	-25.3	
30.65	33.28		2.6	NM	-24	-17.7	10.2	2007
50.97	57.34		3.6	8	74	-39.9	3.9	2005
2.30	3.23			d	8	-24.1	-19.4	
39.29	43.21		2.0	14	1	50.3	0.0	2006
14.25	15.95		1.7	15	-5	-38.3	-2.8	1995
15.42	17.50			12	NM	-35.9	-6.8	
25.04	31.82		3.4	16	-2	-12.8	1.8	2001
1.33	1.80			d		-20.4	-34.3	
4.00	4.33			d	Neg	-41.9	-15.4	
26.53	28.28		1.3	17	40	-0.1	12.3	2006
11.22	14.43		6.9	d	Neg	-36.8	-19.6	2004
4.42	4.66			8	1	-42.9	47.0	2008
19.13	20.47		3.4	12	7	-15.2	1.0	2000
31.53	32.50		1.7	13		-21.6	6.5	1949
6.06	6.36			9	NM	-38.1	-11.8	
84.36	86.58		1.2	19	NM	-17.0	5.2	1960
11.66	13.47			41	NM	-21.7	2.1	
97.40	98.69		1.2	15	20	-5.2	7.5	2004
5.96	7.38		2.2	d	Neg	-25.7	-15.9	1963
11.62	14.78			18	32	-13.8	-13.0	
55.00	67.58			15	14	-13.4	10.1	
6.12	6.91			d	-34	7.0	0.0	
37.78	42.41		3.5	11	14	36.6	13.5	1946
1.22	1.75				35	-27	41.6	

CBOE:Cycle 3. ⁵ASE,CBOE,P:Cycle 1.
3 re£0.5 com,5,000 Won

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MII-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MII-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid				NIL		5.67	57.2	37.8	5-03-08		19615	d1.00	d1.00	d1.00	1	Ja	vd1.33		d1.08	3 Mo Apr	vd0.38	vd0.13
2	Q0.20½	7-17-08	7-2	0.61½	0.82	0.79	Total Assets $1019M			3-31-08	677	28138	0.56	0.56	0.56	1	Dc	v0.46	E0.54†	0.49	3 Mo Mar	v0.06	v0.09
3	Q0.40	5-30-08	5-13	0.90	1.60	1.60	Total Assets $19046M			3-31-08	7601	150843	1.86	1.98	1.70	7	Dc	vd1.11	E2.14†	d1.58†	3 Mo Mar	0.59	v0.12
4	Q0.15	6-2-08	5-15	0.30	0.60	0.54	647	2776	983	3-31-08		170061	2.72	2.85	2.14	22	Je	v2.61	E2.75†	2.26	9 Mo Mar	v1.87	v1.52
5	None Paid				NIL		5.71	5.85	0.53	3-31-08	NIL	22857					Dc	vd0.05		d0.05†			
6	S0.02	6-27-08	6-11	0.04	0.04	0.07¾	2.29	74.0	42.0	4-30-08	55.7	11015	0.68	0.70	0.65	3	Jl	v0.80		0.61	3 Mo Apr	v0.62	v0.43
7	None Paid				NIL		Total Assets $1592M			3-31-08	70.0	89810	1.20	1.28	1.11	8	Dc	v1.21		1.34	6 Mo Jun	v0.54	v0.67
8◆	Q0.04	6-27-08	6-4	0.07	0.16	0.11	28.6	151	54.2	3-31-08		86335	0.62	0.73	0.59	13	Dc	v0.72	E0.74†	0.60	6 Mo Jun	0.40	0.28
9	Q0.75	6-9-08	5-22	1.50	3.00	2.50	92.1	107	17.8	12-31-07	103	17100	2.61	3.08	2.14	11	Dc	v4.96		5.27	3 Mo Mar	0.56	v0.87
10	Q0.12	6-30-08	6-12	0.24	0.48	0.45	14.4	272	167	3-31-08	373	47726	1.69	1.72	1.66	5	Dc	v1.45	E1.65†	1.58	6 Mo Jun	v0.66	v0.80
11	None Paid				NIL		31.5	65.6	71.4	3-31-08	606	35507	d0.06	0.01	d0.16	7	Dc	vd1.25		d1.15	3 Mo Mar	vd0.19	vd0.09
12	None Paid				NIL		49.9	73.7	25.0	3-31-08		31896	0.23	0.36	0.11	12	Dc	v0.36		0.33	3 Mo Mar	v0.05	v0.02
13	None Paid				NIL		9.90	11.9	1.98	3-31-08	NIL	68030	d0.05	d0.02	d0.11	8	Dc	vd0.43		d0.29	3 Mo Mar	d0.17	vd0.03
14	None Paid				NIL		272	3295	1847	5-03-08	2048	306723	3.38	3.40	3.37	24	Ja	v3.39	E3.25†	3.24	3 Mo Apr	v0.64	v0.49
15	0.254	6-13-08	3-28	0.254	0.497	0.465	442	1330	685	12-31-07	291	137309	1.35	1.35	1.35	1	Mr			1.19	9 Mo Dec	0.92	1.11
16	None Paid				NIL		115	132	11.3	3-31-07	NIL	1423200	0.07	0.12	0.01	3	Dc	v0.08	E0.01†	0.08			
17	1.094	4-7-08	3-28	1.094	1.094	0.801	7570	23868	16207	3-31-08	5154	1028349	2.28	2.28	2.28	1	Dc	v1.06		0.16	3 Mo Mar	v1.21	v0.31
18	2.486	4-1-08		2.486	0.561	3.678	Total Deposits $133297M			6-30-07	45605	336379	7.33	7.33	7.33	1	Dc		E7.53†	7.86			
19	None Paid				NIL		88.7	129	21.6	3-29-08		67742					Dc	vd0.10		d0.04	3 Mo Mar	vd0.05	v0.01
20	Q0.22	7-1-08	5-15	0.61	0.88	0.68	13.1	419	202	3-31-08	432	20833	3.45	3.60	3.37	5	Dc	Pv3.03		3.16	3 Mo Mar	0.50	v0.63
21	0.377	4-4-08		0.377	0.377	0.39	3509	10161	11609	6-30-07	16471	641568	0.79	0.79	0.79	1	Dc	v1.33	E1.05†	1.33			
22	None Paid				NIL		368	526	272	4-30-06		p46443	1.46	1.46	1.45	8	Ap	v1.24	v1.46	1.46			
23	Q0.27	7-16-08	6-25	0.81	1.08	1.02	605	11878	14254	3-31-08	17428	1516032	1.93	1.98	1.86	14	Dc	v1.63	E1.94†	1.59	3 Mo Mar	±0.43	v0.40
24	None Paid				NIL		11.0	104	80.2	3-30-08	74.9	p104664	0.18	0.18	0.18	1	Dc	vd0.55		d0.30	3 Mo Mar	d0.27	vd0.02
25	None Paid				NIL		29.1	79.0	42.0	5-04-06	74.1	65862	d0.40	d0.10	d0.10	2	Ja	vd1.05		d0.87	3 Mo Apr	vd0.12	v0.06
26	Q0.09	9-1-08	8-13	0.25½	0.36	0.29	307	6950	7841	5-24-08	7275	654911	1.70	1.71	1.69	10	Ja	v1.69	E1.95†	1.80	3 Mo Apr	v0.47	v0.58
27	Q0.25	6-20-08	6-6	0.50	1.00	1.00	27.4	640	234	3-31-08	633	49000					Dc	vd1.36		d1.63	3 Mo Mar	0.26	vd0.01
28◆	0.20	6-17-08	5-21	0.20	NIL		17.7	43.4	25.6	3-31-08	NIL	6281					Dc	v0.59		0.58	3 Mo Mar	v0.14	v0.13
29	0.972	3-25-08		0.972	1.515	1.062	2636	6818	6538	6-30-07	6239	206205	1.13	1.31	0.95	2	Dc	v2.73	E1.72†	2.73			
30	0.37	6-30-08		0.37	0.282	0.553	783	7484	5028	12-31-07	1459	1288528	3.07	3.07	3.07	1	Mr		E2.63†	2.16	9 Mo Dec	2.38	2.06
31	None Paid				NIL		161	419	156	3-29-08	175	53384	0.24	0.36	0.20	4	Sp	v0.57		0.71	6 Mo Mar	v0.03	v0.17
32	0.564	7-7-08		0.564	0.911	1.022	4857	9881	2557	12-31-07	81.2	189449	5.43	5.43	5.43	1	Mr	v3.76	E5.05†	3.76			
33◆	None Paid				NIL		8.52	144	98.9	3-31-08	289	p77586	0.15	0.17	0.11	7	Dc	v0.24		0.33	3 Mo Mar	d0.12	vd0.03
34	Q0.30	9-15-08	8-14	0.90	1.20	1.00	536	4858	2679	3-28-08	4537	122800	7.11	7.53	6.15	15	Dc	v5.96	E6.65†	6.99	6 Mo Jun	2.77	3.78
35	Q0.04	6-10-08	5-23	0.08	0.16	0.48	14.9	427	163	4-26-08	99.5	51887	d0.02		d0.07	5	Ap	v0.08	vd0.26	d0.26			
36	None Paid				NIL		0.27	119	77.6	3-30-08	0.49	15349	0.91	0.91	0.91	1	Je	v0.71		0.82	9 Mo Mar	0.53	0.64
37	None Paid				NIL		50.1	908	1037	3-31-08	1064	111300	4.59	4.65	4.49	18	Dc	v3.93	E4.60†	3.96	6 Mo Jun	2.03	2.06
38	Div Postponed 10-21-03				NIL		Total Assets $5345.4M			3-31-08	209	61854	0.25	0.26	0.24	3	Dc	vd5.71		d0.60	6 Mo Jun	vd6.10	vd0.99
39	Q0.37½	7-1-08	6-9	1.12½	1.50	1.46	145	578	450	3-31-08	355	21823	2.43	2.43	2.43	1	Sp	v2.32		3.79	6 Mo Mar	v1.86	v3.34
40	None Paid				NIL		Total Assets $53M			3-31-08	33.9	162685					Dc	v0.06		0.05	3 Mo Mar		vd0.01

◆Stock Splits & Divs By Line Reference Index: ²3-for-2,'04 ³3-for-2,'05 ⁴5%,'07 ⁵⁶2-for-5 REVERSE,'05

EXHIBIT 00000103

Common and Convertible

S&P 500; MidCap 400; ◆ SmallCap 600; • Options

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	July, 2008 Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
1	GNB	New Generation Biofuels	AS,Ch,P,BB	NR	1		Oil & Gas Refining & Mktng	10.00	0.17	12.00	3.25	7.08	3.00	11356	5.15	3.75	4.27	...	d		-19.2	250	....
2	NGD	New Gold	AS,P,To	NR	40	16202	Gold	11.94	3.90	8.70	3.60	10.00	5.00	59507	8.99	5.56	5.91	...	d	1	-7.3	13.6	....
◆3	NJR	New Jersey Resources	NY,Ph,Ch,P,B	A	430	26822	Gas Utilities	35.44	5.69	37.63	30.33	35.31	29.22	58892	35.31	31.58	34.09	3.3	20	...	5.7	5.0	1951
4	NWMO	New Motion	NDS	NR	48	2609	Advertising					10.25	3.26	9894	4.32	3.82	4.28	...	d	2	0.0	0.0	....
5[e1]	EDU	New Oriental Edu & Tech ADS[51]	NY,Ch,P	NR	268	21699	Education Services	37.96	20.60	92.15	32.80	86.49	45.31	156169	76.74	53.01	70.00	...	42	3	35.7	0.0	....
6[e2]	NWY	New York & Co	NY	NR	170	22985	Apparel Retail	24.41	9.41	16.20	5.69	9.97	3.65	133957	9.97	8.19	9.66	...	25	5	-14.5	-27.1	....
◆7[e3]	NYB	New York Community Bancorp	NY,Ph,Ch,P	B+	699	189021	Thrifts & Mortgage Finance	35.57	1.11	19.87	15.80	20.70	14.44	1323316	19.13	15.30	16.62	6.0	18	-16	2.0	1.8	1994
8[e5]	NYT	New York Times 'A'	NY,Ph,Ch,P,B	B+	638	136530	Publishing	53.00	8.43	26.80	16.02	21.14	12.08	421454	15.88	12.08	12.59	7.3	18	-40	-44.8	-24.7	1958
9[e6]	NAL	NewAlliance Bancshares	NY	NR	392	77415	Thrifts & Mortgage Finance	16.96	12.92	17.09	11.23	14.05	9.50	272808	14.05	11.31	12.98	2.2	NM	-8	-1.4	-0.9	2004
10[e7]	NCT	Newcastle Investment	NY	NR	223	24751	Mortgage REITs	33.89	12.26	33.49	12.15	13.70	4.02	170190	7.37	4.02	6.06	16.4	d	1	-53.7	-33.7	2003
11[e8]	NWL	Newell Rubbermaid	NY,Ph,Ch,P,B	B'	988	242940	Housewares & Specialties	55.18	2.62	32.19	24.22	25.94	14.89	802375	17.76	14.89	16.53	5.1	11	NM	-40.0	-7.8	1946
12[e9]	NFX	Newfield Exploration	NY,Ch	B	729	127642	Oil & Gas Exploration & Prod	54.50	3.93	58.08	39.30	69.77	44.15	645525	68.31	47.50	48.98	...	86	-10	8.1	7.3	....
◆13[e10]	NEU	Newmarket Corp	NY,Ph,Ch,P,B	B	432	9458	Specialty Chemicals	165.00	2.70	60.36	38.81	93.57	42.79	48834	67.29	55.93	61.76	1.3	10	40	39.1	56.1	2006
14[e11]	NEM	Newmont Mining	NY,Ph,Ch,P,B	C	1115	364830	Gold	81.92	12.75	56.35	38.01	57.55	42.36	1805185	53.77	46.26	47.96	0.8	18	Neg	14.7	10.0	1934
15	NR	Newpark Resources	NY,Ch,P	C	301	85342	Oil & Gas Equipment & Svcs	25.50	0.71	8.41	4.93	8.41	3.76	134963	7.93	6.42	7.32	...	22	58	2.7	-3.4	....
◆16	NEWP	Newport Corp	NDS	B-	278	33435	Elect Equip Manufacturers	192.06	1.29	21.34	11.85	13.94	9.34	42160	13.08	10.12	10.49	...	10	NM	-15.3	-3.9	....
17[e1]	NWS.A	News Corp 'A'	NY,Ch	NR	1200	157055	Movies & Entertainment	28.59	6.31	25.40	19.00	20.55	13.63	2563098	15.40	13.63	14.13	0.8	12	28	-33.8	-3.5	1995
18[e3]	NWS'	News Corp'B'	NY,Ch,P	...	421	184134		33.50	1.34	25.78	19.68	21.19	13.96	1408943	15.54	13.96	14.61	0.8	12	26	-37.0	-4.7	1984
19	NEWS	NewStar Financial	NDS	NR	133	32370	Specialized Finance	19.50	17.54	20.85	7.75	9.58	4.50	19898	6.12	5.10	5.49	...	9	4	-55.7	0.0	....
20	NEWT	Newtek Business Services	Ch,P,NDS	NR	48	7234	Data Process/Outsourced Svcs	12.62	0.43	2.70	0.85	1.50	0.74	6862	1.03	0.74	0.74	...	d	Neg	-58.4	-30.6	....
21	NEXC	NexCen Brands	NDS	NR	170	32614	Apparel Retail	345.00	2.25	13.18	3.68	5.03	0.28	79514	0.68	0.28	0.40	...	d	NM	-95.5	-99.3	....
22	NDY	Nexen Inc	NY,Ph,Ch,P,To,B	B+	359	353380	Oil & Gas Exploration & Prod	31.82	0.71	34.78	25.17	42.71	25.11	780007	40.99	29.57	31.84	0.6	16	-3	-3.3	20.7	1975
23	NDY.PB	Nexen Inc 7.35% Subord Nts	NY	BB+	14	5057		27.25	23.65	26.06	22.93	25.29	22.95	4695	24.49	23.01	23.50	7.8	...	...	0.7	3.9	2004
24	NXST	Nexstar Broadcasting Grp'A'	NDS	NR	156	10995	Broadcasting & Cable TV	14.50	3.50	15.41	4.59	9.30	2.30	19800	4.17	2.30	2.95	...	d	43	-70.5	-17.1	....
25	WAVE	NextWave Wireless	NDS	NR	126	31651	Communications Equipment	11.10	6.00	12.75	4.99	7.59	2.88	93462	4.22	2.88	3.24	...	d	2	-49.6	0.0	....
26[e6]	EGOV	NIC Inc	NDS	NR	190	29382	Internet Software & Services	78.00	1.00	8.90	4.96	8.93	5.83	40750	7.99	6.30	7.30	...	37	15	11.3	21.2	2006
27[e12]	NICE	NICE-Systems[54] ADR	NDS	NR	240	32809	Communications Equipment	50.00	3.32	40.95	29.04	35.87	24.90	55841	30.22	26.85	29.56	...	17	NM	-17.2	11.8	2006
28	NICK	Nicholas Financial	NDS	B+	27	3353	Consumer Finance	14.50	0.70	12.61	6.70	7.94	4.55	2813	5.64	4.55	5.45	...	6	14	-49.4	-23.2	....
29[e10]	GAS	NICOR Inc	NY,Ph,Ch,P	B	600	32204	Gas Utilities	49.92	10.00	53.66	37.80	44.55	32.35	150183	43.25	38.01	39.82	4.7	17	7	-3.2	2.5	1954
30	NJ	NIDEC Corp ADS[55]	NY,Ch	NR	65	9802	Elect Equip Manufacturers	23.40	4.23	19.76	11.56	19.59	14.54	10574	18.16	16.03	17.50	0.7	34	35	14.3	6.8	2002
31	NHWK	NightHawk Radiology Hldgs	NDS	NR	228	27908	Health Care Services	28.00	15.60	27.73	16.75	21.00	6.50	50582	8.39	6.50	8.35	...	24	4	-61.0	0.0	....
32[e13]	NIHD	NII Holdings	NDS	NR	817	166834	Wireless Telecom Svcs	69.94	0.81	90.43	42.50	55.73	28.71	815888	55.73	40.89	54.66	...	21	27	-35.6	20.3	....
33[e5]	NKE	NIKE, Inc'B'[56]	NY,Ph,Ch,P,B	A+	1657	354505	Footwear	50.60	0.64	67.93	47.46	70.60	51.50	996985	60.43	54.64	58.68	1.6	16	21	2.0	12.5	1984
34	NINE	Ninetowns Internet Tech GpADS	NDS	NR	10	718	Application Software	14.22	4.21	7.20	2.64	3.30	1.80	25459	2.46	1.80	2.10	...	d	4	-42.3	-33.7	....
35	NTT	Nippon Tel & Tel ADS[57]	NY,Ph,Ch,P,B	NR	192	140604	Integrated Telecom Svcs	92.50	14.01	27.96	20.72	25.60	19.43	134801	25.60	23.11	25.32	1.5	40	...	9.8	4.3	1995
36	NIS	NIS Group Co[58]ADS	NY,Ch,P	NR	5	104	Consumer Finance	14.68	1.56	6.36	0.96	1.32	0.40	4853	1.04	0.55	0.69	8.3	d	5	-77.8	-46.9	2006
37[e3]	NI	NiSource Inc	NY,Ph,Ch,P,B	B	807	210214	Multi-Utilities	33.75	4.00	25.43	17.49	19.82	16.62	490167	18.45	16.52	17.06	5.4	13	7	-12.7	-7.5	1987
38	NSANY	Nissan Motor Co ADR[59]	NDS	NR	132	52867	Automobile Manufacturers	27.71	4.50	25.68	18.55	21.83	15.00	187299	16.63	15.00	15.31	4.2	7	...	-28.4	-8.5	2001
39	NL	NL Industries, Inc	NY,Ph,Ch,P,B	B-	134	5264	Commodity Chemicals	161.25	3.37	14.50	9.13	11.92	8.55	9902	10.24	9.30	9.97	5.0	d	Neg	0.2	-12.7	2005
40	NMSS	NMS Communications	NDS	C	72	19364	Communications Equipment	78.62	0.70	2.25	1.20	1.69	0.75	15939	1.19	0.75	0.98	...	d	1	-53.3	-39.5	....

Uniform Footnote Explanations-See Page 1. Other: [1]ASE:Cycle 1. [2]CBOE,Ph:Cycle 1. [3]CBOE,P:Cycle 1. [4]B [5]ASE,CBOE,P,Ph:Cycle 1. [6]ASE,CBOE,P:Cycle 2. [7]CBOE,Ph:Cycle 2. [8]CBOE,P:Cycle 3. [9]ASE:Cycle 3. [10]P:Cycle 1. [11]ASE,CBOE,P,Ph:Cycle 3. [12]CBOE:Cycle 1. [13]CBOE:Cycle 3. [51]Ea ADS rep 4 common shrs [52]Incl curr amts [53]Or earlier upon tax law changes,re-spec cond [54]Ea ADR rep 1 ord shr NIS 1.00 [55]Ea ADS rep 0.25 com shr,Yen 50 par [56]Ltd vtg [57]Ea ADS rep .005 com, par ¥50,000 [58]Ea ADS rep 0.5 Ord Shr [59]Each ADR represents 2 Ord,par yen 50

Splits Dividends ◆

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008
1	None Paid				
2	None Paid				
3◆	Q0.28		10-1-08	9-11	1.107
4	None Paid				
5	None Paid				
6	None Paid				
7◆	Q0.25		9-15-08	8-4	0.75
8	Q0.23		9-15-08	8-28	0.69
9	Q0.07		8-19-08	8-6	0.20
10	Q0.25		7-30-08	7-2	1.22
11	Q0.21		8-13-08	5-28	0.42
12◆	None Paid				
13	Q0.20		10-1-08	9-11	0.80
14	Q0.10		9-26-08	9-3	0.30
15	None Paid				
16	Div Omitted 9-10-01				
17◆	S0.06		4-16-08	3-10	0.06
18◆	S0.06		4-16-08	3-10	0.06
19	None Paid				
20	None Paid				
21	None Paid				
22◆	Q0.05		10-1-08	9-8	0.15
23	Q0.459		8-1-08	7-11	1.37
24	None Paid				
25	None Paid				
26		0.25	2-28-08	2-13	0.25
27◆	None Paid				
28◆	None Paid				
29	Q0.46½		11-1-08	9-26	1.8
30◆	0.07		8-17-08	3-26	0.07
31	None Paid				
32◆	None Paid				
33◆	Q0.23		7-1-08	6-5	0.6
34	None Paid				
35	2%Stk		12-5-95	9-27	
36◆	0.014		12-21-06	9-27	
37	Q0.23		6-20-08	7-29	0.6
38	0.372		7-3-08	3-26	0.3
39	Q0.12½		6-26-08	6-6	0.2
40	None Paid				

◆Stock Splits & Divs By Line Referenc
[33]3-for-1,'04 2-for-1,'05 [34]2-for-1,'07 [36]

HEARING EXHIBIT 00000104

Common and Convertible Preferred Stocks

Index	Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Lg Trm Debt MM-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	None Paid				NIL		4.49	4.57	2.42	3-31-08	NIL	18525					Dc	vd0.66		d0.80	3 Mo Mar	d0.06	vd0.20
2	None Paid				NIL		158	161	238	3-31-08	35.6	p211876					Dc	vd2.02		d2.25	3 Mo Mar	d0.02	vd0.25
3◆	Q0.28	10-1-08	9-11	1.107	1.12	1.013	9.29	967	882	3-31-08	.358	41927	2.21	2.24	2.19	3	Sp	v1.55		1.68	6 Mo Mar	v0.89	v1.02
4	None Paid				NIL		29.9	52.8	22.7	3-31-08	0.04	22560					Dc	Pv0.37		d0.34	3 Mo Mar	d0.04	vd0.01
5	None Paid				NIL		260	281	73.6	2-29-08	12.8	37664	1.22	1.28	1.15	7	My	v0.83		1.66	9 Mo Feb	v3.99	v4.82
6	None Paid				NIL		61.3	231	142	5-03-08	18.0	59371	0.41	0.56	0.37	5	Ja	vd0.08	E0.56t	0.02	3 Mo Apr	v0.01	v0.11
7◆	Q0.25	8-15-08	8-4	0.75	1.00	1.00	Total Deposits $13769M			3-31-08	$s1240	p324062	1.00	1.06	0.94	12	Dc	v0.90	E0.93t	0.32	6 Mo Jun	0.33	d0.25
8	Q0.23	9-15-08	8-28	0.69	0.92	0.86½	47.0	612	943	3-30-08	679	±143777	0.77	0.90	0.65	5	Dc	v1.45	E0.70t	0.60	6 Mo Jun	0.99	0.14
9	Q0.07	8-19-08	8-6	0.20½	0.28	0.25½	Total Deposits $4408M			3-31-08	2424	108590	0.53	0.57	0.50	8	Dc	v0.23		0.09	3 Mo Mar	v0.09	v0.13
10	Q0.25	7-30-08	7-2	1.22	1.00	2.82	Total Assets $10024M			3-31-08	5161	52780	0.38	0.38	0.38	1	Dc	vd1.52		d3.06	3 Mo Mar	v0.70	vd0.84
11	Q0.21	6-13-08	5-28	0.42	0.84	0.84	752	3103	2302	3-31-08	1948	276900	1.51	1.60	1.50	9	Dc	v1.68	E1.44t	1.71	3 Mo Mar	0.18	v0.21
12◆	None Paid				NIL		28.0	827	1404	6-30-08	1919	132195	4.47	5.09	3.27	28	Dc	v3.44	E0.57	0.64	6 Mo Jun	v0.41	vd2.39
13	Q0.20	10-1-08	9-11	0.80	0.80	0.50	48.0	511	183.	3-31-08	162	15482	4.88	5.00	4.75	3	Dc	v5.82		5.96	3 Mo Mar	0.93	v1.27
14	Q0.10	9-26-08	9-3	0.30	0.40	0.40	1108	2847	1616	6-30-08	3085	±454084	2.43	3.33	1.83	13	Dc	vd4.17	E2.61t	1.67	6 Mo Jun	d4.42	1.42
15	None Paid				NIL		8.20	442	121	3-31-08	178	89839	0.41	0.45	0.40	6	Dc	Pv0.30		0.34	3 Mo Mar	0.08	v0.13
16	Div Omitted 9-10-01				NIL		134	374	99.9	3-29-08	175	36539	0.61	0.68	0.55	4	Dc	v1.12		1.09	3 Mo Mar	0.13	v0.10
17◆	S0.06	4-16-08	3-10	0.06	0.12	0.12	3244	13806	10020	3-31-08	13208	p2617009	1.14	1.21	1.09	17	Je	v1.06	E1.21t	1.66	9 Mo Mar	v0.80	v1.38
18◆	S0.06	4-16-08	3-10	0.06	0.12	0.10						2099924	1.13	1.28	1.04	8	Je	v0.95	E1.21t	1.63	9 Mo Mar	v0.70	v1.38
19	None Paid				NIL		Total Assets $2888M			3-31-08	2073	48518	0.71	0.80	0.63	6	Dc	vd0.23	E0.63t	d0.03	No pro-Forma EPS		
20	None Paid				NIL		Total Assets $227M			3-31-08	110	36949					Dc	vd0.31		d0.31	3 Mo Mar	d0.06	vd0.06
21	None Paid				NIL		Total Assets $239M			12-31-07	103	56617	0.08	0.08	0.08	1	Dc	vd0.09		d0.09			
22◆	Q0.05	10-1-08	9-8	0.15	g0.20	0.134	582	5356	4962	3-31-08	4338	529439	4.97	5.86	4.36	4	Dc	v2.00		1.96	6 Mo Jun	0.89	0.85
23	Q0.459	8-1-08	7-11	1.378	1.838	1.838	Co opt to redeem fr 11-4-2008 at $25[93]														Matures 11-1-2043		
24	None Paid				NIL		58.4	122	94.4	3-31-08	678	±28419	d0.16	d0.16	d0.16	1	Dc	vd0.70		d0.92	3 Mo Mar	d0.32	vd0.54
25	None Paid				NIL		262	322	167	9-29-07	317	92714	d3.27	d3.27	d3.27		Dc	vd3.81		d3.81	No pro-forma EPS		
26	0.25	2-28-08	2-13	0.25	0.25	0.75	38.4	80.2	46.8	3-31-08		62318	0.19	0.20	0.18	3	Dc	v0.19		0.20	3 Mo Mar	v0.04	v0.05
27◆	None Paid				NIL		239	382	229	12-31-07	NIL	59957	1.70	1.75	1.67	17	Dc	v0.67	E1.70t	0.57			
28◆	None Paid				NIL		Total Assets $162M			3-31-08	99.9	10293	0.96	0.97	0.96	2	Mr	v0.94		0.94			
29	Q0.46¼	11-1-08	9-26	1.86	1.86	1.86	72.9	1247	1555	3-31-08	372	45139	2.33	2.40	2.25	5	Dc	v2.99	E2.40t	2.86	3 Mo Mar	1.04	v0.91
30◆	0.07	6-17-08	3-26	0.07	0.126	0.107	796	3289	2370	12-31-07	34.6	144940	0.75	0.76	0.74	2	Mr	v0.51		0.51			
31	None Paid				NIL		66.8	97.6	22.2	3-31-08	98.2	30735	0.74	10.80	0.70	4	Dc	v0.47	E0.35t	0.35	3 Mo Mar	0.14	v0.02
32◆	None Paid				NIL		1621	2089	667	3-31-08	2426	169000	2.85	3.29	2.30	10	Dc	Pv2.11		2.61	6 Mo Jun	0.94	1.44
33◆	Q0.23	7-1-08	6-5	0.69	0.92	0.74	2776	8904	2943	2-29-08	446	±492710	3.65	3.75	3.50	8	My	v2.93	v3.74	3.74			
34	None Paid				NIL		104	115	11.4	6-30-07	NIL	34962	r0.10	d0.10	d0.10	1	Dc		Ed0.36t	0.16			
35	2%Stk	12-5-95	9-27		0.411	0.364	6786	83607	30433	12-31-07	29536	15741	1.96	1.96	1.96	1	Mr			0.64	9 Mo Dec	2.88	2.06
36◆	0.014	12-21-06	9-27		0.109		Total Assets $3848M			12-31-07	864	139814	d0.61	d0.61	d0.61	1	Mr			d0.78	9 Mo Dec	0.03	d0.68
37	Q0.23	9-20-08	7-29	0.69	0.92	0.92	81.2	2521	3753	3-31-08	5383	274207	1.28	1.35	1.22	11	Dc	v1.17	E1.35	0.74	3 Mo Mar	v0.79	v0.36
38	0.372	7-3-08	3-26	0.372	0.74	0.642	4095	59089	48482	12-31-07	17389	4090842	2.33	2.33	2.33	1	Mr		E1.68t	3.22	9 Mo Dec	0.16	1.49
39	Q0.12½	6-26-08	6-6	0.25	0.50	0.50	47.4	101	45.9	3-31-08	49.4	48593	d0.04			1	Dc	vd0.04		d0.17	3 Mo Mar	v0.12	vd0.01
40	None Paid				NIL		10.3	27.7	16.1	3-31-08		45913	d0.14	d0.14	d0.14	1	Dc	vd0.21		d0.23	3 Mo Mar	vd0.12	vd0.14

◆Stock Splits & Divs By Line Reference Index: [3]3-for-2,'06 [7]33-for-1,'04 [12]2-for-1,'05 [17]2-for-1,'04 [18]2-for-1,'04 [22]2-for-1,'05 2-for-1,'07 [27]2-for-1,'06 [28]3-for-2,'05 [30]4-for-1,'04 2-for-1,'05 [32]3-for-1,'04 2-for-1,'05 [33]2-for-1,'07 [34]2-for-1,'04 2-for-1,'04 6-for-5,'05 2-for-5 REVERSE,'05 2-for-1,'06

y, 2008				% Annualized				
t Sale Or Bid			%Div	P-E	EPS 5 Yr	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ea.Yr. Since
gh	Low	Last	Yield	Ratio	Growth			
15	3.75	4.27	....	d	....	-19.2	250	....
99	5.56	5.91	....	d	1	-7.3	13.6	....
31	31.68	34.09	3.3	20	....	5.7	5.0	1951
32	3.82	4.26	....	d	2	0.0	0.0	....
74	53.01	70.00	....	42	3	35.7	0.0	....
97	8.19	9.68	....	25	5	-14.5	-27.1	....
13	15.30	15.62	6.0	18	-16	2.0	1.8	1994
88	12.06	12.59	7.3	18	-40	-44.8	-24.7	1958
05	11.31	12.98	2.2	NM	-8	-1.4	-0.9	2004
37	4.02	6.08	16.4	d	1	-63.7	-33.7	2003
76	14.89	16.53	5.1	11	NM	-40.0	-7.8	1946
31	47.50	48.98	....	86	-10	8.1	7.3	....
29	55.93	61.76	1.3	10	40	39.1	56.1	2006
77	46.25	47.96	0.8	18	Neg	14.7	10.0	1934
93	6.42	7.32	....	22	59	2.7	-3.4	....
08	10.12	10.49	....	10	NM	-15.3	-3.9	....
40	13.63	14.13	0.8	12	28	-33.9	-3.5	1995
54	13.96	14.61	0.8	12	26	-37.0	-4.7	1984
12	5.10	5.49	....	9	4	-55.7	0.0	....
03	0.74	0.74	....	d	Neg	-58.4	-30.6	....
68	0.28	0.40	....	d	NM	-95.5	-49.3	....
99	29.57	31.64	0.6	16	-3	-3.3	20.7	1975
49	23.01	23.50	7.8	....	....	0.7	3.9	2004
17	2.30	2.95	....	d	43	-70.5	-17.1	....
22	2.88	3.24	....	d	2	-49.6	0.0	....
99	6.30	7.30	....	37	15	11.3	21.2	2008
22	26.85	29.56	....	17	NM	-17.2	11.8	2008
64	4.55	5.45	....	6	14	-49.4	-23.2	....
25	38.01	39.82	4.7	17	7	-3.2	2.5	1954
16	16.03	17.50	0.7	34	35	14.3	6.8	2002
39	6.50	8.35	....	24	4	-61.0	0.0	....
73	40.69	54.56	....	21	27	-35.6	20.3	....
45	54.64	58.58	1.6	16	21	2.0	12.5	1984
46	1.80	2.10	....	d	4	-42.3	-33.7	....
60	23.11	25.32	1.5	40	....	9.8	4.3	1995
04	0.55	0.69	8.3	d	5	-77.8	-46.9	2006
45	16.62	17.08	5.4	13	7	-12.7	-7.5	1987
83	15.00	15.31	4.2	7	....	-26.4	-6.5	2001
24	9.30	9.97	5.0	d	Neg	0.2	-12.7	2005
19	0.75	0.98	....	d	1	-53.3	-39.5	....

cle B; [7]CBOE,Ph:Cycle 2; [8]CBOE,P:Cycle 3.
t l&K,changes,re-spec cond
R represents 2 Ord,par yen 50

EXHIBIT 00000105

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-05 High	1998-05 Low	2007 High	2007 Low	2006 High	2006 Low	July, 2008 Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ea. Yr. Since
1	NMTI	NMT Medical	NDS	C	74	8528	Health Care Equipment	25.98	0.75	16.06	4.83	7.23	3.85	4810	4.73	4.00	4.36	...	d	−20	−62.7	−19.6	....
2	NNBR	NN Inc	NDS	B	121	13710	Industrial Machinery	26.75	4.75	13.50	7.88	15.42	7.45	70294	15.42	10.01	13.32	2.4	NM	Neg	26.2	6.0	1994
3o1	NED	Noah Education Hldgs ADS[51]	NY,P	NR	27	4654	Education Services	....	....	23.70	6.44	8.49	4.76	17997	5.90	4.88	5.56	...	d	....	0.0	0.0	....
4o2	NE	Noble Corp[51]	NY,Ph,Ch,B	B	1239	213689	Oil & Gas Drilling	43.08	0.75	57.84	33.80	68.99	40.40	1245017	67.12	50.44	51.87	0.3	8	67	1.9	17.3	2005
5o3	NBL	Noble Energy	NY,Ph,Ch,P,B	B+	1122	161573	Oil & Gas Exploration & Prod	54.64	3.93	81.71	46.04	105.11	64.96	550114	104.50	70.43	73.87	1.0	13	41	20.0	23.7	1975
6	NOBL	Noble International	NDS	B−	151	11099	Auto Parts & Equipment	21.86	2.66	22.74	14.53	16.38	2.96	19447	4.43	2.96	3.28	...	d	16	−79.1	−37.9	2000
7o4	NOK	Nokia Corp [52]ADS	NY,Ph,Ch,P,B	NR	1451	845232	Communications Equipment	62.50	1.94	42.22	18.87	38.64	23.58	4138108	28.34	23.58	27.32	2.2	10	...	2.8	25.9	2007
8	NMR	Nomura Holdings ADS[54]	NY,Ph	NR	141	51209	Investment Bank & Brokerage	24.30	8.91	23.61	15.22	17.89	13.08	109097	16.55	13.31	14.38	2.0	35	−29	−16.5	8.9	2002
9	NBD	Norbord Inc[55]	To	B−	19	12	Forest Products	19.00	5.70	8.94	5.97	8.08	4.50	134383	5.90	4.61	4.63	8.5	d	Neg	−42.4	−17.0	1987
10o5	NAT	Nordic Amer Tanker Shipping	NY,Ph,Ch,P	NR	170	5337	Oil & Gas Storage & Transp	56.68	9.62	44.16	29.50	42.00	25.51	119012	41.39	35.21	39.92	8.1	27	...	8.5	8.4	1997
#11o1	NDSN	Nordson Corp	NDS	B+	460	24529	Industrial Machinery	57.81	3.00	61.58	44.33	78.98	42.30	83356	78.98	66.03	70.66	1.0	22	20	49.2	33.1	1989
#12o6	JWN	Nordstrom, Inc	NY,Ph,Ch,P,B	A−	1045	165173	Department Stores	51.40	2.96	59.70	30.46	40.59	25.67	1282056	32.71	25.67	28.74	2.2	10	48	−34.1	−6.0	1971
#13o7	NSC	Norfolk Southern	NY,Ph,Ch,P,B	B+	1427	262727	Railroads	57.71	7.00	59.77	45.38	75.53	41.36	920976	75.53	57.71	71.92	1.8	18	26	31.3	28.7	1901
14o8	NT	Nortel Networks	NY,Ch,P,To	C	330	275200	Communications Equipment	860.00[11]	4.30	31.79	15.05	15.28	5.73	1501590	8.21	6.15	7.84	...	19	Neg	−69.4	−34.9	....
15o7	NOA	North Amer Energy Ptnrs	NY,Ch,To	NR	94	25625	Oil & Gas Equipment & Svcs	16.15	15.40	23.72	12.30	24.50	9.68	56536	21.85	16.63	18.09	...	17	...	−6.6	0.0	....
16	NGA	North Amer Galvanizing & Coat	AS,NDS	B	64	4056	Diversif Comm & Prof Svcs	7.25	0.41	11.97	2.96	9.49	4.26	28587	9.49	7.03	8.64	...	10	NM	2.2	89.5	....
17o8	PAL	North Amer Palladium	AS,Ch,To	C	67	10183	Precious Metals & Minerals	14.52	1.00	12.38	3.40	9.43	3.29	131564	5.58	4.10	4.20	...	d	Neg	−54.5	−3.3	....
18	NHRLU	North Asia Investment Unit	AS	NR	....	....	....	....	....	....	....	9.85	9.55	22857	9.85	9.55	9.62	...	...	...	0.0	0.0	....
19	FFFD	North Central Bancshares	NDS	A	27	520	Thrifts & Mortgage Finance	45.99	8.25	41.24	30.18	33.93	18.80	251	24.93	18.80	21.00	6.7	8	−6	−40.2	−13.1	1994
20	NRT	North Europn Oil Rty Tr	NY,Ch,B	NR	46	1161	Oil & Gas Exploration & Prod	43.75	11.37	41.00	29.42	40.39	29.71	1440	38.80	33.00	34.90	11.2	12	....	....	....	1976
21	NBN	Northeast Bancorp[57]	AS,Ph,Ch,P,NDS	A−	22	528	Thrifts & Mortgage Finance	46.66	3.06	20.59	14.00	15.75	9.50	344	12.00	9.50	9.86	3.7	12	−12	−34.2	−14.3	1988
#22o10	NU	Northeast Utilities	NY,Ph,Ch,P,B	B	568	112056	Electric Utilities	28.90	7.62	33.62	26.21	31.61	23.96	160084	25.99	24.20	25.16	3.4	14	53	−6.6	8.4	1999
23o11	NAK	Northern Dynasty Minerals	AS,To	NR	52	14100	Diversified Metals & Mining	9.24	2.90	15.60	6.70	13.87	6.65	38716	8.78	6.65	7.19	...	d	−19	−45.1	26.1	....
24	NOG	Northern Oil & Gas	AS,Ch,P	NR	22	2794	Oil & Gas Exploration & Prod	....	....	8.45	1.10	16.40	5.65	106884	14.00	8.51	9.26	...	d	2	−68.8	0.0	....
25	NTIC	Northern Technol Intl	AS,NDS	B	16	154	Metal & Glass Containers	12.75	1.87	12.25	8.71	20.85	6.40	3200	17.39	9.53	11.53	...	13	44	25.1	22.2	....
#26o12	NTRS	Northern Trust	NDS	A−	1323	162501	Asset Mgmt & Custody Banks	92.12	2.35	83.17	56.52	81.45	62.54	741606	81.45	64.98	78.17	1.4	18	16	23.9	16.8	1896
27	NFBK	Northfield Bancorp	NDS	NR	76	3499	Regional Banks	....	....	12.00	9.45	11.75	9.78	9175	11.68	10.25	11.57	...	43	3	0.0	0.0	....
28	NFLD	Northfield Laboratories	NDS	NR	52	3178	Biotechnology	41.50	3.00	5.93	0.75	1.21	0.37	9809	0.90	0.37	0.78	...	d	−1	−41.7	−81.6	....
29	NXG	Northgate Minerals	AS,Ph,Ch,P,To,B	NR	133	103672	Gold	9.87	0.31	4.00	2.40	3.45	2.21	506694	2.85	2.21	2.21	...	12	NM	−22.8	31.9	....
30	NRIM	Northrim Bancorp	NDS	A	96	3185	Regional Banks	26.53	2.83	28.96	18.21	23.50	14.01	3573	19.00	14.01	15.92	4.3	11	4	−39.6	−7.7	1995
#31o13	NOC	Northrop Grumman	NY,Ph,Ch,P,B	A−	1400	296871	Aerospace & Defense	71.37	8.87	85.21	68.23	83.40	64.10	436382	69.34	64.10	67.39	2.4	13	17	−11.3	8.7	1951
32o2	NSTR	Northstar Neuroscience	NDS	NR	126	11925	Health Care Equipment	17.75	8.36	14.81	8.46	9.44	1.09	53087	2.00	1.47	1.79	...	d	4	−62.6	0.0	....
33o7	NRF	NorthStar Realty Finance	NY	NR	235	43412	Mortgage REITs	16.71	8.50	18.15	7.61	10.74	7.00	217526	9.33	7.25	8.38	17.2	10	1	−8.9	5.7	2005
34o14	NWA	Northwest Airlines	NY,Ph,P	NR	466	222522	Airlines	....	....	26.50	13.91	20.12	4.68	2053565	10.72	4.68	9.16	...	d	2	−60.3	0.0	....
35	NWSB	Northwest Bancorp	NDS	A	177	9708	Thrifts & Mortgage Finance	29.73	3.62	30.03	25.26	30.16	20.05	31754	26.20	20.05	25.95	3.4	27	...	−1.1	8.8	1995
◆36o16	NWN	Northwest Natural Gas	NY,Ph,Ch,P,B	A−	451	16977	Gas Utilities	43.69	11.16	52.85	39.79	50.74	41.07	35045	47.19	43.89	45.25	3.3	17	10	9.2	10.4	1952
37	NWPX	Northwest Pipe	NDS	B	249	8855	Construction & Engineering	34.59	6.53	40.11	29.54	61.70	35.10	27106	61.70	47.29	58.15	...	22	29	59.9	29.2	....
38o15	NWE	NorthWestern Corp	NY,Ph,Ch,P,NDS	NR	323	38274	Multi-Utilities	35.85	24.80	36.66	24.45	29.70	23.71	46599	28.50	23.78	24.77	5.3	16	5	−7.5	−4.1	2005
39	NWFL	Norwood Financial	NDS	A	18	141	Regional Banks	34.28	10.00	33.75	29.90	32.25	20.03	193	30.00	20.03	29.99e	3.3	12	8	−3.6	1.2	1998
40	NBF	Nova Biosource Fuels	AS,BB	NR	95	29743	Oil & Gas Refining & Mktng	6.30	0.03	4.05	1.53	3.00	0.30	96127	0.85	0.30	0.40	....	d	...	−86.1	63.8	....

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE,Ph:Cycle 3. [2]CBOE,P,Ph:Cycle 3. [3]ASE,CBOE:Cycle 2. [4]ASE,CBOE,P,Ph:Cycle 1. [5]ASE,Ph:Cycle 1. [6]ASE,P:Cycle 1. [7]CBOE:Cycle 3. [8]ASE,CBOE,P:Cycle 3,To:Cycle 1. [9]ASE:Cycle 3. [10]Ph:Cycle 3. [11]CBOE,P,Ph:Cycle 2. [12]CBOE,Ph:Cycle 1. [13]ASE,CBOE,P:Cycle 2. [14]ASE,CBOE:Cycle 3. [15]CBOE,P:Cycle 1. [51]Ea ADS rep 1 Ord Shr [52]Ordinary Shares [53]Redesignated as Com from Pfd Apr'95 [54]Ea ADS rep 1 com shr,Y50 [55]Formerly Nexfor Inc [56]Excl subsid shs [57]Also trades ASE [58]Incl current amts [59]Pfd in $M [60]7 mos Dec 31 [61]To be deermined

Common and Convertible P

Splits Dividends

Index	Latest Payment Period	$	Date	Ex. Div.	Total $ So Far 2008
1	None Paid				....
2	Q0.08		6-23-08	6-11	0.16
3	None Paid				....
4◆	Q0.04		5-30-08	5-12	0.83
5◆	Q0.18		8-18-08	7-31	0.48
6◆	Div omitted 7-16-08				0.16
7	0.834		5-30-08	5-9	0.834
8	0.081		6-12-08		0.163
9	g0.10		9-21-08	8-27	g0.30
10	Q1.18		6-3-08	5-21	1.66
11	Q0.18¼		8-17-08	5-30	0.54¼
12◆	Q0.16		8-18-08	5-28	0.32
13	Q0.32		9-10-08	7-30	0.90
14◆	Div omitted 8-23-01				....
15	None Paid				....
16◆	None Paid				....
17	None Paid				....
18	None Paid				....
19	Q0.35		7-3-08	6-11	1.05
20	Q0.89		8-27-08	8-12	2.63
21	Q0.09		8-22-08	7-30	0.27
22	Q0.213		9-30-08	8-27	0.613
23	None Paid				....
24	None Paid				....
25	Div Omitted 11-18-05				....
26	Q0.28		10-1-08	9-8	1.12
27	None Paid				....
28	None Paid				....
29	None Paid				....
30◆	Q0.17		7-25-08	7-10	0.49
31◆	Q0.40		9-6-08	8-21	1.17
32	None Paid				....
33	Q0.36		8-15-08	8-1	1.08
34	None Paid				....
35	Q0.22		8-14-08	7-29	0.66
36	Q0.37½		8-15-08	7-29	1.12½
37	None Paid				....
38	Q0.33		9-30-08	9-11	0.99
39◆	Q0.25		8-1-08	7-11	0.75
40◆	None Paid				....

◆Stock Splits & Divs By Line Reference In

HEARING EXHIBIT 00000106

2006 Sale Or Bid Low	Last	%Div Yield	P-E Ratio	EPS $ Yr Growth	% Annualized: Total Return 12 Mo	36 Mo	Cash Divs. Ea. Yr. Since
4.00	4.36	...	d	-20	-62.7	-19.6	....
10.01	13.32	2.4	NM	Neg	26.2	6.0	1994
4.88	5.56	...	d	.	0.0	0.0	....
50.44	51.87	0.3	8	67	1.9	17.3	2005
70.43	73.67	1.0	13	41	20.0	23.7	1975
2.96	3.28	...	d	16	-79.1	-37.9	2000
23.58	27.32	2.2	10	...	2.8	25.9	2007
13.31	14.38	2.0	35	-29	-16.5	8.9	2002
4.61	4.63	8.5	d	Neg	-42.4	-17.0	1987
35.21	39.92	9.1	27	...	8.5	8.4	1997
66.03	70.66	1.0	22	20	49.2	33.1	1969
25.67	28.74	2.2	10	48	-34.1	-6.0	1971
57.71	71.92	1.8	18	26	31.3	28.7	1901
6.15	7.64	...	...	Neg	-69.4	-34.9	....
16.63	18.09	...	17	...	-8.6	0.0	....
7.03	8.64	...	10	NM	2.2	89.5	....
4.10	4.20	...	d	Neg	-54.5	-3.3	....
9.55	9.62	...	...	...	0.0	0.0	....
18.80	21.00	6.7	8	-6	-40.2	-13.1	1994
33.00	34.90	11.2	12	...	...	...	1976
8.50	9.86	3.7	12	-12	-34.2	-14.3	1988
24.20	25.16	3.4	14	53	-8.6	8.4	1999
6.65	7.19	...	d	-19	-45.1	26.1	....
8.51	9.28	...	d	2	-88.8	0.0	....
9.53	11.53	...	13	44	25.1	22.2	....
64.98	78.17	1.4	18	16	23.9	16.8	1896
10.25	11.57	...	43	3	0.0	0.0	....
0.37	0.78	...	d	-1	-41.7	-61.6	....
2.21	2.21	...	12	NM	-22.8	31.9	....
14.01	15.92	4.3	11	4	-39.6	-7.7	1995
64.10	67.39	2.4	13	17	-11.3	8.7	1951
1.47	1.79	...	d	4	-82.6	0.0	....
7.25	8.38	17.2	10	1	-8.9	5.7	2005
7.68	9.16	...	d	2	-60.3	0.0	....
25.05	25.95	3.4	27	...	-1.1	8.8	1995
43.89	45.25	3.3	17	10	9.2	10.4	1952
57.29	58.15	...	22	29	59.9	29.2	....
23.78	24.77	5.3	16	5	-7.5	-4.1	2005
29.03	29.98e	3.3	12	6	-3.6	1.2	1998
4.30	0.40	...	d	...	-86.1	-63.8	....

dia.E, [6]ASE,P:Cycle 1. [7]CBOE:Cycle 3.
BOE,P:Cycle 1. [51]Ea ADS rep 1 Ord Shr
ent Terms [59]Pld in $M [607] mos Dec 31

Splits/Dividends ◆ Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2006	Ind. Rate	Paid 2007
1	None Paid			...	NIL	....
2	Q0.08	6-23-06	6-11	0.16	0.32	0.32
3	None Paid			....	NIL	....
4◆	Q0.04	5-30-06	5-12	†0.83	0.16	0.12
5◆	Q0.18	8-18-06	7-31	0.48	0.72	0.43½
6◆	Div omitted 7-16-06			0.16	NIL	0.32
7	0.834	5-30-06	5-9	0.834	0.834	0.577
8	0.081	8-12-06		0.163	0.554	0.381
9	gQ0.10	9-21-06	8-27	g0.30	g0.40	g0.40
10	Q1.18	6-3-06	5-21	1.68	4.72	3.81
11	Q0.18¾	6-17-06	5-30	0.54¾	0.73	0.70
12◆	Q0.16	6-16-06	5-26	0.32	0.64	0.54
13	Q0.32	9-10-06	7-30	0.90	1.28	0.96
14◆	Div. Omitted 8-23-01			....	NIL	....
15	None Paid			....	NIL	....
16◆	None Paid			....	NIL	....
17	None Paid			....	NIL	....
18	None Paid			....	NIL	....
19	Q0.35	7-3-06	6-11	1.05	1.40	1.38
20	Q0.89	8-27-06	8-12	2.63	3.56	2.91
21	Q0.09	8-22-06	7-30	0.27	0.36	0.36
22	Q0.213	9-30-06	8-27	0.613	0.85	0.77½
23	None Paid			....	NIL	....
24	None Paid			....	NIL	....
25	Div Omitted 11-16-05			....	NIL	....
26	Q0.28	10-1-06	9-8	1.12	1.12	1.00
27	None Paid			....	NIL	....
28	None Paid			....	NIL	....
29	None Paid			....	NIL	....
30◆	Q0.17	7-25-06	7-10	0.49	0.68	e0.555
31◆	Q0.40	9-8-06	8-21	1.17	1.60	1.48
32	None Paid			....	NIL	....
33	Q0.36	8-15-06	8-1	1.08	1.44	1.43
34	None Paid			....	NIL	....
35	Q0.22	8-14-06	7-29	0.66	0.88	0.84
36	Q0.37½	8-15-06	7-29	1.12½	1.50	1.44
37	None Paid			....	NIL	....
38	Q0.33	9-30-06	9-11	0.99	1.32	1.28
39◆	Q0.25	8-1-06	7-11	0.75	1.00	0.92
40◆	None Paid			....	NIL	....

Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date
28.1	35.0	7.81	3-31-06
12.9	157	96.5	3-31-06
142	181	12.5	12-31-07
319	985	478	3-31-06
807	1776	1783	3-31-06
15.9	336	285	3-31-06
17416	44432	28274	3-31-06
Total Assets $304012M			12-31-07
25.6	369	183	3-29-06
13.3	44.8	24.3	12-31-07
27.7	426	404	4-30-06
119	3260	1663	5-03-06
454	2026	2128	6-30-06
3225	8444	6210	3-31-06
32.8	291	183	3-31-06
6.82	26.1	9.29	6-30-06
79.7	200	48.5	3-31-06
Total Deposits $371M			3-31-06
Total Assets $5.9M			4-30-06
Total Deposits $363.6M			3-31-06
290	1301	1421	3-31-06
46.1	48.4	8.98	3-31-06
Total Assets $18.3M			3-31-06
0.42	8.32	2.92	5-31-06
Total Deposits $58382.5M			3-31-06
128	128	872	3-31-06
26.4	27.4	3.38	2-29-06
52.6	144	106	3-31-06
Total Deposits $806M			3-31-06
494	6949	6737	3-31-06
77.8	78.6	2.59	3-31-06
Total Assets $4793M			3-31-06
3034	5037	4104	12-31-07
Total Deposits $5738M			3-31-06
642	236	312	3-31-06
0.34	245	52.8	3-31-06
33.7	271	321	3-31-06
Total Deposits $374M			3-31-06
2.68	11.5	15.0	4-30-06

Capitalization Lg Trm Debt MR-$	Shs. 000 Com.
....	13008
100	15962
....	★34926
701	268583
1851	172212
253	23652
281	3786741
95324	1909085
704	148200
105	29975
72.8	39687
2235	216900
6003	**375199
9838	464855
198	36017
....	12233
2.45	81782
93.8	1340
NIL	9191
179	2315
4350	155440
NIL	92544
....	31269
1.19	3723
5745	220136
**261	★43112
....	26959
1.17	255258
31.2	6312
3928	**342057
....	25894
**2732	62305
6639	p278083
205	49966
512	28415
101	9087
**1757	38973
18.0	2740
79.0	110048

2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.
d1.23	d1.13	d1.36	6
1.02	1.05	1.00	2
....	....	....	....
5.86	6.31	5.52	28
8.86	10.25	8.95	21
0.01	0.01	0.01	1
2.48	2.69	2.24	17
....	....	....	....
d0.50	d0.36	d0.60	10
3.82	5.31	2.09	11
3.56	3.66	3.26	6
2.77	2.80	2.69	19
4.31	4.58	4.02	10
0.56	0.92	0.36	15
....	....	....	....
0.77	0.77	0.77	1
0.31	0.31	0.31	1
....	....	....	....
....	....	....	....
1.77	1.80	1.70	11
....	....	....	....
0.15	0.15	0.15	1
....	....	....	....
4.49	4.74	4.40	10
....	....	....	....
d0.67	d0.67	d0.67	1
0.40	0.50	0.27	4
1.56	1.56	1.56	1
5.12	5.25	5.00	19
d0.76	d0.75	d0.77	3
3.69	3.91	3.58	4
d2.16	d1.03	d3.74	8
1.23	1.35	1.10	3
2.56	2.62	2.44	4
2.93	3.13	2.68	3
1.75	1.75	1.75	2
....	....	....	....
d0.16	d0.11	d0.25	7

Earnings $ Per Shr. Years End	2007	2006	Last 12 Mos.
Dc	Pvd0.70	....	d0.97
Dc	vd0.07	....	0.03
Je	v0.30	....	d0.52
Dc	v4.48	E6.16†	5.30
Dc	v5.45	E5.78†	5.43
Dc	vd0.40	....	d0.47
Dc	v2.64	E2.67†	2.74
Mr	v0.41	....	0.41
Dc	Pvd0.31	....	d0.57
Dc	v1.56	....	1.50
Oc	v2.65	....	3.17
Ja	v2.87	E2.70†	2.81
Dc	v3.68	E4.09†	3.93
Dc	vd1.98	E0.40†	d2.03
Mr	v1.06	....	1.06
Dc	v0.72	....	0.87
Dc	vd0.50	....	d0.46
Dc	....	....	....
Dc	v2.93	....	2.76
Oc	v2.91	....	2.95
Je	v0.76	....	0.83
Dc	v1.59	E1.80†	1.48
Dc	vd1.14	....	d1.11
Dc	vd0.18	....	d0.18
Au	v0.87	....	0.87
Dc	v3.24	E4.33†	4.15
Dc	v0.24	....	0.27
My	vd1.03	....	d0.78
Dc	v0.15	....	0.19
Dc	Pv1.80	....	1.46
Dc	v5.12	E5.09†	4.78
Dc	vd0.92	....	d0.49
Dc	v0.51	E0.81†	3.55
Dc	Pv**0.44	Ed1.50†	d19.20
Dc	....	....	0.95
Dc	v2.76	....	2.65
Dc	v2.26	....	2.59
Dc	Pv1.44	....	1.53
Dc	v2.30	....	2.49
Oc	Pvd0.18	....	d0.19

Interim Earnings $ per Shr. Period	Prior	Curr.
3 Mo Mar	d0.03	vd0.30
3 Mo Mar	0.22	v0.32
6 Mo Dec	1.04	0.22
6 Mo Jun	2.01	2.83
3 Mo Mar	1.23	v1.21
3 Mo Mar	d0.01	vd0.08
3 Mo Mar	0.38	v0.48
6 Mo Jun	d0.21	d0.47
3 Mo Mar	0.85	v0.78
6 Mo Apr	v1.07	v1.59
3 Mo Apr	0.60	v0.54
6 Mo Jun	v1.59	v1.94
3 Mo Mar	d0.23	vd0.28
6 Mo Jun	v0.36	v0.51
3 Mo Mar	v0.10	v0.15
3 Mo Mar	v0.75	v0.60
6 Mo Apr	1.70	1.74
9 Mo Mar	v0.56	v0.63
3 Mo Mar	v0.49	v0.38
3 Mo Mar	vd0.16	vd0.19
3 Mo Mar	d0.01	vd0.01
9 Mo May	v0.56	v0.56
6 Mo Jun	v1.76	v2.67
6 Mo Jun	0.18	p0.21
9 Mo Feb	vd0.79	vd0.54
3 Mo Mar	v0.04	v0.06
6 Mo Jun	0.90	0.56
3 Mo Mar	1.10	v0.76
3 Mo Mar	vd0.25	vd0.21
3 Mo Mar	0.10	v3.14
6 Mo Jun	12.47	d17.17
9 Mo Sep	v0.83	v0.75
6 Mo Jun	v1.86	v1.75
6 Mo Jun	1.11	1.44
3 Mo Mar	0.51	v0.60
6 Mo Jun	v1.07	v1.26
6 Mo Apr	vd0.10	vd0.11

◆Stock Splits & Divs By Line Reference Index: [2]2-for-1,'07 [5]2-for-1,'05 [6]3-for-2,'06 [12]2-for-1,'05 [14]1-for-10 REVERSE,'06 [16]3-for-2,'07 [30]5%,'06 [32]5%,'07 [51]2-for-1,'04 [38]5%,'06 [49]3-for-2,'06

HEARTLAND EXPRESS INC 000001107

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	Price Range 1998-06 High	1998-06 Low	2007 High	2007 Low	2008 High	2008 Low	July, 2008 Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex. Yr. Since
◆1	PNY	Piedmont Natural Gas	NY,Ph,Ch,P,B	A	424	37137	Gas Utilities	28.44	4.25	27.98	22.00	27.95	24.01	66275	27.06	25.00	26.78	3.9	17	6	9.5	6.2	1956
2[e1]	PIR	Pier 1 Imports	NY,Ph,Ch,P,B	C	298	89305	Homefurnishing Retail	26.44	1.25	9.06	3.26	8.25	3.03	427336	4.06	3.03	3.70	...	d	Neg	-49.3	-34.6	....
3	PEC	Pike Electric	NY,P	NR	206	19219	Construction & Engineering	21.80	13.60	24.39	13.99	18.27	12.75	31167	18.27	15.90	17.80	....	31	4	-15.5	0.0	....
4[e2]	PPC	Pilgrim's Pride	NY,Ph,Ch,P,B	B	332	44588	Packaged Foods & Meats	40.23	2.41	41.00	22.52	28.83	11.25	632397	16.52	11.25	12.19	0.7	d	Neg	-65.2	-27.8	1987
5	PNCL	Pinnacle Airlines	NDS	NR	232	20344	Airlines	18.00	4.41	20.34	13.58	16.09	2.95	67239	6.45	2.95	5.94	...	4	1	-66.5	-16.9	....
6	PCLB	Pinnacle Bancshares	AS,Ch,P,BB	B+	15	160	Regional Banks	18.75	2.00	15.88	10.00	12.45	7.50	358	9.25	7.50	9.00	4.9	NA	1	-35.4	-12.0	1987
7	PNS	Pinnacle Data Systems	AS,P	B–	14	1212	IT Consulting & Other Svcs	7.37	0.28	3.05	1.30	2.85	1.17	676	1.45	1.17	1.45	...	6	5	-36.5	-24.8	....
◆8[e1]	PNK	Pinnacle Entertainment	NY,Ch	NR	427	74301	Casinos & Gaming	37.40	3.92	38.17	22.78	23.74	7.78	390136	12.53	7.76	11.30	...	NM	93	-63.1	-20.3	....
9	PNFP	Pinnacle Finl Partners	NDS	NR	194	6758	Regional Banks	37.41	2.00	33.85	21.62	29.29	19.30	32909	28.00	19.30	25.21	...	20	32	0.2	1.5	....
¶10[e3]	PNW	Pinnacle West Capital	NY,Ph,Ch,P,B	B+	726	86353	Electric Utilities	52.68	5.00	51.67	36.79	42.92	30.26	227229	33.83	30.94	33.57	6.3	13	4	-15.7	-7.2	1983
◆11	PDC	Pioneer Drilling	AS,Ch	NR	375	47460	Oil & Gas Drilling	23.06	0.37	16.24	11.36	20.75	8.95	140862	19.25	15.32	15.86	...	NM	...	23.7	3.5	....
#12[e4]	PXD	Pioneer Natural Resources	NY,Ph,Ch,B	B.	566	107673	Oil & Gas Exploration & Prod	56.35	5.00	54.87	35.51	82.21	36.37	495649	82.21	57.16	59.45	0.5	9	6	30.3	13.0	2004
13	PSE	Pioneer So West Ener Ptnrs LP	NY,Ch,P	NR	1	318	Oil & Gas Exploration & Prod	....	....	....	....	22.68	18.92	16525	22.68	19.06	20.06	10.0	9	1	0.0	0.0	2008
◆14[e5]	PJC	Piper Jaffray Companies	NY,Ch	NR	396	15636	Investment Bank & Brokerage	74.65	25.10	74.30	41.44	49.40	24.68	124959	36.26	24.68	35.50	...	49	6	-28.7	2.2	....
15	PP	Pipex Pharmaceuticals	AS,Ch	NR	18	2544	Pharmaceuticals	19.50	1.68	30.00	3.06	5.25	0.63	7266	1.02	0.63	0.75e	...	4	3	-90.1	0.0	....
¶16[e6]	PBI	Pitney Bowes	NY,Ph,Ch,P,B	B+	948	178491	Office Services & Supplies	73.31	5.68	49.70	36.40	39.39	31.20	313568	34.03	31.20	31.69	4.4	11	–10	-28.7	-7.1	1934
17	PBLP	Pitney Bowes $2.12 Cv Pref	NY,Ch	NR	2	1.5		850.00	605.00	796.27	580.00	600.00	557.00	....	800.00	400.00	600.00e	0.4	..	...	....	....	1979
18	PW	Pitts & W Va RR SBI	AS,Ch	B+	9	54	Specialized REITs	9.95	5.12	9.65	8.74	10.37	9.00	350	10.35	9.10	9.12	5.3	18	–10	13.3	6.4	1964
19	PZZI	Pizza Inn	NDS	C	11	5003	Food Distributors	6.62	0.68	3.37	1.84	3.09	2.19	1377	2.56	2.27	2.56	...	9	–32	-18.7	-2.8	....
20[e7]	PAA	Plains All Amer Pipeline LP	NY	NR	220	46332	Oil & Gas Storage & Transp	53.23	9.62	65.24	46.25	52.44	41.00	84568	47.95	41.00	46.07	7.7	16	...	....	....	1999
#21[e8]	PXP	Plains Explor & Prod'n	NY,Ch,P	NR	551	103010	Oil & Gas Exploration & Prod	49.73	8.08	57.08	35.31	79.86	40.72	568055	76.52	53.63	55.97	...	8	NM	24.5	13.7	....
22[e9]	PLNR	Planar Systems	NDS	C	143	11194	Elect Equip Manufacturers	32.87	5.00	10.81	5.47	6.67	2.06	22269	3.20	2.06	2.16	...	d	Neg	-69.0	-33.1	....
#23[e10]	PLT	Plantronics Inc	NY,Ph,Ch,B	B	491	48161	Communications Equipment	56.00	2.41	33.21	19.22	25.98	16.02	122292	25.06	20.45	24.35	0.8	18	4	-15.4	-11.4	2004
24	PLG	Platinum Group Metals	AS,BB,To	NR	24	19881	Precious Metals & Minerals	2.09	0.60	5.00	1.72	4.43	2.15	5895	3.45	2.70	2.85	...	d	1	-21.4	57.1	....
25[e11]	PTP	Platinum Underwrtrs Hldg	NY,Ph,Ch,P,B	NR	532	51168	Reinsurance	35.21	21.29	38.07	29.81	37.00	31.02	149740	36.44	31.02	36.10	0.9	6	27	2.8	3.7	2003
26	PTP.PA	Platinum Underwrts Hldgs 6% Cv	NY	BB+	27	2342		32.11	27.02	34.54	29.50	33.16	28.75	7636	31.50	28.75	31.23a	5.8	..	...	....	....	2006
27[e12]	PLA	Playboy Enterprises CFB[52]	NY	B–	176	23626	Movies & Entertainment	36.12	3.37	12.00	8.87	9.16	4.46	38228	5.44	4.46	4.67	...	NM	83	-52.5	-26.9	....
28	PLA.A	Playboy Enterprises'A'	NY	...	16	1195		32.00	3.12	12.30	8.33	10.35	4.65	196	5.98	4.60	5.19	...	35	83	-53.4	-24.3	....
29	PLC	PLC Systems	AS	C	14	1272	Health Care Equipment	34.87	0.31	1.12	0.25	0.49	0.22	2906	0.43	0.22	0.25	...	d	–33	-51.0	-18.1	....
◆30[e13]	PLXS	Plexus Corp	NDS	B–	512	44515	Electronic Manufactur Svcs	31.00	0.50	32.47	15.78	32.17	17.78	146178	32.17	27.09	28.50	...	15	NM	25.8	28.9	....
31[e14]	PLUG	Plug Power	NDS	NR	130	39639	Electrical Component & Equip	156.50	3.39	4.75	2.42	4.19	1.82	120801	2.52	1.82	2.40	...	d	1	-23.7	-28.0	....
¶32[e15]	PCL	Plum Creek Timber	NY,Ph,Ch,P,B	B	931	112435	Specialized REITs	40.00	6.33	48.45	37.13	49.60	37.65	563818	49.60	41.00	48.72	3.4	41	4	18.1	12.7	1999
33	PCC	PMC Commercial Tr	AS,Ch	B	42	1315	Mortgage REITs	20.75	8.69	15.90	10.24	11.39	8.79	3162	8.60	7.40	7.90	11.4	6	1	-35.7	-7.4	1994
34[e16]	PMCS	PMC-Sierra Inc	NDS	C	485	228904	Semiconductors	255.50	0.81	9.83	6.06	9.15	4.21	1784270	8.20	6.69	7.24	...	20	4	-10.0	-8.8	....
#35	PMI	PMI Group	NY,Ph,Ch,P,B	A–	405	79601	Thrifts & Mortgage Finance	48.00	11.00	51.46	9.82	13.46	1.20	796991	3.74	1.20	2.51	2.0	..	Neg	-93.1	-59.0	1995
36	PNH	PNC Cap Tr E 7.75% TruPS	NY	...	13	34		....	....	....	....	25.39	16.83	12126	24.50	16.83	24.28	8.0	..	...	0.0	0.0	2008
¶37[e17]	PNC	PNC Financial Services Group	NY,Ph,Ch,P,B	B+	1300	230914	Regional Banks	75.81	7.87	76.41	63.54	73.00	49.01	1385264	72.95	49.01	71.29	3.7	15	1	3.3	10.9	1865
38	PNC.PC	PNC Finl Svcs $1.60 Cv C Pfd	NY	A–	3	2		123.00	61.25	125.00	107.01	120.00	88.00	19	125.00	87.00	118.00	1.4	..	...	....	....	1984
39	PNC.PD	PNC Finl Svcs $1.80 Cv D Pfd	NY	NR	3	3		123.00	59.14	125.50	105.13	118.10	85.00	33	126.00	85.00	114.00e	1.6	..	...	....	....	1985
#40	PNM	PNM Resources	NY,Ph,Ch,P,B	B	453	66942	Multi-Utilities	32.07	5.08	34.28	21.05	21.89	8.95	257401	12.95	10.72	11.71	7.9	d	–16	-56.3	-24.8	1998

◆ S&P 500
¶ MidCap 400
◆ SmallCap 600
• Options

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE:Cycle 3. [2]CBOE,Ph:Cycle 3. [3]P:Cycle 1. [4]ASE:Cycle 3. [5]ASE,CBOE,P,Ph:Cycle 3. [6]ASE,P:Cycle 1. [7]ASE,CBOE,Ph:Cycle 2. [8]ASE,CBOE:Cycle 2. [9]ASE,Ph:Cycle 3. [10]ASE:Cycle 2. [11]CBOE,P:Cycle 1. [12]Ph:Cycle 3. [13]ASE,CBOE:Cycle 3. [14]ASE,CBOE,P:Cycle 3. [15]ASE,Ph:Cycle 2. [16]ASE,CBOE,P,Ph:Cycle 2. [17]CBOE,P,Ph:Cycle 2. [51]Fiscal Mar'07 & prior [52]As defined [53]non-vtg [54]4 com per 2.4 pfd

Common and Convertible P

Splits Dividends

◆ Latest Payment

Index	Period $	Date	Ex. Div.	Total $ So Far 2008
1◆	Q0.26	7-15-08	6-23	0.77
2	Div Omitted 10-3-08			....
3	None Paid			....
4	Q0.023	6-27-08	6-11	0.045
5	None Paid			....
6	Q0.11	8-20-08	6-5	0.22
7	None Paid			....
8	None Paid			....
9◆	None Paid			....
10	Q0.52½	9-2-08	7-30	1.575
11	None Paid			....
12	S0.14	4-14-08	3-27	0.14
13	Plan qtly div			....
14	None Paid			....
15◆	None Paid			....
16	Q0.35	9-12-08	8-13	1.05
17	Q0.53	10-1-08	9-11	2.12
18	Q0.12	6-30-08	6-5	0.25
19	Div Postponed 12-29-00			....
20	Q0.68¾	8-14-08	7-31	2.60¾
21	None Paid			....
22	None Paid			....
23	Q0.05	9-10-08	8-6	0.15
24	None Paid			....
25	Q0.08	9-30-08	8-28	0.24
26	Q0.45¼	8-15-08	7-30	1.358
27	None Paid			....
28	None Paid			....
29	None Paid			....
30	None Paid			....
31	None Paid			....
32	Q0.42	5-30-08	5-14	0.84
33	Q0.22½	7-9-08	6-26	0.725
34	None Paid			....
35	Q0.01¼	7-15-08	6-26	0.07¾
36	Plan qtrly div			0.657
37	Q0.66	7-24-08	7-9	1.95
38	Q0.40	10-1-08	9-3	1.60
39	Q0.45	10-1-08	9-3	1.80
40◆	Q0.23	5-2-08	4-7	0.46

◆Stock Splits & Divs By Line Reference In

HEARING EXHIBIT 00000108

Common and Convertible Preferred Stocks

Index	Splits/Dividends ◆ Latest Payment: Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt. MR-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	Q0.26	7-15-08	6-23	0.77	1.04	0.99	9.57	438	369	4-30-06	824	73377	1.51	1.56	1.47	5	Oc	v1.40	....	1.55	6 Mo Apr	v1.63	v1.78
2	Div Omitted 10-3-08			....	0.40	....	80.2	531	247	5-31-08	184	89013	d1.12	d0.73	d1.30	12	Fb	vd1.09	Ed0.28†	d0.82	3 Mo May	vd0.64	vd0.37
3	None Paid			....	NIL	....	4.47	125	66.9	3-31-06	140	33158	0.59	0.61	0.57	5	Je	v0.55	E0.57†	0.61	9 Mo Mar	v0.36	v0.44
4	Q0.023	6-27-08	6-11	0.045	0.09	0.09	107	1486	904	3-29-08	1629	66556	d3.55	d1.98	d5.02	7	Sp	v0.71	....	d0.72	6 Mo Mar	vd0.73	vd2.16
5	None Paid			....	NIL	....	81.9	190	278	3-31-08	347	18066	1.50	1.84	1.11	4	Dc	v1.50	E1.40†	1.27	3 Mo Mar	0.36	v0.15
6	Q0.11	6-20-08	6-5	0.22	0.44	0.44	Total Deposits $218M			9-30-07	6.29	1462					Dc	....	....	NA	3 Mo Mar	v0.17	v0.20
7	None Paid			....	NIL	....	0.28	24.3	17.0	3-31-08	....	7817					Dc	v0.06	....	0.19	3 Mo Mar	d0.08	v0.03
8	None Paid			....	NIL	....	203	279	167	3-31-08	941	59954	d0.00	0.14	d0.19	13	Dc	vd0.02	....	0.01	3 Mo Mar	0.05	v0.08
9◆	None Paid			....	NIL	....	Total Deposits $1798M			3-31-08	251	22457	1.54	1.57	1.52	5	Dc	v1.34	....	1.28	6 Mo Jun	v0.66	v0.60
10	Q0.52½	9-2-08	7-30	1.575	2.10	2.10	17.5	906	1342	3-31-08	3115	100634	2.41	2.51	2.30	10	Dc	v3.05	E2.60†	2.85	3 Mo Mar	0.16	vd0.04
11	None Paid			....	NIL	....	76.7	158	34.2	3-31-07	NIL	....	1.27	1.37	1.10	4	Dc	v[4]1.68	....	NIL			
12	S0.14	4-14-08	3-27	0.14	0.28	0.27	17.3	689	1023	3-31-08	2804	119542	5.51	6.98	3.95	19	Dc	v3.06	E6.55†	3.91	3 Mo Mar	v0.24	v1.09
13	Plan qtly div			....	1.24	....		14.7	5.12	3-31-08	....	30009	3.06	3.42	2.91	....	Dc	pv1.92	....	2.24	3 Mo Mar	0.42	v0.74
14	None Paid			....	NIL	....	Total Assets $1723M			3-31-08	....	15829	d0.65	d0.47	d0.95	6	Dc	v2.43	....	0.72	6 Mo Jun	v1.27	vd0.44
15◆	None Paid			....	NIL	....	8.76	8.85	1.32	3-31-08	0.60	p20541	....	....	....	....	Dc	vd1.27	....	0.19	3 Mo Mar	d0.90	vd0.15
16	Q0.35	9-12-08	8-13	1.05	1.40	1.32	465	3379	3451	3-31-08	4047	207576	2.86	3.00	2.80	7	Dc	v1.66	E2.85†	1.57	3 Mo Mar	0.65	v0.58
17	Q0.53	10-1-08	9-11	2.12	2.12	2.12	Conv Into 16.53 com				....	....	....	....	....	....	Dc	....	....	....			
18	Q0.12	6-30-08	6-5	0.25	0.48	0.52	Total Assets $9.17M			3-31-08	....	1510	....	....	....	....	Dc	v0.52	....	0.52	3 Mo Mar	v0.11	v0.11
19	Div Postponed 12-29-00			....	NIL	....	1.01	7.16	3.49	3-23-08	....	9499	....	....	....	....	Je	v0.02	....	0.28	9 Mo Mar	vd0.05	v0.21
20	Q0.86¾	8-14-08	7-31	2.60¼	3.55	3.26¼	NA	3663	3865	3-31-08	2636	116000	2.77	2.91	2.54	11	Dc	v2.51	E2.80†	2.48	3 Mo Mar	0.61	v0.57
21	None Paid			....	NIL	....	67.9	560	656	3-31-08	2160	107500	5.87	6.78	4.62	10	Dc	v1.99	E6.92†	3.14	3 Mo Mar	v0.28	v1.43
22	None Paid			....	NIL	....	9.76	130	89.8	3-28-08	0.08	17768	d0.94	d0.91	d0.97	2	Sp	vd1.33	....	d1.51	6 Mo Mar	vd0.31	vd0.49
23	Q0.05	9-10-08	8-6	0.15	0.20	0.20	163	450	115	3-31-08	....	48936	1.53	1.60	1.50	9	Mr	Pv1.39	E1.57†	1.50	3 Mo Jun	0.31	v0.42
24	None Paid			....	NIL	....	7.33	9.78	2.86	5-31-08	0.02	62592	....	....	....	....	Au	vd0.11	....	d0.09	9 Mo May	vd0.08	vd0.06
25	Q0.08	9-30-08	8-28	0.24	0.32	0.32	Total Assets $5202M			3-31-08	250	48924	5.88	6.30	5.25	10	Dc	v5.38	E5.95†	6.54	6 Mo Jun	v2.42	v3.56
26	Q0.45½	8-15-08	7-30	1.358	1.81	1.81	Cv Into 0.7874 com										Dc	....	....	....	Mend conv 2-15-09[*2]		
27	None Paid			....	NIL	....	22.1	113	99.3	3-31-08	115	‡33300	0.14	0.14	0.14	1	Dc	v0.15	....	0.02	3 Mo Mar	±0.04	vd0.09
28	None Paid			....	NIL	....					....	4854	....	....	....	....	Dc	v0.15	....	0.15			
29	None Paid			....	NIL	....	6.84	9.83	3.86	3-31-08	....	30330					Dc	vd0.08	....	d0.08	3 Mo Mar	vd0.02	vd0.02
30	None Paid			....	NIL	....	146	707	331	3-29-08	24.7	40736	1.91	1.94	1.87	12	Sp	v1.41	E1.94†	2.02	9 Mo Jun	v0.87	v1.48
31	None Paid			....	NIL	....	146	159	13.8	3-31-08	....	88232	d0.80	d0.76	d0.86	5	Dc	vd0.69	....	d0.79	3 Mo Mar	vd0.13	vd0.23
32	Q0.42	5-30-08	5-14	0.84	1.68	1.68	118	377	276	3-31-08	2389	171100	1.16	1.26	1.05	13	Dc	v1.61	E1.20†	1.58	3 Mo Mar	0.25	v0.22
33	Q0.22½	7-9-08	6-26	0.725	0.90	1.30	Total Assets $240M			3-31-08	35.2	10765	....	....	....	....	Dc	v1.22	....	1.27	3 Mo Mar	0.26	v0.31
34	None Paid			....	NIL	....	285	382	182	3-30-06	127	219931	0.47	0.49	0.45	11	Dc	vd0.23	E0.37†	0.46	6 Mo Jun	vd0.18	v0.51
35	Q0.01¼	7-15-08	6-26	0.07¼	0.05	0.21	Total Assets $5228M			3-31-08	414	81213	d7.71	d4.73	d10.70	8	Dc	vd10.81	Ed7.51†	d15.34	3 Mo Mar	1.16	vd3.37
36	Plan qtrly div			0.657	1.938	....											Dc	....	....	....			
37	Q0.66	7-24-08	7-9	1.95	2.64	2.44	Total Deposits $78409M			3-31-08	22988	p341000	5.14	5.38	4.96	11	Dc	v4.95	E4.84†	4.24	6 Mo Jun	v2.67	v2.58
38	Q0.40	10-1-08	9-3	1.60	1.60	1.60	Cv Into 1.667 com[*4]				....	....	....	....	....	....	Dc	....	....	....			
39	Q0.45	10-1-08	9-3	1.80	1.80	1.80	Cv Into 1.667 com[*4]				....	....	....	....	....	....	Dc	....	....	....			
40◆	Q0.23	5-2-08	4-7	0.46	0.92	0.91	27.7	781	1979	3-31-08	1064	76929	0.58	0.86	0.40	10	Dc	v0.96	....	d0.05	3 Mo Mar	0.38	vd0.63

◆Stock Splits & Divs By Line Reference Index: [1]2-for-1,'04 [2]2-for-1,'04 [3]1-for-3 REVERSE,'07 [4]3-for-2,'04

ast Sale Or Bid High	Low	Last	% Annualized %Div Yield	P-E Ratio	EPS 5 Yr Growth	Total Return 12 Mo	Total Return 36 Mo	Cash Divs. Ex.Yr. Since
27.06	25.00	26.78	3.9	17	6	9.5	6.2	1956
4.06	3.03	3.70	....	d	Neg	-49.3	-34.6	....
18.27	15.90	17.80	....	31	4	-15.5	0.0	....
16.52	11.25	12.19	0.7	d	Neg	-65.2	-27.8	1987
6.45	2.95	5.94	....	4	1	-68.5	-16.9	....
9.25	7.50	9.00	4.9	NA	1	-35.4	-12.0	1987
1.45	1.17	1.45	....	8	5	-36.5	-24.8	....
12.53	7.76	11.30	....	NM	93	-63.1	-20.3	....
26.00	19.30	25.21	....	20	32	0.2	1.5	....
33.83	30.34	33.57	6.3	13	4	-15.7	-7.2	1993
19.25	15.32	15.89	....	NIL	....	23.7	3.5	....
62.21	57.18	59.45	0.5	9	6	30.3	13.0	2004
22.68	19.08	20.06	10.0	9	1	0.0	0.0	2006
38.26	24.68	35.50	....	49	6	-28.7	2.2	....
1.02	0.63	0.75e	....	4	3	-90.1	0.0	....
34.03	31.20	31.69	4.4	11	-10	-28.7	-7.1	1934
00.00	400.00	600.00e	0.4	....	....	....	....	1979
10.35	9.10	9.12	5.3	18	-10	-13.3	8.4	1964
2.56	2.27	2.56	....	9	-32	-18.7	-2.8	....
47.95	41.00	46.07	7.7	16	....	....	....	1999
76.52	53.63	55.97	....	8	NM	-24.5	13.7	....
3.20	2.08	2.16	....	d	Neg	-69.0	-33.1	....
25.06	20.45	24.35	0.8	18	4	-15.4	-11.4	2004
3.45	2.70	2.85	....	d	1	-21.4	57.1	....
36.44	31.02	36.10	0.9	6	27	2.8	3.7	2003
31.50	28.75	31.23e	5.8	....	....	....	....	2006
5.44	4.45	4.57	....	NM	83	-52.5	-26.9	....
5.98	4.60	5.19	....	35	83	-53.4	-24.3	....
0.48	0.22	0.25	....	d	-33	-51.0	-18.1	....
32.72	27.09	28.50	....	15	NM	25.8	28.9	....
2.40	1.82	2.40	....	d	1	-23.7	-28.0	....
49.50	41.00	48.72	3.4	41	4	18.1	12.7	1989
8.49	7.40	7.90	11.4	6	1	-35.7	-7.4	1994
8.29	6.69	7.24	....	20	4	-10.0	-6.8	....
3.64	1.20	2.51	2.0	....	Neg	-93.1	-59.0	1995
24.68	16.83	24.26	8.0	....	....	0.0	0.0	2008
72.95	49.01	71.29	3.7	15	1	3.3	10.9	1965
121.00	87.00	118.00	1.4	....	....	....	....	1984
129.00	85.00	114.00e	1.6	....	....	....	....	1985
12.85	10.72	11.71	7.9	d	-16	-58.3	-24.8	1996

Cycle 1. [7]ASE,CBOE,Ph:Cycle 2.
[16]ASE,CBOE,P,Ph:Cycle 2. [17]CBOE,P,Ph:Cycle 2.

T 0000010

Common and Convertible I

Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Shs. (000)	Principal Business	Price Range 1988-06 High	1988-06 Low	2007 High	2007 Low	2008 High	2008 Low	July, 2008 Jul. Sales in 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	% Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex. Yr. Since
1	SQM	Sociedad Quimica Y Minera ADS[51]	NY,Ph	NR	119	22050	Fertilizers & Ag Chemicals	14.03	1.58	20.64	12.36	58.45	13.20	402888	45.65	35.10	40.93	0.8	NA	1	150	49.6	1994
2	SBN	SoftBrands Inc	AS,P	NR	37	6803	Systems Software	2.42	0.75	2.34	1.58	1.90	0.85	2201	1.12	0.89	1.00	...	d	...	-52.5	-18.9	....
3[o3]	SWH	Software HOLDRs Tr Dep Receipt	AS,B	NR	17	1457		99.93	20.06	46.07	37.31	44.40	35.00	6477	41.51	38.70	41.13	0.4	...	...	-5.3	4.9	2006
4[o3]	SOHU	Sohu.com Inc	NDS	NR	380	24806	Internet Software & Services	43.40	0.52	64.83	20.94	91.50	35.75	574369	87.99	61.81	75.48	...	79	5	170	58.2	....
5[o4]	SOLF	Solarfun Power Hldgs ADS[52]	NDS	NR	80	7174	Electrical Component & Equip	12.50	9.90	37.85	8.22	40.19	8.95	730922	16.66	12.06	13.80	...	12	1	5.6	0.0	....
6	SLH	Solera Holdings	NY,P	NR	319	55707	Application Software	....	....	25.57	15.41	30.48	20.96	145439	30.48	27.30	28.99	...	d	2	61.1	0.0	....
7	XPL	Solitario Exploration & Royalt	AS,P,To,B	C	28	8974	Precious Metals & Minerals	4.23	2.67	6.10	3.50	6.10	3.80	1309	5.20	3.80	4.00	...	d	-40	-17.3	0.0	....
8[o5]	SOA	Solutia Inc	NY,Ch,P	NR	83	45998	Diversified Chemicals	....	....	21.75	17.00	20.50	9.46	88248	15.64	12.22	15.27	...	1	3	0.0	0.0	....
9	SNSTA	Sonesta Intl Hotels	NDS	C	25	945	Hotels, Resorts/Cruise Lines	42.77	1.75	59.00	20.00	35.99	18.93	361	27.97	22.45	24.75	0.8	41	NM	-48.3	-2.9	2005
◆10	SAH	Sonic Automotive'A'	NY,Ch	B+	329	34024	Automotive Retail	39.75	4.68	33.10	19.33	21.71	7.82	219877	13.06	7.82	10.07	4.8	6	1	-63.1	-23.6	2003
◆11[o6]	SONC	Sonic Corp	NDS	B+	445	59901	Restaurants	24.75	1.07	26.19	20.02	23.33	12.50	287321	16.38	12.50	15.09	...	16	11	-28.9	-9.9	....
12	SOFO	Sonic Foundry	NDS	C	39	1669	Systems Software	64.96	0.10	4.77	1.18	1.49	0.53	10670	0.90	0.53	0.84	...	d	-49	-68.4	-13.2	....
13	SNCI	Sonic Innovations	NDS	NR	142	22345	Health Care Equipment	25.00	1.94	10.29	5.13	7.72	2.24	17454	3.50	2.24	2.59	...	d	-9	-70.4	-18.8	....
◆14	SNIC	Sonic Solutions	NDS	NR	254	27182	Application Software	23.67	1.00	19.35	7.38	10.94	4.82	52144	6.84	4.82	5.15	...	d	1	-54.9	-34.4	....
15[o7]	SNWL	SonicWALL Inc	NDS	B-	329	58237	Internet Software & Services	66.68	1.79	11.53	7.50	10.91	5.76	92626	6.80	5.76	5.84	...	83	NM	-33.5	0.1	....
#16[o8]	SON	Sonoco Products	NY,Ph,Ch,P,B	B+	598	62107	Paper Packaging	40.00	6.33	44.91	28.45	34.85	25.97	119089	33.70	29.58	32.62	3.3	13	6	-12.7	8.2	1925
17[o9]	SONO	SonoSite Inc	NDS	B-	285	20672	Health Care Equipment	42.14	4.50	37.00	26.50	39.20	24.57	48726	33.25	27.17	32.76	...	39	NM	6.5	-1.3	....
18[o10]	SONS	Sonus Networks	NDS	NR	327	162314	Communications Equipment	93.68	0.18	9.03	5.13	5.95	2.92	939388	3.89	3.02	3.63	...	61	-29	-56.3	-9.2	....
19[o10]	SNE	Sony Corp[24] ADR	NY,Ph,Ch,P,B	NR	382	156777	Consumer Electronics	157.37	8.23	59.84	42.73	57.19	37.19	219626	43.65	37.19	37.67	0.6	11	19	-21.8	6.3	1947
#20[o2]	BID	Sotheby's	NY,Ph,Ch,B	B-	603	74155	Specialized Consumer Svcs	47.00	6.30	61.40	30.22	39.57	22.40	486450	26.81	22.40	27.74	2.2	10	NM	-46.2	23.5	2007
21	FIRE	Sourcefire Inc	NDS	NR	103	10449	Systems Software	....	....	18.83	7.23	8.49	4.96	11498	8.00	6.51	7.90	...	d	3	-43.8	0.0	....
22	LNUX	SourceForge Inc	NDS	NR	120	42269	Application Software	320.00	0.54	5.55	2.05	2.55	1.25	45769	1.66	1.25	1.39	...	70	NM	-66.1	-6.3	....
◆23[o11]	TSFG	South Financial Group	NDS	B+	408	52606	Regional Banks	32.98	5.31	27.47	15.29	18.02	2.52	434497	7.45	2.52	6.03	0.7	d	Neg	-73.2	-39.8	1994
◆24	SJI	South Jersey Indus	NY,Ph,Ch,P,B	A-	335	17470	Gas Utilities	34.26	6.95	41.27	31.20	39.36	31.90	34966	38.90	36.00	37.30	2.9	19	10	13.8	11.6	1952
25	STXX	South Texas Oil	NDS,BB	NR	6	7	Oil & Gas Exploration & Prod	9.40	0.10	11.03	7.20	9.59	2.00	5910	3.75	2.00	2.52	...	d	1	-74.0	82.7	....
26	SOCB	Southcoast Financial	NDS	NR	41	1590	Regional Banks	24.04	3.17	21.14	12.55	16.00	11.07	2241	13.90	11.07	12.04	...	19	-17	-39.5	-19.2	....
◆27[o12]	SO	Southern Co	NY,Ph,Ch,P,B	A-	1144	337930	Electric Utilities	37.40	8.93	39.35	33.18	40.60	33.71	1104792	36.93	34.46	35.39	4.7	15	2	6.1	4.4	1948
28	SSE	Southern Conn Bancorp	AS	NR	21	502	Regional Banks	11.38	6.06	8.12	6.65	7.50	5.48	1606	7.08	5.48	6.85	...	d	18	-11.8	-6.9	....
29[o13]	PCU	Southern Copper	NY,Ph,Ch,P,B	B	659	156616	Diversified Metals & Mining	19.46	1.40	47.75	16.38	41.93	24.41	1080063	36.21	27.00	27.78	8.2	36	26	-21.1	64.2	1996
◆30[o8]	SUG	Southern Union	NY,Ph,Ch,P,B	B	471	90310	Gas Utilities	29.76	1.29	35.50	26.81	29.77	21.56	201194	27.24	24.75	26.12	2.3	14	...	-21.4	3.5	2006
◆31[o14]	LUV	Southwest Airlines	NY,Ph,Ch,P,B	B+	999	611881	Airlines	23.32	0.51	16.96	12.12	16.08	11.02	2423545	16.08	12.68	15.59	0.1	37	1	-6.6	2.3	1976
32	OKSB	Southwest Bancorp(OK)	NDS	A	235	11109	Regional Banks	28.67	3.66	28.63	16.10	18.52	9.83	27555	14.63	9.83	13.94	2.7	10	2	-33.9	-14.6	1981
◆33	SWX	Southwest Gas	NY,Ph,Ch,P,B	B+	459	34723	Gas Utilities	39.37	9.00	39.95	26.45	31.74	25.14	44124	30.07	27.63	28.90	3.1	15	12	-8.7	5.7	1956
34	SGB	Southwest Georgia Finl	AS,Ch,P,B	B+	15	30	Regional Banks	25.70	9.09	20.13	15.97	18.53	15.33	221	17.60	15.33	16.35	3.4	26	-11	-11.8	-6.2	1981
35	SWWC	Southwest Water Co	NDS	B+	161	12222	Water Utilities	19.07	1.49	16.41	11.53	12.75	9.41	23491	11.13	9.41	10.79	2.2	d	Neg	-18.7	-3.6	1960
◆36[o15]	SWN	Southwestern Energy	NY,Ch	B	981	316239	Oil & Gas Exploration & Prod	22.14	0.64	28.50	15.57	52.69	23.77	1699332	52.69	31.19	36.31	...	45	30	73.2	35.9	2006
◆37[o16]	SOV	Sovereign Bancorp	NY	B	698	274145	Thrifts & Mortgage Finance	26.60	0.83	26.70	9.92	13.26	5.58	2695711	10.00	5.58	9.52	...	14	Neg	-58.6	-26.9	1987
◆38	SSS	Sovran Self Storage	NY,Ph,P,B	B+	327	18992	Specialized REITs	60.00	17.50	63.93	39.75	46.50	33.56	49268	44.06	35.77	41.81	6.0	21	4	-0.9	1.3	1995
39	DSP	SP Acquisition Hldgs	AS,P	NR	31	29402		....	....	9.29	9.00	9.77	8.84	11779	9.42	9.15	9.35	...	..	...	0.0	0.0	....
40	DSP.U	SP Acquisition Hldgs Unit	AS	NR	14	9119		....	....	10.20	9.70	10.25	9.70	12374	10.00	9.70	9.80	...	..	...	..	...	....

S&P 500 ◆ MidCap 400 ◆ SmallCap 600 ◆ Options

Uniform Footnote Explanations-See Page 1. Other: [1]Ch,P [2]ASE:Cycle 1. [3]ASE,CBOE,Ph:Cycle 3. [4]ASE,Ph:Cycle 3. [5]Ph:Cycle 3. [6]ASE:Cycle 3. [7]ASE,CBOE,P:Cycle 3. [8]Ph:Cycle 1. [9]CBOE,Ph:Cycle 3. [10]ASE,CBOE,P,Ph:Cycle 1. [11]P:Cycle 2. [12]CBOE:Cycle 2. [13]ASE,CBOE:Cycle 3. [14]ASE,CBOE,P,Ph:Cycle 3. [15]CBOE:Cycle 3. [51]Ea ADS rep 1 Sr'B'shr,no-par [52]Ea ADS rep 5 Ord Shr [53]Incl liabs subj to compromise [24]ADR equal 1 ord shr, 50y [55]Subsid pld in $M [56]Incl 12M shrs subj to conv

Index	Period $	Latest Payment Date	Ex. Div.	Total $ So Far 2008
◆1	Q0.431	5-28-08	5-1	0.431
2		None Paid		....
3		None Paid		....
4		None Paid		....
5		None Paid		....
6		None Paid		....
7		None Paid		....
8		None Paid		....
9	S0.10	7-1-08	6-16	1.20
10	Q0.12	10-15-08	9-11	0.48
11◆		None Paid		....
12		None Paid		....
13		None Paid		....
14		None Paid		....
15		None Paid		....
16	Q0.27	9-10-08	8-13	0.80
17		None Paid		....
18		None Paid		....
19	S0.119	6-9-08		0.119
20	Q0.15	6-13-08	5-28	0.30
21		None Paid		....
22		None Paid		....
23	Q0.01	8-1-08	7-11	0.39
24◆	Q0.27	7-2-08	6-5	0.54
25		None Paid		....
26◆	10%Stk	6-22-07	5-30	....
27	Q0.42	9-8-08	7-31	1.243
28◆	5%Stk	5-9-05	4-22	....
29◆		None Paid		1.033
30◆	Q0.15	7-11-08	6-25	0.45
31	Q0.005	9-18-08	8-26	0.018
32	Q0.09½	7-1-08	6-13	0.283
33	Q0.22½	9-2-08	8-13	0.66½
34◆	Q0.14	7-31-08	7-2	0.42
35◆	Q0.06	7-18-08	6-26	0.18
36◆	Div Postponed 6-26-00			....
37◆	Div Suspended 1-23-09			....
38	Q0.63	7-22-08	7-3	1.89
39		None Paid		....
40		None Paid		....

◆Stock Splits & Divs By Line Reference [34]6-for-5,'04 [39]1.33-for-1,'04 :5%,'04 :5%,'

HEARING EXHIBIT 00000110

July, 2008

Stock	Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS $ Yr Growth	Total Return 12 Mo	36 Mo	Cash Divs. Ea.Yr. Since
888	45.65	35.10	40.93	0.8	NA	1	150	49.6	1994
201	1.12	0.89	1.00	....	d	....	-52.5	-18.9	....
477	41.51	38.70	41.13	0.4	....	....	-5.3	4.9	2008
369	87.99	61.81	75.48	....	79	5	170	58.2	....
922	16.66	12.06	13.80	....	12	1	5.6	0.0	....
439	30.48	27.30	28.99	....	d	2	61.1	0.0	....
309	5.20	3.80	4.00	....	d	-40	-17.3	0.0	....
248	15.64	12.22	15.27	....	1	3	0.0	0.0	....
361	27.97	22.45	24.75	0.8	41	NM	-46.3	-2.9	2005
977	13.06	7.82	10.07	4.8	6	1	-53.1	-23.6	2003
321	16.38	12.50	15.09	....	16	11	-28.9	-9.9	....
570	0.90	0.53	0.84	....	d	-49	-68.4	-13.2	....
454	3.50	2.24	2.59	....	d	-9	-70.4	-18.8	....
144	6.84	4.82	5.15	....	d	1	-54.9	-34.4	....
828	6.80	5.76	5.84	....	83	NM	-33.5	0.1	....
069	33.70	29.58	32.62	3.3	13	6	-12.7	8.2	1925
726	33.25	27.17	32.76	....	39	NM	6.5	-1.3	....
388	3.89	3.02	3.83	....	61	-29	-56.3	-9.2	....
526	43.65	37.19	37.67	0.5	11	19	-21.8	6.3	1947
450	28.81	22.40	27.74	2.2	10	NM	-46.2	23.5	2007
498	8.00	6.51	7.90	....	d	3	-43.8	0.0	....
769	1.66	1.25	1.39	....	70	NM	-66.1	-6.3	....
497	7.45	2.52	6.03	0.7	d	Neg	-73.2	-39.8	1994
366	36.90	36.00	37.30	2.9	19	10	13.8	11.6	1952
910	3.75	2.00	2.52	....	d	1	-74.0	82.7	....
241	13.90	11.07	12.04	....	19	-17	-39.5	-19.2	....
792	36.93	34.46	35.39	4.7	15	-2	6.1	4.4	1948
906	7.08	5.48	6.85	....	d	18	-11.6	-6.9	....
363	36.21	27.00	27.78	8.2	36	26	-21.1	64.2	1998
19	27.24	24.75	26.12	2.3	14	....	-21.4	3.5	2006
545	16.06	12.68	15.59	0.1	37	1	-6.6	2.3	1976
555	14.63	9.83	13.94	2.7	10	2	-33.9	-14.6	1981
12	30.07	27.63	28.90	3.1	15	12	-6.7	5.7	1956
22	7.60	15.33	16.35	3.4	26	-11	-11.8	-6.2	1881
19	1.13	9.41	10.79	2.2	d	Neg	-18.7	-3.6	1960
33	32.69	31.19	36.31	....	45	30	73.2	35.9	2008
71	10.00	5.58	9.52	....	14	Neg	-56.6	-26.9	1987
268	44.06	35.77	41.81	6.0	21	4	-0.9	1.3	1995
77	9.42	9.15	9.35	....	....	....	0.0	0.0	....
37	10.00	9.70	9.80	....	....	....	....	....	....

[5]CBOE,P:Cycle 3. [6]Ph:Cycle 1. [8]CBOE,Ph:Cycle 3.
[32]Ea ADS rep 5 Ord Shr

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007
1◆	0.431	5-28-08	5-1	0.431	0.431	0.355
2	None Paid			....	NIL	....
3	None Paid			....	0.288	†0.008
4	None Paid			....	NIL	....
5	None Paid			....	NIL	....
6	None Paid			....	NIL	....
7	None Paid			....	NIL	....
8	None Paid			....	NIL	....
9	S0.10	7-1-08	6-16	1.20	0.20	0.20
10	Q0.12	10-15-08	9-11	0.48	0.48	0.48
11◆	None Paid			....	NIL	....
12	None Paid			....	NIL	....
13	None Paid			....	NIL	....
14	None Paid			....	NIL	....
15	None Paid			....	2.00	....
16	Q0.27	9-10-08	8-13	0.80	1.08	1.02
17	None Paid			....	NIL	....
18	None Paid			....	NIL	....
19	S0.119	6-9-08		0.119	0.215	0.215
20	Q0.15	6-13-08	5-28	0.30	0.60	0.50
21	None Paid			....	NIL	....
22	None Paid			....	NIL	....
23	Q0.01	8-1-08	7-11	0.39	0.04	0.72
24◆	Q0.27	7-2-08	6-6	0.54	1.08	1.005
25	None Paid			....	NIL	....
26◆	10%Stk	6-22-07	5-30	....	NIL	....
27	Q0.42	9-6-08	7-31	1.243	1.68	1.59½
28◆	5%Stk	5-9-05	4-22	....	ST	....
29◆	None Paid			1.033	6.80	2.257
30◆	Q0.15	7-11-08	6-25	0.45	0.60	0.40
31	Q0.005	9-18-08	8-26	0.018	0.018	0.018
32	Q0.09½	7-1-08	6-13	0.263	0.38	0.36
33	Q0.221¼	9-2-08	8-13	0.66¼	0.90	0.85
34◆	Q0.14	7-31-08	7-2	0.42	0.56	0.55
35◆	Q0.06	7-18-08	6-26	0.18	0.24	0.23
36◆	Div Postponed 6-26-00			....	NIL	....
37◆	Div Suspended 1-23-09			....	NIL	0.32
38	Q0.63	7-22-08	7-3	1.89	2.52	2.49
39	None Paid			....	NIL	....
40	None Paid			....	NIL	....

Index	Financial Position MR-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MR-$	Shs. 000 Com.
1◆	166	1058	280	3-31-08	502	±259200
2	9.40	39.0	51.9	3-31-08	14.3	41876
3	Receipts Val based on Software Ind Co's				....	3609
4	160	206	92.6	3-31-08	1.26	37759
5	37.4	319	188	9-30-07	NIL	48005
6	139	265	136	3-31-08	640	64616
7	9.33	9.60	2.41	3-31-08	....	29634
8	71.0	1612	742	3-31-08	[8]1848	p60763
9	24.9	38.2	13.3	3-31-08	32.7	3698
10	5.11	1665	1493	3-31-08	783	±40423
11◆	34.1	71.1	112	5-31-08	747	56800
12	3.79	8.58	5.94	3-31-08	0.39	35582
13	14.1	51.4	27.1	3-31-08	10.0	26849
14	63.4	99.2	62.4	3-31-08	....	26363
15	147	205	130	3-31-08	NIL	60988
16	74.0	1074	755	3-30-08	798	99500
17	313	415	28.5	3-31-08	225	16770
18	376	539	125	3-31-08	....	271138
19	7289	49740	40103	12-31-07	6603	1003126
20	81.4	1061	687	3-31-08	212	67345
21	103	126	28.2	3-31-08	....	24985
22	45.3	54.0	8.22	4-30-08	....	68466
23	Total Deposits $9789M			3-31-08	742	72630
24◆	11.9	318	285	3-31-08	358	29729
25	2.23	5.06	7.97	3-31-08	26.5	16483
26◆	Total Deposits $309M			3-31-08	107	4792
27	281	4826	5443	3-31-08	14888	[8]767212
28◆	Total Deposits $107M			3-31-08	1.59	3058
29◆	1584	2858	992	3-31-08	1289	883398
30◆	32.7	894	1435	3-31-08	2950	124003
31	3122	5050	5781	3-31-08	2079	731758
32	Total Deposits $1824M			3-31-08	328	14524
33	17.4	401	471	3-31-08	1264	43277
34◆	Total Deposits $225M			3-31-08	10.0	2548
35◆	2.22	62.6	37.8	3-31-08	181	24468
36◆	0.47	397	652	3-31-08	1076	341963
37◆	Total Deposits $4984SM			3-31-08	24349	482443
38	Total Assets $1186M			3-31-08	482	21851
39	1.32	....	16.9	6-30-07	0.25	[8]★53000
40	....	....	....	....	....	★40000

Index	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.
1◆	1.56	1.56	1.56	1	Dc	....	....	NA
2	....	....	....	....	Sp	vd0.09	....	d0.04
3	....	....	....	....	Dc	....	....	....
4	2.79	3.61	1.61	14	Dc	v0.90	....	0.95
5	....	....	....	....	Dc	v0.42	E1.16†	0.74
6	1.17	1.18	1.16	3	Je	vd2.82	....	d0.89
7	....	....	....	....	Dc	vd0.13	....	d0.19
8	....	....	....	....	Dc	Pvd1.99	....	11.77
9	....	....	....	....	Dc	v0.36	....	0.60
10	1.75	2.11	1.50	10	Dc	v2.13	....	1.74
11◆	0.99	1.01	0.97	17	Au	v0.91	....	0.97
12	d0.21	d0.20	d0.22	3	Sp	vd0.18	....	d0.24
13	d0.05	0.02	d0.12	3	Dc	v0.03	....	d0.01
14	d0.17	0.02	d0.28	7	Mr	vd0.21	Ed0.03	NA
15	0.26	0.30	0.20	10	Dc	v0.43	E0.07†	0.43
16	2.46	2.47	2.45	6	Dc	v2.10	E2.45†	1.88
17	0.77	0.82	0.67	4	Dc	v0.40	E0.84†	0.55
18	0.06	0.09	0.05	7	Dc	vd0.09	E0.06†	d0.09
19	3.02	3.25	2.80	2	Mr	v3.51	E2.19†	3.51
20	2.40	2.48	2.28	6	Dc	Pv3.25	....	2.69
21	d0.05	d0.02	d0.13	6	Dc	vd0.32	....	d0.07
22	0.05	0.05	0.05	5	Jl	v0.13	....	0.02
23	d0.65	d0.04	d1.23	11	Dc	v0.99	Ed1.50†	d2.53
24◆	2.30	2.32	2.28	5	Dc	v2.10	....	2.01
25	....	....	....	....	Dc	vd0.45	....	d0.60
26◆	0.54	0.54	0.54	1	Dc	v0.63	....	0.65
27	2.32	2.35	2.28	15	Dc	v2.28	E2.36†	2.23
28◆	....	....	....	....	Dc	vd0.19	....	d0.19
29◆	2.79	3.25	2.35	10	Dc	v2.51	....	0.77
30◆	1.87	1.92	1.74	10	Dc	v1.75	E1.86	1.77
31	0.31	0.47	0.15	13	Dc	v0.84	E0.42†	0.85
32	1.24	1.30	1.19	4	Dc	v1.46	....	1.33
33	2.06	2.17	1.92	5	Dc	v1.95	....	1.92
34◆	....	....	....	....	Dc	v0.66	....	0.62
35◆	0.34	0.40	0.30	4	Dc	vd0.33	....	d0.36
36◆	1.52	1.70	1.35	23	Dc	v0.84	....	0.80
37◆	0.71	0.83	0.55	13	Dc	vd2.85	E0.68†	d2.81
38	1.93	1.96	1.90	2	Dc	v1.81	E1.96†	1.78
39	....	....	....	....	Dc	....	....	....
40	....	....	....	....	Dc	....	....	....

Index	Interim Earnings $ per Shr. Period	Prior	Curr.
1◆	3 Mo Mar	0.16	v0.25
2	6 Mo Mar	vd0.06	vd0.03
3	Expire 12-31-2040		
4	3 Mo Mar	v0.12	v0.55
5	3 Mo Mar	d0.01	v0.31
6	9 Mo Mar	d1.79	-0.34
7	3 Mo Mar	0.01	vd0.05
8	3 Mo Mar	d0.06	v13.68
9	3 Mo Mar	d0.22	v0.02
10	6 Mo Jun	v1.01	v0.62
11◆	9 Mo May	v0.58	v0.64
12	6 Mo Mar	d0.10	d0.15
13	3 Mo Mar	v0.02	vd0.02
14	3 Mo Jun		v
15	3 Mo Mar		v
16	6 Mo Jun	v0.93	v0.71
17	6 Mo Jun	v0.07	v0.22
18	3 Mo Mar	NIL	NIL
19			
20	3 Mo Mar	±0.37	vd0.19
21	3 Mo Mar	d0.39	vd0.14
22	9 Mo Apr	v0.12	v0.01
23	3 Mo Jun	v0.51	vd3.01
24◆	3 Mo Mar	v0.92	v0.83
25	3 Mo Mar	d0.05	vd0.20
26◆	6 Mo Jun	v0.30	v0.32
27	3 Mo Mar	v0.45	v0.47
28◆	6 Mo Jun	vNIL	vNIL
29◆	6 Mo Jun	v1.45	v1.26
30◆	3 Mo Mar	v0.62	v0.64
31	6 Mo Jun	v0.47	v0.48
32	6 Mo Jun	v0.77	v0.64
33	3 Mo Mar	v1.17	v1.14
34◆	6 Mo Jun	v0.63	v0.59
35◆	3 Mo Mar	v0.03	vd0.02
36◆	3 Mo Mar	0.15	v0.31
37◆	6 Mo Jun	v0.39	v0.43
38	3 Mo Mar	v0.44	v0.41
39			
40			

◆Stock Splits & Divs By Line Reference Index [1]10-for-1,'08 [2]3-for-2,'04 3-for-2,'06 [3]2-for-1,'05 [4]10%,'04 10%,'05 10%,'06 10%,'07 [5]10%,'04 5%,'05 [6]2-for-1,'08 3-for-1,'08 [7]5%,'04 5%,'05
[8]6-for-5,'04 [9]1.33-for-1,'04 5%,'04 5%,'05 [10]2-for-1,'05 2-for-1,'05 2-for-1,'06 [11]5%,'06

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Index	Ticker	Name of Issue (Call Price of Pfd. Stocks)	Market	Com. Rank. & Pfd. Rating	Inst. Hold Cos	Inst. Hold Shs. (000)	Principal Business	1998-08 High	1998-08 Low	2007 High	2007 Low	2008 High	2008 Low	Jul. Sales In 100s	Last Sale Or Bid High	Last Sale Or Bid Low	Last Sale Or Bid Last	%Div Yield	P-E Ratio	EPS 5 Yr Growth	% Annualized Total Return 12 Mo	% Annualized Total Return 36 Mo	Cash Divs. Ex.Yr. Since
1	WON	Westwood One	NY,Ph,Ch	B	212	59308	Broadcasting & Cable TV	40.50	0.56	8.36	1.76	2.42	1.02	78873	1.45	1.03	1.30	...	7	Neg	-77.3	-59.8	2005
2	WTSLA	Wet Seal 'A'	NDS	C	234	56092	Apparel Retail	26.18	0.69	6.75	2.04	5.54	1.81	376996	5.54	4.39	4.39	...	23	37	-8.9	-8.1	....
3	WEYS	Weyco Group	NDS	A–	152	3567	Footwear	25.72	2.16	34.31	22.69	33.88	24.14	3705	29.99	25.81	29.04	1.9	16	5	20.9	9.8	1935
¶4[e1]	WY	Weyerhaeuser Co	NY,Ph,Ch,P,B	B	1019	176588	Forest Products	75.50	17.37	87.09	59.67	73.75	46.19	493022	54.07	46.19	53.46	4.5	d	Neg	-34.6	-6.4	1933
¶5[e2]	WGL	WGL Holdings	NY,Ph,Ch,P,B	B+	572	35774	Gas Utilities	34.79	9.75	35.91	29.79	36.22	30.26	114021	35.41	32.96	34.53	4.1	14	2	12.4	4.2	1852
¶6[e3]	WHR	Whirlpool Corp	NY,Ph,Ch,P,B	B+	964	82284	Household Applicances	98.00	17.50	118.00	72.10	98.00	58.22	410541	77.78	58.22	75.70	2.3	11	5	-32.0	-2.1	1929
7	WEDC	White Electronic Designs	Ph,Ch,P,NDS,B	B–	84	11632	Semiconductors	18.62	0.25	6.95	3.50	5.39	3.99	7632	4.88	4.30	4.69	...	NM	-33	-21.3	-8.6	....
8	WTM	White Mountains Insurance Grp	NY,Ph,Ch,P	B	332	8152	Property/Casualty Insurance	711.99	24.12	611.02	492.00	512.95	389.27	5061	451.00	389.27	436.50	1.8	18	6	-23.8	-11.1	1995
9	RVR	White River Capital	AS	NR	16	1563	Consumer Finance	2250.00	5.00	25.00	17.30	19.43	12.48	385	16.40	15.20	16.40	...	8	3	-34.0	-3.0	....
10[e3]	WLL	Whiting Petroleum	NY,P	NR	507	42688	Oil & Gas Exploration & Prod	50.30	16.15	59.06	35.81	112.42	44.60	286769	112.42	80.30	93.67	...	21	21	114	30.8	....
11	WHX	Whiting USA Trust I	NY,Ch,P	NR	..	....		....	....	....	....	25.30	19.55	32828	23.49	19.59	20.32	20.4	NIL	...	0.0	0.0	2008
◆12[e5]	WTNY	Whitney Holding	NDS	A	429	35536	Regional Banks	37.26	3.55	33.26	22.46	27.49	13.96	331363	20.90	13.96	20.56	6.0	11	8	-25.2	-13.6	1993
¶13[e7]	WFMI	Whole Foods Market	NDS	B	925	145762	Food Retail	79.90	1.81	53.65	36.00	42.48	20.18	1084965	24.22	20.18	22.17	3.6	16	8	-38.5	-25.9	2004
14	WYY	WidePoint Corp	AS,Ch,BB	NR	28	23568	IT Consulting & Other Svcs	20.00	0.05	2.45	0.66	1.55	0.78	11881	1.17	0.76	0.84	...	d	1	-15.3	-0.4	....
15	GIW	Wilber Corp	AS,Ch,P	NR	22	315	Regional Banks	15.50	5.06	12.00	8.20	9.10	7.70	495	8.84	7.70	8.44	4.5	14	-2	-11.0	-9.4	1983
¶16	JW.A	Wiley(John)Sons 'A'[e3]	NY,Ch	A	400	39378	Publishing	45.23	1.31	49.79	36.34	49.76	34.86	40734	47.18	43.00	45.34	1.1	18	12	7.5	4.4	1982
17	JW.B	Wiley(John)Sons 'B'	NY,Ch,B	...	19	134		45.10	1.50	49.03	36.49	49.56	35.55	859	47.12	43.27	45.81	1.1	18	12	7.9	4.4	1904
18	WG	Willbros Group	NY,Ch	NR	376	41841	Oil & Gas Equipment & Svcs	24.53	4.12	43.53	17.80	47.93	27.85	128928	44.30	35.01	37.58	...	d	-24	11.2	29.9	....
19	WTU	Williams Coal Seam Gas Rlty[e4]	NY,Ch,P,B	NR	19	375	Oil & Gas Exploration & Prod	29.25	5.00	12.96	8.33	11.24	8.45	6803	11.24	8.73	9.43	7.9	11	...	...	...	1993
¶20[e8]	WMB	Williams Cos	NY,Ph,Ch,B	B	1264	463565	Oil & Gas Storage & Transp	53.75	0.78	37.74	25.17	40.75	26.82	1671241	40.50	31.15	32.05	1.4	11	44	-2.2	17.2	1974
21[e8]	WPZ	Williams Partners L.P.	NY	NR	127	24916	Oil & Gas Storage & Transp	40.80	24.89	52.00	36.60	39.31	28.27	80591	32.84	28.27	29.92	8.4	13	5	-35.0	0.0	2005
22	WMZ	Williams Pipeline Ptnrs L.P.	NY,Ch,P	NR	58	10247	Oil & Gas Storage & Transp	....	....	....	....	20.80	15.05	13957	17.50	15.57	17.00	7.3	d	3	0.0	0.0	2008
¶23[e9]	WSM	Williams-Sonoma	NY,Ph,Ch,P	B+	474	104512	Homefurnishing Retail	45.14	0.60	36.95	25.46	29.81	17.20	422647	21.49	17.20	17.44	2.8	10	11	-43.7	-23.7	2006
24[e10]	WSH	Willis Group Holdings	NY,Ch	NR	392	120336	Insurance Brokers	42.53	15.50	46.84	36.69	37.97	29.76	242192	32.57	29.76	31.27	3.3	11	4	-25.4	1.5	2003
25	WLFC	Willis Lease Finance	NDS	B–	66	4214	Trading Cos & Distributors	25.75	2.95	16.50	10.00	14.38	9.07	1942	10.76	9.07	9.30	...	5	11	-27.5	4.8	....
¶26[e11]	WL	Wilmington Trust Corp	NY,Ph,Ch,P	A	519	42080	Regional Banks	45.61	4.56	44.55	32.57	35.50	20.50	456639	27.25	20.50	23.57	5.9	10	1	-39.1	-12.9	1914
◆27	WIBC	Wilshire Bancorp	NDS	B+	244	11297	Regional Banks	20.20	0.31	19.34	7.65	12.70	6.02	52064	12.70	7.86	12.32	1.8	14	1	14.2	-6.5	2005
28	WOC	Wilshire Enterprises	AS	B–	29	1403	Real Estate Mgmt & Develop	9.70	2.50	6.56	2.41	3.84	2.50	1838	3.80	3.63	3.73e	...	d	-15	-32.2	-10.3	....
29[e12]	WBD	Winn-Bill-Dann Foods ADS[e7]	NY,Ch,P	NR	219	7880	Packaged Foods & Meats	67.49	11.90	137.55	53.50	145.28	87.22	59161	107.00	93.28	97.30	0.4	41	34	4.8	79.6	2007
¶30[e13]	WIND	Wind River Systems	NDS	B–	327	66551	Systems Software	68.12	1.29	13.42	8.27	12.16	6.07	215293	12.16	10.08	11.73	...	NM	NM	15.5	-11.8	....
¶31[e14]	WIN	Windstream Corp	NY,P	NR	1025	316306	Integrated Telecom Svcs	14.43	11.13	15.63	12.38	14.05	10.40	999458	12.94	11.70	11.92	8.4	11	4	-11.2	0.0	2006
32	WEX	Winland Electronics	AS,P	B–	17	555	Electronic Manufactur Svcs	7.44	0.45	4.73	1.96	2.65	1.25	429	1.65	1.35	1.47	...	d	Neg	-47.7	-26.2	....
33	WINN	Winn-Dixie Stores(New)	NDS	NR	303	47140	Food Retail	16.38	10.92	32.40	12.25	19.41	14.45	103639	19.41	15.51	15.89	...	18	1	-43.0	0.0	....
◆34[e15]	WGO	Winnebago Indus	NY,Ph,Ch,P,B	B+	379	38167	Automobile Manufacturers	40.64	1.06	35.24	19.91	24.14	9.09	93370	13.58	9.09	12.76	3.8	13	-5	-53.7	-27.2	1995
35[e16]	FUR	Winthrop Realty Tr SBI	NY,Ph,Ch,P,B	A–	189	31662	Diversified REITs	27.40	1.47	7.30	4.85	5.95	3.17	60013	4.20	3.17	4.03	6.5	NM	1	-36.4	7.9	2006
◆36	WTFC	Wintrust Financial	NDS	A–	378	19604	Regional Banks	63.39	8.83	50.00	31.81	38.99	17.04	122298	26.35	17.04	20.65	1.7	11	8	-45.6	-26.7	2000
37[e10]	WIT	Wipro Ltd ADS[e9]	NY,Ch	NR	100	8406	IT Consulting & Other Svcs	16.39	2.83	18.44	12.49	14.99	9.85	158178	12.18	10.05	11.26	1.3	20	36	-28.7	2.9	2001
38[e15]	WMH	Wireless HOLDRs Tr Dep Receipt	AS	NR	8	141		103.12	27.50	80.45	58.42	72.01	56.06	1219	64.49	57.64	63.82	2.0	..	...	-7.2	7.2	2001
39	WTT	Wireless Telecom	AS,Ch,P	B	39	4576	Elect Equip Manufacturers	16.75	0.33	3.19	1.58	1.78	1.10	2803	1.30	1.10	1.19	...	15	-4	-57.0	-24.1	....
#40	WEC	Wisconsin Energy Corp	NY,Ph,Ch,P,B	B	662	82440	Multi-Utilities	48.70	12.79	50.48	41.06	49.61	42.00	219352	46.61	42.01	45.12	2.4	16	7	-1.0	5.6	1939

Uniform Footnote Explanations-See Page 1. Other: [1]CBOE,P:Cycle 1. [2]P:Cycle 1. [3]CBOE,P:Cycle 3. [4]B [5]CBOE,Ph:Cycle 3. [6]ASE,CBOE,Ph:Cycle 3. [7]ASE:Cycle 2. [8]ASE,CBOE,P:Cycle 2. [9]CBOE,P,Ph:Cycle 3. [10]CBOE:Cycle 1. [11]P:Cycle 2. [12]CBOE,Ph:Cycle 1. [13]ASE,CBOE,P,Ph:Cycle 2. [14]CBOE,Ph:Cycle 2. [15]ASE,CBOE:Cycle 1. [16]ASE:Cycle 1. [51]Pfd in $M [52]Incl 53M restricted shs [53]1/10 vtg [54]Trust Units [55]Incl 7M Sub Uts & 6.8M Cl'B'units [56]Incl 11M Sub Uts [57]Ea ADS rep 1 ord shr,20 Rubles [58]Incl liabs subj to compromise [59]6 Mo Jun'07 [60]Ea ADS rep 1 Equity shr,Rs.2 [61]As defined [62]Subsid pfd in $M

Common and Convertible P

Splits Dividends ◆

Index	Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008
1	Div Suspended 5-8-07			....
2	None Paid			....
3◆	Q0.14	7-1-08	5-29	0.36
4	Q0.60	8-25-08	7-30	1.80
5	Q0.355	8-1-08	7-8	1.05½
6	Q0.43	6-15-08	5-21	0.86
7	None Paid			....
8	Q2.00	8-25-08	6-12	4.00
9◆	None Paid			....
10	None Paid			....
11	Plan qtly div			....
12◆	Q0.31	7-1-08	6-12	0.91
13◆	Q0.20	7-22-08	7-9	0.60
14	None Paid			....
15	Q0.09½	8-28-08	8-12	0.285
16	Q0.13	7-15-08	7-2	0.35
17	Q0.13	7-15-08	7-2	0.35
18	None Paid			....
19	Q0.187	5-30-08	5-13	0.367
20	Q0.11	9-8-08	8-20	0.32
21	Q0.62½	8-14-08	8-5	1.80
22	Plan qtly div			0.31
23	Q0.12	8-22-08	7-23	0.355
24	Q0.26	10-13-08	9-26	1.03
25	None Paid			....
26	Q0.34½	8-15-08	7-30	1.025
27◆	Q0.05	7-15-08	6-26	0.15
28	3.00	6-29-06	6-30	....
29	0.124	9-6-07	5-22	....
30	None Paid			....
31	None Paid			0.75
32	10%Stk	12-31-03	12-17	....
33	None Paid			....
34◆	Q0.12	10-6-08	9-3	0.48
35	Q0.06½	7-15-08	6-26	0.37½
36	S0.18	8-21-06	8-5	0.36
37◆	None Paid			....
38	0.021	10-17-08	9-11	0.185
39	Q0.03	11-14-05	11-2	....
40	Q0.27	9-1-08	8-12	0.81

◆Stock Splits & Divs By Line Reference I

HEARING EXHIBIT 00000112

July, 2008

Jul. Sales In 00s	Last Sale Or Bid High	Low	Last	%Div Yield	P-E Ratio	EPS $ 5 Yr Growth	% Annualized Total Return 12 Mo	36 Mo	Cash Divs: Ea.Yr. Since
8873	1.45	1.03	1.30	...	7	Neg	-77.3	-59.8	2005
6998	5.54	4.39	4.39	...	23	37	-8.9	-8.1	....
3705	29.99	25.81	29.04	1.9	16	5	20.9	9.8	1935
3022	54.07	46.19	53.46	4.5	d	Neg	-34.6	-6.4	1933
4021	35.41	32.96	34.53	4.1	14	2	12.4	4.2	1852
0541	77.78	58.22	75.70	2.3	11	5	-32.0	-2.1	1929
7632	4.88	4.30	4.69	...	NM	-33	-21.3	-8.6	....
5061	451.00	389.27	436.50	1.8	18	6	-23.8	-11.1	1995
385	16.40	15.20	16.40	....	8	3	-34.0	-3.0	....
6769	112.42	80.30	93.67	....	21	21	114	-30.8	....
2828	23.49	19.59	20.32	20.4	NIL	...	0.0	0.0	2006
1363	20.90	13.96	20.56	6.0	11	8	-25.2	-13.6	1993
4965	24.22	20.18	22.17	3.6	16	8	-36.5	-25.9	2004
1881	1.17	0.76	0.84	...	d	1	-15.3	-0.4	....
495	8.64	7.70	8.44	4.5	14	-2	-11.0	-9.4	1983
0734	47.18	43.00	45.34	1.1	18	12	7.5	4.4	1982
859	47.12	43.27	45.81	1.1	18	12	7.9	4.4	1904
8928	44.30	35.01	37.58	...	d	-24	11.2	29.9	....
6803	11.24	8.73	9.43	7.9	11	...	...	...	1993
1241	40.50	31.15	32.05	1.4	11	44	-2.2	17.2	1974
0591	32.84	28.27	29.92	8.4	13	5	-35.0	0.0	2005
3867	17.50	15.57	17.00	7.3	d	3	0.0	0.0	2008
2647	21.49	17.20	17.44	2.8	10	11	-43.7	-23.7	2006
2192	32.67	29.76	31.27	3.3	11	4	-25.4	1.5	2003
1942	10.76	9.07	9.30	...	5	11	-27.5	4.8	....
5639	27.25	20.50	23.57	5.9	10	1	-39.1	-12.9	1914
2064	12.70	7.86	12.32	1.6	14	1	14.2	-6.5	2005
1838	3.80	3.63	3.73s	...	d	-15	-32.2	-10.3	....
9161	107.00	93.28	97.30	0.4	41	34	4.8	79.6	2007
3295	12.16	10.06	11.73	...	NM	NM	15.5	-11.8	....
3459	12.94	11.70	11.92	8.4	11	4	-11.2	0.0	2006
42	1.65	1.35	1.47	...	d	Neg	-47.7	-28.2	....
3632	19.41	15.51	15.89	...	18	1	-43.0	0.0	....
3370	13.58	9.09	12.76	3.8	13	-5	-53.7	-27.2	1995
3010	4.20	3.17	4.03	6.5	NM	1	-36.4	7.9	2006
2290	26.35	17.04	20.65	1.7	11	8	-45.6	-26.7	2000
3178	12.18	10.05	11.26	1.3	20	36	-28.7	-2.9	2001
1219	64.49	57.84	63.82	2.0	...	...	-7.2	7.2	2001
2808	1.30	1.10	1.19	...	19	-4	-57.0	-24.1	....
3362	46.61	42.01	45.12	2.4	16	7	-1.0	-5.8	1939

[1] ASE:Cycle 2. [2] ASE,CBOE,P:Cycle 2.
E:Cycle 1. [3] Pfd in $M [4] Incl 53M restricted shs
Mo,Jun'07 [5] Ea ADS rep 1 Equity shr,Rs.2 [6] As defined

Index	Splits/Dividends ◆ Latest Payment Period $	Date	Ex. Div.	Total $ So Far 2008	Ind. Rate	Paid 2007	Financial Position MM-$ Cash& Equiv.	Curr. Assets	Curr. Liab.	Balance Sheet Date	Capitalization Lg Trm Debt MM-$	Shs. 000 Com.	2008 Street Estimates ($/Shr) Mean	High	Low	# of Ests.	Earnings $ Per Shr. Years End	2007	2008	Last 12 Mos.	Interim Earnings $ per Shr. Period	Prior	Curr.
1	Div Suspended 5-8-07			...	NIL	0.02	5.93	118	206	3-31-08	201	±101644	0.24	0.24	0.24	1	Dc	v0.28	E0.20◊	0.21	3 Mo Mar	0.01	vd0.06
2	None Paid			...	NIL	....	109	157	56.9	5-03-08	3.83	91936	0.19	0.22	0.12	8	Ja	v0.23	E0.40†	0.25	3 Mo,Apr	0.07	v0.09
3◆	Q0.14	7-1-08	5-29	0.36	0.56	0.40	12.5	98.1	20.8	3-31-08	....	±11505	....	....	....	....	Dc	v1.91	....	1.87	3 Mo,Mar	v0.47	v0.43
4	Q0.60	8-25-08	7-30	1.80	2.40	2.40	Total Assets $23806M			3-30-08	7014	211243	d0.38	0.15	d0.85	13	Dc	v3.59	Ed0.30◊	d0.20	3 Mo Mar	v3.09	vd0.70
5	Q0.355	8-1-08	7-8	1.05⅛	1.42	1.36½	18.5	721	628	3-31-08	597	49467	2.41	2.45	2.38	4	Sp	v2.19	E2.48†	2.57	6 Mo Mar	v2.20	v2.56
6	Q0.43	6-15-08	5-21	0.86	1.72	1.72	461	7326	6179	6-30-08	1967	74439	6.92	7.25	6.55	7	Dc	v6.01	E7.00◊	7.28	6 Mo Jun	3.47	2.74
7	None Paid			...	NIL	....	45.7	98.2	14.4	3-29-08	....	22447	0.22	0.25	0.18	3	Sp	v0.13	....	0.01	6 Mo Mar	v0.06	vd0.06
8	Q2.00	6-25-08	6-12	4.00	8.00	8.00	Total Assets $19364.8M			3-31-08	.1686	[5132]10570	20.40	22.00	18.80	2	Dc	Pv37.89	....	24.36	3 Mo Mar	v6.54	vd4.99
9◆	None Paid			...	NIL	....	Total Assets $188M			3-31-08	44.7	3869	....	....	....	....	Dc	v2.99	....	2.16	No Recent EPS		
10	None Paid			...	NIL	....	6.73	192	281	3-31-08	910	42319	7.59	8.74	6.25	12	Dc	v3.29	....	4.47	3 Mo Mar	v0.29	v1.47
11	Plan qtly div			...	4.15	....	....	....	....	....	....	★13864	6.40	6.61	6.19	...	Dc	....	....	NIL	No pro-forma EPS		
12◆	Q0.31	7-1-08	6-12	0.91	1.24	1.14	Total Deposits $8513M			3-31-08	159	64961	1.14	1.23	1.00	6	Dc	v2.23	....	1.82	6 Mo Jun	v1.06	v0.65
13◆	Q0.20	7-22-08	7-9	0.60	0.80	0.72	60.7	596	685	4-13-08	827	140208	1.15	1.22	1.10	16	Sp	v1.29	E1.37	1.15	6 Mo Mar	v0.70	v0.56
14	None Paid			...	NIL	....	2.32	10.4	9.01	3-31-08	3.51	56534	....	....	....	....	Dc	vd0.01	....	d0.02	3 Mo Mar	d0.01	vd0.02
15	Q0.09½	8-26-08	8-12	0.265	0.38	0.38	Total Deposits $635M			3-31-08	35.0	10504	....	....	....	....	Dc	Pv0.73	....	0.59	6 Mo Jun	0.41	0.27
16	Q0.13	7-15-08	7-2	0.35	0.52	0.42	59.3	447	691	4-30-08	797	±58653	2.03	2.06	2.00	2	Ap	±v1.71	v2.49	2.49			
17	Q0.13	7-15-08	7-2	0.35	0.52	0.42	....	....	....	....	....	9647	....	....	....	....	Ap	±v1.71	Pv2.49	2.49			
18	None Paid			...	NIL	....	115	494	274	3-31-08	139	38837	1.88	1.95	1.80	11	Dc	vd1.67	....	d0.69	3 Mo Mar	d0.48	v0.52
19	Q0.187	5-30-08	5-13	0.367	0.749	0.881	Total Assets $7.65M			3-31-08	NIL	9700	....	....	....	....	Dc	v0.88	....	0.86	3 Mo Mar	v0.20	v0.18
20	Q0.11	9-8-08	8-20	0.32	0.44	0.39	2240	7152	5664	3-31-08	7799	584409	2.68	2.90	2.26	9	Dc	v1.63	E2.96†	2.25	3 Mo Mar	v0.22	v0.84
21	Q0.62½	8-14-08	8-5	1.80	2.50	2.04½	34.5	129	102	3-31-08	1000	[5]±52775	2.80	3.49	2.34	9	Dc	v1.98	....	2.32	3 Mo Mar	v0.31	v0.66
22	Plan qtly div			0.31	1.24	....	Total Assets $403M			3-31-08	....	[5]±33564	1.24	....	....	5	Dc	v4.49	....	d0.07	3 Mo Mar	0.34	v0.27
23	Q0.12	8-22-08	7-23	0.355	0.48	0.44½	26.8	998	561	5-04-08	11.2	105562	1.73	1.77	1.72	22	Ja	v1.76	E1.39†	1.70	3 Mo Apr	0.16	v0.10
24	Q0.26	10-13-08	9-26	1.03	1.04	0.985	Total Assets $12948M			3-31-08	1415	142000	2.92	3.05	2.85	11	Dc	v2.78	E2.85†	2.84	3 Mo Mar	1.10	v1.16
25	None Paid			...	NIL	....	Total Assets $779M			3-31-08	585	8656	....	....	....	....	Dc	v1.66	....	1.73	3 Mo Mar	0.42	v0.49
26	Q0.34½	8-15-08	7-30	1.025	1.38	1.32	Total Deposits $8163M			3-31-08	268	67067	1.36	1.43	1.25	3	Dc	v2.64	E2.48†	1.64	6 Mo Jun	v1.32	v0.32
27◆	Q0.05	7-15-08	6-26	0.15	0.20	0.20	Total Deposits $1748M			3-31-08	327	29391	0.88	1.05	0.64	6	Dc	v0.91	....	0.90	6 Mo Jun	0.50	0.49
28	3.00	6-29-06	6-30	....	NIL	....	4.70	8.61	3.18	3-31-08	27.7	7920	....	....	....	....	Dc	vd0.11	....	d0.12	6 Mo Mar	d0.03	vd0.04
29	0.124	9-6-07	5-22	....	0.124	0.422	38.1	577	618	9-30-07	139	44000	4.64	5.22	4.16	7	Dc	v2.40	....	2.40			
30	None Paid			...	NIL	....	104	194	127	4-30-08	....	76974	0.31	0.33	0.31	10	Ja	vd0.03	....	0.03	3 Mo Apr	d0.05	v0.01
31	None Paid			0.75	1.00	1.00	53.5	498	615	3-31-08	5342	447262	1.06	1.14	1.00	17	Dc	v1.94	E1.08†	2.01	3 Mo,Mar	v0.21	v0.28
32	10%Stk	12-31-03	12-17	....	NIL	....	0.63	9.98	3.28	3-31-08	1.35	3641	....	....	....	....	Dc	vd0.07	....	d0.10	3 Mo Mar	vd0.07	vd0.10
33	None Paid			...	NIL	....	177	998	571	4-02-08	[6]0.04	54069	0.26	0.45	0.14	3	Je	v[4]3.43	....	0.90	No pro-Forma EPS		
34◆	Q0.12	10-6-08	9-3	0.48	0.48	0.42	46.2	186	69.3	5-31-08	....	29066	0.37	0.46	0.26	3	Au	v1.32	....	1.01	9 Mo May	v0.84	v0.53
35	Q0.06½	7-15-08	6-26	0.37½	0.44	0.245	Total Assets $771.6M			3-31-08	226	68152	0.42	0.42	0.42	1	Dc	v0.04	....	0.01	3 Mo Mar	v0.12	v0.09
36	S0.18	8-21-08	8-5	0.36	0.36	0.32	Total Deposits $7471M			3-31-08	1122	23564	1.65	1.85	1.39	9	Dc	v2.24	....	1.93	6 Mo Jun	v1.18	v0.87
37◆	None Paid			...	0.151	0.075	9813	3207	18668	3-31-08	363	1461453	0.55	0.57	0.54	10	Mr	v0.55	E0.64†	0.55			
38	0.021	10-17-08	9-11	0.185	1.391	[10]0.957	Receipt Value as of 28 Wireless Common Only[6]				....	984	....	....	....	....	Dc	....	....	....	Expire 12-31-2040		
39	Q0.03	11-14-05	11-2	....	0.12	....	10.2	31.4	6.85	3-31-08	5.15	25658	v0.13	....	....	0.08	Dc	v0.13	....	0.08	3 Mo Mar	v0.03	vd0.02
40	Q0.27	9-1-08	8-12	0.81	1.08	1.00	367	1657	2633	3-31-08	2974	[6]116928	2.87	3.05	2.80	12	Dc	v2.83	E2.90†	3.02	3 Mo Mar	v0.85	v1.04

◆Stock Splits & Divs By Line Reference Index: [2]2-for-1,'05 [3]1-for-100 REVERSE,'05 [12]3-for-2,'05 [32]2-for-1,'05 [37]2-for-1,'04 [34]2-for-1,'04 [37]3-for-1,'04 [2]2-for-1,'05

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Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 4 of Pauline M. Ahern, CRRA

Supporting data from

Reuters Company Research

August 29, 2008

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	49.8	110.3	68.1	59.7	238.1	0.22	0.57	0.72	0.28	1.57
FY Ending 12/2006	64.4	63.0	75.2	66.0	268.6	0.34	0.36	0.32	0.31	1.33
FY Ending 12/2007	72.3	79.2	75.8	74.0	301.4	0.40	0.42	0.44	0.36	1.61
FY Ending 12/2008	68.9	80.3	86.8 E	81.3 E	316.2 E	0.30	0.53	0.59 E	0.42 E	1.74 E
FY Ending 12/2009	68.4 E	80.5 E	92.6 E	90.0 E	333.2 E	0.25 E	0.53 E	0.68 E	0.50 E	1.90 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.0	1	0.00	AWR	7.8	4	5.09
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	4.0	NA
2008 Estimate	7.5	4.9
Last 5 years	3.8	7.6
Last 3 years	10.9	9.6
Last Year	21.2	12.2
Trailing 12 Months	12.7	2.2

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	20.0	9.8
09/08 qtr. Estimate	25.5	NA
06/08 qtr.	27.8	1.3
03/08 qtr.	(25.0)	(4.6)
12/07 qtr.	2.9	11.6
09/07 qtr.	14.6	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	2	0	0	2.00
As of 4 Weeks ago	3	0	1	0	0	1.50
As of 8 Weeks ago	3	0	1	0	0	1.50
As of 12 Weeks ago	3	0	1	0	0	1.50

Bar Chart Key
12 Wks ago 8/28





Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

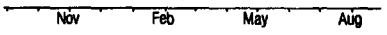
Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.41	$0.46	$0.53
03/08 qtr.	$0.31	$0.30	$0.30
12/07 qtr.	$0.32	$0.35	$0.36
09/07 qtr.	$0.46	$0.47	$0.44
06/07 qtr.	$0.40	$0.36	$0.42

Quarterly EPS Estimate Revisions

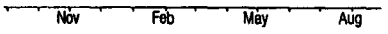
09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

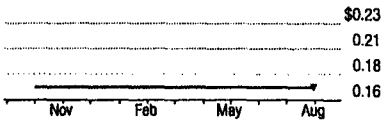


12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

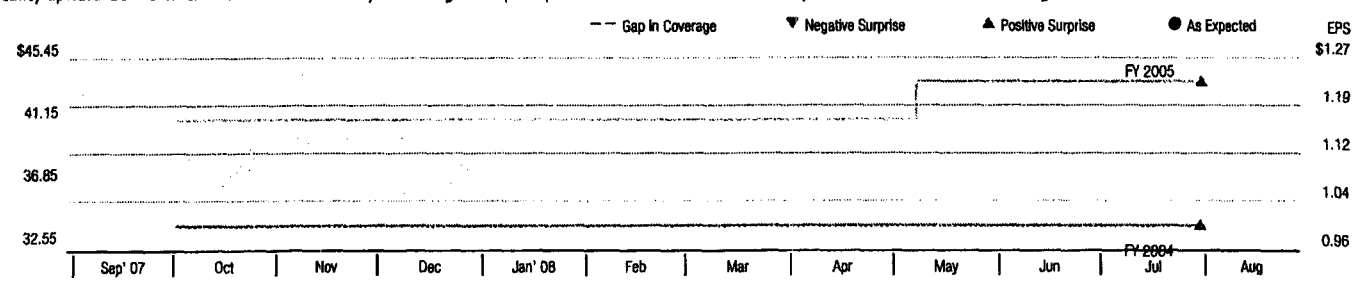


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000115

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are *just estimates*. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	114.0	123.1	136.8	122.9	496.8	0.15	0.17	0.21	0.17	0.71
FY Ending 12/2006	117.9	131.7	147.0	136.8	533.5	0.13	0.17	0.21	0.19	0.70
FY Ending 12/2007	137.3	150.6	165.5	149.1	602.5	0.13	0.18	0.22	0.19	0.71
FY Ending 12/2008	139.3	150.8	175.4 E	167.4 E	633.0 E	0.11	0.17	0.25 E	0.20 E	0.73 E
FY Ending 12/2009	150.3 E	163.8 E	187.4 E	177.7 E	684.5 E	0.15 E	0.20 E	0.27 E	0.22 E	0.85 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
8.3	3	1.70	WTR	2.7	9	2.61
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	8.3	NA
2008 Estimate	2.5	5.1
Last 5 years	4.1	13.3
Last 3 years	3.8	10.9
Last Year	1.9	12.9
Trailing 12 Months	(3.2)	5.8

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	7.3	12.3
09/08 qtr. Estimate	11.4	6.0
06/08 qtr.	(5.6)	0.1
03/08 qtr.	(15.4)	1.4
12/07 qtr.	0.0	8.9
09/07 qtr.	4.8	12.6

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	7	1	1	0	0	1.33
As of 4 Weeks ago	6	1	1	0	0	1.38
As of 8 Weeks ago	6	1	1	0	0	1.38
As of 12 Weeks ago	6	1	1	0	0	1.38

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

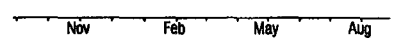
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Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.16	$0.17	$0.17
03/08 qtr.	$0.15	$0.11	$0.11
12/07 qtr.	$0.20	$0.19	$0.19
09/07 qtr.	$0.23	$0.22	$0.22
06/07 qtr.	$0.18	$0.18	$0.18

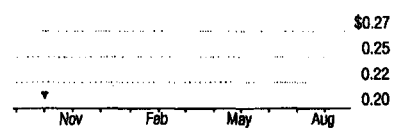
Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

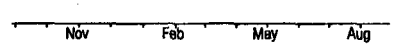


12/08 qtr.



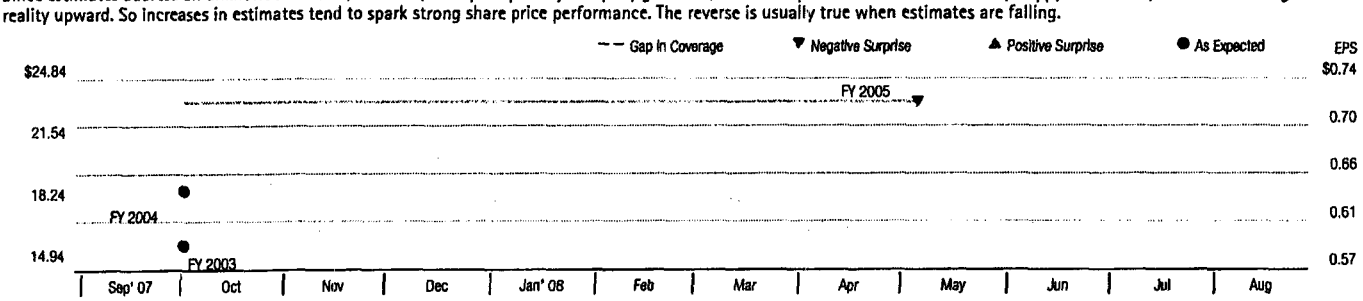
03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000116

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	60.3	81.5	242.9	77.8	320.7	0.03	0.41	1.16	0.31	1.47
FY Ending 12/2006	65.2	81.1	107.8	80.6	334.7	0.04	0.31	0.68	0.31	1.34
FY Ending 12/2007	71.6	95.8	113.9	85.9	367.1	0.07	0.37	0.67	0.39	1.50
FY Ending 12/2008	72.9	105.6	125.5 E	93.7 E	399.9 E	0.01	0.49	0.79 E	0.40 E	1.67 E
FY Ending 12/2009	83.6 E	114.4 E	134.2 E	100.4 E	432.7 E	0.12 E	0.55 E	0.84 E	0.52 E	1.99 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
7.7	3	2.62	CWT	21.3	6	3.28
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	7.7	NA
2008 Estimate	11.7	8.9
Last 5 years	3.8	6.9
Last 3 years	0.8	5.2
Last Year	11.5	9.7
Trailing 12 Months	7.2	6.3

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	54.5	9.2
09/08 qtr. Estimate	18.2	10.2
06/08 qtr.	29.7	10.2
03/08 qtr.	(85.7)	1.9
12/07 qtr.	(16.1)	6.5
09/07 qtr.	(1.5)	5.7

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	4	0	2	0	0	1.67
As of 4 Weeks ago	5	0	1	0	0	1.33
As of 8 Weeks ago	5	0	1	0	0	1.33
As of 12 Weeks ago	5	0	1	0	0	1.33

Bar Chart Key
12 Wks ago 8/28





Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

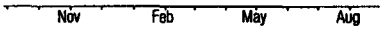
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Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.43	$0.48	$0.49
03/08 qtr.	$0.09	$0.01	$0.01
12/07 qtr.	$0.33	$0.26	$0.39
09/07 qtr.	$0.77	$0.67	$0.67
06/07 qtr.	$0.37	$0.37	$0.37

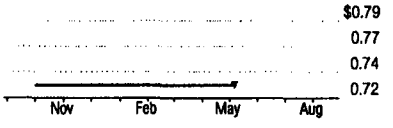
Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

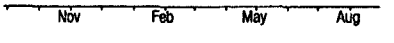


12/08 qtr.



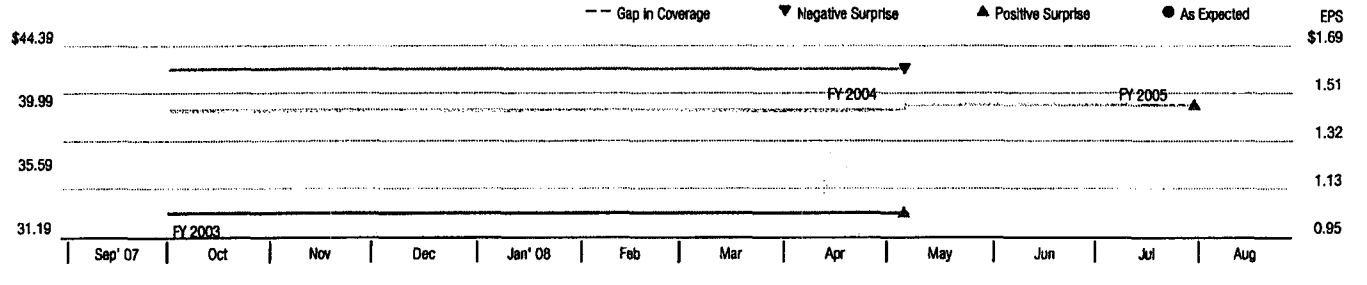
03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000117

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	33.3	44.8	58.5	43.5	180.1	0.15	0.31	0.50	0.23	1.18
FY Ending 12/2006	33.7	47.9	63.1	44.5	189.2	0.23	0.35	0.48	1.03	2.08
FY Ending 12/2007	39.0	55.1	64.8	47.6	206.6	0.11	0.29	0.43	0.20	1.04
FY Ending 12/2008	41.3	60.1	66.9 E	49.2 E	220.3 E	0.15	0.34	0.49 E	0.26 E	1.22 E
FY Ending 12/2009	42.2 E	59.0 E	69.5 E	51.4 E	231.5 E	0.15 E	0.45 E	0.54 E	0.28 E	1.42 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
18.0	1	0.00	SJW	16.8	2	2.40
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)	Quarterly Growth	EPS (%)	Sales (%)
5 year Estimate	18.0	NA	12/08 qtr. Estimate	27.5	3.4
2008 Estimate	16.7	6.6	09/08 qtr. Estimate	12.8	3.2
Last 5 years	6.0	7.1	06/08 qtr.	17.2	8.9
Last 3 years	(1.1)	7.4	03/08 qtr.	36.4	5.7
Last Year	(50.0)	9.2	12/07 qtr.	(9.1)	7.0
Trailing 12 Months	(41.5)	5.9	09/07 qtr.	(10.4)	2.7

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	0	0	0	1.00
As of 4 Weeks ago	2	0	0	0	0	1.00
As of 8 Weeks ago	2	0	0	0	0	1.00
As of 12 Weeks ago	2	0	0	0	0	1.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.40	$0.34	$0.34
03/08 qtr.	$0.13	$0.15	$0.15
12/07 qtr.	$0.29	$0.20	$0.20
09/07 qtr.	$0.47	$0.43	$0.43
06/07 qtr.	$0.32	$0.29	$0.29

Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.

There is currently not enough data available to use to display annual EPS estimate revisions.

Sep' 07 | Oct | Nov | Dec | Jan' 08 | Feb | Mar | Apr | May | Jun | Jul | Aug

HEARING EXHIBIT 00000118

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	45.2	51.3	54.7	52.0	197.6	(0.01)	0.14	0.14	0.06	0.37
FY Ending 12/2006	49.6	54.3	58.9	56.0	218.8	0.03	0.08	0.16	0.16	0.43
FY Ending 12/2007	47.9	54.9	57.4	56.9	217.3	0.03	0.10	0.08	(0.41)	(0.21)
FY Ending 12/2008	50.8	57.1	66.7 E	66.0 E	234.0 E	(0.01)	0.04	0.12 E	0.11 E	0.27 E
FY Ending 12/2009	58.7 E	65.7 E	69.9 E	69.2 E	247.4 E	0.05 E	0.14 E	0.17 E	0.12 E	0.47 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
8.0	3	4.97	SWWC	(20.0)	5	22.44
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	8.0	NA
2008 Estimate	NA	7.7
Last 5 years	NA	10.7
Last 3 years	NA	6.6
Last Year	(149.0)	(0.7)
Trailing 12 Months	(167.1)	2.0

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(1.8)	15.0
09/08 qtr. Estimate	52.5	NA
06/08 qtr.	(55.6)	3.8
03/08 qtr.	NA	5.6
12/07 qtr.	(15.4)	(0.8)
09/07 qtr.	(50.0)	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	1	0	4	0	0	2.60
As of 4 Weeks ago	1	0	3	0	0	2.50
As of 8 Weeks ago	1	0	3	0	0	2.50
As of 12 Weeks ago	1	0	3	0	0	2.50

Bar Chart Key
12 Wks ago 8/28





Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

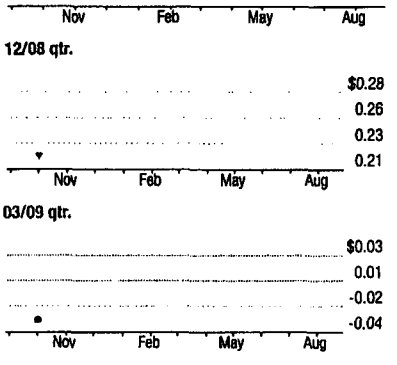
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Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.11	$0.04	$0.04
03/08 qtr.	$0.06	($0.01)	($0.01)
12/07 qtr.	$0.11	$0.11	($0.41)
09/07 qtr.	$0.17	$0.08	$0.08
06/07 qtr.	$0.12	$0.09	$0.10

Quarterly EPS Estimate Revisions

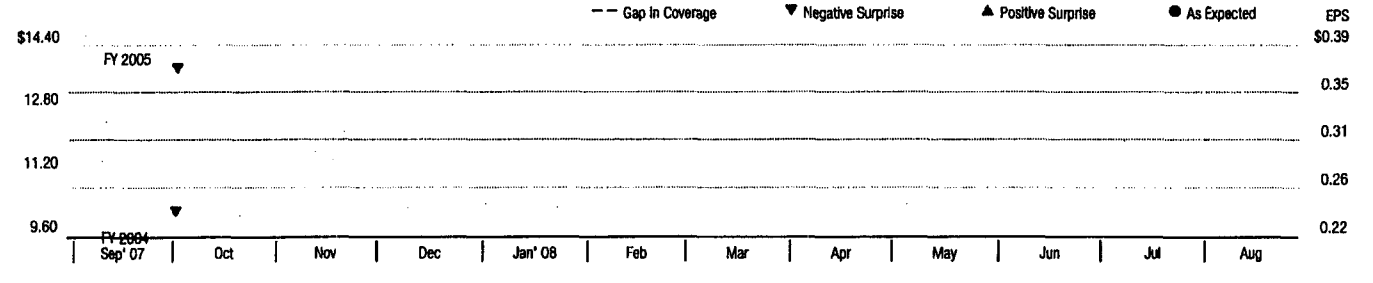
09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000119

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	6.2	6.7	7.2	6.7	26.8	0.12	0.14	0.17	0.13	0.56
FY Ending 12/2006	6.6	13.6	7.7	7.4	28.7	0.12	0.26	0.17	0.15	0.58
FY Ending 12/2007	7.4	8.0	8.3	7.8	31.4	0.12	0.15	0.16	0.15	0.57
FY Ending 12/2008	7.5	7.9	NA E	NA E	32.4 E	0.11	0.13	0.17 E	0.14 E	0.56 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	34.7 E	0.13 E	0.16 E	0.20 E	0.16 E	0.66 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
8.0	1	0.00	YORW	(2.3)	3	5.79
9.1	2	1.19	Industry	(1.1)	3	9.30
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	8.0	NA
2008 Estimate	(2.6)	2.9
Last 5 years	7.4	10.0
Last 3 years	2.3	11.8
Last Year	(1.7)	9.7
Trailing 12 Months	(6.8)	3.6

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(6.7)	NA
09/08 qtr. Estimate	15.5	NA
06/08 qtr.	(13.3)	NA
03/08 qtr.	(8.3)	NA
12/07 qtr.	0.0	6.0
09/07 qtr.	(11.8)	8.0

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	1	0	0	1.67
As of 4 Weeks ago	1	0	1	0	0	2.00
As of 8 Weeks ago	0	0	2	0	0	3.00
As of 12 Weeks ago	0	0	2	0	0	3.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.17	$0.13	$0.13
03/08 qtr.	$0.14	$0.11	$0.11
12/07 qtr.	$0.15	$0.15	$0.15
09/07 qtr.	$0.19	$0.15	$0.16
06/07 qtr.	$0.17	$0.15	$0.15

Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov Feb May Aug

Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.

There is currently not enough data available to use to display annual EPS estimate revisions.

Sep' 07 | Oct | Nov | Dec | Jan' 08 | Feb | Mar | Apr | May | Jun | Jul | Aug

HEARING EXHIBIT 00000120

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	912.0	431.0	1,725.0	993.0	2,718.0	1.13	0.31	1.64	0.84	2.48
FY Ending 12/2006	1,044.0	436.0	434.0	707.0	2,621.0	1.41	0.24	0.46	0.60	2.72
FY Ending 12/2007	973.0	467.0	369.0	685.0	2,494.0	1.31	0.39	0.17	0.86	2.73
FY Ending 12/2008	1,012.0	444.0	436.9 E	792.1 E	2,705.1 E	1.17	(0.14)	0.32 E	0.93 E	2.81 E
FY Ending 12/2009	905.5 E	NA E	NA E	NA E	2,673.7 E	1.29 E	NA E	NA E	NA E	2.82 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
6.5	2	0.50	ATG	3.2	5	1.53
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	6.5	NA
2008 Estimate	3.0	8.5
Last 5 years	8.4	23.2
Last 3 years	6.1	10.8
Last Year	0.3	(4.8)
Trailing 12 Months	(25.6)	(2.8)

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	7.9	15.6
09/08 qtr. Estimate	88.2	NA
06/08 qtr.	(25.0)	(4.9)
03/08 qtr.	(10.8)	NA
12/07 qtr.	43.3	(3.1)
09/07 qtr.	(63.0)	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	1	4	0	0	2.13
As of 4 Weeks ago	3	1	4	0	0	2.13
As of 8 Weeks ago	3	0	4	0	0	2.14
As of 12 Weeks ago	3	0	3	0	0	2.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.36	$0.30	($0.14)
03/08 qtr.	$1.28	$1.16	$1.17
12/07 qtr.	$0.84	$0.86	$0.86
09/07 qtr.	$0.17	$0.17	$0.17
06/07 qtr.	$0.38	$0.40	$0.39

Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.

There is currently not enough data available to use to display annual EPS estimate revisions.

Sep' 07 | Oct | Nov | Dec | Jan' 08 | Feb | Mar | Apr | May | Jun | Jul | Aug

HEARING EXHIBIT 00000121

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	1,368.6	1,685.1	906.9	1,001.3	4,961.9	0.79	1.11	0.06	(0.21)	1.72
FY Ending 9/2006	2,283.8	2,033.8	863.2	971.5	6,152.4	0.88	1.10	(0.22)	0.07	1.82
FY Ending 9/2007	1,602.6	3,678.2	1,218.2	1,002.1	5,898.4	0.97	2.19	(0.15)	(0.07)	1.92
FY Ending 9/2008	1,657.5	4,141.5	1,639.1	1,152.0 E	6,174.0 E	0.82	2.05	(0.07)	(0.05) E	1.96 E
FY Ending 9/2009	NA E	NA E	NA E	NA E	6,931.4 E	0.85 E	1.26 E	(0.03) E	(0.02) E	2.08 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.0	5	0.00	ATO	(0.3)	11	2.70
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.0	NA
2008 Estimate	2.3	4.7
Last 5 years	5.8	29.0
Last 3 years	6.6	26.4
Last Year	5.8	(4.1)
Trailing 12 Months	(9.5)	15.6

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	3.0	NA
09/08 qtr. Estimate	NA	15.0
06/08 qtr.	NA	34.6
03/08 qtr.	3.3	19.7
12/07 qtr.	(15.5)	3.4
09/07 qtr.	NA	3.2

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	2	6	1	0	2.55
As of 4 Weeks ago	3	2	5	1	0	2.36
As of 8 Weeks ago	3	2	6	1	0	2.42
As of 12 Weeks ago	3	2	7	0	0	2.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

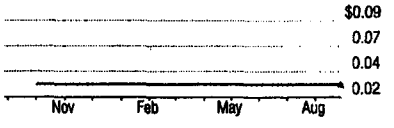
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

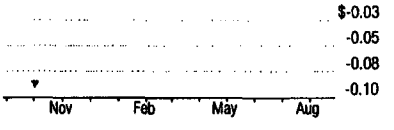
Quarter	Estimate	Actual	GAAP
06/08 qtr.	($0.06)	($0.07)	($0.07)
03/08 qtr.	$1.34	$1.24	$2.05
12/07 qtr.	$0.84	$0.82	$0.82
09/07 qtr.	($0.09)	($0.05)	($0.07)
06/07 qtr.	($0.09)	($0.13)	($0.15)

Quarterly EPS Estimate Revisions

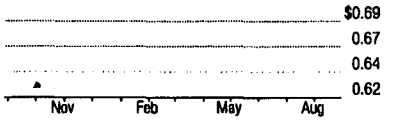
09/08 qtr.



12/08 qtr.

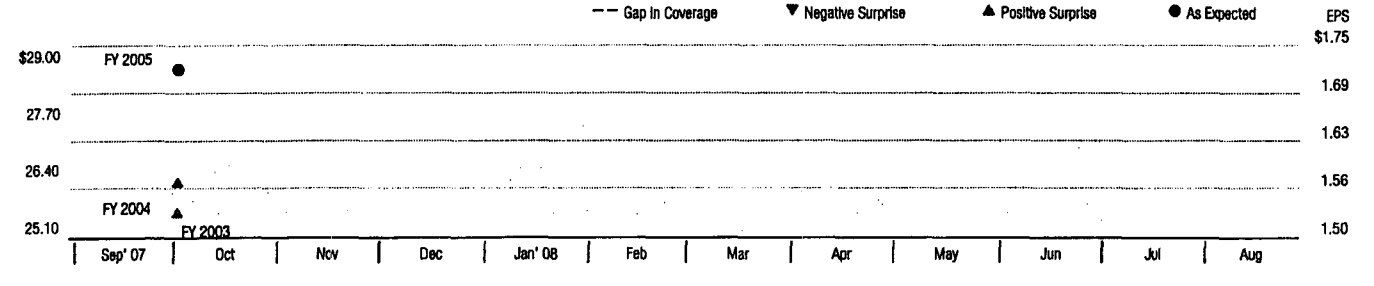


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000122

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	401.3	230.2	229.4	392.9	1,253.7	0.60	0.47	0.37	0.65	2.09
FY Ending 12/2006	430.1	251.2	914.1	353.8	1,267.9	0.59	0.36	1.22	0.56	1.77
FY Ending 12/2007	456.5	293.2	226.8	384.8	1,361.4	0.46	0.87	0.27	0.49	2.10
FY Ending 12/2008	535.8	334.0	271.9 E	351.4 E	1,291.9 E	0.57	0.44	0.41 E	0.58 E	2.08 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,516.2 E	0.90 E	0.61 E	0.62 E	0.76 E	2.76 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
13.0	2	2.00	EQT	31.5	8	9.92
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	13.0	NA
2008 Estimate	(0.9)	(5.1)
Last 5 years	12.2	5.0
Last 3 years	(4.0)	9.2
Last Year	18.5	7.4
Trailing 12 Months	(17.8)	10.9

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	13.4	(8.7)
09/08 qtr. Estimate	53.1	19.9
06/08 qtr.	63.0	13.9
03/08 qtr.	7.5	17.4
12/07 qtr.	(8.9)	8.8
09/07 qtr.	3.8	(2.6)

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	6	3	0	0	0	1.33
As of 4 Weeks ago	6	3	0	0	0	1.33
As of 8 Weeks ago	6	3	0	0	0	1.33
As of 12 Weeks ago	5	3	0	0	0	1.38

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

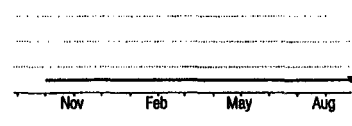
EPS Estimate Accuracy

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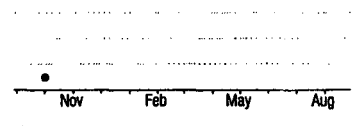
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.44	$0.44	$0.44
03/08 qtr.	$0.68	$0.57	$0.57
12/07 qtr.	$0.56	$0.51	$0.49
09/07 qtr.	$0.30	$0.27	$0.27
06/07 qtr.	$0.39	$0.27	$0.87

Quarterly EPS Estimate Revisions

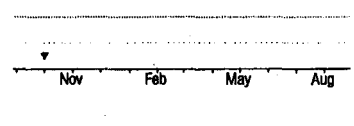
09/08 qtr.



12/08 qtr.

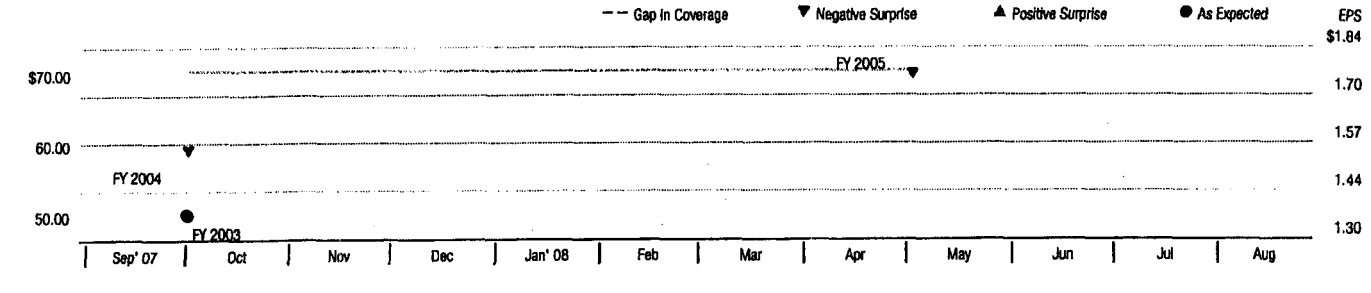


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000123

Expectations And Credibility

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Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	442.5	576.6	311.3	266.7	1,597.0	0.79	1.06	0.29	(0.24)	1.90
FY Ending 9/2006	689.2	708.8	330.5	269.0	1,997.6	1.23	0.98	0.13	(0.04)	2.31
FY Ending 9/2007	503.1	670.7	406.2	323.3	2,021.6	0.91	1.12	0.22	0.03	2.32
FY Ending 9/2008	504.0	747.7	505.5	290.7 E	2,085.2 E	1.00	1.39	0.42	(0.07) E	2.43 E
FY Ending 9/2009	522.7 E	771.3 E	527.2 E	303.0 E	2,124.2 E	1.00 E	1.18 E	0.22 E	(0.06) E	2.33 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
NA	NA	NA	LG	5.0	2	11.90
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	NA	NA
2008 Estimate	4.5	3.1
Last 5 years	14.4	21.8
Last 3 years	8.4	17.4
Last Year	0.6	1.2
Trailing 12 Months	28.3	12.5

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	3.1	(3.4)
09/08 qtr. Estimate	NA	(10.1)
06/08 qtr.	(4.7)	10.4
03/08 qtr.	43.3	6.7
12/07 qtr.	9.0	0.3
09/07 qtr.	NA	20.2

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	0	0	2	0	0	3.00
As of 4 Weeks ago	0	0	2	0	0	3.00
As of 8 Weeks ago	0	0	2	0	0	3.00
As of 12 Weeks ago	0	0	2	0	0	3.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

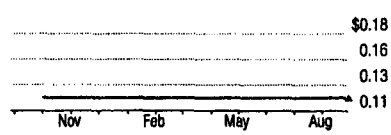
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

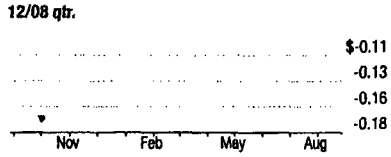
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.16	$0.41	$0.42
03/08 qtr.	$0.96	$1.39	$1.39
12/07 qtr.	$0.86	$0.97	$1.00
09/07 qtr.	($0.12)	$0.03	$0.03
06/07 qtr.	$0.15	$0.43	$0.22

Quarterly EPS Estimate Revisions

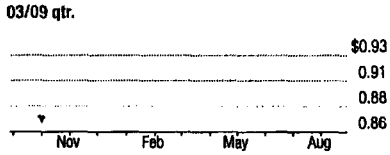
09/08 qtr.



12/08 qtr.

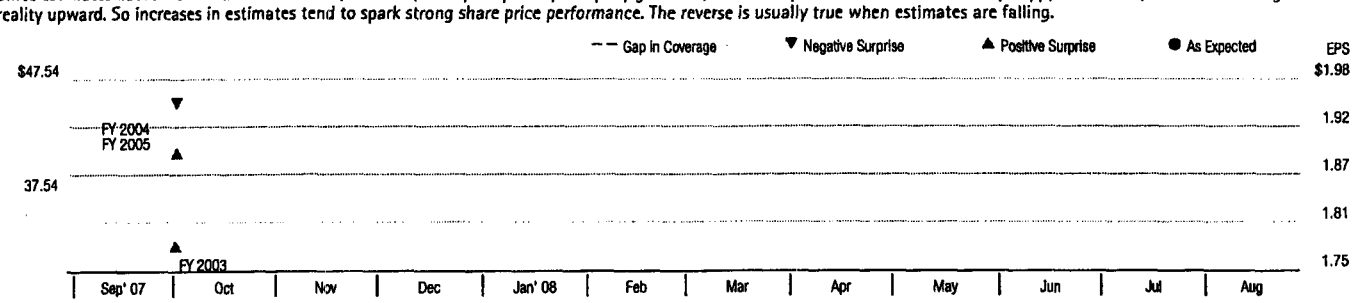


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000124

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	1,179.8	484.4	2,000.3	1,357.5	3,357.8	0.99	0.75	1.67	1.40	3.07
FY Ending 12/2006	1,319.4	451.3	351.1	838.2	2,960.0	0.99	0.19	0.39	1.30	2.87
FY Ending 12/2007	1,334.7	556.9	365.2	919.5	3,176.3	1.04	0.40	0.32	1.23	2.98
FY Ending 12/2008	1,595.7	699.8	401.0 E	1,077.0 E	3,706.6 E	0.91	0.64	0.14 E	0.76 E	2.42 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	3,900.3 E	0.81 E	0.32 E	0.25 E	1.28 E	2.61 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.5	4	1.12	GAS	(16.0)	6	4.79
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	4.5	NA
2008 Estimate	(19.0)	16.7
Last 5 years	0.7	10.9
Last 3 years	20.7	5.1
Last Year	4.0	7.3
Trailing 12 Months	(1.1)	16.2

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(37.5)	17.1
09/08 qtr. Estimate	(55.6)	9.8
06/08 qtr.	47.5	NA
03/08 qtr.	(2.2)	19.6
12/07 qtr.	(5.4)	9.7
09/07 qtr.	(17.9)	4.0

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	3	1	0	2.50
As of 4 Weeks ago	2	0	3	1	0	2.50
As of 8 Weeks ago	2	0	3	0	0	2.20
As of 12 Weeks ago	2	0	3	1	0	2.50

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

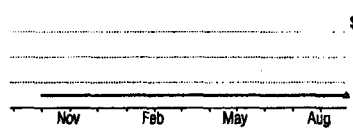
EPS Estimate Accuracy

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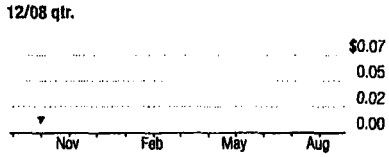
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.28	$0.59	$0.64
03/08 qtr.	$0.82	$0.91	$0.91
12/07 qtr.	$1.10	$1.22	$1.23
09/07 qtr.	$0.32	$0.32	$0.32
06/07 qtr.	$0.38	$0.40	$0.40

Quarterly EPS Estimate Revisions

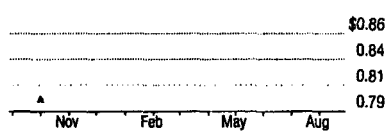
09/08 qtr.



12/08 qtr.

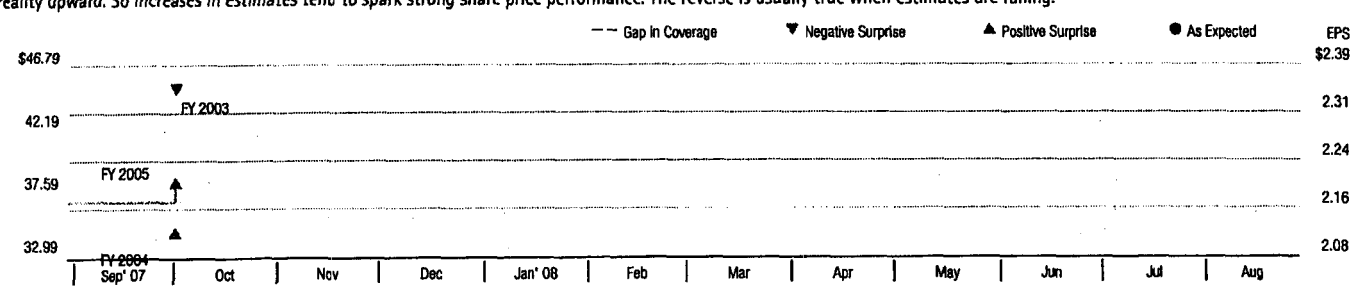


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000125

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	308.8	153.7	106.7	341.4	910.5	1.43	0.04	(0.31)	0.94	2.11
FY Ending 12/2006	390.4	171.0	114.9	336.9	1,013.2	1.48	0.07	(0.35)	1.08	2.29
FY Ending 12/2007	394.1	183.2	124.2	331.6	1,033.2	1.76	0.10	(0.22)	1.17	2.76
FY Ending 12/2008	387.7	191.3	124.1 E	372.5 E	932.0 E	1.63	0.12	(0.28) E	1.12 E	2.57 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	981.2 E	1.73 E	0.14 E	(0.28) E	1.19 E	2.72 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.3	3	1.70	NWN	(6.9)	5	2.64
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	4.3	NA
2008 Estimate	(6.9)	(9.8)
Last 5 years	11.3	10.0
Last 3 years	14.0	13.4
Last Year	20.4	2.0
Trailing 12 Months	4.3	0.5

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	0.7	12.3
09/08 qtr. Estimate	NA	(0.1)
06/08 qtr.	(20.0)	4.4
03/08 qtr.	(7.4)	(1.6)
12/07 qtr.	3.7	(1.6)
09/07 qtr.	NA	8.1

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	4	0	1	0	0	1.40
As of 4 Weeks ago	4	0	1	0	0	1.40
As of 8 Weeks ago	5	0	1	0	0	1.33
As of 12 Weeks ago	4	0	2	0	0	1.67

Bar Chart Key
12 Wks ago 8/28





Mean Rating
1.00 = Best
5.00 = Worst

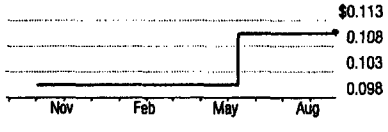
EPS Estimate Accuracy

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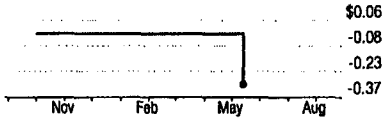
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.11	$0.08	$0.12
03/08 qtr.	$1.66	$1.63	$1.63
12/07 qtr.	$1.12	$1.11	$1.17
09/07 qtr.	($0.31)	($0.22)	($0.22)
06/07 qtr.	$0.08	$0.10	$0.10

Quarterly EPS Estimate Revisions

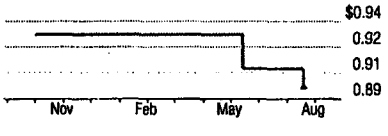
09/08 qtr.



12/08 qtr.

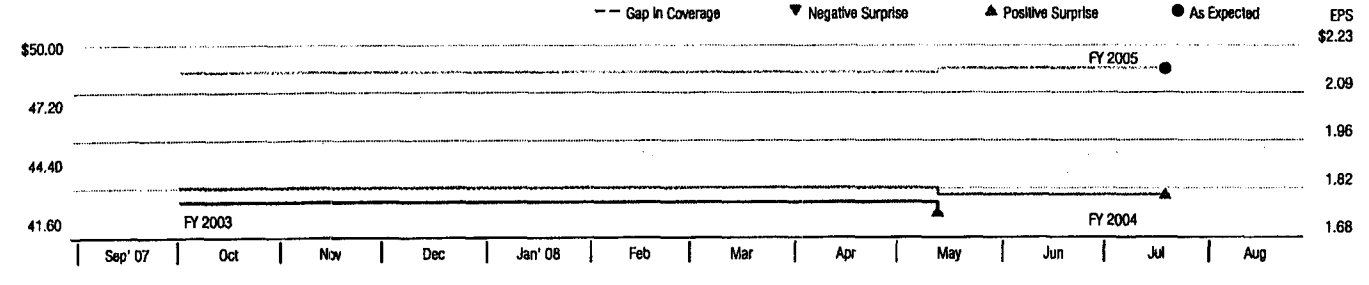


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000126

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Jan 31st	Apr 30th	Jul 31st	Oct 31st	Year Total	Jan 31st	Apr 30th	Jul 31st	Oct 31st	Year Total
FY Ending 10/2005	680.6	508.0	232.9	339.6	1,761.1	0.93	0.52	(0.06)	(0.06)	1.32
FY Ending 10/2006	921.3	483.2	237.9	282.2	1,924.6	0.94	0.57	(0.16)	(0.08)	1.28
FY Ending 10/2007	677.2	531.6	224.4	278.0	1,711.3	0.94	0.69	(0.12)	(0.11)	1.40
FY Ending 10/2008	788.5	634.2	250.0 E	297.7 E	1,970.6 E	1.12	0.66	(0.14) E	(0.13) E	1.51 E
FY Ending 10/2009	NA E	NA E	NA E	NA E	2,091.3 E	1.10 E	0.77 E	(0.15) E	(0.12) E	1.65 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.8	4	1.30	PNY	4.9	5	2.06
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.8	NA
2008 Estimate	7.7	15.2
Last 5 years	8.2	15.5
Last 3 years	3.3	3.8
Last Year	9.8	(11.1)
Trailing 12 Months	11.6	11.3

Quarterly Growth	EPS (%)	Sales (%)
10/08 qtr. Estimate	NA	7.1
07/08 qtr. Estimate	NA	11.4
04/08 qtr.	(4.3)	19.3
01/08 qtr.	19.1	NA
10/07 qtr.	NA	(1.5)
07/07 qtr.	NA	(5.6)

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	0	1	1	0	2.00
As of 4 Weeks ago	3	0	1	1	0	2.00
As of 8 Weeks ago	3	0	2	0	0	1.80
As of 12 Weeks ago	2	0	4	0	0	2.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

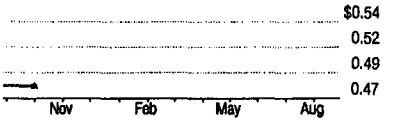
EPS Estimate Accuracy

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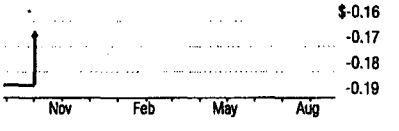
Quarter	Estimate	Actual	GAAP
04/08 qtr.	$0.71	$0.66	$0.66
01/08 qtr.	$0.97	$1.12	$1.12
10/07 qtr.	($0.05)	($0.07)	($0.11)
07/07 qtr.	($0.12)	($0.12)	($0.12)
04/07 qtr.	$0.61	$0.69	$0.69

Quarterly EPS Estimate Revisions

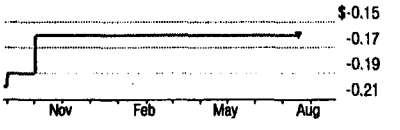
07/08 qtr.



10/08 qtr.

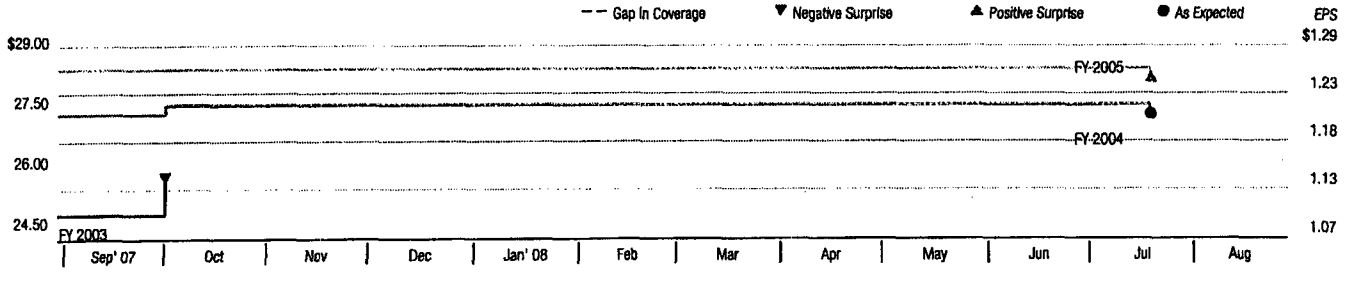


01/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000127

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	328.5	148.5	143.6	285.4	906.0	0.96	0.15	(0.18)	0.47	1.40
FY Ending 12/2006	372.6	153.8	154.7	250.3	931.4	1.06	0.20	0.51	0.69	2.47
FY Ending 12/2007	368.4	171.7	156.2	260.1	956.4	0.92	0.37	0.29	0.54	2.12
FY Ending 12/2008	348.0	135.8	162.8 E	265.1 E	913.3 E	0.83	(0.45)	0.10 E	0.63 E	2.31 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,006.3 E	1.30 E	0.30 E	0.13 E	0.69 E	2.37 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
7.7	3	2.49	SJI	10.3	4	0.42
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	7.7	NA
2008 Estimate	8.9	(4.5)
Last 5 years	11.8	13.3
Last 3 years	10.6	5.3
Last Year	(14.2)	2.7
Trailing 12 Months	(51.2)	(4.8)

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(0.8)	1.9
09/08 qtr. Estimate	NA	4.2
06/08 qtr.	23.8	(18.7)
03/08 qtr.	43.5	(5.5)
12/07 qtr.	(8.7)	3.9
09/07 qtr.	NA	17.4

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	0	1	0	0	1.50
As of 4 Weeks ago	4	0	0	0	0	1.00
As of 8 Weeks ago	5	0	0	0	0	1.00
As of 12 Weeks ago	5	0	1	0	0	1.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

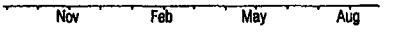
Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.28	$0.26	($0.45)
03/08 qtr.	$1.14	$1.32	$0.83
12/07 qtr.	$0.60	$0.63	$0.54
09/07 qtr.	$0.04	($0.05)	$0.29
06/07 qtr.	$0.20	$0.21	$0.37

Quarterly EPS Estimate Revisions

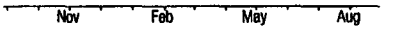
09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

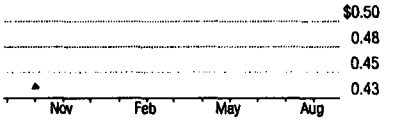


12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

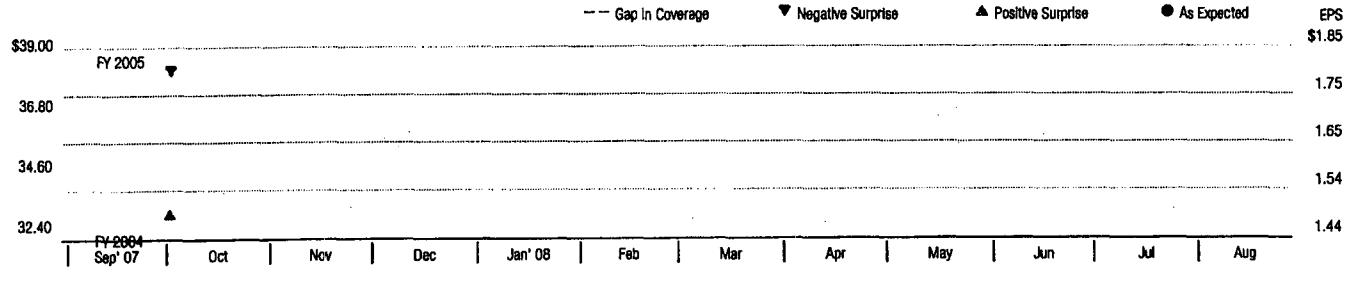


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000128

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. *The sharper the predicted change, the greater the level of uncertainty in the forecast.* (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	542.9	361.1	313.3	497.0	1,714.3	0.88	(0.07)	(0.43)	0.75	1.14
FY Ending 12/2006	676.9	430.9	351.8	565.1	2,024.8	1.11	0.09	(0.26)	1.11	2.04
FY Ending 12/2007	793.7	426.5	371.5	560.3	2,152.1	1.17	(0.01)	(0.22)	0.98	1.95
FY Ending 12/2008	813.6	0.0	276.9 E	499.9 E	1,871.1 E	1.14	0.00	(0.25) E	1.19 E	2.05 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,965.7 E	1.25 E	(0.02) E	(0.25) E	1.27 E	2.22 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.3	3	0.94	SWX	4.9	6	4.24
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. *But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.*

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.3	NA
2008 Estimate	4.6	(13.1)
Last 5 years	8.1	10.3
Last 3 years	6.9	13.4
Last Year	(4.0)	6.3
Trailing 12 Months	(10.5)	1.4

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	19.3	6.6
09/08 qtr. Estimate	NA	NA
06/08 qtr.	NA	4.9
03/08 qtr.	(2.6)	NA
12/07 qtr.	(9.9)	(17.0)
09/07 qtr.	NA	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	2	2	0	2.67
As of 4 Weeks ago	2	0	2	2	0	2.67
As of 8 Weeks ago	2	0	2	1	0	2.40
As of 12 Weeks ago	2	1	3	0	0	2.17

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

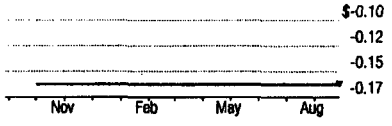
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

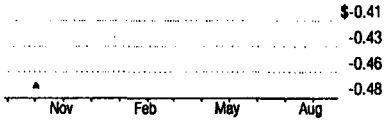
Quarter	Estimate	Actual	GAAP
06/08 qtr.	($0.03)	($0.06)	$0.00
03/08 qtr.	$1.20	$1.14	$1.14
12/07 qtr.	$1.09	$1.00	$0.98
09/07 qtr.	($0.20)	($0.22)	($0.22)
06/07 qtr.	$0.09	($0.01)	($0.01)

Quarterly EPS Estimate Revisions

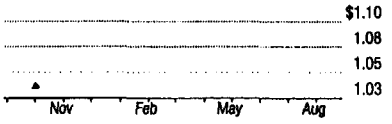
09/08 qtr.



12/08 qtr.

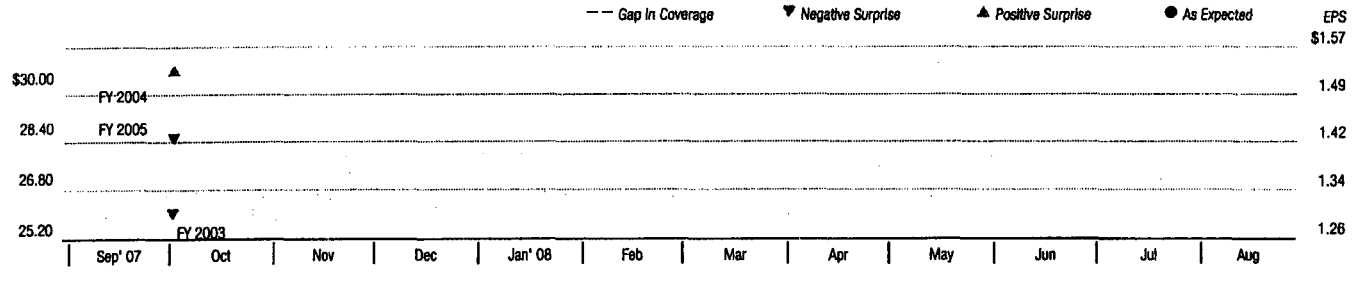


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000129

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	623.4	1,541.6	343.3	278.5	2,163.3	0.88	2.51	(0.15)	(0.21)	2.16
FY Ending 9/2006	902.9	1,064.4	346.9	323.6	2,637.9	0.93	1.17	(0.01)	(0.15)	1.94
FY Ending 9/2007	733.0	1,119.9	467.5	325.7	2,646.0	0.92	1.29	0.26	(0.27)	2.19
FY Ending 9/2008	751.6	1,020.0	464.6	331.2 E	2,566.4 E	0.95	1.63	(0.01)	(0.33) E	2.35 E
FY Ending 9/2009	761.7 E	1,037.7 E	470.3 E	NA E	2,614.2 E	0.99 E	1.58 E	0.08 E	(0.36) E	2.36 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
NA	NA	NA	WGL	18.2	4	1.68
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	NA	NA
2008 Estimate	7.7	(3.0)
Last 5 years	22.1	10.8
Last 3 years	2.3	8.6
Last Year	12.9	0.3
Trailing 12 Months	(1.0)	(3.1)

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	2.6	1.3
09/08 qtr. Estimate	NA	1.7
06/08 qtr.	(72.7)	(0.6)
03/08 qtr.	28.7	(8.9)
12/07 qtr.	10.3	2.5
09/07 qtr.	NA	146.9

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	0	0	3	1	0	3.25
As of 4 Weeks ago	0	0	3	1	0	3.25
As of 8 Weeks ago	1	0	2	1	0	2.75
As of 12 Weeks ago	1	0	3	1	0	2.80

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

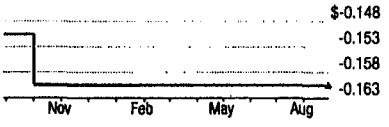
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

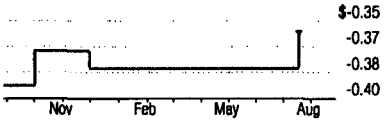
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.14	$0.06	($0.01)
03/08 qtr.	$1.41	$1.66	$1.63
12/07 qtr.	$1.05	$0.96	$0.95
09/07 qtr.	($0.35)	($0.31)	($0.27)
06/07 qtr.	$0.01	$0.22	$0.26

Quarterly EPS Estimate Revisions

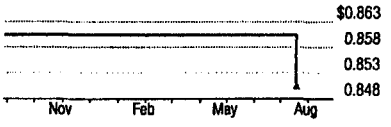
09/08 qtr.



12/08 qtr.

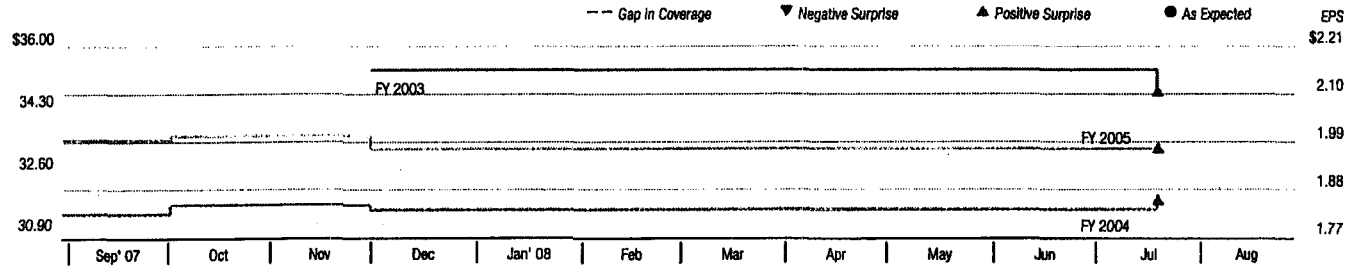


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000130

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	912.0	431.0	1,725.0	993.0	2,718.0	1.13	0.31	1.64	0.84	2.48
FY Ending 12/2006	1,044.0	436.0	434.0	707.0	2,621.0	1.41	0.24	0.46	0.60	2.72
FY Ending 12/2007	973.0	467.0	369.0	685.0	2,494.0	1.31	0.39	0.17	0.86	2.73
FY Ending 12/2008	1,012.0	444.0	436.9 E	792.1 E	2,705.1 E	1.17	(0.14)	0.32 E	0.93 E	2.81 E
FY Ending 12/2009	905.5 E	NA E	NA E	NA E	2,673.7 E	1.29 E	NA E	NA E	NA E	2.82 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
6.5	2	0.50	ATG	3.2	5	1.53
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)	Quarterly Growth	EPS (%)	Sales (%)
5 year Estimate	6.5	NA	12/08 qtr. Estimate	7.9	15.6
2008 Estimate	3.0	8.5	09/08 qtr. Estimate	88.2	NA
Last 5 years	8.4	23.2	06/08 qtr.	(25.0)	(4.9)
Last 3 years	6.1	10.8	03/08 qtr.	(10.8)	NA
Last Year	0.3	(4.8)	12/07 qtr.	43.3	(3.1)
Trailing 12 Months	(25.6)	(2.8)	09/07 qtr.	(63.0)	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	1	4	0	0	2.13
As of 4 Weeks ago	3	1	4	0	0	2.13
As of 8 Weeks ago	3	0	4	0	0	2.14
As of 12 Weeks ago	3	0	3	0	0	2.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.36	$0.30	($0.14)
03/08 qtr.	$1.28	$1.16	$1.17
12/07 qtr.	$0.84	$0.86	$0.86
09/07 qtr.	$0.17	$0.17	$0.17
06/07 qtr.	$0.38	$0.40	$0.39

Quarterly EPS Estimate Revisions

09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

03/09 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

Nov | Feb | May | Aug

Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.

There is currently not enough data available to use to display annual EPS estimate revisions.

Sep' 07 | Oct | Nov | Dec | Jan' 08 | Feb | Mar | Apr | May | Jun | Jul | Aug

HEARING EXHIBIT 00000131

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between *normal versus excessive degrees of uncertainty.*

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	1,368.6	1,685.1	906.9	1,001.3	4,961.9	0.79	1.11	0.06	(0.21)	1.72
FY Ending 9/2006	2,283.8	2,033.8	863.2	971.5	6,152.4	0.88	1.10	(0.22)	0.07	1.82
FY Ending 9/2007	1,602.6	3,678.2	1,218.2	1,002.1	5,898.4	0.97	2.19	(0.15)	(0.07)	1.92
FY Ending 9/2008	1,657.5	4,141.5	1,639.1	1,152.0 E	6,174.0 E	0.82	2.05	(0.07)	(0.05) E	1.96 E
FY Ending 9/2009	NA E	NA E	NA E	NA E	6,931.4 E	0.85 E	1.26 E	(0.03) E	(0.02) E	2.08 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.0	5	0.00	ATO	(0.3)	11	2.70
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.0	NA
2008 Estimate	2.3	4.7
Last 5 years	5.8	29.0
Last 3 years	6.6	26.4
Last Year	5.8	(4.1)
Trailing 12 Months	(9.5)	15.6

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	3.0	NA
09/08 qtr. Estimate	NA	15.0
06/08 qtr.	NA	34.6
03/08 qtr.	3.3	19.7
12/07 qtr.	(15.5)	3.4
09/07 qtr.	NA	3.2

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	2	6	1	0	2.55
As of 4 Weeks ago	3	2	5	1	0	2.36
As of 8 Weeks ago	3	2	6	1	0	2.42
As of 12 Weeks ago	3	2	7	0	0	2.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

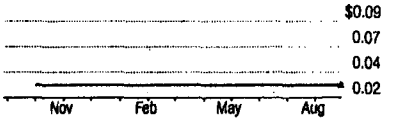
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

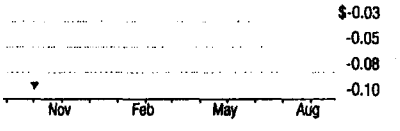
Quarter	Estimate	Actual	GAAP
06/08 qtr.	($0.06)	($0.07)	($0.07)
03/08 qtr.	$1.34	$1.24	$2.05
12/07 qtr.	$0.84	$0.82	$0.82
09/07 qtr.	($0.09)	($0.05)	($0.07)
06/07 qtr.	($0.09)	($0.13)	($0.15)

Quarterly EPS Estimate Revisions

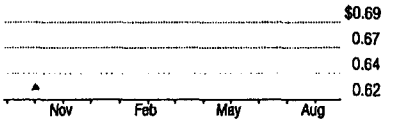
09/08 qtr.



12/08 qtr.

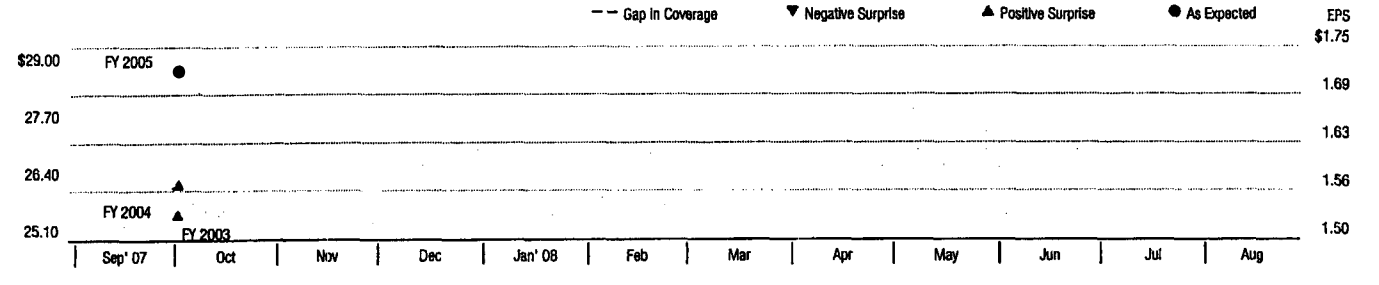


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000132

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	401.3	230.2	229.4	392.9	1,253.7	0.60	0.47	0.37	0.65	2.09
FY Ending 12/2006	430.1	251.2	914.1	353.8	1,267.9	0.59	0.36	1.22	0.56	1.77
FY Ending 12/2007	456.5	293.2	226.8	384.8	1,361.4	0.46	0.87	0.27	0.49	2.10
FY Ending 12/2008	535.8	334.0	271.9 E	351.4 E	1,291.9 E	0.57	0.44	0.41 E	0.58 E	2.08 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,516.2 E	0.90 E	0.61 E	0.62 E	0.76 E	2.76 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
13.0	2	2.00	EQT	31.5	8	9.92
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	13.0	NA
2008 Estimate	(0.9)	(5.1)
Last 5 years	12.2	5.0
Last 3 years	(4.0)	9.2
Last Year	18.5	7.4
Trailing 12 Months	(17.8)	10.9

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	13.4	(8.7)
09/08 qtr. Estimate	53.1	19.9
06/08 qtr.	63.0	13.9
03/08 qtr.	7.5	17.4
12/07 qtr.	(8.9)	8.8
09/07 qtr.	3.8	(2.6)

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	6	3	0	0	0	1.33
As of 4 Weeks ago	6	3	0	0	0	1.33
As of 8 Weeks ago	6	3	0	0	0	1.33
As of 12 Weeks ago	5	3	0	0	0	1.38

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

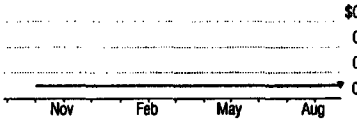
EPS Estimate Accuracy

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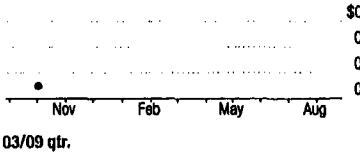
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.44	$0.44	$0.44
03/08 qtr.	$0.68	$0.57	$0.57
12/07 qtr.	$0.56	$0.51	$0.49
09/07 qtr.	$0.30	$0.27	$0.27
06/07 qtr.	$0.39	$0.27	$0.87

Quarterly EPS Estimate Revisions

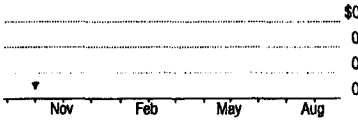
09/08 qtr.



12/08 qtr.

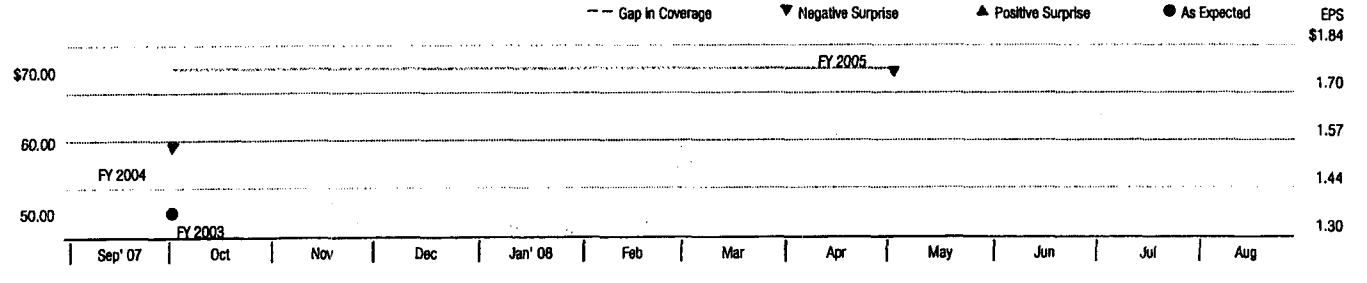


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000133

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	442.5	576.6	311.3	266.7	1,597.0	0.79	1.06	0.29	(0.24)	1.90
FY Ending 9/2006	689.2	708.8	330.5	269.0	1,997.6	1.23	0.98	0.13	(0.04)	2.31
FY Ending 9/2007	503.1	670.7	406.2	323.3	2,021.6	0.91	1.12	0.22	0.03	2.32
FY Ending 9/2008	504.0	747.7	505.5	290.7 E	2,085.2 E	1.00	1.39	0.42	(0.07) E	2.43 E
FY Ending 9/2009	522.7 E	771.3 E	527.2 E	303.0 E	2,124.2 E	1.00 E	1.18 E	0.22 E	(0.06) E	2.33 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
NA	NA	NA	LG	5.0	2	11.90
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)	Quarterly Growth	EPS (%)	Sales (%)
5 year Estimate	NA	NA	12/08 qtr. Estimate	3.1	(3.4)
2008 Estimate	4.5	3.1	09/08 qtr. Estimate	NA	(10.1)
Last 5 years	14.4	21.8	06/08 qtr.	(4.7)	10.4
Last 3 years	8.4	17.4	03/08 qtr.	43.3	6.7
Last Year	0.6	1.2	12/07 qtr.	9.0	0.3
Trailing 12 Months	28.3	12.5	09/07 qtr.	NA	20.2

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	0	0	2	0	0	3.00
As of 4 Weeks ago	0	0	2	0	0	3.00
As of 8 Weeks ago	0	0	2	0	0	3.00
As of 12 Weeks ago	0	0	2	0	0	3.00

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

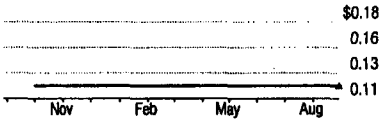
EPS Estimate Accuracy

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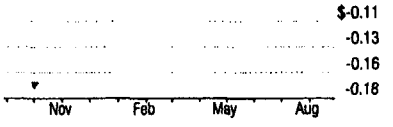
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.16	$0.41	$0.42
03/08 qtr.	$0.96	$1.39	$1.39
12/07 qtr.	$0.86	$0.97	$1.00
09/07 qtr.	($0.12)	$0.03	$0.03
06/07 qtr.	$0.15	$0.43	$0.22

Quarterly EPS Estimate Revisions

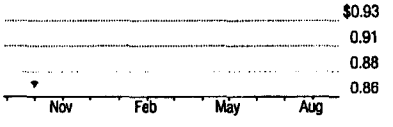
09/08 qtr.



12/08 qtr.

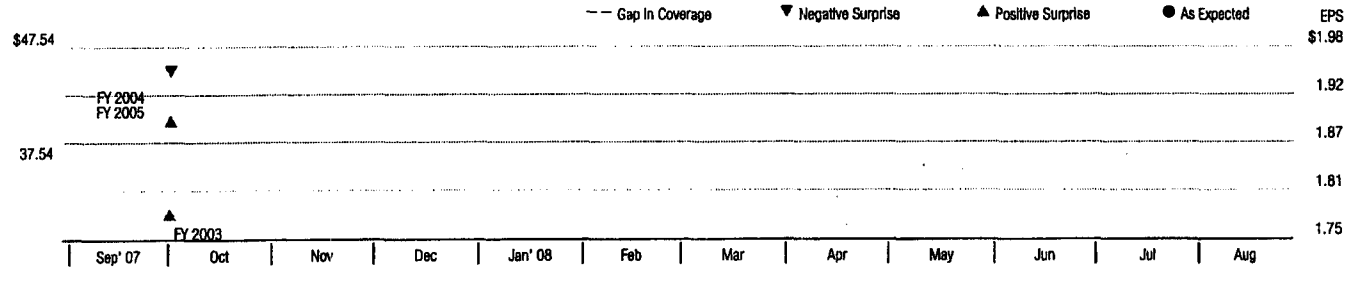


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000134

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	1,179.8	484.4	2,000.3	1,357.5	3,357.8	0.99	0.75	1.67	1.40	3.07
FY Ending 12/2006	1,319.4	451.3	351.1	838.2	2,960.0	0.99	0.19	0.39	1.30	2.87
FY Ending 12/2007	1,334.7	556.9	365.2	919.5	3,176.3	1.04	0.40	0.32	1.23	2.98
FY Ending 12/2008	1,595.7	699.8	401.0 E	1,077.0 E	3,706.6 E	0.91	0.64	0.14 E	0.76 E	2.42 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	3,900.3 E	0.81 E	0.32 E	0.25 E	1.28 E	2.61 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.5	4	1.12	GAS	(16.0)	6	4.79
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	4.5	NA
2008 Estimate	(19.0)	16.7
Last 5 years	0.7	10.9
Last 3 years	20.7	5.1
Last Year	4.0	7.3
Trailing 12 Months	(1.1)	16.2

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(37.5)	17.1
09/08 qtr. Estimate	(55.6)	9.8
06/08 qtr.	47.5	NA
03/08 qtr.	(2.2)	19.6
12/07 qtr.	(5.4)	9.7
09/07 qtr.	(17.9)	4.0

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	3	1	0	2.50
As of 4 Weeks ago	2	0	3	1	0	2.50
As of 8 Weeks ago	2	0	3	0	0	2.20
As of 12 Weeks ago	2	0	3	1	0	2.50

Bar Chart Key
12 Wks ago 8/28



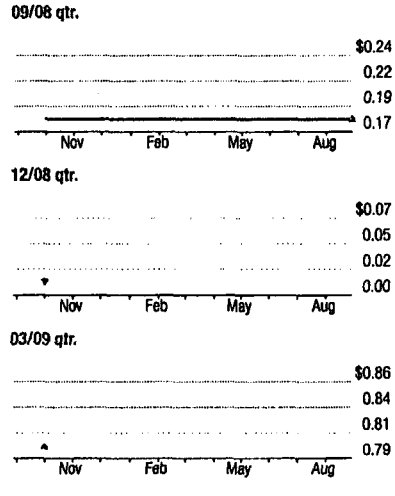
Mean Rating
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EPS Estimate Accuracy

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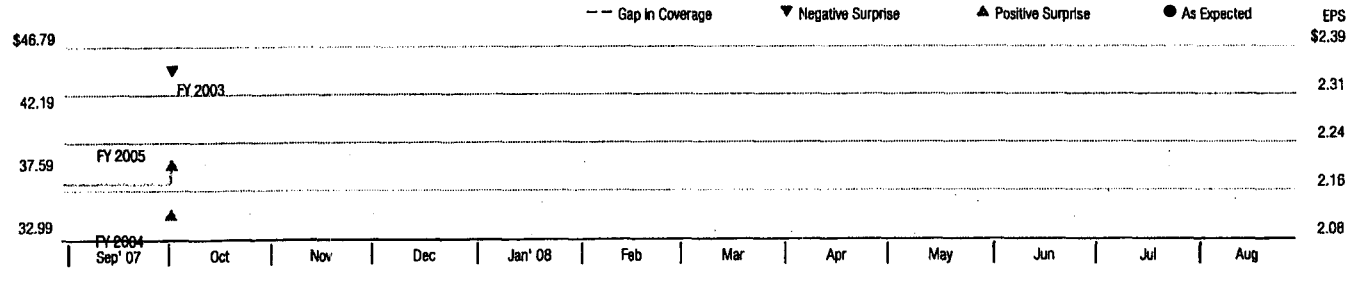
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.28	$0.59	$0.64
03/08 qtr.	$0.82	$0.91	$0.91
12/07 qtr.	$1.10	$1.22	$1.23
09/07 qtr.	$0.32	$0.32	$0.32
06/07 qtr.	$0.38	$0.40	$0.40

Quarterly EPS Estimate Revisions



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000135

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	308.8	153.7	106.7	341.4	910.5	1.43	0.04	(0.31)	0.94	2.11
FY Ending 12/2006	390.4	171.0	114.9	336.9	1,013.2	1.48	0.07	(0.35)	1.08	2.29
FY Ending 12/2007	394.1	183.2	124.2	331.6	1,033.2	1.76	0.10	(0.22)	1.17	2.76
FY Ending 12/2008	387.7	191.3	124.1 E	372.5 E	932.0 E	1.63	0.12	(0.28) E	1.12 E	2.57 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	981.2 E	1.73 E	0.14 E	(0.28) E	1.19 E	2.72 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.3	3	1.70	NWN	(6.9)	5	2.64
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	4.3	NA
2008 Estimate	(6.9)	(9.8)
Last 5 years	11.3	10.0
Last 3 years	14.0	13.4
Last Year	20.4	2.0
Trailing 12 Months	4.3	0.5

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	0.7	12.3
09/08 qtr. Estimate	NA	(0.1)
06/08 qtr.	(20.0)	4.4
03/08 qtr.	(7.4)	(1.6)
12/07 qtr.	3.7	(1.6)
09/07 qtr.	NA	8.1

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	4	0	1	0	0	1.40
As of 4 Weeks ago	4	0	1	0	0	1.40
As of 8 Weeks ago	5	0	1	0	0	1.33
As of 12 Weeks ago	4	0	2	0	0	1.67

Bar Chart Key
12 Wks ago 8/28





Mean Rating
1.00 = Best
5.00 = Worst

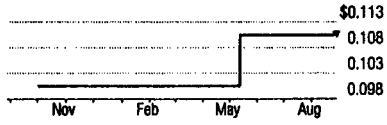
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

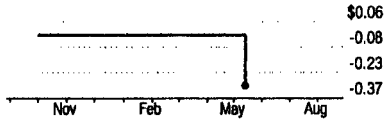
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.11	$0.08	$0.12
03/08 qtr.	$1.66	$1.63	$1.63
12/07 qtr.	$1.12	$1.11	$1.17
09/07 qtr.	($0.31)	($0.22)	($0.22)
06/07 qtr.	$0.08	$0.10	$0.10

Quarterly EPS Estimate Revisions

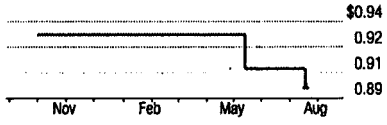
09/08 qtr.



12/08 qtr.

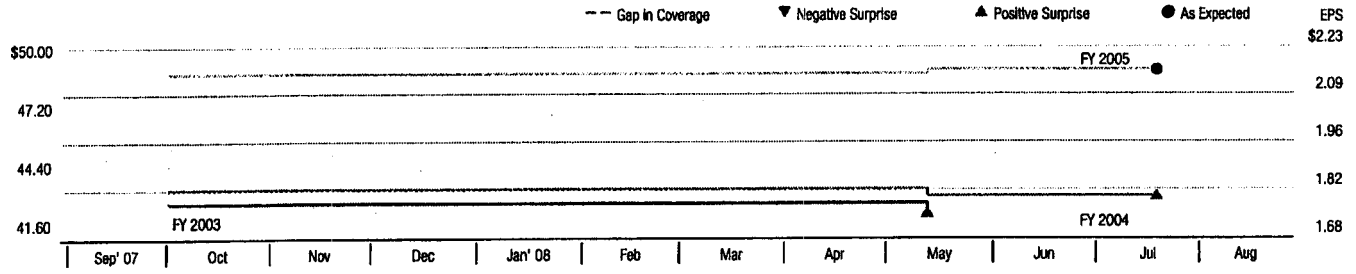


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000136

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. *The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)*

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Jan 31st	Apr 30th	Jul 31st	Oct 31st	Year Total	Jan 31st	Apr 30th	Jul 31st	Oct 31st	Year Total
FY Ending 10/2005	680.6	508.0	232.9	339.6	1,761.1	0.93	0.52	(0.06)	(0.06)	1.32
FY Ending 10/2006	921.3	483.2	237.9	282.2	1,924.6	0.94	0.57	(0.16)	(0.08)	1.28
FY Ending 10/2007	877.2	531.6	224.4	278.0	1,711.3	0.94	0.69	(0.12)	(0.11)	1.40
FY Ending 10/2008	788.5	634.2	250.0 E	297.7 E	1,970.6 E	1.12	0.66	(0.14) E	(0.13) E	1.51 E
FY Ending 10/2009	NA E	NA E	NA E	NA E	2,091.3 E	1.10 E	0.77 E	(0.15) E	(0.12) E	1.65 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.8	4	1.30	PNY	4.9	5	2.06
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.8	NA
2008 Estimate	7.7	15.2
Last 5 years	8.2	15.5
Last 3 years	3.3	3.8
Last Year	9.8	(11.1)
Trailing 12 Months	11.6	11.3

Quarterly Growth	EPS (%)	Sales (%)
10/08 qtr. Estimate	NA	7.1
07/08 qtr. Estimate	NA	11.4
04/08 qtr.	(4.3)	19.3
01/08 qtr.	19.1	NA
10/07 qtr.	NA	(1.5)
07/07 qtr.	NA	(5.6)

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	0	1	1	0	2.00
As of 4 Weeks ago	3	0	1	1	0	2.00
As of 8 Weeks ago	3	0	2	0	0	1.80
As of 12 Weeks ago	2	0	4	0	0	2.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

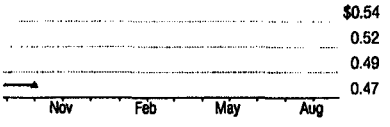
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

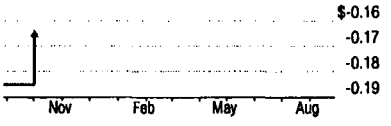
Quarter	Estimate	Actual	GAAP
04/08 qtr.	$0.71	$0.66	$0.66
01/08 qtr.	$0.97	$1.12	$1.12
10/07 qtr.	($0.05)	($0.07)	($0.11)
07/07 qtr.	($0.12)	($0.12)	($0.12)
04/07 qtr.	$0.61	$0.69	$0.69

Quarterly EPS Estimate Revisions

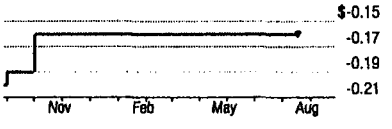
07/08 qtr.



10/08 qtr.

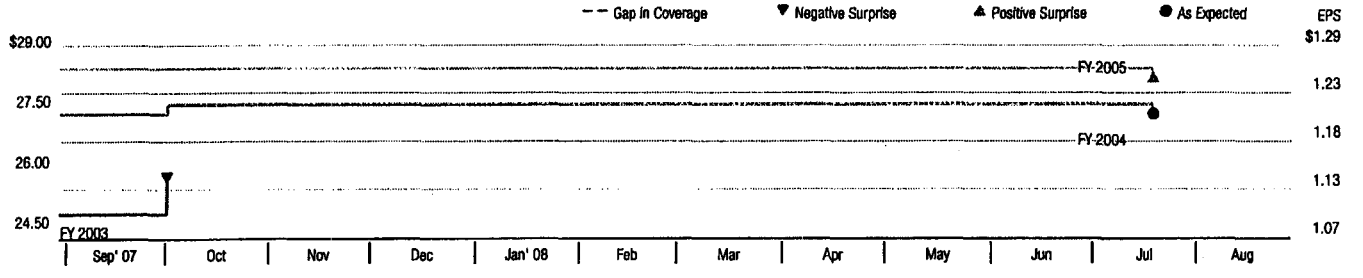


01/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000137

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	328.5	148.5	143.6	285.4	906.0	0.96	0.15	(0.18)	0.47	1.40
FY Ending 12/2006	372.6	153.8	154.7	250.3	931.4	1.06	0.20	0.51	0.69	2.47
FY Ending 12/2007	368.4	171.7	156.2	260.1	956.4	0.92	0.37	0.29	0.54	2.12
FY Ending 12/2008	348.0	135.8	162.8 E	265.1 E	913.3 E	0.83	(0.45)	0.10 E	0.63 E	2.31 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,006.3 E	1.30 E	0.30 E	0.13 E	0.69 E	2.37 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
7.7	3	2.49	SJI	10.3	4	0.42
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	7.7	NA
2008 Estimate	8.9	(4.5)
Last 5 years	11.8	13.3
Last 3 years	10.6	5.3
Last Year	(14.2)	2.7
Trailing 12 Months	(51.2)	(4.8)

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	(0.8)	1.9
09/08 qtr. Estimate	NA	4.2
06/08 qtr.	23.8	(18.7)
03/08 qtr.	43.5	(5.5)
12/07 qtr.	(8.7)	3.9
09/07 qtr.	NA	17.4

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	3	0	1	0	0	1.50
As of 4 Weeks ago	4	0	0	0	0	1.00
As of 8 Weeks ago	5	0	0	0	0	1.00
As of 12 Weeks ago	5	0	1	0	0	1.33

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

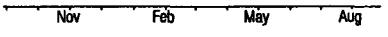
Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.28	$0.26	($0.45)
03/08 qtr.	$1.14	$1.32	$0.83
12/07 qtr.	$0.60	$0.63	$0.54
09/07 qtr.	$0.04	($0.05)	$0.29
06/07 qtr.	$0.20	$0.21	$0.37

Quarterly EPS Estimate Revisions

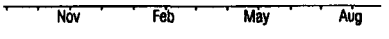
09/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

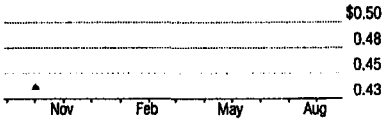


12/08 qtr.

There is currently not enough data available to use to display quarterly EPS estimate revisions.

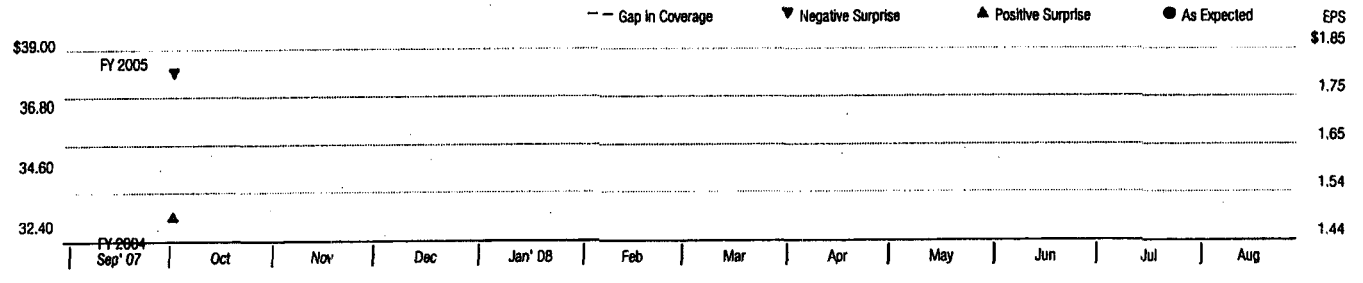


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000138

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	542.9	361.1	313.3	497.0	1,714.3	0.88	(0.07)	(0.43)	0.75	1.14
FY Ending 12/2006	676.9	430.9	351.8	565.1	2,024.8	1.11	0.09	(0.26)	1.11	2.04
FY Ending 12/2007	793.7	426.5	371.5	560.3	2,152.1	1.17	(0.01)	(0.22)	0.98	1.95
FY Ending 12/2008	813.6	0.0	276.9 E	499.9 E	1,871.1 E	1.14	0.00	(0.25) E	1.19 E	2.05 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	1,965.7 E	1.25 E	(0.02) E	(0.25) E	1.27 E	2.22 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
5.3	3	0.94	SWX	4.9	6	4.24
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)
5 year Estimate	5.3	NA
2008 Estimate	4.6	(13.1)
Last 5 years	8.1	10.3
Last 3 years	6.9	13.4
Last Year	(4.0)	6.3
Trailing 12 Months	(10.5)	1.4

Quarterly Growth	EPS (%)	Sales (%)
12/08 qtr. Estimate	19.3	6.6
09/08 qtr. Estimate	NA	NA
06/08 qtr.	NA	4.9
03/08 qtr.	(2.6)	NA
12/07 qtr.	(9.9)	(17.0)
09/07 qtr.	NA	NA

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	2	0	2	2	0	2.67
As of 4 Weeks ago	2	0	2	2	0	2.67
As of 8 Weeks ago	2	0	2	1	0	2.40
As of 12 Weeks ago	2	1	3	0	0	2.17

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

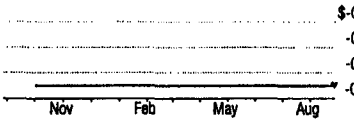
EPS Estimate Accuracy

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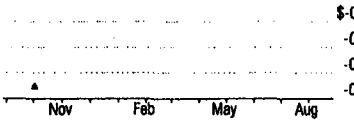
Quarter	Estimate	Actual	GAAP
06/08 qtr.	($0.03)	($0.06)	$0.00
03/08 qtr.	$1.20	$1.14	$1.14
12/07 qtr.	$1.09	$1.00	$0.98
09/07 qtr.	($0.20)	($0.22)	($0.22)
06/07 qtr.	$0.09	($0.01)	($0.01)

Quarterly EPS Estimate Revisions

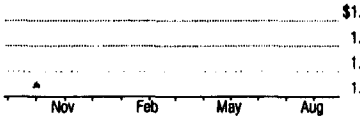
09/08 qtr.



12/08 qtr.

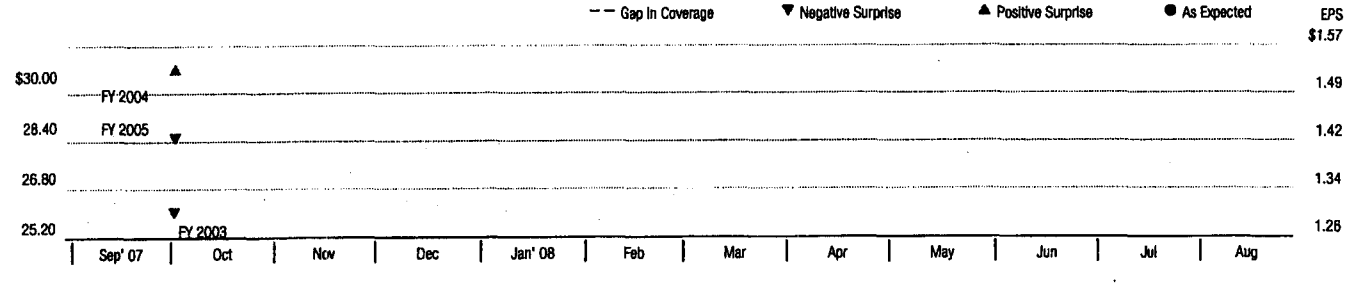


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



HEARING EXHIBIT 00000139

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total	Dec 31st	Mar 31st	Jun 30th	Sep 30th	Year Total
FY Ending 9/2005	623.4	1,541.6	343.3	278.5	2,163.3	0.88	2.51	(0.15)	(0.21)	2.16
FY Ending 9/2006	902.9	1,064.4	346.9	323.6	2,637.9	0.93	1.17	(0.01)	(0.15)	1.94
FY Ending 9/2007	733.0	1,119.9	467.5	325.7	2,646.0	0.92	1.29	0.26	(0.27)	2.19
FY Ending 9/2008	751.6	1,020.0	464.6	331.2 E	2,566.4 E	0.95	1.63	(0.01)	(0.33) E	2.35 E
FY Ending 9/2009	761.7 E	1,037.7 E	470.3 E	NA E	2,614.2 E	0.99 E	1.58 E	0.08 E	(0.36) E	2.36 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
NA	NA	NA	WGL	18.2	4	1.68
9.6	3	2.19	Industry	11.4	5	12.08
12.3	5	2.86	S&P 500	11.1	11	6.90

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)	Quarterly Growth	EPS (%)	Sales (%)
5 year Estimate	NA	NA	12/08 qtr. Estimate	2.6	1.3
2008 Estimate	7.7	(3.0)	09/08 qtr. Estimate	NA	1.7
Last 5 years	22.1	10.8	06/08 qtr.	(72.7)	(0.6)
Last 3 years	2.3	8.6	03/08 qtr.	28.7	(8.9)
Last Year	12.9	0.3	12/07 qtr.	10.3	2.5
Trailing 12 Months	(1.0)	(3.1)	09/07 qtr.	NA	146.9

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 8/28/08	0	0	3	1	0	3.25
As of 4 Weeks ago	0	0	3	1	0	3.25
As of 8 Weeks ago	1	0	2	1	0	2.75
As of 12 Weeks ago	1	0	3	1	0	2.80

Bar Chart Key
12 Wks ago 8/28



Mean Rating
1.00 = Best
5.00 = Worst

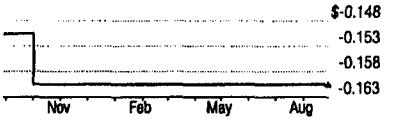
EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

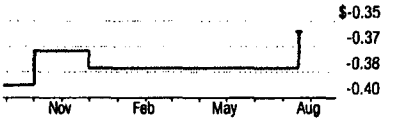
Quarter	Estimate	Actual	GAAP
06/08 qtr.	$0.14	$0.06	($0.01)
03/08 qtr.	$1.41	$1.66	$1.63
12/07 qtr.	$1.05	$0.96	$0.95
09/07 qtr.	($0.35)	($0.31)	($0.27)
06/07 qtr.	$0.01	$0.22	$0.26

Quarterly EPS Estimate Revisions

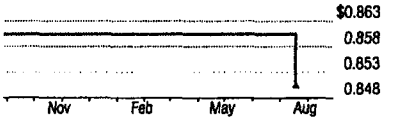
09/08 qtr.



12/08 qtr.

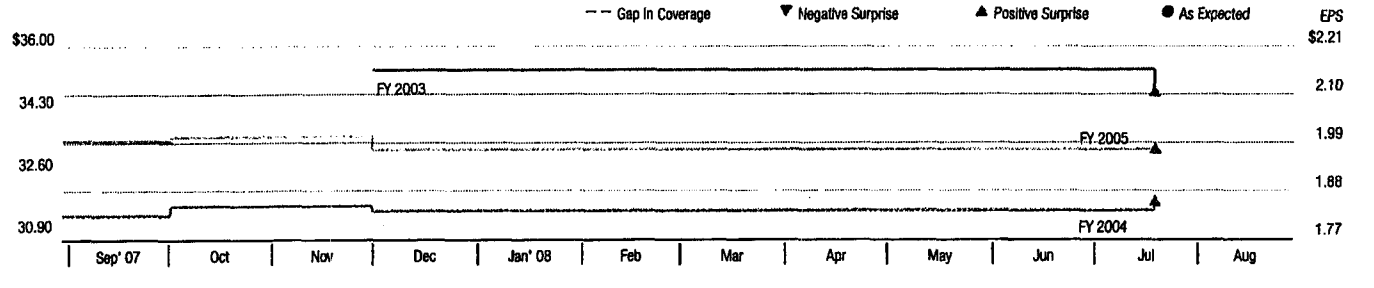


03/09 qtr.



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:01PM ET - U.S. Markets close in 59mins.

AGL Resources Inc. (ATG)

At 2:46PM ET: **33.08** ↑ 0.02 (0.06%)

More On ATG

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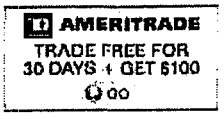
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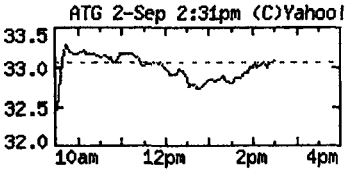






ATLANTA GAS LIGHT (NYSE: ATG)

NEW Real-time: 33.14 ↑ 0.08 (0.24%) **3:01PM ETHelp**



Last Trade:	**33.08**	Day's Range:	**32.47 - 33.37**
Trade Time:	**2:46PM ET**	52wk Range:	**32.20 - 41.16**
Change:	↑ 0.02 (0.06%)	Volume:	**559,200**
Prev Close:	**33.06**	Avg Vol (3m):	**624,581**
Open:	**33.37**	Market Cap:	**2.54B**
Bid:	**N/A**	P/E (ttm):	**16.15**
Ask:	**N/A**	EPS (ttm):	**2.05**
1y Target Est:	**39.72**	Div & Yield:	**1.68 (5.10%)**

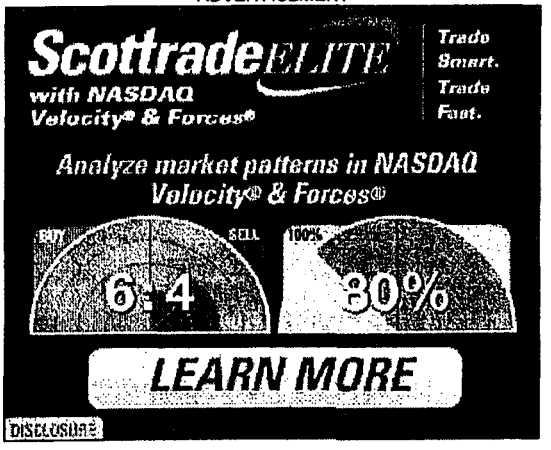
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- 5 Dynamic Dividend Stocks
  at Motley Fool (Fri, Aug 22)
- AGL RESOURCES INC Financials
  EDGAR Online Financials (Wed, Aug 6)
- AGL Resources, Inc. Q2 2008 Earnings Call Transcript
  at Seeking Alpha (Wed, Aug 6)
- TSC Ratings' Updates: Foundry Networks
  at TheStreet.com (Tue, Aug 5)
- AGL Resources Board of Directors Declares Quarterly Dividend
  PR Newswire (Fri, Aug 1)
- AGL RESOURCES INC Files SEC form 8-K, Other Events, Financial Statements and Exhibits
  EDGAR Online (Thu, Jul 31)
- AGL Resources dips to $11M Q2 loss
  at bizjournals.com (Thu, Jul 31)
- AGL Resources Earnings Call scheduled for 9:00 am ET today
  CCBN (Thu, Jul 31)

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Atmos Energy Corp. (ATO)

At 2:51PM ET: **27.49** ↓ 0.05 (0.18%)

More On ATO

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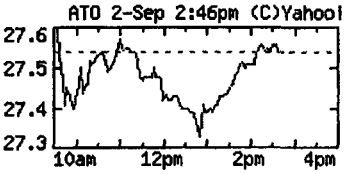






ATMOS ENERGY CP (NYSE: ATO)

NEW Real-time: **27.46** ↓ 0.08 (0.29%) **3:04pm ET**Help



Last Trade:	**27.49**	Day's Range:	**27.32 - 27.81**
Trade Time:	**2:51PM ET**	52wk Range:	**25.00 - 29.63**
Change:	↓ 0.05 (0.18%)	Volume:	**332,298**
Prev Close:	**27.54**	Avg Vol (3m):	**385,780**
Open:	**27.81**	Market Cap:	**2.49B**
Bid:	**N/A**	P/E (ttm):	**14.31**
Ask:	**N/A**	EPS (ttm):	**1.92**
1y Target Est:	**29.25**	Div & Yield:	**1.30 (4.70%)**

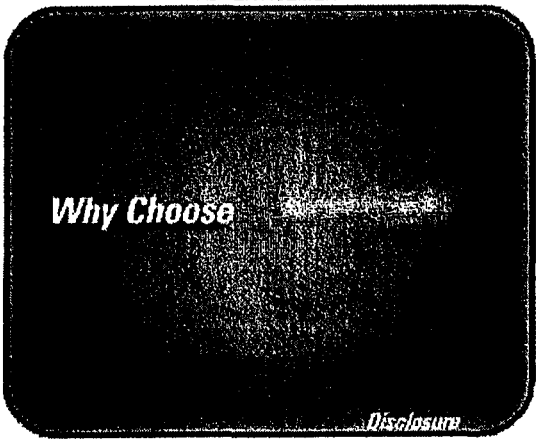
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  Business Wire (Wed, Aug 27)
- Atmos Energy Corporation CEO to Speak at *Lehman Brothers Conference*
  Business Wire (Mon, Aug 25)
- Enbridge Energy to conduct pipeline research
  AP (Fri, Aug 22)
- Enbridge and Atmos Energy to Solicit Interest From Shippers in Proposed Texas Gas Pipeline
  GlobeNewswire (Fri, Aug 22)
- ATMOS ENERGY CORP Financials
  EDGAR Online Financials (Wed, Aug 13)
- Analysts' Upgrades, Downgrades: Consolidated Edison
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- Analysts' Upgrades, Downgrades: Qwest
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- ATMOS ENERGY CORP Files SEC form 8-

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Equitable Resources Inc. (EQT)

At 2:52PM ET: **47.43** ↓ 2.48 (4.97%)

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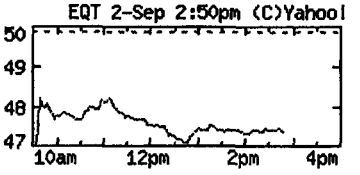
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EQUITABLE RES INC (NYSE: EQT)

NEW Real-time: **47.36** ↓ 2.55 (5.11%) **3:05pm ET** help

Last Trade:	**47.43**	Day's Range:	**47.01 - 48.40**
Trade Time:	**2:52PM ET**	52wk Range:	**46.79 - 76.14**
Change:	↓ 2.48 (4.97%)	Volume:	**829,907**
Prev Close:	**49.91**	Avg Vol (3m):	**1,390,020**
Open:	**47.69**	Market Cap:	**6.21B**
Bid:	**N/A**	P/E (ttm):	**26.84**
Ask:	**N/A**	EPS (ttm):	**1.77**
1y Target Est:	**84.71**	Div & Yield:	**0.88 (1.80%)**



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- [$$] Don't Get Swept Away With Hurricane Plays
  at RealMoney by TheStreet.com (Tue, Aug 26)
- Equitable Resources to Present at Lehman Brothers CEO Energy/Power Conference
  PR Newswire (Mon, Aug 25)
- Outlook for Natural Gas E&P Stocks Analyzed in Wall Street Transcript Oil & Gas Exploration & Production Report
  Wall Street Transcript (Wed, Aug 20)
- [$$] In Natural Gas, Perspective Is Everything
  at RealMoney by TheStreet.com (Mon, Aug 18)
- Equitable Resources CEO Talks Nat Gas
  at CNBC (Wed, Aug 13)
- FTC antitrust chief leaving for law firm
  Reuters (Thu, Aug 7)
- EQUITABLE RESOURCES INC /PA/ Financials
  EDGAR Online Financials (Thu, Aug 7)
- El Paso's Tennessee Gas Pipeline Announces 300 Line Expansion Project

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Laclede Group Inc. (LG)

At 2:52PM ET: **44.43** ↓ 0.50 (1.11%)

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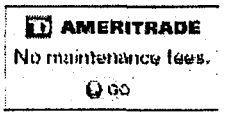
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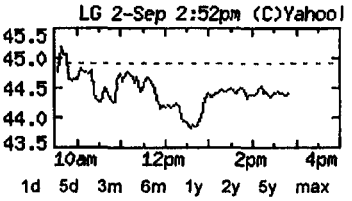




LACLEDE GROUP INC (NYSE: LG)

NEW Real-time: **44.43** ↓ 0.50 (1.11%) **2:56pm ET**help

Last Trade:	**44.43**	Day's Range:	**43.82 - 45.18**
Trade Time:	**2:52PM ET**	52wk Range:	**30.60 - 47.98**
Change:	↓ 0.50 (1.11%)	Volume:	**219,636**
Prev Close:	**44.93**	Avg Vol (3m):	**162,400**
Open:	**44.64**	Market Cap:	**976.17M**
Bid:	**N/A**	P/E (ttm):	**11.73**
Ask:	**N/A**	EPS (ttm):	**3.79**
1y Target Est:	**N/A**	Div & Yield:	**1.50 (3.30%)**



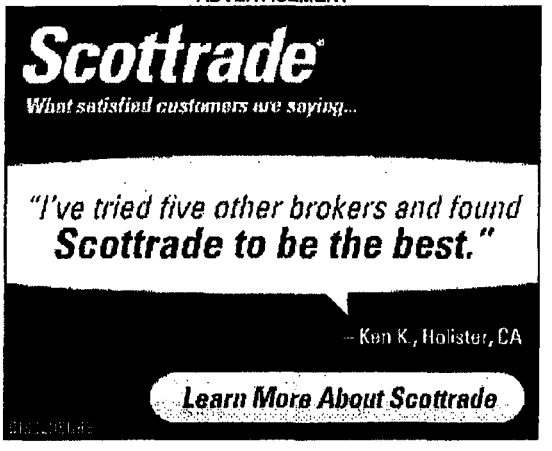
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- LACLEDE GROUP INC Files SEC form 8-K, Temporary Suspension of Trading Under Registrant's Employee Benefit Plans, Fina
  EDGAR Online (Mon, Aug 18)
- 3 Stocks Hitting High Notes
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- LACLEDE GROUP INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Thu, Aug 7)
- New Star Analyst Rankings for Laclede Group Inc
  StarMine (Mon, Aug 4)
- Laclede Group earnings outpace expectations
  at bizjournals.com (Fri, Aug 1)
- LACLEDE GROUP INC Files SEC form 8-K, Regulation FD Disclosure, Financial Statements and Exhibits
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- The Laclede Group Reports Strong Third

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:07PM ET - U.S. Markets close in 53mins.

Nicor Inc. (GAS)

At 2:52PM ET: **45.98** ↑ 0.09 (0.20%)

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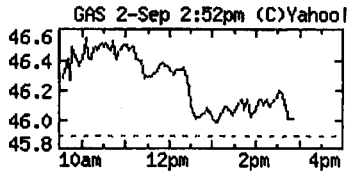




NICOR INC (NYSE: GAS)

NEW Real-time: **46.00** ↑ 0.11 (0.24%) 3:07pm ETHelp

Last Trade:	**45.98**	Day's Range:	**45.97 - 46.61**
Trade Time:	**2:52PM ET**	52wk Range:	**32.35 - 46.84**
Change:	↑ 0.09 (0.20%)	Volume:	**767,994**
Prev Close:	**45.89**	Avg Vol (3m):	**714,930**
Open:	**46.13**	Market Cap:	**2.08B**
Bid:	**N/A**	P/E (ttm):	**14.86**
Ask:	**N/A**	EPS (ttm):	**3.094**
1y Target Est:	**42.31**	Div & Yield:	**1.86 (4.10%)**



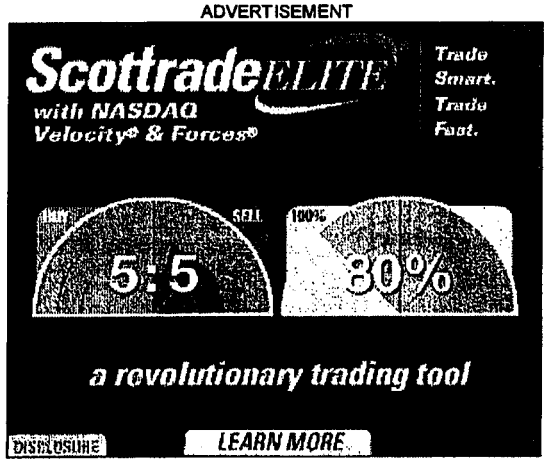
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  at Barron's Online (Tue, Aug 26)
- Nicor Ready To Break Higher?
  at Investopedia (Thu, Aug 21)
- S&P 500 Earnings Leaderboard: Biggest Surprises Season to Date
  at CNBC (Mon, Aug 18)
- NICOR INC Files SEC form 8-K, Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet A
  EDGAR Online (Tue, Aug 12)
- S&P 500 Earnings Leaderboard: Biggest Surprises Season to Date
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- NICOR INC Financials
  EDGAR Online Financials (Sat, Aug 9)
- Stocks Fall Despite Oil-Price Drop

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Tue, Sep 2, 2008, 3:08PM ET - U.S. Markets close in 52mins.

Northwest Natural Gas Co. (NWN)

At 2:51PM ET: **48.75** ↑ 0.02 (0.04%)

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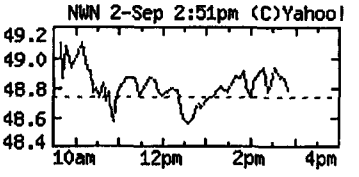
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NORTHWEST NAT GAS (NYSE: NWN)

NEW Real-time: **48.79** ↑ 0.06 (0.12%) 3:06pm ETHelp

Last Trade:	**48.75**	Day's Range:	**48.22 - 49.23**
Trade Time:	**2:51PM ET**	52wk Range:	**41.07 - 50.89**
Change:	↑ 0.02 (0.04%)	Volume:	**53,863**
Prev Close:	**48.73**	Avg Vol (3m):	**156,665**
Open:	**N/A**	Market Cap:	**1.29B**
Bid:	**N/A**	P/E (ttm):	**18.49**
Ask:	**N/A**	EPS (ttm):	**2.64**
1y Target Est:	**53.00**	Div & Yield:	**1.50 (3.10%)**



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- Ahead of the Bell: Gas utilities
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- NORTHWEST NATURAL GAS CO Financials
  EDGAR Online Financials (Thu, Aug 14)
- NORTHWEST NATURAL GAS CO Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Wed, Aug 6)
- Gill Ranch Storage, LLC, Files Application for Certificate of Public Convenience and Necessity for Underground Storage Facility Near Fresno
  Business Wire (Wed, Jul 30)
- New Star Analyst Rankings for NORTHWEST NAT GAS
  StarMine (Mon, Jul 28)
- Northwest Natural Gas Company Q2 2008 Earnings Call Transcript
  at Seeking Alpha (Fri, Jul 25)
- Q2 earnings higher for NW Natural
  at bizjournals.com (Fri, Jul 25)
- Q2 2008 NW Natural Earnings Release -

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GET QUOTES Finance Search Tue, Sep 2, 2008, 3:08PM ET - U.S. Markets close in 52mins.

Piedmont Natural Gas Co. Inc. (PNY)

At 2:53PM ET: **28.95** ↑ 0.10 (0.35%)

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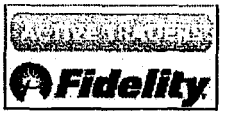
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Insider Roster

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Balance Sheet
Cash Flow



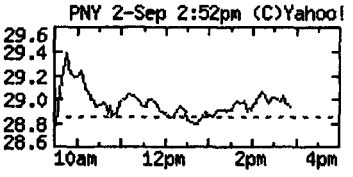






PIEDMONT NAT GAS CO (NYSE: PNY)

NEW Real-time: **29.04** ↑ 0.19 (0.66%) **3:07pm ET**help



Last Trade:	**28.95**	Day's Range:	**28.79 - 29.52**
Trade Time:	**2:53PM ET**	52wk Range:	**24.01 - 29.20**
Change:	↑ 0.10 (0.35%)	Volume:	**205,222**
Prev Close:	**28.85**	Avg Vol (3m):	**364,985**
Open:	**29.08**	Market Cap:	**2.12B**
Bid:	**N/A**	P/E (ttm):	**18.86**
Ask:	**N/A**	EPS (ttm):	**1.54**
1y Target Est:	**28.60**	Div & Yield:	**1.04 (3.60%)**

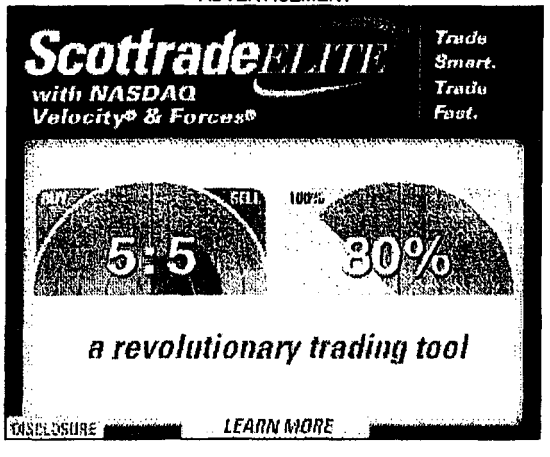
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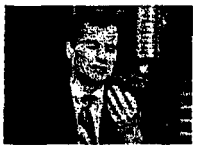
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- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- Webcast Alert: Piedmont Natural Gas Announces Third Quarter 2008 Earnings Conference Call
  PR Newswire (Tue, Aug 26)
- 5 Stocks That Just Won't Quit
  at Motley Fool (Fri, Aug 22)
- Duke Energy defends Save-a-Watt as hearings begin
  at bizjournals.com (Tue, Jul 29)
- Dukeâ□□s Ruff testifies at Save-A-Watt hearing
  at bizjournals.com (Tue, Jul 29)
- The Next 5 Stocks to Buy?
  at Motley Fool (Mon, Jun 23)
- PIEDMONT NATURAL GAS CO INC Financials
  EDGAR Online Financials (Thu, Jun 19)
- Piedmont upgraded by Hilliard Lyons
  Briefing.com (Mon, Jun 16)
- PIEDMONT NATURAL GAS CO INC Files SEC form 8-K, Regulation FD Disclosure, Other Events

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streaming quotes: ON

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Tue, Sep 2, 2008, 3:12PM ET - U.S. Markets close in 48mins.

South Jersey Industries, Inc. (SJI)

At 2:56PM ET: **35.66** ↓ 0.01 (0.03%)

More On SJI

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Charts
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Basic Chart
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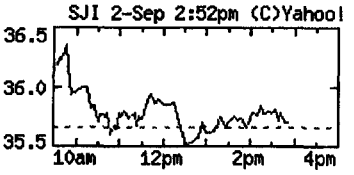
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SOUTH JERSEY IND (NYSE: SJI)

NEW Real-time: 35.70 ↑ 0.03 (0.08%) 3:00pm ETHelp

Last Trade:	35.66	Day's Range:	35.51 - N/A
Trade Time:	2:56PM ET	52wk Range:	31.83 - 39.36
Change:	↓ 0.01 (0.03%)	Volume:	146,974
Prev Close:	35.67	Avg Vol (3m):	172,808
Open:	36.44	Market Cap:	1.05B
Bid:	N/A	P/E (ttm):	29.54
Ask:	N/A	EPS (ttm):	1.21
1y Target Est:	40.33	Div & Yield:	1.08 (3.00%)



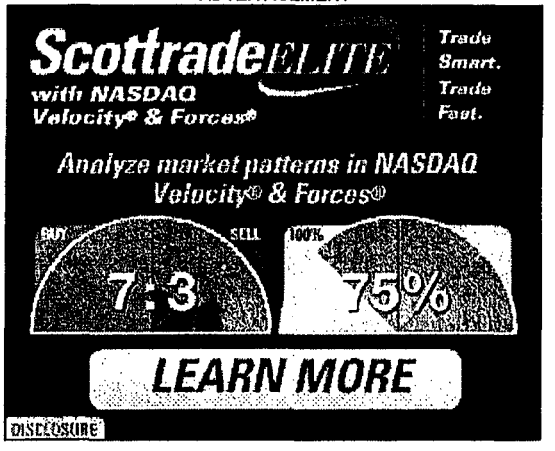
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- Ahead of the Bell: Gas utilities
  AP (Fri, Aug 29)
- South Jersey Industries sets quarterly dividend
  AP (Thu, Aug 28)
- SOUTH JERSEY INDUSTRIES INC Files SEC form 8-K, Regulation FD Disclosure
  EDGAR Online (Thu, Aug 28)
- SJI Declares Quarterly Dividend
  Business Wire (Thu, Aug 28)
- SOUTH JERSEY INDUSTRIES INC Financials
  EDGAR Online Financials (Wed, Aug 20)
- Analysts' Upgrades, Downgrades: Consolidated Edison
  at TheStreet.com (Mon, Aug 11)
- New Star Analyst Rankings for SOUTH JERSEY IND
  StarMine (Sat, Aug 9)
- SOUTH JERSEY INDUSTRIES INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Fri, Aug 8)
- South Jersey Industries Inc. Q2 2008 Earnings Call Transcript

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Dow ↓ 0.44% Nasdaq ↓ 1.07% streaming quotes: ON

GET QUOTES Finance Search Tue, Sep 2, 2008, 3:08PM ET - U.S. Markets close in 52mins.

Southwest Gas Corp. (SWX)

At 2:53PM ET: **30.05** ↓ 0.30 (0.99%)

More On SWX

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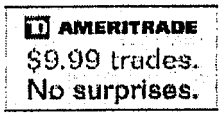
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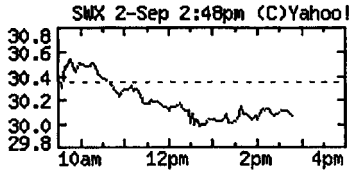






SOUTHWEST GAS CP (NYSE: SWX)

NEW Real-time: **30.04** ↓ 0.31 (1.02%) **3:07pm ET**help



Last Trade:	**30.05**	Day's Range:	**29.49 - 30.85**
Trade Time:	**2:53PM ET**	52wk Range:	**25.14 - 31.74**
Change:	↓ 0.30 (0.99%)	Volume:	**134,340**
Prev Close:	**30.35**	Avg Vol (3m):	**198,581**
Open:	**30.60**	Market Cap:	**1.31B**
Bid:	**N/A**	P/E (ttm):	**16.17**
Ask:	**N/A**	EPS (ttm):	**1.858**
1y Target Est:	**34.50**	Div & Yield:	**0.90 (3.00%)**

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HEADLINES Filter Headlines

- SOUTHWEST GAS CORP Financials
  EDGAR Online Financials (Thu, Aug 14)
- Southwest Gas Earnings Call scheduled for 1:00 pm ET today
  CCBN (Thu, Aug 7)
- New Star Analyst Rankings for SOUTHWEST GAS CP
  StarMine (Thu, Aug 7)
- SOUTHWEST GAS CORP Files SEC form 8-K, Results of Operations and Financial Condition
  EDGAR Online (Wed, Aug 6)
- Southwest Gas Corporation Reports Second Quarter 2008 Results
  PR Newswire (Wed, Aug 6)
- Q2 2008 Southwest Gas Earnings Release - After Market Close
  CCBN (Wed, Aug 6)
- SOUTHWEST GAS CORP Files SEC form 8-K, Change in Directors or Principal Officers, Amendments to Articles of Inc. or B
  EDGAR Online (Thu, Jul 31)
- Robert L. Boughner Elected as Director of

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WGL Holdings Inc. (WGL)

At 2:53PM ET: **32.30** ↑ 0.10 (0.31%)

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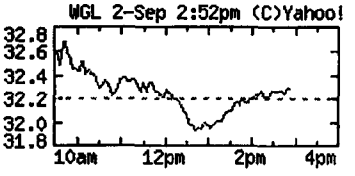
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WGL HOLDINGS INC (NYSE: WGL)

NEW Real-time: **32.33** ↑ 0.13 (0.40%) **3:08PM ET**help

Last Trade:	**32.30**	Day's Range:	**31.93 - N/A**
Trade Time:	**2:53PM ET**	52wk Range:	**30.26 - 36.22**
Change:	↑ 0.10 (0.31%)	Volume:	**559,171**
Prev Close:	**32.20**	Avg Vol (3m):	**528,297**
Open:	**32.62**	Market Cap:	**1.61B**
Bid:	**N/A**	P/E (ttm):	**14.07**
Ask:	**N/A**	EPS (ttm):	**2.30**
1y Target Est:	**31.67**	Div & Yield:	**1.42 (4.40%)**



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HEADLINES — Filter Headlines

- WGL Holdings, Inc. F3Q08 (Qtr End 06/30/08) Earnings Call Transcript
  at Seeking Alpha (Mon, Aug 18)
- WGL HOLDINGS INC Financials
  EDGAR Online Financials (Thu, Aug 14)
- WGL HOLDINGS INC Files SEC form 10-Q, Quarterly Report
  EDGAR Online (Wed, Aug 6)
- Earnings roundup: Cisco, West Pharma
  AP (Tue, Aug 5)
- WGL Holdings shares down on 3Q loss
  AP (Tue, Aug 5)
- WGL HOLDINGS INC Files SEC form 8-K, Results of Operations and Financial Condition, Financial Statements and Exhibits
  EDGAR Online (Tue, Aug 5)
- WGL Holdings, Inc., Reports Third Quarter Fiscal Year 2008 Earnings; Revises Earnings Guidance
  Business Wire (Mon, Aug 4)
- Q3 2008 WGL Holdings Earnings Release - After Market Close
  CCBN (Mon, Aug 4)

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CNBC
Gas demand

Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 5 of Pauline M. Ahern, CRRA

Standard and Poor's

"Issuer Ranking: U.S. Investor-Owned Water Utilities, Strongest to Weakest"

August 5, 2008

and

"Issuer Ranking: U.S. Natural Gas Distributors and Integrated Gas Companies, Strongest to Weakest"

August 7, 2008

HEARING EXHIBIT 00000151

STANDARD
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August 5, 2008

Issuer Ranking:

U.S. Investor-Owned Water Utilities, Strongest To Weakest

Primary Credit Analyst:
Kenneth L Farer, New York (1) 212-438-1679; kenneth_farer@standardandpoors.com

Secondary Credit Analyst:
Harish Mewani, Mumbai; harish_mewani@mcgraw-hill.com

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HEARING EXHIBIT 00000152

Issuer Ranking:

U.S. Investor-Owned Water Utilities, Strongest To Weakest

Standard & Poor's Ratings Services considers all rated U.S. water companies to have excellent business profiles, which reflects the supportive regulatory environments, monopolistic market positions, a mostly residential customer base, and relatively low operating risk compared with other utilities. Many rated water companies also have modest non-regulated segments, which primarily provide operational and consulting services to water and wastewater facilities. Despite tight margins and low cash flow generation, these non-regulated operations pose limited incremental risks to the company's consolidated credit profile. In addition to the complimentary nature of the utility's non-regulated segment to its regulated operations, the risks are mitigated as the water company's operating and capital costs are passed-through to the facility's owner and the facility owners are usually highly rated counterparties such as municipalities or the U.S. military. As a result, ratings in the U.S. investor-owned water utility sector continue to display significant stability. The most significant differentiating factor for these companies has been financial performance, particularly the level and stability of cash flows.

The following list contains Standard & Poor's ratings, outlooks, and business and financial profiles for U.S. investor-owned water companies. This list reflects the current ratings and outlooks as of August 4, 2008. It also reflects several alterations in how each company's credit profile is portrayed and how it is ranked in the list. First and foremost, utility business risk and financial risk profiles are now communicated through the Standard & Poor's corporate ratings risk matrix (see the article "U.S. Utilities Ratings Analysis Is Now Portrayed In The S&P Corporate Ratings Matrix," published Nov. 30, 2007 on RatingsDirect). Second, the rankings in each rating/outlook grouping (e.g., BBB+/Stable/--) are based on relative business risk instead of on overall credit quality, so that you can compare Standard & Poor's assessment of a utility's business risk with its like-rated peers.

A Standard & Poor's rating outlook assesses the potential direction of an issuer's long-term debt rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. "Positive" indicates that a rating may be raised; "negative" means a rating may be lowered; "stable" indicates that ratings are not likely to change; and "developing" means ratings may be raised or lowered.

Utility business profiles can be categorized as "excellent," "strong," "satisfactory," "weak," or "vulnerable" under the credit ratings methodology applied to all rated corporate entities at Standard & Poor's. To determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility: markets and service area economy; competitive position; operations; asset concentration; regulation; and management. Issuer credit ratings, shown as long-term rating/outlook or CreditWatch/short-term rating, are local and foreign currency unless otherwise noted. A dash (--) indicates not rated.

For the related industry report card, please see "Industry Report Card: U.S. Investor-Owned Water Companies Stay Out Of Hot Water," published on July 9, 2008.

Issuer Ranking: U.S. Investor-Owned Water Utilities

Company	Corporate credit rating*	Business risk profile	Financial risk profile
Baton Rouge Water Works Co. (The)	AA/Stable/--	Excellent	Modest

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Issuer Ranking: U.S. Investor-Owned Water Utilities(cont.)			
Aqua Pennsylvania Inc.	A+/Stable/--	Excellent	Intermediate
California Water Service Co.	A+/Stable/--	Excellent	Intermediate
Connecticut Water Service Inc.	A/Stable/--	Excellent	Intermediate
Connecticut Water Co. (The)	A/Stable/--	Excellent	Intermediate
American States Water Co.	A/Stable/--	Excellent	Intermediate
Golden State Water Co.	A/Stable/--	Excellent	Intermediate
York Water Co. (The)	A-/Stable/--	Excellent	Intermediate
Middlesex Water Co.	A-/Stable/--	Excellent	Intermediate
United Water New Jersey	A-/Stable/--	Excellent	Aggressive
United Waterworks Inc.	A-/Stable/--	Excellent	Aggressive
American Water Works Co. Inc.	BBB+/Stable/A-2	Excellent	Aggressive
American Water Capital Corp.	BBB+/Stable/A-2	Excellent	Aggressive

*Ratings as of Aug. 4, 2008.

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August 7, 2008

Issuer Ranking:

U.S. Natural Gas Distributors And Integrated Gas Companies, Strongest To Weakest

Primary Credit Analyst:
Kenneth L Farer, New York (1) 212-438-1679; kenneth_farer@standardandpoors.com

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HEARING EXHIBIT 00000156

Issuer Ranking:

U.S. Natural Gas Distributors And Integrated Gas Companies, Strongest To Weakest

Standard & Poor's Ratings Services expects credit quality of U.S. natural gas local distribution companies (LDC) to remain generally stable over the next year. Near-term challenges relate to current high gas prices and the expectation of higher prices during the upcoming winter heating season, management of capital investment programs, and the potential for declining returns on equity as decoupling (the protection of a utility's financial performance when variations in weather or customer conservation reduce total throughput) is granted. We expect these trends to lead LDCs to file rate cases requesting enhanced rate-design related to declining retail gas consumption driven by energy efficiency, demand destruction caused by rising commodity costs, and cost recovery for infrastructure replacement. For the utilities, the increased rate-case activity raises regulatory risks because the rate hikes needed to recover infrastructure costs and other capital investments may strain the ability and willingness of consumers (and regulators) to pay.

The following list contains Standard & Poor's ratings, outlooks, and business and financial profiles for U.S. natural gas distributors and integrated gas utilities. This list reflects the current ratings and outlooks as of Aug. 7, 2008.

Utility business risk and financial risk profiles are now communicated through the Standard & Poor's corporate ratings risk matrix (see the article "U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix," published Nov. 30, 2007 on RatingsDirect). In addition, the rankings in each rating/outlook grouping (e.g., BBB+/Stable/--) are based on relative business risk instead of on overall credit quality, so that you can compare Standard & Poor's assessment of a utility's business risk with its like-rated peers.

A Standard & Poor's rating outlook assesses the potential direction of an issuer's long-term debt rating over the intermediate to longer term. In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. "Positive" indicates that a rating may be raised; "negative" means a rating may be lowered; "stable" indicates that ratings are not likely to change; and "developing" means ratings may be raised or lowered.

Utility business profiles can be categorized as "excellent," "strong," "satisfactory," "weak," or "vulnerable" under the credit ratings methodology applied to all rated corporate entities at Standard & Poor's. To determine a utility's business profile, Standard & Poor's analyzes the following qualitative business or operating characteristics typical of a utility: markets and service area economy; competitive position; operations; asset concentration; regulation; and management. Issuer credit ratings, shown as long-term rating/outlook or CreditWatch/short-term rating, are local and foreign currency unless otherwise noted. A dash (--) indicates not rated.

For the related industry report card, see "Industry Report Card: U.S. Natural Gas Distribution Companies' Credit Quality Declines Modestly; Rate Cases Granting Lower ROEs," published on July 10, 2008.

Issuer Ranking: U.S. Natural Gas Distributors And Integrated Gas Companies

Company	Corporate credit rating*	Business risk profile	Financial profile
Nicor Gas Co.	AA/Stable/A-1+	Excellent	Intermediate
Nicor Inc.	AA/Stable/A-1+	Excellent	Intermediate

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Issuer Ranking: U.S. Natural Gas Distributors And Integrated Gas Companies(cont.)			
Northwest Natural Gas Co.	AA-/Stable/A-1+	Excellent	Intermediate
Washington Gas Light Co.	AA-/Stable/A-1	Excellent	Intermediate
WGL Holdings Inc.	AA-/Stable/A-1	Excellent	Intermediate
NSTAR Gas Co.	A+/Stable/--	Excellent	Intermediate
KeySpan Energy Delivery Long Island	A/Stable/--	Excellent	Intermediate
KeySpan Energy Delivery New York	A/Stable/--	Excellent	Intermediate
Northern Natural Gas Co.	A/Stable/--	Excellent	Intermediate
Piedmont Natural Gas Co. Inc.	A/Stable/--	Excellent	Intermediate
Laclede Gas Co.	A/Stable/A-1	Excellent	Intermediate
Laclede Group Inc. (The)	A/Stable/--	Excellent	Intermediate
New Jersey Natural Gas Co.	A/Negative/A-1	Excellent	Intermediate
Southern California Gas Co.	A/Negative/A-1	Excellent	Intermediate
San Diego Gas & Electric Co.	A/Negative/A-1	Excellent	Intermediate
Wisconsin Gas LLC	A-/Positive/A-2	Excellent	Intermediate
Indiana Gas Co. Inc.	A-/Stable/--	Excellent	Intermediate
Colonial Gas Co.	A-/Stable/--	Excellent	Intermediate
Boston Gas Co.	A-/Stable/--	Excellent	Intermediate
Questar Gas Co.	A-/Stable/--	Excellent	Intermediate
Peoples Gas Light & Coke Co. (The)	A-/Stable/A-2	Excellent	Intermediate
North Shore Gas Co.	A-/Stable/--	Excellent	Intermediate
KeySpan Corp.	A-/Stable/A-2	Excellent	Intermediate
Vectren Utility Holdings Inc.	A-/Stable/A-2	Excellent	Intermediate
Vectren Corp.	A-/Stable/--	Excellent	Intermediate
Southern Indiana Gas & Electric Co.	A-/Stable/--	Excellent	Intermediate
Atlanta Gas Light Co.	A-/Stable/--	Excellent	Intermediate
AGL Resources Inc.	A-/Stable/A-2	Excellent	Intermediate
Peoples Energy Corp.	A-/Stable/--	Excellent	Intermediate
Public Service Co. of North Carolina Inc.	A-/Negative/A-2	Excellent	Aggressive
Questar Corp.	--/--/A-2	Satisfactory	Intermediate
Alabama Gas Corp.	BBB+/Stable/--	Excellent	Intermediate
South Jersey Gas Co.	BBB+/Stable/--	Excellent	Aggressive
Energen Corp.	BBB+/Stable/--	Satisfactory	Intermediate
Equitable Resources Inc.	BBB+/Stable/A-2	Satisfactory	Intermediate
Connecticut Natural Gas Corp.	BBB+/Negative/--	Excellent	Intermediate
Southern Connecticut Gas Co.	BBB+/Negative/--	Excellent	Intermediate
Sempra Energy	BBB+/Negative/A-2	Strong	Intermediate
National Fuel Gas Co.	BBB+/Negative/A-2	Satisfactory	Intermediate
Atmos Energy Corp.	BBB/Positive/A-2	Excellent	Aggressive
Yankee Gas Services Co.	BBB/Stable/--	Excellent	Aggressive
Michigan Consolidated Gas Co.	BBB/Stable/A-2	Excellent	Aggressive
Southwest Gas Corp.	BBB-/Positive/--	Strong	Aggressive
NiSource Inc.	BBB-/Stable/--	Excellent	Aggressive
Bay State Gas Co.	BBB-/Stable/--	Excellent	Aggressive

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Issuer Ranking: U.S. Natural Gas Distributors And Integrated Gas Companies(cont.)			
Northern Indiana Public Service Co.	BBB-/Stable/--	Excellent	Aggressive
SourceGas LLC	BB+/Stable/--	Excellent	Highly leveraged
MXEnergy Holdings Inc.	B/Negative/--	Vulnerable	Highly leveraged

*As of Aug. 7, 2008.

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HEARING EXHIBIT 00000160

Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 6 of Pauline M. Ahern, CRRA

Value Line Summary & Index (Standard Edition)

June 27, July 25, and August 29, 2008

HEARING EXHIBIT 00000161

THE VALUE LINE Investment Survey®

Part 1 Summary & Index

File at the front of the *Ratings & Reports* binder. Last week's *Summary & Index* should be removed.

June 27, 2008

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High Returns Earned on Total Capital 37
Bargain Basement Stocks 37
Untimely Stocks (5 for Performance) 38
Highest Dividend Yielding Non-utility Stocks 38
Highest Growth Stocks 39

The Median of Estimated **PRICE-EARNINGS RATIOS** of all stocks with earnings

16.3

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
16.9	14.1	19.7

The Median of Estimated **DIVIDEND YIELDS** (next 12 months) of all dividend paying stocks under review

2.2%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
2.0%	2.4%	1.6%

The Estimated Median Price **APPRECIATION POTENTIAL** of all 1700 stocks in the hypothesized economic environment 3 to 5 years hence

70%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
55%	115%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

	PAGE		PAGE		PAGE		PAGE
Advertising (44)	1913	*Electric Util. (Central) (38)	687	Investment Co. (39)	948	Railroad (7)	274
Aerospace/Defense (12)	543	Electric Utility (East) (60)	150	Investment Co.(Foreign) (49)	354	R.E.I.T. (57)	1172
Air Transport (93)	245	Electric Utility (West) (64)	1779	Machinery (19)	1323	Recreation (81)	1841
Apparel (84)	1651	Electronics (73)	1020	Manuf. Housing/RV (98)	1550	Reinsurance (58)	1609
Auto & Truck (69)	101	Entertainment (55)	1860	Maritime (8)	266	Restaurant (66)	283
*Auto Parts (54)	774	Entertainment Tech (71)	1590	Medical Services (34)	625	Retail Automotive (56)	1668
Bank (89)	2501	Environmental (10)	341	Medical Supplies (36)	172	Retail Building Supply (80)	875
Bank (Canadian) (95)	1566	Financial Svcs. (Div.) (85)	2527	Metal Fabricating (30)	566	Retail (Special Lines) (78)	1708
Bank (Midwest) (90)	608	Food Processing (43)	1481	Metals & Mining (Div.) (46)	1222	Retail Store (68)	1678
Beverage (59)	1533	Food Wholesalers (27)	1526	Natural Gas Utility (63)	445	Securities Brokerage (70)	1420
Biotechnology (41)	660	Foreign Electronics (15)	1558	Natural Gas (Div.) (4)	427	Semiconductor (24)	1048
Building Materials (83)	845	Funeral Services (28)	1456	Newspaper (97)	1902	Semiconductor Equip (52)	1085
*Cable TV (50)	809	Furn/Home Furnishings (92)	883	Office Equip/Supplies (75)	1128	Shoe (65)	1696
Canadian Energy (3)	415	Grocery (79)	1517	Oil/Gas Distribution (47)	519	Steel (General) (17)	576
Chemical (Basic) (5)	1232	Healthcare Information (32)	652	Oilfield Svcs/Equip. (6)	1933	Steel (Integrated) (91)	1410
Chemical (Diversified) (22)	1957	Heavy Construction (16)	979	Packaging & Container (40)	912	*Telecom. Equipment (61)	740
Chemical (Specialty) (25)	457	Homebuilding (87)	861	Paper/Forest Products (88)	900	*Telecom. Services (72)	710
Coal (2)	509	Hotel/Gaming (94)	1877	Petroleum (Integrated) (20)	397	Thrift (82)	1161
Computers/Peripherals (42)	1101	Household Products (76)	931	Petroleum (Producing) (1)	1923	Tobacco (45)	1573
Computer Software/Svcs (29)	2578	Human Resources (53)	1293	*Pharmacy Services (11)	765	*Toiletries/Cosmetics (48)	798
Diversified Co. (37)	1376	Industrial Services (23)	316	Power (51)	961	Trucking (35)	257
Drug (33)	1244	Information Services (21)	368	Precious Metals (9)	1212	Water Utility (96)	1415
E-Commerce (14)	1437	Insurance (Life) (67)	1197	Precision Instrument (31)	115	Wireless Networking (62)	488
Educational Services (18)	1307, 1579	Insurance (Prop/Cas.) (74)	585	*Property Management (86)	819		
Electrical Equipment (26)	1001	Internet (13)	2630	Publishing (77)	1893		

*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LXIII, No. 44.

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THE VALUE LINE Investment Survey®

Part 1 Summary & Index

File at the front of the *Ratings & Reports* binder. Last week's *Summary & Index* should be removed.

July 25, 2008

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Highest Dividend Yielding Stocks	32	High Returns Earned on Total Capital	37
Stocks with Highest 3- to 5-year Price Potential	32	Bargain Basement Stocks	37
Biggest "Free Flow" Cash Generators	33	Untimely Stocks (5 for Performance)	38
Best Performing Stocks last 13 Weeks	33	Highest Dividend Yielding Non-utility Stocks	38
Worst Performing Stocks last 13 Weeks	33	Highest Growth Stocks	39
Widest Discounts from Book Value	34		

The Median of Estimated
PRICE-EARNINGS RATIOS
of all stocks with earnings

14.7

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
15.9	14.1	19.7

The Median of Estimated
DIVIDEND YIELDS
(next 12 months) of all dividend paying stocks under review

2.5%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
2.2%	2.4%	1.6%

The Estimated Median Price
APPRECIATION POTENTIAL
of all 1700 stocks in the hypothesized economic environment 3 to 5 years hence

95%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
70%	115%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

	PAGE		PAGE		PAGE		PAGE
Advertising (44)	1913	Electric Util. (Central) (40)	687	Investment Co. (52)	948	Railroad (7)	274
Aerospace/Defense (15)	543	Electric Utility (East) (62)	150	Investment Co.(Foreign) (51)	354	R.E.I.T. (59)	1172
Air Transport (93)	245	Electric Utility (West) (66)	1779	*Machinery (14)	1323	Recreation (88)	1841
Apparel (83)	1651	Electronics (71)	1020	Manuf. Housing/RV (98)	1550	Reinsurance (73)	1609
Auto & Truck (79)	101	Entertainment (57)	1860	Maritime (11)	266	Restaurant (65)	283
Auto Parts (68)	774	Entertainment Tech (69)	1590	Medical Services (46)	625	Retail Automotive (67)	1668
Bank (92)	2501	Environmental (8)	341	Medical Supplies (38)	172	Retail Building Supply (50)	877
Bank (Canadian) (95)	1566	Financial Svcs. (Div.) (89)	2527	Metal Fabricating (31)	566	Retail (Special Lines) (78)	1708
Bank (Midwest) (94)	608	Food Processing (43)	1481	Metals & Mining (Div.) (47)	1222	Retail Store (58)	1678
Beverage (61)	1533	Food Wholesalers (28)	1526	Natural Gas Utility (64)	445	*Securities Brokerage (82)	1421
Biotechnology (35)	660	Foreign Electronics (16)	1558	Natural Gas (Div.) (3)	427	Semiconductor (34)	1048
Building Materials (72)	845	*Funeral Services (24)	1455	Newspaper (97)	1902	Semiconductor Equip (74)	1085
Cable TV (20)	809	Furn/Home Furnishings (91)	884	Office Equip/Supplies (76)	1127	Shoe (48)	1696
Canadian Energy (4)	415	Grocery (60)	1517	Oil/Gas Distribution (41)	519	Steel (General) (9)	576
Chemical (Basic) (6)	1232	Healthcare Information (35)	652	Oilfield Svcs/Equip. (5)	1933	*Steel (Integrated) (49)	1410
Chemical (Diversified) (23)	1957	Heavy Construction (10)	978	Packaging & Container (54)	913	Telecom. Equipment (42)	740
Chemical (Specialty) (33)	457	Homebuilding (85)	863	Paper/Forest Products (84)	901	Telecom. Services (70)	710
Coal (2)	509	Hotel/Gaming (90)	1877	Petroleum (Integrated) (19)	397	Thrift (86)	1161
Computers/Peripherals (56)	1101	Household Products (87)	931	Petroleum (Producing) (1)	1923	Tobacco (45)	1573
Computer Software/Svcs (26)	2578	Human Resources (53)	1293	Pharmacy Services (27)	765	Toiletries/Cosmetics (37)	798
*Diversified Co. (39)	1376	Industrial Services (22)	316	Power (55)	961	Trucking (29)	257
Drug (32)	1245	Information Services (18)	368	Precious Metals (13)	1212	*Water Utility (96)	1415
*E-Commerce (12)	1438	Insurance (Life) (75)	1197	Precision Instrument (30)	115	Wireless Networking (63)	488
Educational Services (17)	1579	Insurance (Prop/Cas.) (81)	585	Property Management (80)	819		
Electrical Equipment (25)	1001	Internet (21)	2630	Publishing (77)	1893		

*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LXIII, No. 48.

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THE VALUE LINE® Investment Survey®

Part 1 Summary & Index

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August 29, 2008

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Widest Discounts from Book Value	34		

The Median of Estimated
PRICE-EARNINGS RATIOS
of all stocks with earnings

15.4

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
15.7	14.1	19.7

The Median of Estimated
DIVIDEND YIELDS
(next 12 months) of all dividend paying stocks under review

2.3%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
2.1%	2.4%	1.6%

The Estimated Median Price
APPRECIATION POTENTIAL
of all 1700 stocks in the hypothesized economic environment 3 to 5 years hence

75%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
70%	115%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

	PAGE		PAGE		PAGE		PAGE
Advertising (70)	2370	Electric Util. (Central) (52)	687	Investment Co. (51)	948	Publishing (91)	2351
Aerospace/Defense (19)	543	*Electric Utility (East) (53)	150	Investment Co.(Foreign) (49)	354	Railroad (2)	274
Air Transport (94)	245	Electric Utility (West) (61)	1781	Machinery (13)	1323	R.E.I.T. (59)	1172
Apparel (60)	1651	Electronics (65)	1020	Manuf. Housing/RV (99)	1549	Recreation (74)	2301
*Auto & Truck (92)	101	Entertainment (71)	2320	Maritime (16)	266	Reinsurance (62)	1606
Auto Parts (77)	774	Entertainment Tech (88)	1589	Medical Services (40)	625	Restaurant (57)	283
Bank (97)	2501	Environmental (3)	341	*Medical Supplies (22)	172	Retail Automotive (69)	1668
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Bank (Midwest) (96)	608	Food Processing (44)	1481	Metals & Mining (Div.) (46)	1222	Retail (Special Lines) (76)	1710
Beverage (63)	1532	Food Wholesalers (36)	1525	Natural Gas Utility (55)	445	Retail Store (58)	1680
Biotechnology (29)	660	Foreign Electronics (38)	1557	Natural Gas (Div.) (7)	427	Securities Brokerage (87)	1421
Building Materials (84)	845	Funeral Services (24)	1455	Newspaper (98)	2360	Semiconductor (39)	1048
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Chemical (Basic) (4)	1232	Healthcare Information (26)	652	Oilfield Svcs/Equip. (5)	2390	Steel (General) (10)	576
Chemical (Diversified) (35)	2414	Heavy Construction (15)	978	Packaging & Container (54)	913	Steel (Integrated) (9)	1410
Chemical (Specialty) (32)	457	Homebuilding (89)	863	Paper/Forest Products (73)	901	Telecom. Equipment (50)	740
Coal (1)	509	Hotel/Gaming (95)	2335	Petroleum (Integrated) (28)	397	Telecom. Services (68)	710
Computers/Peripherals (66)	1101	Household Products (79)	931	Petroleum (Producing) (8)	2380	Thrift (82)	1161
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Educational Services (11)	1579	Insurance (Prop/Cas.) (83)	585	Property Management (80)	819	Wireless Networking (67)	488
Electrical Equipment (43)	1001	Internet (41)	2619	Public/Private Equity (93)	2637		

*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LXIV, No. 1.

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Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 7 of Pauline M. Ahern, CRRA

AUS Risk Premium Study – 1928 - 2007

HEARING EXHIBIT 00000165

AUS RISK PREMIUM STUDY -- 1928 – 2007

AUS CONSULTANTS – UTILITY SERVICES
@ 2008

HEARING EXHIBIT 00000166

S&P PUBLIC UTILITY INDEX AND PUBLIC UTILITY BONDS YEAR-BY-YEAR AVERAGE ANNUAL YIELDS 1928- 2006

YEAR	S&P PUBLIC UTILITY COMMON STOCKS	Aa RATED PUBLIC UTILITY BOND YIELDS	A RATED PUBLIC UTILITY BOND YIELDS	Baa RATED PUBLIC UTILITY BOND YIELDS	EQUITY RISK PREMIUM OVER Aa RATED PUBLIC UTILITY BONDS	EQUITY RISK PREMIUM OVER A RATED PUBLIC UTILITY BONDS	EQUITY RISK PREMIUM OVER Baa RATED PUBLIC UTILITY BONDS
1928	0.5747	0.0468	0.0495	0.0533			
1929	0.1102	0.0491	0.0522	0.0576			
1930	-0.2196	0.0475	0.0508	0.0588			
1931	-0.3590	0.0488	0.0512	0.0690			
1932	-0.0054	0.0532	0.0646	0.0878			
1933	-0.2187	0.0502	0.0632	0.0938			
1934	-0.2041	0.0466	0.0555	0.0749			
1935	0.7663	0.0402	0.0461	0.0556			
1936	0.2069	0.0357	0.0408	0.0467			
1937	-0.3704	0.0345	0.0398	0.0509			
1938	0.2245	0.0326	0.0390	0.0526			
1939	0.1126	0.0303	0.0352	0.0450			
1940	-0.1715	0.0292	0.0324	0.0405			
1941	-0.3157	0.0283	0.0307	0.0384			
1942	0.1539	0.0287	0.0309	0.0373			
1943	0.4607	0.0273	0.0299	0.0358			
1944	0.1803	0.0272	0.0297	0.0352			
1945	0.5333	0.0267	0.0287	0.0339			
1946	0.0126	0.0258	0.0271	0.0303			
1947	-0.1316	0.0267	0.0278	0.0308			
1948	0.0401	0.0292	0.0302	0.0336			
1949	0.3139	0.0276	0.0290	0.0328			
1950	0.0325	0.0268	0.0279	0.0318			
1951	0.1863	0.0295	0.0311	0.0339			
1952	0.1925	0.0305	0.0324	0.0353			
1953	0.0785	0.0332	0.0349	0.0373			
1954	0.2472	0.0300	0.0316	0.0351			
1955	0.1126	0.0313	0.0322	0.0343			
1956	0.0506	0.0343	0.0356	0.0378			
1957	0.0636	0.0403	0.0424	0.0446			
1958	0.4070	0.0392	0.0420	0.0443			
1959	0.0749	0.0456	0.0478	0.0496			
1960	0.2026	0.0453	0.0478	0.0497			
1961	0.2833	0.0446	0.0462	0.0483			
1962	-0.0244	0.0441	0.0454	0.0475			
1963	0.1236	0.0432	0.0439	0.0467			
1964	0.1591	0.0444	0.0452	0.0474			
1965	0.0467	0.0452	0.0458	0.0478			
1966	-0.0448	0.0525	0.0539	0.0560			
1967	-0.0063	0.0566	0.0587	0.0615			
1968	0.1032	0.0635	0.0651	0.0687			
1969	-0.1542	0.0734	0.0754	0.0793			
1970	0.1656	0.0852	0.0869	0.0918			
1971	0.0241	0.0800	0.0816	0.0863			
1972	0.0815	0.0760	0.0772	0.0817			
1973	-0.1807	0.0772	0.0784	0.0817			
1974	-0.2155	0.0904	0.0950	0.0984			
1975	0.4449	0.0944	0.1009	0.1096			
1976	0.3181	0.0892	0.0929	0.0982			
1977	0.0864	0.0843	0.0861	0.0906			
1978	-0.0371	0.0910	0.0929	0.0962			
1979	0.1358	0.1022	0.1049	0.1096			
1980	0.1508	0.1300	0.1334	0.1395			
1981	0.1174	0.1530	0.1595	0.1660			
1982	0.2852	0.1479	0.1586	0.1645			
1983	0.2001	0.1283	0.1366	0.1420			
1984	0.2604	0.1366	0.1403	0.1453			
1985	0.3305	0.1206	0.1247	0.1296			
1986	0.2853	0.0930	0.0958	0.1000			
1987	-0.0292	0.0977	0.1010	0.1053			
1988	0.1827	0.1026	0.1049	0.1100			
1989	0.4780	0.0958	0.0977	0.0997			
1990	-0.0257	0.0965	0.0986	0.1006			
1991	0.1461	0.0909	0.0936	0.0955			
1992	0.0811	0.0855	0.0869	0.0886			
1993	0.1439	0.0744	0.0759	0.0791			
1994	-0.0794	0.0821	0.0831	0.0863			
1995	0.4215	0.0777	0.0789	0.0831			
1996	0.0314	0.0757	0.0775	0.0816			
1997	0.2469	0.0754	0.0760	0.0795			
1998	0.1482	0.0691	0.0705	0.0726			
1999	-0.0885	0.0751	0.0762	0.0788			
2000	0.5970	0.0806	0.0824	0.0836			
2001	-0.3041	0.0758	0.0778	0.0803			
2002	-0.2992	0.0719	0.0737	0.0802			
2003	0.2638	0.0640	0.0658	0.0684			
2004	0.2401	0.0604	0.0616	0.0640			
2005	0.1661	0.0544	0.0565	0.0593			
2006	0.2088	0.0584	0.0607	0.0632			
2007	0.1928	0.0594	0.0607	0.0633			
ARITHMETIC MEAN RETURN	11.24%	6.31%	6.59%	7.11%	4.93%	4.65%	4.13%

SOURCE OF INFORMATION:

STANDARD & POOR'S STATISTICAL SERVICE: SECURITY PRICE INDEX RECORD, CURRENT STATISTICS
STANDARD & POOR'S COMPUSTAT SERVICES INC., PC PLUS RESEARCH
MERGENT BOND RECORD AND PUBLIC UTILITY MANUALS

HEARING EXHIBIT 00000167

	Average Annual Yields, "Aa" Public Utility Bonds	Average Annual Yields, "A" Public Utility Bonds	Average Annual Yields, "Baa" Public Utility Bonds	Spread	
				A over Aa	Baa over A
2007	5.94	6.07	6.33		
2006	5.84	6.07	6.32		
2005	5.44	5.65	5.93		
2004	6.04	6.16	6.40		
2003	6.40	6.58	6.84		
2002	7.19	7.37	8.02		
2001	7.58	7.76	8.03		
2000	8.06	8.24	8.36		
1999	7.51	7.62	7.88		
1998	6.91	7.05	7.26		
1997	7.54	7.60	7.95		
1996	7.57	7.75	8.16		
1995	7.77	7.89	8.31		
1994	8.21	8.31	8.83		
1993	7.44	7.59	7.91		
1992	8.55	8.69	8.86		
1991	9.09	9.36	9.55		
1990	9.65	9.86	10.06		
1989	9.56	9.77	9.97		
1988	10.26	10.49	11.00		
1987	9.77	10.10	10.53		
1986	9.30	9.58	10.00		
1985	12.06	12.47	12.96		
1984	13.66	14.03	14.53		
1983	12.83	13.66	14.20		
1982	14.79	15.86	16.45		
1981	15.30	15.95	16.60		
1980	13.00	13.34	13.95		
1979	10.22	10.49	10.96		
1978	9.10	9.29	9.62		
1977	8.43	8.61	9.06		
1976	8.92	9.29	9.82		
1975	9.44	10.09	10.96		
1974	9.04	9.50	9.84		
1973	7.72	7.84	8.17		
1972	7.60	7.72	8.17		
1971	8.00	8.16	8.63		
1970	8.52	8.69	9.18		
1969	7.34	7.54	7.93		
1968	6.35	6.51	6.87		
1967	5.66	5.87	6.15		
1966	5.25	5.39	5.60		
1965	4.52	4.58	4.78		
1964	4.44	4.52	4.74		
1963	4.32	4.39	4.67		
1962	4.41	4.54	4.75		
1961	4.46	4.62	4.83		
1960	4.53	4.78	4.97		
1959	4.56	4.78	4.96		
1958	3.92	4.20	4.43		
1957	4.03	4.24	4.46		
1956	3.43	3.56	3.78		
1955	3.13	3.22	3.43		
1954	3.00	3.16	3.51		
1953	3.32	3.49	3.73		
1952	3.05	3.24	3.53		
1951	2.95	3.11	3.39		
1950	2.68	2.79	3.18		
1949	2.76	2.90	3.28		
1948	2.92	3.02	3.36		
1947	2.67	2.78	3.08		
1946	2.58	2.71	3.03		
1945	2.67	2.87	3.39		
1944	2.72	2.97	3.52		
1943	2.73	2.99	3.58		
1942	2.67	3.09	3.73		
1941	2.83	3.07	3.84		
1940	2.92	3.24	4.05		
1939	3.03	3.52	4.50		
1938	3.28	3.90	5.26		
1937	3.45	3.98	5.09		
1936	3.57	4.08	4.67		
1935	4.02	4.61	5.56		
1934	4.66	5.55	7.49		
1933	5.02	6.32	9.36		
1932	5.32	6.46	8.76		
1931	4.68	5.12	6.90		
1930	4.75	5.06	5.88		
1929	4.91	5.22	5.76		
1928	4.68	4.95	5.33		
Averages:					
1928-2007	6.31 %	6.59 %	7.11 %	0.28 %	0.52 %
Std Dev:					
1928-2007	3.15 %	3.21 %	3.24 %		

Closing Price - Monthly

		Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
UTI.I	SP500 UTILITIES	186.800	185.900	194.770	202.340	210.700	211.290	200.100	192.460	195.990	202.430	215.810	216.030	216.110

(Calendar Quarter)

		Dividends												
		I	II	III	IV									
		07	07	07	07									
		5.860	5.930	6.040	6.180									

			Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
		Monthly Dividend Yield - Income Return												
UTI.I	SP500 UTILITIES		0.002617	0.002627	0.002507	0.002442	0.002345	0.002339	0.002515	0.002615	0.002568	0.002544	0.002386	0.002384
		Monthly Appreciation Return												
UTI.I	SP500 UTILITIES		(0.003751)	0.047714	0.038866	0.041317	0.002800	(0.052960)	(0.038181)	0.018341	0.032859	0.066097	0.001019	0.000370
		Monthly Total Return - Income Return + Appreciation Return												
UTI.I	SP500 UTILITIES		(0.001134)	0.050341	0.041373	0.043759	0.005145	(0.050621)	(0.035666)	0.020956	0.035427	0.068641	0.003405	0.002754

Standard & Poor's Security Price Index
Record - 2008 Edition, p. 491 & 513

HEARING EXHIBIT 00000169

Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual Return
Cumulative Monthly Income Return												
1.002617	1.005251	1.007771	1.010232	1.012601	1.014969	1.017522	1.020183	1.022803	1.025405	1.027852	1.030302	0.030302
Cumulative Monthly Appreciation Return												
0.996249	1.043784	1.084352	1.129154	1.132316	1.072349	1.031408	1.050323	1.084836	1.156540	1.157719	1.158147	0.158147
Cumulative Monthly Total Return												
0.998866	1.049150	1.092556	1.140365	1.146232	1.088209	1.049397	1.071388	1.109344	1.185490	1.189527	1.192803	0.192803

HEARING EXHIBIT 00000170

Closing Price - Monthly

		Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
UTI.I	SP500 UTILITIES	159.660	163.400	164.490	156.400	158.610	160.400	163.800	171.690	175.865	172.330	181.500	184.900	186.600

(Calendar Quarter)

Dividends

	I	II	III	IV
	06	06	06	06
UTI.I SP500 UTILITIES	2.600	2.700	2.780	2.820

		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Monthly Dividend Yield - Income Return													
UTI.I	SP500 UTILITIES	0.001357	0.001326	0.001317	0.001439	0.001419	0.001403	0.001414	0.001349	0.001317	0.001364	0.001295	0.001271
Monthly Appreciation Return													
UTI.I	SP500 UTILITIES	0.023425	0.006671	(0.049182)	0.014130	0.011286	0.021197	0.048168	0.024317	(0.020101)	0.053212	0.018733	0.009194
Monthly Total Return - Income Return + Appreciation Return													
UTI.I	SP500 UTILITIES	0.024782	0.007997	(0.047865)	0.015569	0.012705	0.022600	0.049582	0.025666	(0.018784)	0.054576	0.020028	0.010465

Standard & Poor's Security Price Index Record, Dec. 2006, p. 30, May 2007, pp. 29 and 30

HEARING EXHIBIT 00000171

Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual Return
Cumulative Monthly Income Return												
1.001357	1.002685	1.004006	1.005451	1.006878	1.008291	1.009717	1.011079	1.012411	1.013792	1.015105	1.016395	0.016395
Cumulative Monthly Appreciation Return												
1.023425	1.030252	0.979582	0.993423	1.004635	1.025930	1.075347	1.101496	1.079355	1.136790	1.158085	1.168732	0.168732
Cumulative Monthly Total Return												
1.024782	1.032977	0.983534	0.998847	1.011537	1.034398	1.085686	1.113551	1.092634	1.152266	1.175344	1.187644	0.187644

HEARING EXHIBIT 00000172

Closing Price - Monthly

		Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
UTLI	SP500 UTILITIES	141.600	144.310	146.730	147.890	152.210	151.900	160.230	163.520	164.270	170.430	159.460	158.370	159.660

(Calendar Quarter)

		Dividends			
		I	II	III	IV
05	05		05	05	
		5.020	5.190	6.380	5.500

		Monthly Dividend Yield - Income Return	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05
UTLI	SP500 UTILITIES		0.002954	0.002899	0.002851	0.002924	0.002841	0.002847	0.002798	0.002742	0.002729	0.002689	0.002874	0.002894

		Monthly Appreciation Return												
UTLI	SP500 UTILITIES		0.019138	0.016769	0.007906	0.029211	(0.002037)	0.054839	0.020533	0.004587	0.037499	(0.054357)	(0.006836)	0.008145

		Monthly Total Return - Income Return + Appreciation Return												
UTLI	SP500 UTILITIES		0.022092	0.019668	0.010757	0.032135	0.000804	0.057686	0.023331	0.007329	0.040228	(0.051678)	(0.003962)	0.011039

Standard & Poor's Security Price Index Record, 2006 Edition, pp. 454 and 473

HEARING EXHIBIT 00000173

Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Annual Return
Cumulative Monthly Income Return												
1.002954	1.005862	1.008730	1.011680	1.014554	1.017442	1.020289	1.023087	1.025879	1.028638	1.031594	1.034579	0.034579
Cumulative Monthly Appreciation Return												
1.019138	1.036228	1.044420	1.074829	1.072739	1.131567	1.154801	1.160098	1.203601	1.126129	1.118431	1.127541	0.127541
Cumulative Monthly Total Return												
1.022092	1.042195	1.053406	1.087257	1.088131	1.150901	1.177753	1.186385	1.234111	1.157994	1.153406	1.166138	0.166138

HEARING EXHIBIT 00000174

Closing Price - Monthly

		Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
UTLI	SP500 UTILITIES	118.390	120.580	122.400	123.310	118.480	119.040	120.510	122.210	126.840	127.410	133.320	138.340	141.500

(Calendar Quarter)

		Dividends												
		I	II	III	IV									
		04	04	04	04									
UTLI	SP500 UTILITIES	4.360	4.500	4.610	4.800									

			Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04
		Monthly Dividend Yield - Income Return												
UTLI	SP500 UTILITIES		0.003069	0.003013	0.002968	0.003041	0.003165	0.003150	0.003188	0.003143	0.003034	0.003139	0.003000	0.002891
		Monthly Appreciation Return												
UTLI	SP500 UTILITIES		0.018498	0.015094	0.007435	(0.039170)	0.004727	0.012349	0.014107	0.036249	0.006080	0.046386	0.037654	0.023565
		Monthly Total Return - Income Return + Appreciation Return												
UTLI	SP500 UTILITIES		0.021567	0.018107	0.010403	(0.036129)	0.007892	0.015499	0.017295	0.039392	0.009114	0.049525	0.040654	0.026456

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HEARING EXHIBIT 00000175

Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Annual Return
Cumulative Monthly Income Return												
1.003069	1.006091	1.009077	1.012146	1.015349	1.018547	1.021794	1.025005	1.028115	1.031342	1.034436	1.037427	0.037427
Cumulative Monthly Appreciation Return												
1.018498	1.033871	1.041558	1.000760	1.005491	1.017908	1.032268	1.050687	1.076191	1.126111	1.168514	1.196050	0.196050
Cumulative Monthly Total Return												
1.021567	1.040065	1.050885	1.012918	1.020912	1.036735	1.054565	1.076210	1.106201	1.160986	1.208185	1.240149	0.240149

HEARING EXHIBIT 00000176

Closing Price - Monthly

		Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
UTI.I	SP500 UTILITIES	97.759	94.503	89.480	93.603	101.512	111.504	112.454	104.786	106.264	110.763	111.650	111.238	116.391

(Calendar Quarter)

		Dividends				
		I	II	III	IV	
		03	03	03	03	
UTI.I	SP500 UTILITIES	4.760	4.490	4.330	4.270	

			Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03
		Monthly Dividend Yield - Income Return												
UTI.I	SP500 UTILITIES		0.004058	0.004197	0.004433	0.003997	0.003688	0.003356	0.003209	0.003444	0.003396	0.003213	0.003187	0.003199
		Monthly Appreciation Return												
UTI.I	SP500 UTILITIES		(0.033306)	(0.053152)	0.046077	0.084495	0.098432	0.008520	(0.068188)	0.014105	0.042338	0.008008	(0.003690)	0.064304
		Monthly Total Return - Income Return + Appreciation Return												
UTI.I	SP500 UTILITIES		(0.029248)	(0.048955)	0.050510	0.088492	0.102118	0.011876	(0.064979)	0.017549	0.045734	0.011221	(0.000503)	0.067503

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Standard & Poor's Compustat Services Inc., PC Plus Research Insight Data Base

HEARING EXHIBIT 00000177

	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Annual Return
Cumulative Monthly Income Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	0.044248
Cumulative Monthly Appreciation Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	0.211050
Cumulative Monthly Total Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	0.263820

HEARING EXHIBIT 00000178

Closing Price - Monthly

		Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
UTI.I	SP500 UTILITIES	145.883	137.200	133.535	149.426	146.436	132.790	122.928	105.537	108.804	94.416	92.366	94.251	97.759

(Calendar Quarter)

		Dividends			
		I	II	III	IV
		02	02	02	02
UTI.I	SP500 UTILITIES	5.260	5.270	5.110	4.970

		Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02
Monthly Dividend Yield - Income Return													
UTI.I	SP500 UTILITIES	0.003005	0.003195	0.003283	0.002939	0.002999	0.003307	0.003464	0.004035	0.003914	0.004387	0.004484	0.004394
Monthly Appreciation Return													
UTI.I	SP500 UTILITIES	(0.059520)	(0.026713)	0.119003	(0.020010)	(0.093187)	(0.074268)	(0.141473)	0.030956	(0.132238)	(0.021712)	0.020408	0.037220
Monthly Total Return - Income Return + Appreciation Return													
UTI.I	SP500 UTILITIES	(0.056515)	(0.023518)	0.122286	(0.017071)	(0.090188)	(0.070961)	(0.138009)	0.034991	(0.128324)	(0.017325)	0.024892	0.041614

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Inc., PC Plus Research Insight Data Base

HEARING EXHIBIT 00000179

	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Annual Return
Cumulative Monthly Income Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	0.044276
Cumulative Monthly Appreciation Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	(0.329680)
Cumulative Monthly Total Return	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	#######	(0.299191)

HEARING EXHIBIT 00000180

S & P PUBLIC UTILITY STOCKS.MONTHLY AVERAGES OF DAILY INDEXES P 38
941- 1943 = 10)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	3110	3181	3278	3531	3807	3584	3578	3660	3917	3881	4214	4486
1929	4900	5121	5132	5068	5424	6011	6998	7702	8212	6989	4652	4982
1930	5225	5756	6080	6853	6328	5600	5345	5190	5270	4566	4083	3792
1931	4003	4390	4731	4261	3911	3844	3984	3912	3332	2857	2933	2463
1932	2410	2428	2488	1925	1723	1395	1448	2165	2413	2136	2114	2137
1933	2221	1891	1691	1664	2082	2496	2524	2181	1920	1772	1634	1583
1934	1756	1986	1843	1808	1627	1672	1556	1434	1375	1370	1287	1230
1935	1190	1086	1036	1241	1321	1465	1560	1788	1756	1789	1985	1964
1936	2131	2198	2173	2137	2022	2179	2359	2376	2345	2384	2329	2329
1937	2434	2343	2213	2062	1915	1794	1969	1946	1708	1510	1525	1468
1938	1430	1346	1268	1244	1350	1348	1524	1445	1349	1586	1602	1513
1939	1605	1681	1677	1497	1578	1606	1655	1692	1618	1664	1676	1652
1940	1697	1685	1634	1657	1456	1370	1488	1474	1468	1442	1388	1297
1941	1325	1240	1219	1148	1072	1082	1106	1091	1074	1016	914	828
1942	854	818	744	694	718	749	739	724	734	812	860	842
1943	922	996	1035	1095	1135	1152	1240	1203	1238	1231	1176	1180
1944	1210	1218	1249	1225	1230	1275	1310	1337	1317	1346	1325	1329
1945	1391	1478	1475	1531	1603	1685	1717	1683	1758	1865	2011	2005
1946	2134	2159	2142	2260	2275	2280	2174	2132	1820	1792	1832	1917
1947	1921	1950	1872	1800	1748	1762	1838	1828	1786	1798	1686	1609
1948	1653	1582	1602	1665	1742	1785	1755	1704	1702	1716	1629	1593
1949	1654	1671	1699	1731	1752	1695	1744	1823	1875	1906	1925	1969
1950	2020	2055	2092	2100	2123	2094	1890	1895	1918	1946	1927	1887
1951	2001	2034	2050	2016	2008	2005	2039	2080	2103	2110	2108	2148
1952	2222	2239	2256	2239	2238	2251	2260	2306	2315	2293	2379	2432
1953	2441	2450	2468	2386	2369	2265	2324	2389	2339	2422	2470	2517
1954	2551	2590	2639	2675	2706	2728	2821	2882	2874	2819	2862	2941
1955	2989	3071	3072	3108	3087	3126	3198	3255	3254	3107	3183	3191
1956	3155	3207	3321	3250	3181	3193	3301	3339	3229	3167	3182	3170
1957	3232	3229	3245	3303	3403	3335	3293	3189	3109	3039	3068	3179
1958	3330	3412	3457	3554	3657	3731	3782	3750	3797	3915	4075	4205
1959	4398	4371	4506	4512	4430	4258	4421	4515	4359	4411	4371	4431
1960	4450	4438	4460	4553	4575	4735	4802	4865	4864	4734	4783	4978
1961	5273	5564	5706	5909	5959	5843	5942	6119	6219	6415	6719	6577
1962	6269	6370	6451	6386	5884	5332	5551	5696	5696	5563	5769	6024
1963	6335	6407	6335	6464	6552	6487	6447	6657	6709	6555	6481	6564
1964	6726	6720	6678	6730	6729	6746	7035	7117	7207	7337	7439	7424
1965	7587	7704	7692	7724	7750	7419	7463	7471	7610	7669	7672	7539
1966	7450	7187	6921	7006	6849	6751	6730	6341	6311	6541	6882	6886
1967	7063	7045	7003	7170	7070	6739	6777	6803	6745	6493	6348	6481
1968	6802	6561	6262	6366	6292	6521	6755	6660	6677	6693	7059	7054
1969	6865	6924	6607	6563	6691	6329	6132	5920	5984	5880	5946	5526
1970	5572	5524	5904	5719	5115	4922	5091	5262	5444	5337	5488	5996
1971	6343	6249	6242	6206	5920	5790	6008	5751	5648	5741	5586	5707
1972	6019	5741	5773	5570	5494	5373	5347	5466	5536	5866	6116	6173
1973	6001	5752	5594	5534	5543	5437	5331	5014	5231	5322	4830	4573
1974	4860	4813	4790	4403	3935	3746	3537	3400	3093	3380	3445	3285
1975	3819	4037	3955	3819	3969	4367	4367	4061	4053	4259	4377	4325
1976	4699	4722	4567	4607	4569	4561	4749	4881	5063	5018	5055	5301
1977	5401	5288	5214	5257	5368	5529	5695	5542	5461	5426	5446	5454
1978	5240	5160	5172	5216	5171	5225	5232	5335	5254	5128	4904	4932
1979	5033	5074	5062	5009	4865	5057	5173	5252	5116	4905	4879	5050
1980	5026	4904	4540	4837	5063	5248	5282	5116	5110	5149	5208	5166
1981	5201	4981	5036	5096	5037	5215	5228	5406	5101	5141	5452	5353
1982	5181	5193	5233	5426	5488	5213	5187	5334	5648	5941	6008	5933
1983	6189	6152	6213	6295	6488	6414	6508	6485	6600	6909	6895	6695
1984	6850	6625	6525	6434	6494	6400	6466	6811	6970	7202	7347	7443
1985	7583	7814	7889	8125	8360	8690	8722	8321	8146	8149	8680	9083
1986	9206	9751	10527	10378	10239	10665	11213	11853	11311	11081	11410	11552
1987	12009	11987	11765	10997	10806	11263	11093	11770	11498	11173	10649	10236
1988	10613	11067	10724	10412	10311	10986	10849	10789	10967	11300	11170	11302
1989	11437	11686	11665	11991	12774	13350	13722	14047	14098	14271	14337	15218
1990	14604	14099	14192	14089	14366	14352	13786	13276	13033	13791	14158	14448
1991	13838	14319	14284	14313	13866	13573	13775	14088	14284	14454	14666	14881
1992	14970	14306	13945	14161	14725	14679	15370	15743	15536	15426	15212	15718
1993	15979	16641	17048	17227	16751	17165	17650	18006	18676	18350	17543	17443
1994	16870	16441	16097	15757	15374	15541	15509	15841	15202	15089	14990	15120
1995	15387	16017	15817	16223	16413	16758	16949	17215	17898	18649	18922	19753
1996	20257	20443	19248	19025	19291	19072	19071	18997	18867	19332	20145	19831
1997	20114	19852	19390	18479	19245	19525	20015	19843	20440	20719	21155	22554
1998	22861	23011	24015	24320	23695	24470	24213	23576	24442	25583	25611	25726
1999	25352	24037	24133	24267	26083	26550	25848	25564	24977	24002	23599	22243
2000	23917	24344	23539	25220	26794	26863	27224	30153	32681	32371	32670	33243
2001	30770	32810	31978	32894	33257	30858	29874	28284	26123	25791	24379	22933

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MONTHLY AVERAGES OF WEEKLY INDEXES (PERCENT) P. 35

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	390	385	373	346	322	343	348	339	314	319	301	294
1929	266	258	259	265	248	222	195	178	169	205	316	308
1930	291	264	255	234	250	292	304	312	304	364	410	437
1931	426	389	360	404	442	447	433	436	511	574	550	660
1932	637	606	574	734	808	1021	875	574	503	584	587	561
1933	528	610	682	683	518	412	409	478	548	561	613	624
1934	559	494	550	558	583	544	573	630	653	671	714	784
1935	802	807	812	670	621	551	502	445	449	449	408	413
1936	408	401	396	407	428	396	375	392	428	431	447	436
1937	432	447	476	512	552	581	532	537	603	665	654	688
1938	730	767	819	766	681	666	600	636	670	572	556	588
1939	553	533	534	600	566	559	547	533	562	548	547	558
1940	540	547	557	556	650	689	628	638	635	651	688	734
1941	717	774	786	842	897	894	837	811	801	889	988	989
1942	940	974	1013	1094	1055	830	799	810	781	692	656	680
1943	621	568	534	497	481	475	443	456	498	508	533	539
1944	569	568	551	563	556	542	528	518	528	489	503	494
1945	448	421	426	412	393	372	366	375	354	332	309	314
1946	298	298	302	290	283	287	301	310	368	372	388	350
1947	354	353	372	388	414	415	424	460	470	477	518	548
1948	535	562	557	536	515	501	583	498	498	550	579	590
1949	570	561	559	547	541	564	572	558	545	585	580	566
1950	554	547	538	538	535	548	608	608	611	600	610	640
1951	606	596	594	604	606	604	607	593	575	572	574	566
1952	550	546	540	546	546	545	544	533	536	543	523	511
1953	511	514	512	528	538	568	554	543	560	545	536	525
1954	520	513	503	498	492	492	476	466	474	485	482	469
1955	461	458	457	456	461	458	452	445	445	467	462	466
1956	472	468	454	468	478	477	464	459	478	491	491	495
1957	487	491	489	488	477	485	490	505	518	529	527	509
1958	487	480	475	462	452	444	436	440	435	423	406	390
1959	377	385	377	385	392	409	394	386	399	396	399	400
1960	403	405	404	396	395	383	378	375	382	391	387	372
1961	358	344	337	326	323	331	326	317	314	307	295	305
1962	320	316	313	316	346	384	371	361	362	370	354	343
1963	330	326	330	324	322	328	331	323	324	334	341	337
1964	331	333	337	335	336	336	323	321	320	316	314	318
1965	315	312	315	316	315	331	331	333	329	327	329	339
1966	347	361	378	375	383	391	393	423	424	413	394	398
1967	392	393	399	393	403	422	420	422	427	445	459	453
1968	435	450	472	464	472	457	440	449	449	450	428	431
1969	445	440	462	465	459	483	498	518	529	526	521	561
1970	561	564	528	548	617	637	625	603	582	594	580	532
1971	504	511	516	520	545	556	537	563	573	563	580	571
1972	542	570	571	595	604	619	621	611	602	584	540	538
1973	556	582	599	604	605	618	630	676	656	647	718	756
1974	713	722	727	782	861	902	960	1011	1123	1035	1020	1061
1975	920	882	904	936	901	823	823	891	891	854	824	839
1976	776	779	810	807	817	819	783	770	748	753	754	722
1977	714	734	750	751	742	725	704	734	746	754	757	762
1978	791	811	816	814	828	822	823	815	831	847	898	899
1979	893	896	897	909	942	907	892	888	920	968	971	943
1980	953	984	1065	1010	967	943	946	971	967	977	985	979
1981	978	1033	1023	1016	1033	1003	1007	978	1049	1046	992	1022
1982	1074	1077	1061	1027	1027	1067	1102	1077	1022	973	962	983
1983	948	960	952	940	912	930	915	920	911	875	880	941
1984	925	958	979	994	982	1000	998	953	931	903	885	876
1985	860	835	837	831	814	784	784	818	817	832	784	745
1986	742	711	678	668	681	660	628	597	614	637	619	613
1987	588	595	600	668	689	664	669	630	642	660	695	719
1988	704	673	699	730	744	696	716	720	709	701	704	698
1989	699	692	706	695	662	635	620	611	605	595	593	553
1990	558	584	584	592	578	576	603	617	636	602	589	573
1991	607	584	588	588	609	623	611	599	595	587	580	571
1992	572	599	616	606	580	584	558	547	549	552	560	544
1993	537	515	499	498	510	502	490	483	465	469	492	496
1994	516	529	544	573	586	577	577	563	588	594	596	590
1995	584	559	568	555	548	538	533	524	505	482	483	463
1996	454	451	477	484	477	487	531	533	538	525	505	505
1997	492	502	512	538	519	517	506	516	505	498	477	459
1998	457	454	429	422	435	419	426	437	415	386	389	388
1999	394	414	416	415	380	376	386	391	400	414	417	442
2000	413	406	421	389	369	364	359	324	297	288	285	271
2001	287	275	285	266	260	281	290	308	332	340	362	368

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YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	3207	3171	3390	3714	3781	3619	3581	3815	3914	3868	4688	4724
1929	5339	5204	5136	5303	5541	6737	7335	8081	8073	5621	4808	5122
1930	5488	5961	6479	6687	6516	5262	5341	5368	4760	4357	4025	3875
1931	4070	4676	4550	4056	3624	4107	3837	3921	2672	2923	2730	2368
1932	2306	2478	2204	1854	1322	1322	1750	2445	2369	2111	2026	2197
1933	2119	1689	1497	1882	2199	2504	2194	2173	1782	1647	1609	1621
1934	1896	1842	1813	1741	1600	1669	1394	1424	1430	1327	1313	1213
1935	1177	1036	1137	1264	1397	1535	1662	1749	1721	1925	1939	2025
1936	2241	2157	2157	1974	2117	2184	2397	2385	2323	2446	2396	2346
1937	2383	2290	2150	1983	1872	1776	2064	1869	1641	1548	1552	1396
1938	1336	1373	1092	1252	1267	1465	1479	1389	1408	1654	1544	1597
1939	1616	1738	1491	1526	1620	1544	1723	1604	1684	1678	1644	1681
1940	1685	1660	1668	1645	1314	1504	1508	1484	1445	1483	1296	1308
1941	1289	1251	1208	1098	1053	1072	1122	1093	1055	958	888	821
1942	835	800	710	673	731	730	728	725	754	852	846	869
1943	970	1035	1073	1110	1144	1201	1201	1209	1243	1248	1146	1207
1944	1214	1230	1237	1220	1251	1311	1309	1350	1324	1337	1314	1351
1945	1413	1506	1447	1598	1618	1720	1706	1706	1827	1939	2025	1996
1946	2230	2082	2208	2277	2340	2270	2175	2012	1795	1829	1834	1958
1947	1952	1929	1853	1788	1732	1800	1832	1821	1788	1757	1805	1628
1948	1632	1564	1653	1672	1762	1792	1704	1703	1684	1744	1577	1604
1949	1677	1670	1723	1725	1723	1692	1780	1833	1893	1905	1926	1993
1950	2054	2065	2073	2102	2133	1959	1864	1883	1952	1937	1893	1942
1951	2017	2061	2015	2006	2009	1991	2068	2089	2097	2093	2108	2172
1952	2228	2231	2260	2215	2247	2248	2284	2320	2313	2326	2414	2455
1953	2470	2443	2422	2365	2360	2285	2353	2346	2363	2449	2505	2510
1954	2581	2600	2659	2680	2738	2753	2878	2829	2868	2751	2895	2982
1955	3013	3105	3059	3109	3079	3132	3266	3271	3164	3125	3204	3170
1956	3167	3211	3325	3217	3160	3214	3370	3270	3153	3160	3156	3176
1957	3266	3233	3245	3362	3409	3253	3251	3142	3085	3049	3166	3214
1958	3394	3427	3482	3648	3694	3744	3771	3732	3842	3984	4075	4328
1959	4372	4448	4479	4452	4384	4331	4477	4541	4348	4402	4388	4474
1960	4411	4476	4524	4543	4634	4808	4745	4968	4697	4676	4841	5176
1961	5481	5661	5826	5873	5935	5784	6013	6270	6212	6494	6695	6483
1962	6229	6399	6434	6190	5809	5285	5632	5768	5558	5533	5941	6109
1963	6432	6282	6381	6512	6540	6442	6503	6761	6568	6528	6456	6642
1964	6708	6711	6669	6695	6698	6836	7139	7142	7244	7344	7408	7452
1965	7708	7695	7680	7744	7659	7378	7435	7466	7610	7688	7578	7551
1966	7305	6981	6928	7025	6795	6650	6634	6031	6295	6883	6808	6935
1967	7100	6966	7080	7200	6812	6699	6812	6744	6695	6288	6448	6608
1968	6638	6459	6177	6322	6258	6738	6666	6844	6685	6717	7217	6969
1969	7081	6660	6571	6637	6607	6240	5988	5894	5648	6073	5890	5609
1970	5329	5864	5974	5393	5089	4767	5204	5480	5391	5284	5773	6171
1971	6303	6102	6277	6031	5792	5996	5834	5663	5553	5620	5562	5983
1972	5912	5743	5695	5510	5473	5330	5295	5571	5558	5892	6241	6105
1973	5809	5645	5541	5486	5495	5375	5240	5063	5425	5186	4549	4691
1974	4858	4858	4840	4010	3788	3544	3484	3152	3096	3438	3368	3354
1975	3961	3988	3872	3788	4086	4492	4233	4113	4063	4320	4441	4445
1976	4812	4610	4625	4611	4516	4637	4764	4915	5071	5029	5132	5424
1977	5411	5177	5197	5273	5351	5602	5660	5426	5526	5328	5497	5473
1978	5147	5080	5202	5222	5209	5192	5320	5282	5216	4823	4958	4847
1979	5145	4898	5058	4894	4929	5081	5216	5230	5098	4801	5053	5024
1980	4973	4810	4515	5010	5131	5263	5200	5086	4987	5082	5295	5245
1981	5105	4948	5113	5021	5124	5220	5354	5297	5036	5302	5512	5298
1982	5271	5206	5247	5488	5338	5205	5054	5618	5599	5920	5882	6045
1983	6221	6169	6130	6431	6461	6332	6497	6473	6711	7018	6824	6617
1984	6883	6547	6458	6507	6304	6294	6513	6880	7127	7287	7409	7589
1985	7713	7808	8036	8146	8583	8788	8335	8429	7934	8384	8765	9317
1986	9533	10069	10527	10119	10593	11167	11424	12374	10909	11401	11582	11229
1987	12275	11846	11563	11023	10891	11307	11217	11747	11711	10825	10163	10212
1988	11327	11066	10421	10377	10790	11066	11021	10805	11186	11413	11258	11264
1989	11841	11519	11760	12436	13087	13227	14219	14067	14235	14228	14635	15634
1990	14302	14078	14272	13852	14513	14139	14024	12844	13302	14101	14304	14359
1991	13856	14270	14482	14178	13923	13658	14008	14300	14518	14737	14522	15516
1992	14613	14143	13868	14690	14598	14733	15825	15636	15679	15461	15367	15846
1993	16024	17107	17345	17227	16827	17534	17858	18649	18539	18428	17422	17258
1994	17310	16258	15633	15943	15441	15399	15843	15724	15250	15307	15009	15012
1995	16107	16009	15838	16341	16783	16786	17139	17410	18446	18809	18990	20258
1996	20443	19558	19084	19217	19092	19808	18478	18786	18880	19755	20086	19881
1997	19931	19657	18982	18614	19318	19839	20210	19755	20524	20638	22012	23581
1998	22563	23244	24650	24087	23880	24675	23372	23662	25553	25046	25298	25962
1999	24708	23724	23291	25266	26722	25751	25376	25590	24277	24575	22594	22722
2000	25105	23572	24312	26159	27350	25696	27353	31024	33783	32499	31993	35061
2001	31598	32638	32357	34241	32994	30312	28881	27970	24676	24559	23129	23660

PUBLIC UTILITY STOCKS : INCOME

PUBLIC UTILITY S

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	0 0033	0 0032	0.0032	0.0030	0.0028	0.0027	0.0029	0.0029	0.0027	0 0026	0 0027	0.0023
1929	0 0023	0.0021	0.0021	0.0022	0.0021	0.0020	0.0017	0.0016	0.0014	0.0015	0.0022	0.0027
1930	0.0025	0.0023	0.0022	0.0020	0 0020	0.0021	0.0026	0 0025	0.0025	0.0029	0.0032	0.0034
1931	0 0037	0.0035	0.0030	0.0032	0 0036	0 0040	0.0035	0 0037	0.0036	0.0051	0.0046	0.0050
1932	0.0054	0 0053	0.0048	0.0053	0 0063	0 0090	0.0080	0.0059	0.0041	0.0042	0 0049	0.0049
1933	0.0044	0 0045	0.0057	0.0063	0.0048	0.0039	0.0034	0 0040	0.0040	0.0048	0.0051	0 0051
1934	0.0050	0.0043	0.0046	0.0046	0.0045	0 0047	0.0045	0.0054	0 0053	0 0054	0 0058	0 0061
1935	0.0068	0.0062	0.0068	0.0061	0 0054	0.0048	0 0043	0 0040	0.0038	0 0039	0.0035	0 0035
1936	0.0036	0.0033	0 0033	0 0034	0.0037	0.0034	0.0034	0.0032	0.0035	0.0037	0.0035	0.0035
1937	0.0037	0.0037	0 0038	0.0041	0.0044	0.0046	0.0049	0.0042	0.0046	0.0051	0.0054	0.0054
1938	0.0062	0.0064	0 0063	0 0073	0.0061	0.0059	0.0052	0.0052	0 0054	0.0054	0.0045	0.0048
1939	0.0046	0.0046	0.0043	0.0050	0.0049	0.0046	0 0049	0.0044	0 0047	0.0046	0.0046	0.0047
1940	0 0045	0.0046	0.0046	0.0046	0.0048	0.0060	0 0052	0.0052	0 0052	0.0054	0.0054	0.0061
1941	0.0061	0.0062	0 0064	0.0067	0.0073	0.0077	0.0072	0.0066	0 0066	0.0071	0.0079	0.0077
1942	0.0081	0.0080	0 0079	0.0089	0 0094	0.0071	0 0067	0.0067	0.0066	0.0062	0.0055	0.0056
1943	0.0055	0.0049	0 0045	0 0042	0.0041	0.0040	0.0038	0.0038	0 0042	0.0042	0.0042	0.0046
1944	0.0048	0 0047	0.0047	0.0046	0.0047	0.0046	0.0044	0.0044	0.0043	0 0041	0.0042	0 0042
1945	0.0038	0.0037	0.0035	0.0036	0 0033	0 0032	0.0030	0.0031	0 0030	0.0028	0.0027	0.0026
1946	0.0027	0.0024	0.0026	0.0025	0.0024	0 0023	0.0024	0.0025	0.0028	0 0031	0.0031	0.0030
1947	0.0029	0 0029	0.0030	0.0031	0.0034	0.0035	0.0036	0.0038	0.0039	0.0040	0.0041	0.0046
1948	0.0045	0 0045	0.0048	0.0045	0.0045	0.0042	0 0048	0.0042	0 0041	0.0047	0.0045	0.0050
1949	0.0049	0.0047	0 0047	0.0046	0.0048	0.0048	0.0049	0.0048	0.0046	0.0049	0.0049	0.0048
1950	0.0047	0 0048	0.0045	0.0045	0.0045	0.0045	0.0049	0.0052	0.0052	0.0050	0.0051	0.0053
1951	0.0052	0.0050	0 0049	0 0050	0.0051	0.0050	0 0052	0.0050	0.0048	0.0048	0 0048	0.0048
1952	0.0047	0 0046	0.0046	0.0045	0.0046	0.0045	0.0046	0.0045	0.0045	0.0045	0.0045	0.0043
1953	0.0042	0 0042	0.0043	0.0043	0 0045	0 0045	0.0047	0.0046	0.0047	0.0047	0.0045	0.0044
1954	0 0044	0 0043	0.0043	0.0042	0.0041	0.0041	0.0041	0.0039	0 0040	0.0040	0.0042	0.0040
1955	0 0039	0 0039	0.0038	0.0039	0.0038	0.0039	0.0038	0.0037	0 0037	0.0038	0.0039	0.0039
1956	0.0039	0.0039	0.0039	0 0038	0 0039	0.0040	0.0040	0.0038	0 0039	0.0041	0.0041	0 0041
1957	0.0041	0.0040	0.0041	0.0041	0 0040	0 0040	0.0041	0.0041	0.0043	0.0043	0.0044	0 0043
1958	0.0042	0.0040	0.0040	0.0039	0.0038	0.0037	0.0037	0.0038	0.0037	0.0036	0.0035	0.0034
1959	0.0032	0 0032	0.0032	0.0032	0 0033	0.0033	0.0034	0.0032	0.0032	0 0033	0.0033	0.0034
1960	0 0033	0.0034	0.0034	0.0033	0.0033	0.0033	0.0031	0 0032	0 0031	0 0033	0.0033	0.0032
1961	0.0030	0.0029	0.0028	0.0028	0.0027	0.0027	0.0028	0.0027	0.0026	0.0026	0.0025	0.0025
1962	0.0026	0.0027	0.0026	0.0026	0.0027	0.0030	0.0032	0.0030	0 0030	0.0031	0.0031	0 0029
1963	0.0029	0.0027	0.0028	0.0027	0.0027	0.0027	0.0028	0.0028	0.0027	0.0028	0.0028	0.0029
1964	0.0028	0.0028	0.0028	0.0028	0 0028	0.0028	0.0028	0.0027	0.0027	0.0027	0 0027	0.0027
1965	0.0027	0 0026	0 0026	0.0026	0.0026	0.0027	0.0028	0.0028	0.0028	0.0027	0.0027	0.0028
1966	0.0029	0.0030	0.0031	0.0032	0.0031	0.0032	0.0033	0.0034	0.0037	0.0036	0 0033	0.0034
1967	0.0033	0.0032	0 0033	0.0033	0.0033	0 0035	0.0035	0.0035	0.0036	0.0036	0 0039	0.0038
1968	0 0037	0.0037	0.0038	0.0040	0.0039	0 0040	0.0037	0.0037	0 0038	0.0038	0.0037	0.0035
1969	0.0037	0 0036	0.0038	0.0039	0.0039	0.0039	0 0041	0.0043	0 0045	0.0046	0.0043	0 0045
1970	0.0046	0.0049	0.0044	0.0044	0.0049	0.0051	0 0058	0.0051	0.0048	0.0049	0.0050	0.0046
1971	0.0043	0 0042	0 0044	0.0043	0.0045	0.0046	0.0045	0.0046	0.0048	0.0049	0.0048	0.0049
1972	0.0045	0 0046	0.0048	0.0048	0.0050	0.0051	0.0052	0.0053	0.0050	0.0050	0.0047	0.0044
1973	0.0046	0.0048	0.0049	0.0050	0.0051	0.0051	0.0052	0.0054	0.0056	0.0053	0.0056	0.0063
1974	0.0062	0.0060	0 0060	0.0062	0.0070	0.0074	0.0080	0 0082	0.0092	0.0094	0.0085	0.0086
1975	0.0087	0 0075	0.0075	0 0077	0.0079	0 0073	0.0067	0.0071	0.0073	0.0075	0.0070	0.0068
1976	0.0068	0.0064	0.0067	0.0067	0.0067	0.0069	0.0067	0.0066	0.0064	0.0062	0.0063	0.0062
1977	0.0059	0.0060	0.0063	0.0063	0.0063	0.0062	0.0060	0.0060	0.0063	0.0062	0.0064	0.0063
1978	0 0063	0 0068	0.0069	0 0068	0.0068	0.0069	0.0069	0.0068	0.0069	0.0069	0.0078	0.0075
1979	0.0077	0.0074	0.0076	0.0075	0 0078	0.0078	0.0076	0.0075	0.0075	0.0078	0.0082	0.0079
1980	0.0079	0.0081	0.0084	0.0090	0.0081	0.0080	0.0079	0.0080	0.0081	0.0084	0.0082	0.0080
1981	0.0081	0.0084	0.0087	0.0084	0 0086	0.0085	0.0084	0.0082	0.0084	0.0089	0.0085	0.0083
1982	0.0088	0.0088	0 0089	0.0089	0 0086	0 0088	0 0092	0.0095	0.0086	0.0086	0.0081	0.0083
1983	0.0081	0 0079	0.0080	0.0080	0.0077	0.0077	0.0078	0 0077	0.0077	0.0075	0 0072	0.0077
1984	0 0080	0.0077	0.0081	0.0083	0.0082	0 0085	0.0085	0.0083	0.0079	0.0076	0.0075	0.0073
1985	0 0072	0.0070	0.0070	0.0070	0.0070	0 0068	0.0065	0.0068	0.0066	0.0071	0.0068	0.0064
1986	0.0061	0.0061	0.0059	0.0055	0.0057	0.0055	0.0053	0.0052	0.0047	0 0054	0.0052	0 0051
1987	0.0052	0.0048	0.0050	0.0053	0.0056	0.0057	0.0055	0.0055	0.0052	0 0052	0 0057	0 0060
1988	0.0061	0.0055	0.0056	0.0061	0.0062	0.0059	0.0058	0.0059	0.0060	0 0059	0 0057	0.0058
1989	0.0059	0 0057	0.0060	0.0059	0.0057	0.0054	0.0054	0.0050	0.0051	0 0050	0.0050	0.0048
1990	0.0043	0.0048	0.0049	0 0049	0.0051	0 0047	0.0049	0.0049	0 0054	0.0052	0 0049	0.0048
1991	0.0049	0.0050	0.0049	0.0048	0.0050	0.0051	0 0051	0.0050	0.0050	0.0049	0.0048	0.0049
1992	0.0046	0.0049	0.0051	0.0052	0.0048	0.0049	0.0049	0 0045	0.0045	0.0045	0 0046	0.0046
1993	0.0045	0.0045	0.0041	0.0041	0.0041	0.0043	0.0041	0.0041	0.0039	0.0039	0.0039	0.0041
1994	0.0042	0.0042	0 0045	0.0048	0.0047	0.0048	0.0048	0.0047	0.0047	0.0049	0.0049	0.0050
1995	0.0050	0.0046	0 0047	0.0047	0 0046	0.0045	0.0045	0.0044	0.0043	0.0041	0.0040	0.0040
1996	0.0038	0 0038	0.0039	0.0040	0.0040	0 0041	0.0043	0.0046	0.0045	0.0045	0.0043	0.0042
1997	0 0041	0 0042	0.0042	0.0044	0.0045	0.0044	0.0043	0.0042	0.0044	0.0042	0.0041	0.0039
1998	0.0037	0.0039	0 0037	0.0035	0 0036	0.0036	0.0035	0.0037	0.0036	0 0032	0 0033	0.0033
1999	0.0032	0.0034	0.0035	0.0036	0 0033	0.0031	0.0032	0.0033	0.0033	0.0034	0.0033	0.0036
2000	0.0036	0 0033	0.0035	0.0034	0.0031	0 0030	0.0032	0.0030	0.0026	0.0023	0.0024	0.0023
2001	0.0021	0 0024	0 0023	0.0023	0 0021	0.0022	0 0024	0.0025	0.0026	0.0030	0.0030	0.0030

HEARING EXHIBIT 00000184

STOCKS : CAPITAL APPRECIATION

PUBLIC UTILI

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	0.0342	-0.0112	0.0691	0 0956	0.0180	-0.0428	-0.0105	0.0653	0 0260	-0.0118	0.2120	0.0077
1929	0.1302	-0.0253	-0.0131	0.0325	0.0449	0.2158	0 0888	0.1017	-0 0010	-0.3037	-0.1446	0.0653
1930	0.0715	0.0862	0.0869	0.0321	-0.0256	-0 1924	0.0150	0.0051	-0.1133	-0.0847	-0 0762	-0.0373
1931	0.0503	0 1489	-0.0269	-0.1086	-0.1065	0.1333	-0.0657	0.0219	-0.3185	0.0939	-0.0660	-0 1333
1932	-0 0254	0.0746	-0.1106	-0.1588	-0.2869	0.0000	0.3238	0 3971	-0.0311	-0.1089	-0.0403	0 0844
1933	-0.0355	-0.2029	-0.1137	0.2572	0.1684	0.1387	-0.1238	-0.0096	-0.1799	-0 0758	-0.0231	0.0075
1934	0.1696	-0.0285	-0.0157	-0.0397	-0.0810	0.0431	-0.1648	0.0215	0.0042	-0.0720	-0 0106	-0.0762
1935	-0.0297	-0 1198	0.0975	0.1117	0 1052	0.0988	0.0827	0.0523	-0.0160	0.1185	0.0073	0.0444
1936	0.1067	-0.0375	0.0000	-0.0848	0 0724	0.0316	0.0975	-0.0050	-0.0260	0.0529	-0.0204	-0 0209
1937	0.0158	-0.0390	-0.0611	-0.0777	-0.0560	-0.0513	0.1622	-0.0945	-0.1220	-0 0567	0 0026	-0.1005
1938	-0.0430	0.0277	-0.2047	0.1465	0.0120	0.1563	0 0096	-0 0609	0.0137	0.1747	-0.0665	0.0343
1939	0 0119	0.0755	-0 1421	0.0235	0.0616	-0.0469	0 1159	-0.0691	0.0374	0.0084	-0 0203	0.0225
1940	0.0024	-0.0148	0.0048	-0.0138	-0 2012	0 1446	0.0013	-0 0146	-0.0263	0.0263	-0 1261	0.0093
1941	-0.0145	-0.0295	-0 0344	-0.0911	-0.0410	0.0180	0.0466	-0.0258	-0 0348	-0.0919	-0 0731	-0.0755
1942	0 0171	-0.0419	-0.1125	-0.0521	0 0862	-0 0014	-0 0027	-0 0041	0.0400	0.1300	-0.0070	0.0272
1943	0.1162	0.0670	0.0367	0 0345	0.0306	0.0498	0.0000	0.0067	0.0281	0.0040	-0.0817	0.0532
1944	0 0058	0.0132	0.0057	-0.0137	0 0254	0.0480	-0 0015	0 0313	-0.0193	0.0098	-0.0172	0 0282
1945	0.0459	0.0658	-0.0392	0.1030	0.0138	0.0630	-0.0081	0.0000	0.0709	0.0613	0.0444	-0.0143
1946	0.1172	-0.0684	0.0605	0.0313	0.0277	-0.0299	-0.0419	-0.0749	-0.1079	0.0189	0.0027	0.0676
1947	-0.0031	-0.0118	-0.0394	-0.0351	-0.0313	0.0393	0.0178	-0.0060	-0.0181	-0.0173	-0.0865	0.0143
1948	0.0025	-0.0417	0 0569	0.0115	0 0538	0 0170	-0.0491	-0 0006	-0.0112	0.0356	-0.0958	0.0171
1949	0.0455	-0.0042	0.0317	0.0012	-0.0012	-0.0180	0.0520	0.0298	0.0327	0 0063	0.0110	0.0348
1950	0.0306	0.0054	0.0039	0.0140	0.0147	-0.0816	-0 0485	0.0102	0.0386	-0.0077	-0.0227	0.0259
1951	0.0386	0.0218	-0.0223	-0 0045	0.0015	-0 0090	0.0387	0.0102	0.0038	-0.0019	0 0072	0.0304
1952	0 0258	0.0013	0.0130	-0.0198	0.0144	0 0004	0.0160	0.0158	-0.0030	0.0056	0.0378	0.0170
1953	0.0061	-0 0109	-0.0086	-0.0235	-0.0021	-0.0318	0.0298	-0.0030	0.0072	0.0364	0.0229	0 0020
1954	0.0263	0.0074	0.0227	0.0079	0 0216	0.0055	0.0454	-0 0170	0.0138	-0 0408	0.0523	0.0301
1955	0.0104	0 0305	-0.0148	0 0163	-0.0096	0.0172	0 0428	0.0015	-0.0327	-0 0123	0.0253	-0.0106
1956	-0.0009	0.0139	0.0355	-0.0325	-0.0177	0.0171	0.0485	-0 0297	-0.0358	0.0022	-0.0013	0.0063
1957	0.0283	-0 0101	0.0037	0.0361	0 0140	-0 0458	-0.0006	-0.0335	-0.0181	-0.0117	0.0384	0.0152
1958	0.0560	0 0097	0.0160	0.0477	0.0126	0.0135	0.0072	-0.0103	0.0295	0.0370	0.0228	0.0621
1959	0.0102	0 0174	0.0070	-0 0060	-0 0153	-0.0121	0.0337	0.0143	-0.0425	0.0124	-0.0032	0 0196
1960	-0.0141	0.0147	0.0107	0.0042	0.0200	0.0375	-0.0131	0.0470	-0.0545	-0 0045	0.0353	0.0692
1961	0.0589	0.0328	0.0291	0.0081	0.0106	-0.0254	0.0396	0.0427	-0.0093	0.0454	0.0310	-0.0317
1962	-0.0392	0.0273	0.0055	-0.0379	-0.0939	-0.0578	0.0657	0.0241	-0 0364	-0 0045	0 0737	0.0283
1963	0.0529	-0.0233	0.0158	0.0205	0.0043	-0.0150	0 0095	0.0397	-0.0285	-0.0061	-0.0110	0.0288
1964	0.0099	0.0004	-0.0063	0.0039	0.0004	0 0206	0.0443	0.0004	0.0143	0.0138	0.0087	0.0059
1965	0.0344	-0.0017	-0.0019	0.0083	-0.0110	-0.0367	0.0077	0.0069	0.0166	0.0102	-0.0143	-0.0036
1966	-0.0326	-0.0444	-0.0076	0.0140	-0.0327	-0.0213	-0.0024	-0.0909	0.0438	0.0934	-0.0109	0.0187
1967	0.0238	-0.0189	0.0164	0.0169	-0.0539	-0.0166	0.0189	-0.0100	-0.0073	-0 0808	0.0254	0.0248
1968	0.0045	-0.0270	-0.0437	0.0235	-0.0101	0 0767	-0 0107	-0.0033	0.0062	0.0048	0.0744	-0.0344
1969	0.0132	-0.0568	-0.0134	0 0100	-0.0045	-0 0555	-0.0404	-0 0157	-0.0417	0.0752	-0 0631	-0.0142
1970	-0.0499	0 1004	0.0188	-0.0973	-0.0564	-0.0633	0.0917	0 0530	-0.0162	-0.0198	0.0925	0.0689
1971	0.0214	-0.0319	0.0287	-0.0392	-0.0398	0.0352	-0.0270	-0.0293	-0.0194	0.0121	-0.0103	0 0757
1972	-0.0119	-0.0286	-0.0084	-0.0325	-0.0067	-0.0261	-0.0068	0 0521	-0.0023	0.0601	0.0592	-0 0218
1973	-0.0485	-0.0282	-0.0184	-0.0099	0.0016	-0.0218	-0.0251	-0.0338	0.0715	-0.0441	-0.1228	0.0312
1974	0.0356	0.0000	-0.0449	-0.1358	-0.0554	-0 0644	-0.0169	-0 0953	-0.0178	0 1105	-0.0204	-0 0042
1975	0.1810	0 0068	-0.0291	-0.0217	0 0787	0.0994	-0.0577	-0.0283	-0.0122	0.0633	0.0280	0.0009
1976	0.0826	-0.0420	0.0033	-0.0030	-0.0206	0.0268	0.0274	0.0317	0.0317	-0.0083	0 0205	0.0569
1977	-0.0024	-0.0432	0.0039	0.0146	0.0148	0.0469	0.0104	-0.0413	0.0184	-0.0358	0.0317	-0.0044
1978	-0.0596	-0.0130	0.0240	0.0038	-0.0025	-0.0033	0.0247	-0.0071	-0.0125	-0 0753	0.0280	-0.0224
1979	0.0615	-0.0286	0.0120	-0.0324	0 0072	0.0308	0.0268	0.0027	-0.0252	-0.0583	0.0525	-0.0057
1980	-0.0102	-0.0328	-0.0613	0.1096	0.0242	0.0257	-0.0120	-0.0219	-0.0185	0.0190	0 0419	-0.0094
1981	-0.0267	-0 0308	0.0333	-0.0180	0.0205	0 0187	0.0257	-0.0106	-0.0493	0.0528	0.0396	-0.0388
1982	-0.0051	-0.0123	0 0079	0.0459	-0.0273	-0.0249	-0.0280	0 1116	-0.0034	0.0573	-0.0064	0.0277
1983	0.0291	-0.0084	-0.0063	0.0491	0.0047	-0.0200	0.0261	-0.0037	0.0368	0.0457	-0.0276	-0.0303
1984	0.0402	-0.0488	-0.0136	0.0076	-0.0312	-0.0016	0.0348	0.0563	0.0359	0.0196	0.0195	0.0243
1985	0.0163	0.0123	0.0292	0.0137	0.0536	0.0213	-0.0492	0.0113	-0.0587	0.0567	0.0454	0.0630
1986	0.0232	0.0562	0.0455	-0.0388	0.0468	0.0542	0.0230	0 0832	-0.1184	0.0451	0.0159	-0.0305
1987	0.0932	-0.0349	-0.0239	-0.0467	-0.0120	0.0382	-0.0080	0.0472	-0.0031	-0.0757	-0.0612	0.0048
1988	0.1092	-0.0230	-0.0583	-0.0042	0.0398	0.0256	-0.0041	-0.0196	0.0353	0.0203	-0.0136	0.0005
1989	0.0512	-0.0272	0.0209	0.0575	0.0523	0.0107	0.0750	-0.0107	0.0119	-0.0005	0.0286	0.0683
1990	-0.0852	-0 0157	0.0138	-0.0434	0.0631	-0.0258	-0 0081	-0.0841	0 0357	0 0601	0.0144	0.0038
1991	-0.0350	0.0299	0 0149	-0.0210	-0.0180	-0.0190	0 0258	0.0208	0 0152	0.0151	-0 0146	0.0684
1992	-0.0582	-0.0322	-0.0194	0.0593	-0.0063	0.0092	0.0741	-0.0119	0.0028	-0.0139	-0.0061	0.0312
1993	0.0112	0.0676	0.0139	-0 0068	-0.0232	0.0420	0.0185	0.0443	-0.0059	-0.0060	-0.0546	-0.0094
1994	0.0030	-0.0609	-0 0383	0.0198	-0 0315	-0.0027	0.0288	-0.0075	-0.0301	0 0037	-0.0195	0 0002
1995	0 0729	-0.0061	-0.0107	0.0318	0.0270	0.0002	0 0210	0.0158	0.0595	0 0197	0.0096	0.0668
1996	0.0091	-0.0433	-0 0242	0.0070	-0.0065	0 0375	-0.0671	0.0167	0 0050	0 0463	0.0188	-0.0102
1997	0.0025	-0.0137	-0 0343	-0.0194	0 0378	0.0270	0 0187	-0.0225	0.0389	0 0056	0 0666	0.0713
1998	-0 0432	0.0302	0.0605	-0.0228	-0 0086	0.0333	-0.0528	0.0124	0.0799	-0.0198	0 0101	0.0262
1999	-0 0483	-0 0398	-0.0183	0.0848	0 0576	-0.0363	-0.0146	0.0084	-0 0513	0.0123	-0.0806	0.0057
2000	0.1049	-0 0511	0.0314	0 0760	0.0455	-0 0605	0 0645	0.1342	0 0889	-0 0380	-0.0156	0 0959
2001	-0.0988	0.0329	-0.0086	0.0582	-0.0364	-0 0813	-0.0472	-0.0315	-0.1178	-0.0047	-0 0582	0.0230

TY STOCKS : TOTAL RETURNS

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1928	0.0375	-0.0080	0 0723	0.0986	0.0208	-0.0401	-0.0076	0.0682	0 0286	-0.0091	0.2147	0.0100
1929	0.1325	-0.0232	-0 0109	0.0347	0 0470	0 2179	0.0905	0.1033	0.0004	-0.3022	-0 1425	0.0680
1930	0.0739	0.0885	0.0891	0.0341	-0.0236	-0.1904	0.0176	0.0076	-0.1108	-0.0818	-0.0730	-0.0338
1931	0.0540	0.1524	-0.0239	-0 1054	-0.1030	0 1372	-0.0622	0.0256	-0.3149	0 0991	-0 0614	-0.1284
1932	-0.0200	0 0799	-0.1058	-0.1535	-0.2807	0.0090	0.3317	0.4031	-0 0269	-0.1047	-0 0354	0 0893
1933	-0.0311	-0 1984	-0.1080	0.2635	0.1732	0.1426	-0.1204	-0.0056	-0 1759	-0.0711	-0.0180	0.0126
1934	0.1747	-0 0242	-0.0112	-0.0351	-0.0764	0 0479	-0.1603	0 0269	0.0095	-0.0667	-0.0048	-0.0700
1935	-0.0231	-0 1136	0.1043	0.1178	0.1106	0 1036	0.0870	0 0563	-0.0123	0.1224	0 0108	0.0478
1936	0.1102	-0.0342	0.0033	-0.0815	0.0761	0.0350	0.1009	-0.0018	-0.0225	0.0566	-0.0169	-0.0173
1937	0.0185	-0.0354	-0.0573	-0.0736	-0 0515	-0 0466	0.1671	-0 0903	-0.1174	-0.0518	0.0080	-0.0951
1938	-0.0367	0.0341	-0.1984	0.1538	0 0181	0.1622	0 0148	-0 0557	0.0191	0.1801	-0.0620	0.0391
1939	0 0165	0.0801	-0.1378	0 0285	0 0665	-0.0423	0.1208	-0.0647	0 0421	0.0130	-0.0157	0.0272
1940	0.0069	-0 0103	0.0094	-0 0092	-0 1964	0 1506	0.0085	-0.0094	-0.0210	0.0317	-0.1207	0 0154
1941	-0.0085	-0.0233	-0 0280	-0 0844	-0.0337	0 0257	0 0538	-0 0193	-0.0282	-0.0848	-0.0652	-0.0678
1942	0.0252	-0.0340	-0 1046	-0 0432	0 0956	0.0057	0 0040	0 0026	0.0466	0.1362	-0.0015	0.0328
1943	0.1217	0.0719	0.0412	0 0387	0.0347	0.0538	0.0038	0 0105	0.0324	0.0082	-0.0775	0.0579
1944	0 0106	0.0179	0 0104	-0.0091	0.0301	0.0526	0 0029	0.0357	-0.0150	0.0140	-0.0130	0.0323
1945	0.0497	0.0695	-0.0357	0.1066	0.0171	0.0663	-0.0051	0.0031	0.0740	0.0641	0 0470	-0.0117
1946	0 1189	-0 0640	0 0631	0.0337	0.0300	-0.0276	-0.0394	-0 0724	-0.1051	0.0220	0 0058	0.0707
1947	-0 0002	-0.0088	-0.0364	-0.0319	-0.0279	0 0428	0.0214	-0.0022	-0.0143	-0.0133	-0.0824	0 0189
1948	0.0070	-0 0371	0.0617	0.0160	0.0583	0 0213	-0.0443	0.0036	-0.0070	0.0403	-0.0913	0.0221
1949	0 0504	0.0005	0.0365	0.0057	0.0034	-0 0134	0.0569	0.0345	0.0374	0.0112	0.0159	0 0396
1950	0.0353	0.0099	0 0084	0.0185	0.0193	-0 0771	-0.0436	0.0153	0.0418	-0.0027	-0.0177	0.0312
1951	0.0438	0 0268	-0 0174	0.0006	0.0066	-0 0039	0.0439	0.0151	0.0087	0.0029	0.0120	0 0352
1952	0.0305	0.0059	0.0175	-0.0154	0.0190	0.0050	0.0206	0.0202	0 0014	0 0101	0 0423	0.0213
1953	0.0103	-0.0067	-0.0043	-0.0192	0 0024	-0.0273	0.0345	0.0016	0.0119	0.0410	0 0274	0.0084
1954	0.0327	0.0117	0.0269	0.0121	0.0258	0.0095	0.0495	-0.0131	0.0178	-0.0368	0 0565	0.0340
1955	0.0142	0.0344	-0.0110	0.0202	-0.0058	0.0211	0 0466	0.0052	-0.0290	-0.0085	0 0282	-0.0067
1956	0.0030	0.0178	0.0394	-0 0287	-0 0138	0.0211	0.0525	-0.0259	-0.0318	0 0063	0 0029	0.0105
1957	0 0325	-0.0061	0 0078	0.0402	0 0180	-0.0418	0.0035	-0.0294	-0.0139	-0.0073	0 0428	0.0194
1958	0.0602	0.0137	0.0200	0.0516	0.0164	0.0173	0.0109	-0.0067	0 0332	0.0406	0.0263	0.0654
1959	0.0134	0.0208	0.0102	-0.0028	-0.0120	-0.0088	0.0371	0.0175	-0.0393	0.0158	0 0001	0.0230
1960	-0.0107	0.0181	0.0141	0.0075	0.0233	0 0408	-0.0100	0.0502	-0.0514	-0.0012	0.0386	0.0724
1961	0 0620	0.0358	0.0320	0.0108	0.0133	-0.0227	0.0424	0 0454	-0.0067	0.0480	0.0335	-0.0292
1962	-0.0366	0 0300	0.0081	-0.0353	-0.0911	-0.0547	0.0689	0.0272	-0.0334	-0.0014	0.0768	0.0312
1963	0.0557	-0 0208	0.0185	0.0233	0.0070	-0.0123	0.0122	0.0424	-0.0259	-0.0033	-0.0082	0.0317
1964	0.0127	0 0032	-0.0035	0.0067	0.0033	0.0234	0.0471	0.0031	0.0170	0.0165	0.0114	0.0086
1965	0 0370	0.0009	0 0007	0 0110	-0.0083	-0.0340	0.0105	0.0096	0.0194	0.0130	-0.0116	-0.0008
1966	-0.0297	-0.0414	-0 0045	0.0172	-0.0296	-0.0181	0.0009	-0.0875	0.0475	0 0970	-0.0076	0.0220
1967	0.0271	-0.0156	0 0197	0 0203	-0.0506	-0.0131	0.0204	-0.0065	-0.0037	-0.0572	0.0293	0.0286
1968	0.0083	-0 0233	-0.0398	0.0275	-0.0062	0.0807	-0 0070	0 0004	0.0099	0.0085	0 0782	-0.0309
1969	0.0169	-0.0532	-0.0095	0.0139	-0 0007	-0.0517	-0.0363	-0 0114	-0.0373	0.0798	-0.0588	-0.0097
1970	-0.0453	0.1053	0.0232	-0.0929	-0.0515	-0.0581	0.0972	0.0581	-0.0114	-0 0149	0.0976	0.0735
1971	0.0257	-0.0277	0.0331	-0.0349	-0.0352	0.0399	-0.0225	-0.0247	-0.0147	0.0169	-0.0055	0 0806
1972	-0.0073	-0.0240	-0.0036	-0.0276	-0.0017	-0 0211	-0 0014	0.0574	0.0027	0.0651	0.0639	-0.0174
1973	-0.0439	-0.0234	-0.0135	-0.0049	0.0067	-0.0167	-0.0199	-0 0284	0.0771	-0.0388	-0.1173	0.0375
1974	0 0418	0.0060	-0.0389	-0.1296	-0.0483	-0.0570	-0.0089	-0.0871	-0.0086	0.1199	-0.0118	0.0045
1975	0.1897	0.0143	-0.0216	-0.0140	0 0865	0.1067	-0.0510	-0.0212	-0 0048	0.0707	0.0350	0 0077
1976	0.0894	-0 0356	0.0099	0.0037	-0.0139	0.0337	0.0341	0 0383	0.0382	-0.0021	0.0268	0 0631
1977	0.0035	-0.0373	0.0102	0.0210	0.0211	0.0531	0.0163	-0.0354	0.0247	-0.0297	0.0382	0.0019
1978	-0.0533	-0.0062	0.0309	0.0106	0.0043	0.0036	0.0316	-0.0003	-0.0056	-0.0684	0.0356	-0.0149
1979	0.0692	-0.0212	0.0196	-0.0249	0.0150	0.0386	0.0341	0.0101	-0.0177	-0.0505	0.0607	0.0021
1980	-0.0022	-0.0247	-0.0530	0.1187	0.0323	0.0338	-0.0041	-0.0140	-0.0114	0.0275	0.0502	-0.0015
1981	-0.0188	-0.0224	0.0420	-0.0096	0.0291	0 0272	0.0341	-0.0024	-0.0409	0 0617	0.0481	-0.0306
1982	0.0037	-0.0035	0 0168	0 0548	-0 0188	-0 0161	-0.0199	0.1211	0.0052	0.0659	0.0017	0.0360
1983	0.0372	-0.0004	0.0017	0.0571	0.0123	-0 0123	0.0339	0.0040	0.0445	0.0533	-0.0204	-0.0226
1984	0.0482	-0.0411	-0.0055	0.0158	-0.0230	0 0069	0.0433	0.0647	0.0438	0 0272	0.0270	0.0316
1985	0 0235	0 0194	0.0362	0.0207	0.0606	0.0279	-0.0427	0.0181	-0.0521	0 0636	0.0522	0.0694
1986	0.0293	0.0623	0.0514	-0 0333	0 0526	0.0597	0.0283	0.0883	-0.1137	0.0505	0.0210	-0.0254
1987	0.0984	-0.0301	-0.0189	-0 0414	-0 0063	0.0439	-0 0025	0 0528	0.0022	-0.0704	-0.0555	0.0109
1988	0.1153	-0.0176	-0.0526	0.0019	0.0460	0 0315	0.0018	-0 0137	0.0413	0 0262	-0.0078	0.0064
1989	0.0571	-0.0215	0.0269	0.0634	0.0580	0.0161	0.0804	-0.0057	0.0170	0.0045	0.0336	0.0731
1990	-0.0809	-0.0109	0.0187	-0 0386	0.0681	-0.0210	-0.0032	-0.0793	0 0410	0.0653	0.0193	0.0087
1991	-0.0302	0.0349	0.0198	-0 0161	-0 0130	-0.0140	0.0308	0.0259	0 0202	0.0200	-0.0098	0.0733
1992	-0.0536	-0.0273	-0.0144	0.0644	-0.0014	0 0141	0.0790	-0.0074	0.0073	-0.0094	-0.0015	0 0358
1993	0.0157	0.0720	0.0181	-0.0027	-0.0191	0 0463	0.0226	0.0484	-0.0020	-0 0021	-0.0507	-0.0053
1994	0.0072	-0.0567	-0.0338	0.0246	-0.0268	0.0021	0.0337	-0.0028	-0 0254	0 0086	-0.0146	0.0052
1995	0 0779	-0.0015	-0.0060	0.0365	0.0316	0.0047	0 0255	0.0202	0.0698	0.0237	0.0137	0.0708
1996	0.0129	-0.0395	-0.0203	0.0110	-0.0025	0.0416	-0.0629	0.0212	0.0095	0.0508	0.0210	-0.0061
1997	0.0067	-0.0096	-0.0301	-0.0150	0.0423	0.0313	0.0230	-0 0183	0 0433	0 0097	0.0707	0.0752
1998	-0.0395	0.0340	0.0642	-0 0194	-0.0050	0.0369	-0 0493	0.0161	0.0835	-0.0166	0.0134	0.0295
1999	-0.0451	-0.0365	-0.0147	0 0884	0.0609	-0 0332	-0 0113	0.0117	-0.0481	0.0157	-0.0773	0.0093
2000	0.1085	-0.0578	0 0349	0.0793	0.0487	-0.0575	0.0677	0.1372	0.0915	-0.0357	-0.0132	0.0982
2001	-0.0967	0.0353	-0 0063	0.0605	-0.0343	-0.0791	-0 0448	-0.0290	-0 1152	-0 0018	-0.0552	0.0260

HEARING EXHIBIT 00000186

TOTAL
RETURN
SUMMARY

YEAR	JAN -DEC
1928	0.5747
1929	0.1102
1930	-0.2196
1931	-0.3590
1932	-0 0054
1933	-0.2187
1934	-0 2041
1935	0.7663
1936	0.2069
1937	-0.3704
1938	0.2245
1939	0.1126
1940	-0.1715
1941	-0.3157
1942	0.1539
1943	0 4607
1944	0.1803
1945	0.5333
1946	0.0126
1947	-0.1316
1948	0.0401
1949	0.3139
1950	0.0325
1951	0.1863
1952	0.1925
1953	0.0785
1954	0.2472
1955	0.1126
1956	0 0508
1957	0.0636
1958	0.4070
1959	0 0749
1960	0 2026
1961	0.2933
1962	-0.0244
1963	0 1236
1964	0 1591
1965	0.0467
1966	-0.0448
1967	-0 0063
1968	0.1032
1969	-0.1542
1970	0.1656
1971	0.0241
1972	0.0815
1973	-0.1807
1974	-0.2155
1975	0.4449
1976	0.3181
1977	0.0864
1978	-0.0371
1979	0.1358
1980	0.1508
1981	0.1174
1982	0.2652
1983	0.2001
1984	0.2604
1985	0.3305
1986	0.2853
1987	-0.0292
1988	0.1827
1989	0.4780
1990	-0.0257
1991	0.1461
1992	0.0811
1993	0.1439
1994	-0 0794
1995	0.4215
1996	0.0314
1997	0.2469
1998	0.1482
1999	-0.0885
2000	0.5970
2001	-0 3041

The annual returns for the S&P 40 Public Utility Index was calculated in conformance with the methodology set forth in the Ibbotson & Sinquefield studies. This is:

"Designating common stocks as m, we form monthly returns by

$$R_{m,t} = \left[(P_{m,t} + D_{m,t})/P_{m,t-1}\right] - 1$$

where $R_{m,t}$ is the common stock total return during month t; $P_{m,t}$ is the value of the S&P Composite Index at the end of the month t; and $D_{m,t}$ is the estimated dividends received during month t and reinvested at the end of month t."

The annual calendar returns are formed by compounding the monthly returns.

The workpapers and supporting data for the S&P 40 Public Utility Index are attached. The following provides an example of the procedure used to calculate a single monthly return for the S&P 40 Public Utilities. The January 1985 income return is the result of the January 1985 monthly dividend of 0.5434 (0.0860 January 1985 yield x 75.83 January 1985 average index value = 6.5214 ÷ 12) divided by December 1984 month-end index value of 75.89, or 0.0072 as developed from the data provided. The January 1985 capital appreciation is the result of the month-end January 1985 index value of 77.13 expressed in terms of the December 1984 month-end index value of 75.89, or 0.0163 (77.13 ÷ 75.89 - 1). The total return for a single month is the sum of the income yield, 0.0072 for January 1985, and capital appreciation yield, 0.0163 for January 1985, or 0.0235 for January 1985. Stated in terms of the formula shown above, the January 1985 monthly return is:

$$0.0235 = \frac{77.13 + 0.5434}{75.89} - 1$$

The annual returns for the Long-Term Corporate Bonds were taken directly from the Ibbotson & Sinquefield studies, copies of which have been attached.

The annual returns, R_T, are formed by compounding the monthly returns according to the following formula:

$$R_T = \left[\prod_{t=1}^{12} (1 + R_t) \right] - 1$$

where R_t is the monthly return. For the S&P 40 Public Utilities, the 1985 annual return reflecting monthly compounding is calculated as:

$$0.3305 = (1.0235 \times 1.0194 \times 1.0362 \times 1.0207 \times 1.0606 \times 1.0279 \times \times 0.9573 \times 1.0181 \times 0.9479 \times 1.0638 \times 1.0522 \times 1.0694) - 1$$

STANDARD & POOR'S

CURRENT STATISTICS

Statistical Service

March 2008

The Standard & Poor's 500

This issue contains a complete twelve month record of the Daily High, Low and Close of the Standard & Poor's Stock Price Indices. Also a twelve month record, by weeks of these indices by GICs sub-industry.

Your Statistical Service should contain...

Issue	Pages
Current Statistics, dated March 2008	1-40
Current Statistics, dated January 2008	1-40

Basic Statistics:

Banking & Finance	1-23
Production & Labor	27-72
Income & Trade	95-125
Transportation	201-213
Agriculture Products	215-228
Security Price Index Record 2006 Edition	1-495

Note To Subscribers:

This issue will be the final monthly issue of Current Statistics. We will commence publishing quarterly updates, beginning with the June, 2008 issue.

Reference to the January 2008 (white) should be retained. March 2008 (yellow) should be retained.

HEARING EXHIBIT 00000190

EARNINGS, DIVIDENDS AND PRICE-EARNINGS RATIOS-QUARTERLY

Based on the Stocks in the S&P Daily Indexes

Diluted Earnings (Quarterly)

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities
1999											
1	10.96	1.38	1.16	2.22	1.99	1.95	2.63	4.80	2.56	2.09	2.23
2	12.51	1.83	1.63	3.08	2.70	2.07	2.83	4.95	2.97	2.52	1.35
3	11.93	2.37	1.47	2.11	2.16	2.34	1.67	4.87	2.69	2.40	4.30
4	12.77	2.63	0.48	2.20	3.80	2.14	2.61	4.80	3.51	2.61	1.14
2000											
1	13.74	3.56	2.02	2.52	2.48	1.92	3.01	5.69	3.54	2.40	2.80
2	13.48	4.19	1.97	2.96	2.50	2.16	2.74	4.17	4.24	2.53	2.30
3	13.71	4.30	1.48	2.75	2.17	2.66	3.09	5.20	3.05	2.79	3.82
4	9.07	4.56	0.14	2.41	1.82	1.88	1.53	4.75	1.80	0.82	-1.80
2001											
1	9.18	5.34	0.46	2.40	1.09	2.06	3.04	4.86	-0.96	1.17	1.87
2	4.63	4.82	0.23	2.54	1.08	2.43	3.21	4.08	-6.98	-0.69	2.55
3	5.23	3.06	0.43	1.63	0.74	2.62	3.11	3.21	-3.75	-0.41	3.18
4	5.46	0.49	1.45	1.58	0.33	2.31	2.35	3.70	-0.29	-1.41	2.19
2002											
1	9.19	1.82	0.77	1.69	1.63	2.48	3.24	5.83	-0.25	0.53	2.65
2	6.87	2.14	0.24	2.68	2.47	2.91	3.45	5.03	-2.28	-4.06	1.64
3	6.53	1.28	1.10	1.72	1.91	3.60	2.66	4.88	-0.80	1.50	0.88
4	3.00	-0.01	-0.33	1.98	-5.31	2.32	3.55	4.34	0.31	1.92	-1.81
2003											
1	11.91	4.94	0.88	1.89	2.07	2.87	3.88	5.69	1.23	1.98	1.61
2	11.10	3.56	1.63	2.79	2.55	2.72	1.56	6.42	0.39	1.52	1.14
3	12.56	3.65	0.46	2.56	2.45	2.14	3.30	6.83	1.96	1.28	2.59
4	13.16	4.70	1.65	2.99	2.99	2.37	2.42	7.16	2.60	0.36	0.53
2004											
1	15.18	4.95	1.80	2.88	3.01	2.67	3.93	7.63	2.26	1.62	3.10
2	15.25	6.06	2.52	2.96	3.35	3.06	3.97	6.31	2.80	1.60	1.54
3	14.18	5.61	2.58	3.14	2.54	3.11	4.10	6.61	2.41	-1.47	2.62
4	13.94	7.02	2.16	3.04	-0.26	2.90	2.02	7.44	3.62	1.74	1.49
2005											
1	16.95	7.28	3.25	3.15	2.57	2.94	3.85	8.29	2.91	1.88	2.26
2	18.29	8.77	3.47	4.08	2.69	3.30	4.23	7.88	3.49	1.97	1.70
3	17.39	9.47	2.53	4.12	2.26	3.19	3.96	6.97	2.90	1.88	2.97
4	17.30	10.92	2.04	4.12	0.64	3.15	4.18	7.04	4.26	1.47	1.59
2006											
1	19.69	9.52	3.10	4.10	3.12	3.11	5.25	8.87	3.38	1.63	2.57
2	20.11	12.02	4.09	4.57	2.92	3.33	3.24	9.03	3.47	1.88	2.02
3	21.47	11.79	3.33	4.74	2.55	3.54	4.80	9.53	3.71	2.04	3.40
4	20.24	9.92	5.28	5.07	2.86	3.48	2.58	9.24	4.01	1.90	2.16
2007											
1											

Dividend Per Share-Adjusted to Price Index (4 Qtr. Total)

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities
1999											
1	----	----	----	----	----	----	----	----	----	----	----
2	16.21	4.92	2.78	3.09	2.27	3.94	3.48	5.34	0.97	4.31	6.20
3	16.46	4.90	2.78	3.16	2.25	3.95	3.67	5.53	0.96	4.66	6.18
4	16.48	4.92	2.74	3.20	2.36	3.98	3.73	5.66	0.94	4.44	6.21
2000											
1	16.76	4.57	2.75	3.32	2.49	3.99	3.77	5.85	0.99	4.55	6.20
2	16.70	4.48	2.90	3.30	2.25	4.05	3.78	6.04	0.92	4.54	6.26
3	16.34	4.30	3.11	3.11	2.40	4.13	3.82	6.30	0.88	3.87	6.03
4	16.27	4.65	3.07	3.15	2.41	4.18	4.08	6.31	0.86	3.81	5.95
2001											
1	15.70	4.65	3.23	3.52	2.31	3.98	4.13	6.10	0.82	3.50	5.81
2	15.41	4.68	3.22	3.47	2.20	4.04	4.22	6.09	0.79	3.15	5.45
3	15.64	4.70	3.19	3.56	2.13	4.39	4.33	6.17	0.73	3.18	5.40
4	15.70	4.86	3.20	3.56	1.98	4.44	4.41	6.34	0.69	3.15	5.21
2002											
1	15.69	4.93	3.06	3.59	1.86	4.46	4.43	6.46	0.66	3.12	5.23
2	16.01	5.01	3.06	4.01	1.90	4.54	4.50	6.60	0.64	3.08	5.27
3	15.78	4.82	3.09	3.63	1.69	4.68	4.56	6.70	0.65	3.09	5.11
4	16.07	4.99	3.12	3.64	1.73	4.79	4.79	6.82	0.66	3.18	4.97
2003											
1	16.22	5.18	3.18	3.64	1.73	4.88	4.70	6.89	0.64	3.27	4.76
2	16.17	4.82	3.27	3.73	1.86	4.64	4.60	6.88	0.86	3.42	4.49
3	16.59	4.89	3.25	3.84	1.96	4.47	4.90	7.40	0.89	3.63	4.33
4	17.38	4.96	3.29	3.98	2.18	4.26	4.97	7.81	1.23	3.77	4.27
2004											
1	18.01	5.04	3.33	4.16	2.32	4.15	5.18	8.43	1.13	3.86	4.36
2	18.58	5.08	3.37	4.29	2.30	4.31	5.21	8.86	1.18	3.89	4.50
3	19.15	5.18	3.43	4.45	2.35	4.55	5.22	9.13	1.38	3.88	4.61
4	19.43	5.28	3.50	4.56	2.43	4.60	4.94	9.40	1.28	3.99	4.60
2005											
1	20.21	5.40	3.59	4.90	2.52	4.84	5.17	9.70	1.52	4.18	5.02
2	20.92	5.60	3.69	5.10	2.54	4.99	5.25	10.01	1.77	4.30	5.19
3	21.46	5.76	3.78	5.29	2.66	5.20	5.19	10.23	1.88	4.42	5.38
4	22.22	5.89	3.93	5.50	2.81	5.41	5.44	10.52	1.97	4.43	5.50
2006											
1	22.78	6.12	4.14	5.66	2.94	5.48	5.42	10.73	2.03	4.42	5.60
2	23.44	6.36	4.40	5.80	3.08	5.65	5.56	10.98	2.09	4.48	5.70
3	24.10	6.62	4.67	5.94	3.10	5.73	5.53	11.23	2.13	4.52	5.78
4	24.88	6.87	4.96	6.22	3.29	5.84	6.11	11.58	2.22	4.58	5.82
2007											
1	25.49										

Diluted Price/Earnings Ratios

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities
1999											
1	----	----	----	----	----	----	----	----	----	----	----
2	32.49	74.71	42.89	29.10	30.52	29.14	39.54	20.17	49.87	35.97	19.52
3	29.18	49.68	32.69	27.33	27.01	25.39	36.93	16.42	50.35	32.11	16.34
4	30.50	25.94	33.78	28.44	28.09	24.50	34.26	16.56	68.86	33.56	15.78
2000											
1	29.41	20.86	24.94	27.19	25.81	20.27	32.89	16.14	72.16	31.95	15.79
2	28.01	17.40	19.88	27.15	23.97	22.67	40.07	16.21	59.51	27.08	15.06
3	26.75	16.32	18.21	27.63	22.69	22.19	34.91	19.65	49.89	23.16	20.80
4	26.40	14.50	23.47	26.86	26.44	27.61	42.72	20.04	37.72	22.54	30.36
2001											
1	25.53	12.22	30.50	24.23	31.25	24.32	36.19	18.82	43.41	25.99	32.24
2	33.28	12.12	59.03	27.96	42.25	23.04	34.23	20.32	n/m	46.11	29.02
3	36.76	11.40	95.27	25.47	43.02	23.76	35.15	19.66	n/m	n/m	26.24
4	46.49	15.38	51.90	32.63	74.46	23.13	32.92	22.41	n/m	n/m	14.89
2002											
1	46.45	22.47	51.06	35.16	65.28	24.08	32.18	21.75	n/m	n/m	14.13
2	37.01	28.84	49.43	29.47	41.99	22.12	28.29	16.96	n/m	n/m	12.72
3	27.13	30.10	30.68	23.90	28.80	18.00	25.24	14.30	n/m	n/m	12.82
4	31.89	35.02	68.71	23.83	n/m	18.08	23.94	14.78	n/m	n/m	29.10
2003											
1	27.98	21.94	59.38	21.98	n/m	16.54	23.00	14.04	n/m	68.08	40.39
2	28.21	19.95	38.75	25.00	n/m	18.26	29.28	15.47	n/m	15.90	61.73
3	25.82	16.12	50.88	23.65	n/m	21.11	26.36	14.81	73.61	14.77	30.50
4	22.82	13.30	35.69	24.41	24.71	22.56	31.34	14.65	52.21	21.63	19.83
2004											
1	21.66	13.90	29.18	21.94	22.83	23.73	30.91	14.22	43.57	24.26	16.54
2	20.32	12.96	25.84	23.35	21.19	22.93	26.04	13.86	33.55	23.46	15.35
3	19.30	12.99	19.85	22.11	20.75	19.68	23.18	13.74	28.84	56.99	16.37
4	20.70	12.21	20.22	24.11	32.29	20.17	25.00	14.58	29.70	36.93	16.18
2005											
1	19.57	13.01	17.64	23.08	32.00	19.75	24.89	13.26	25.96	31.41	16.69
2	18.80	11.96	14.57	20.35	34.35	19.15	25.35	13.03	24.93	29.31	19.84
3	18.46	12.42	14.84	19.33	35.27	19.51	25.86	12.97	25.37	15.87	20.22
4	17.85	10.23	16.58	18.78	31.63	19.11	22.65	14.13	24.41	16.29	18.73
2006											
1	17.82	10.47	17.95	18.85	30.45	19.04	21.03	14.22	24.54	19.13	17.70
2	17.05	10.03	16.82	18.22	29.47	19.42	21.08	13.61	22.16	19.18	17.89
3	17.00	9.30	15.57	17.47	29.89	19.86	22.03	13.51	22.69	20.56	17.99
4	17.40	10.53	13.71	17.46	26.46	19.94	24.50	13.51	24.45	20.88	18.38

Yield—End of Qtr.

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities
1999											
1	----	----	----	----	----	----	----	----	----	----	----
2	1.16	2.28	1.77	1.17	0.82	1.72	0.97	1.52	0.17	1.35	3.84
3	1.28	2.31	1.93	1.26	0.89	1.99	1.14	1.86	0.16	1.58	4.07
4	1.12	2.31	1.72	1.17	0.79	1.92	1.14	1.76	0.12	1.37	4.36
2000											
1	1.11	2.29	1.97	1.20	0.82	2.34	1.14	1.77	0.10	1.46	4.13
2	1.14	2.20	2.41	1.23	0.90	2.09	0.95	1.90	0.11	1.71	3.99
3	1.12	2.02	2.73	1.18	0.85	1.94	0.95	1.66	0.12	1.63	2.96
4	1.21	1.96	2.31	1.22	1.00	1.63	0.91	1.54	0.18	1.99	2.82
2001											
1	1.35	2.07	2.61	1.38	0.97	1.86	1.09	1.71	0.23	1.82	2.89
2	1.26	2.03	2.37	1.23	0.85	1.94	1.13	1.59	0.20	1.68	2.81
3	1.50	2.31	2.67	1.56	1.05	2.05	1.13	1.86	0.28	1.89	3.55
4	1.37	2.30	2.40	1.34	0.82	2.03	1.14	1.78	0.20	1.87	3.57
2002											
1	1.37	2.15	2.09	1.37	0.75	1.88	1.16	1.77	0.20	2.21	3.50
2	1.62	2.30	2.14	1.79	0.83	1.99	1.41	1.96	0.26	2.66	4.28
3	1.94	2.79	2.82	1.98	0.94	2.30	1.55	2.41	0.36	3.91	5.41
4	1.83	2.73	2.54	1.89	0.95	2.34	1.55	2.30	0.30	2.95	5.09
2003											
1	1.91	2.83	2.81	2.00	0.96	2.57	1.51	2.46	0.38	3.58	5.09
2	1.66	2.48	2.52	1.78	0.87	2.25	1.41	2.12	0.33	3.10	3.99
3	1.67	2.50	2.41	1.76	0.90	2.10	1.51	2.17	0.31	3.67	3.91
4	1.56	2.21	1.99	1.60	0.88	1.90	1.42	2.08	0.38	3.39	3.60
2004											
1	1.60	2.15	2.06	1.69	0.92	1.77	1.58	2.13	0.36	3.33	3.54
2	1.63	2.03	2.05	1.62	0.92	1.83	1.47	2.31	0.37	3.41	3.74
3	1.72	1.87	2.02	1.58	0.98	2.06	1.56	2.38	0.47	3.22	3.82
4	1.60	1.83	1.91	1.61	0.87	1.94	1.41	2.29	0.39	3.09	3.39
2005											
1	1.72	1.60	1.93	1.73	0.96	2.04	1.49	2.54	0.50	3.54	3.39
2	1.76	1.63	2.21	1.87	0.98	2.13	1.46	2.53	0.57	3.55	3.24
3	1.76	1.43	2.23	1.90	1.04	2.16	1.43	2.58	0.57	3.72	3.16
4	1.79	1.58	2.10	1.89	1.09	2.25	1.48	2.47	0.60	3.77	3.45
2006											
1	1.77	1.51	2.07	1.83	1.11	2.26	1.46	2.45	0.59	3.32	3.58
2	1.85	1.51	2.22	1.88	1.17	2.28	1.59	2.53	0.67	3.41	3.48
3	1.81	1.61	2.39	1.94	1.12	2.20	1.54	2.41	0.63	3.14	3.36
4	1.76	1.51	2.29	1.93	1.09	2.17	1.57	2.34	0.62	2.96	3.12

n/m=not meaningful.

S & P 500 BOOK VALUE–NEW

Total common equity less liquating value of preferred

2005 ..... 453.06	2002 ..... 321.72	1999 ..... 293.57	1996 ... 236.89	1993 ..... 184.04
2004 ..... 414.75	2001 ..... 343.73	1998 ..... 269.91	1995 ..... 215.8	1992 ..... 181.66
2003 ..... 367.17	2000 ..... 324.89	1997 ..... 251:03	1994 ... 193.37	

*Estimate.

HEARING EXHIBIT 00000191

STANDARD & POOR'S WEEKLY STOCK INDEXES

2006	Energy Sector	Materials Sector	Industrials Sector	Consumer Discretionary Sector	Consumer Staples Sector	Health Care Sector	Financials Sector	Information Technology Sector	Telecommunication Services Sector	Utilities	ENERGY: Oil & Gas Drilling	Oil & Gas Equipment & Services	Integrated Oil & Gas	Oil & Gas Exploration & Production	Oil & Gas Refining & Marketing	Oil & Gas Storage & Transportation	Coal & Consumable Fuels	MATERIALS: Diversified Chemicals	Fertilizers & Agricultural Chemicals	Industrial Gases	Specialty Chemicals	Construction Materials	Metal & Gas Containers	Paper Packaging	Aluminum
OCT 4	399.94	193.51	313.00	282.97	262.11	386.76	474.33	341.92	145.52	175.06	483.73	410.84	372.18	340.06	446.45	134.40	66.07	182.96	596.32	407.07	230.31	159.64	93.47	151.87	177.24
11	401.46	198.06	314.61	286.02	260.06	382.94	472.67	342.31	144.51	174.89	490.65	406.52	373.12	347.06	450.71	136.22	71.30	187.21	558.10	402.54	238.00	163.91	95.48	152.66	175.22
18	417.76	201.92	318.09	288.35	260.54	389.93	475.53	346.04	144.45	178.87	508.26	425.75	387.60	365.15	469.00	138.10	75.03	188.91	568.38	409.48	241.52	166.73	94.68	151.86	178.67
25	435.84	205.05	315.55	291.35	268.18	390.39	478.30	350.38	149.99	182.80	540.59	458.21	400.87	384.52	485.05	141.16	83.10	191.96	550.86	409.71	242.34	161.5	397.45	155.22	181.22
AVG	416.49	201.32	314.85	287.83	262.15	387.28	474.16	345.60	146.66	177.62	512.21	428.64	385.85	361.17	484.07	138.24	75.70	189.12	574.58	407.86	238.18	162.76	95.58	153.84	180.01
ME	429.74	207.05	313.29	293.58	265.52	386.53	476.38	350.12	148.87	181.50	532.53	445.60	397.88	373.61	470.79	139.18	79.53	194.09	561.52	415.27	242.49	164.19	98.22	157.33	188.66
NOV 14	26.23	205.38	311.38	291.17	263.70	383.74	472.21	346.97	147.95	182.83	526.22	438.77	395.63	370.12	460.59	138.78	78.63	193.17	559.87	418.81	241.86	163.73	97.52	155.71	184.87
8	443.56	207.74	316.82	294.43	263.83	385.05	478.85	351.89	150.18	180.54	553.26	458.89	412.50	380.21	469.41	142.71	80.25	195.51	572.06	423.01	246.16	171.37	101.20	157.22	187.48
15	447.98	210.02	321.04	298.62	263.03	381.79	481.75	362.37	145.31	181.39	553.86	461.57	416.98	383.11	484.23	144.80	78.58	198.76	595.30	425.10	250.72	181.92	102.18	158.8	3186.31
22	442.73	215.89	324.02	300.50	264.86	383.89	485.06	367.73	145.77	182.36	557.81	457.27	410.89	383.39	467.07	144.54	78.04	197.65	626.41	432.22	251.03	179.14	105.37	158.72	198.58
29	460.59	215.26	320.05	298.42	263.58	382.98	478.67	361.15	147.35	184.39	579.74	477.95	426.47	400.98	491.20	149.34	82.21	196.59	600.89	424.78	247.00	178.58	104.32	157.05	202.23
AVG	442.17	210.42	318.06	295.73	263.12	382.64	478.95	357.80	147.21	181.73	551.72	453.79	411.20	381.57	471.63	143.95	79.36	196.14	588.81	423.51	247.18	174.91	102.26	157.51	190.36
ME	464.36	215.61	320.01	298.50	262.68	384.43	477.46	361.19	148.38	184.90	577.85	480.02	431.27	401.40	493.20	149.39	83.50	194.23	610.41	422.15	245.64	178.78	105.31	157.52	203.41
DEC 6	465.02	217.76	321.86	301.70	267.32	384.76	484.57	361.38	150.45	186.59	592.32	473.43	432.74	398.38	502.26	149.93	85.26	194.62	609.78	424.20	249.29	181.98	106.13	165.37	200.67
13	467.58	216.61	319.13	301.47	266.78	384.50	487.88	358.56	152.97	187.81	593.56	475.90	438.60	386.03	488.42	151.72	82.72	194.30	611.43	426.81	248.58	183.80	107.10	167.01	199.71
20	459.17	218.63	326.30	303.25	268.38	390.38	496.06	358.98	151.80	186.89	579.79	460.90	434.36	371.58	474.98	148.09	75.88	200.07	659.05	428.68	249.26	181.96	108.28	170.78	196.03
27	458.89	218.51	325.66	304.74	269.45	389.83	499.87	357.85	154.14	187.57	576.06	453.44	436.84	367.56	463.72	148.28	75.27	199.20	671.87	420.32	250.69	183.29	109.44	173.45	195.90
AVG	462.47	217.55	322.74	302.04	267.57	386.83	490.19	358.97	152.08	186.86	583.42	466.18	435.12	382.58	482.30	149.24	80.09	196.81	634.86	423.68	248.89	181.78	107.32	168.18	198.50
ME	455.53	216.56	322.63	302.92	268.41	388.74	495.31	356.28	155.15	186.60	567.70	448.29	434.59	364.13	456.78	147.75	73.25	197.46	667.05	413.33	248.32	181.10	108.27	172.16	195.84
2007																									
JAN 3	438.80	215.57	324.43	303.84	269.89	388.98	496.63	357.42	154.53	187.38	541.35	429.24	418.19	351.45	445.39	147.67	68.71	198.74	656.25	419.35	247.44	181.26	108.24	173.89	191.40
10	421.80	213.94	323.94	305.52	271.28	391.42	494.23	368.49	150.01	183.87	521.46	404.65	401.29	347.24	428.04	143.32	69.33	195.88	633.02	415.15	244.41	181.50	109.28	171.37	197.27
17	428.75	219.97	329.46	310.97	273.47	400.91	497.81	365.34	150.51	182.89	534.58	413.50	407.46	356.75	448.89	145.10	71.48	203.84	688.51	424.39	249.44	182.97	111.54	175.85	199.23
24	447.53	225.40	326.80	312.82	274.23	401.24	501.55	360.87	158.10	185.24	551.31	440.58	421.46	378.91	473.23	148.60	75.37	205.15	711.62	437.81	250.59	205.04	105.71	179.58	207.52
31	447.11	226.25	326.84	311.29	273.35	400.44	498.79	361.86	159.95	185.90	558.53	437.11	420.23	385.07	480.22	146.93	75.60	202.46	699.56	439.21	245.54	205.22	106.54	178.31	210.78
AVG	434.49	219.35	325.24	308.20	272.09	396.67	496.16	361.76	153.74	184.06	536.73	420.54	411.53	362.28	452.08	145.83	71.97	200.74	674.13	424.07	246.89	192.13	108.90	175.15	200.01
ME	447.11	226.25	326.84	311.29	273.35	400.44	498.79	361.86	159.95	185.90	556.53	437.11	420.23	385.07	480.22	146.93	75.60	202.46	699.56	439.21	245.54	205.22	106.54	178.31	210.78
FEB 7	448.10	228.33	331.18	314.80	272.97	401.83	506.53	363.02	156.85	191.85	552.00	443.66	421.81	374.82	485.30	148.13	75.99	206.40	693.59	441.68	246.55	215.82	106.48	177.21	209.80
14	451.75	233.69	335.08	314.22	273.30	402.06	506.49	363.48	159.92	194.48	548.47	450.37	426.41	372.96	489.46	147.33	76.05	209.89	707.94	448.47	251.79	225.29	107.75	181.00	225.59
21	448.46	238.39	334.92	318.25	275.45	400.87	508.06	364.71	160.41	193.29	547.95	439.27	420.02	370.36	507.51	147.41	79.06	212.25	714.54	452.27	257.68	245.82	108.85	187.59	229.36
28	436.83	230.84	321.88	301.83	268.63	390.38	482.42	350.44	158.88	194.77	542.90	439.17	407.07	370.79	506.35	144.01	76.10	208.36	669.08	434.35	246.56	234.74	106.14	189.04	218.02
AVG	448.54	232.04	330.61	312.31	273.14	400.01	501.42	361.08	159.54	193.16	550.34	443.74	422.25	374.26	495.85	146.83	77.30	208.74	696.29	444.71	250.55	225.14	107.18	182.49	220.61
ME	436.83	230.84	321.88	301.83	268.63	390.38	482.42	350.44	158.88	194.77	542.90	439.17	407.07	370.79	506.35	144.01	76.10	208.36	669.08	434.35	246.56	234.74	106.14	189.04	218.02
MAR 7	439.61	226.32	318.82	298.34	265.93	386.47	475.69	346.91	153.97	192.35	544.58	452.31	408.56	369.02	522.95	142.42	73.89	204.23	672.89	423.38	243.24	236.09	102.84	183.65	211.37
14	438.98	227.49	319.60	295.18	264.46	384.54	468.43	348.46	158.33	193.34	548.63	454.62	407.29	368.37	536.16	141.02	73.20	206.80	671.87	425.58	242.43	232.46	103.57	184.59	217.44
21	451.45	236.68	329.08	305.79	272.71	394.94	489.91	358.77	163.71	201.68	573.73	465.82	418.79	377.48	543.24	144.59	76.79	215.14	698.41	444.29	249.31	241.39	106.34	191.30	220.89
28	464.96	233.72	324.05	298.89	271.07	389.68	476.17	352.68	162.59	202.99	580.75	474.70	433.16	388.91	560.29	147.17	79.13	212.43	689.27	436.83	245.76	233.85	105.85	188.39	219.13
AVG	446.05	231.36	322.91	299.74	268.84	388.93	478.10	350.54	159.95	197.07	560.02	459.03	414.28	373.43	535.32	143.27	75.78	210.24	679.45	433.51	245.43	236.18	105.23	187.14	217.75
ME	463.37	234.71	324.51	299.93	272.68	391.15	478.27	352.34	165.02	202.34	578.56	474.43	430.78	388.76	563.90	147.68	78.71	211.57	697.90	437.01	247.22	234.72	108.00	188.03	221.22
APR 4	472.56	237.89	326.01	304.57	276.74	399.05	480.26	359.46	165.47	205.81	588.86	487.57	438.09	399.40	578.23	147.54	84.23	210.24	733.84	438.16	250.30	237.82	110.72	192.22	225.14
11	476.53	237.44	325.06	305.05	276.23	401.39	478.37	358.15	163.54	207.48	588.83	497.66	439.52	407.99	589.68	148.61	86.08	208.57	726.10	435.32	245.84	234.04	111.63	188.94	228.92
18	482.24	239.62	332.17	310.57	280.41	415.73	496.79	364.89	165.23	209.88	588.20	508.63	446.62	409.15	571.52	148.69	87.70	210.27	740.44	442.16	249.37	228.82	114.59	191.66	224.94
25	493.52	244.20	337.94	313.81	283.85	421.65	502.47	372.88	165.80	215.22	616.76	517.03	454.68	418.19	612.18	154.16	92.33	214.68	763.05	459.61	253.30	241.35	114.78	195.20	233.36
AVG	482.02	240.10	331.42	308.46	279.54	411.05	489.47	364.49	165.44	209.33	597.78	504.50	445.31	408.11	589.89	149.75	88.09	211.47	740.67	443.97	250.09	237.12	113.64	191.70	227.34
ME	487.50	239.23	339.80	307.41	281.34	418.90	497.29	371.38	165.13	210.70	615.71	514.40	449.64	405.89	612.40	150.08	89.99	209.81	749.08	449.81	248.31	249.21	115.16	189.79	231.60
MAY 2	492.77	240.34	343.96	311.12	281.21	422.19	500.95	375.51	167.61	214.15	630.56	519.10	452.62	414.52	634.67	151.93	92.05	211.66	744.51	457.04	248.44	235.14	118.12	192.01	227.62
9	498.99	247.75	347.97	312.10	280.85	425.80	508.58	380.93	171.57	214.74	639.40	524.52	460.43	412.06	639.44	150.15	95.60	218.43	750.35	465.78	253.45	235.55	118.55	194.39	252.74
16	503.78	247.36	347.59	310.42	282.58	423.63	507.29	380.95	176.57	218.54	647.66	538.68	464.94	415.92	622.32	149.83	94.50	217.02	784.25	468.99	256.24	231.25	118.65	194.47	254.76
23	519.75	248.30	349.23	314.62	281.89	425.42	507.41	381.51	177.06	213.25	676.25	558.66	477.11	431.05	647.18	155.24	101.47	217.18	768.13	471.39	256.71	236.51	118.96	192.90	263.44
30	524.83	251.03	353.28	315.27	284.92	423.70	508.85	384.25	180.59	210.54	687.03	555.24	482.73	434.46	653.67	159.54	104.12	216.71	783.11	469.28	255.25	242.26	119.19	192.25	269.12
AVG	506.70	246.25	347.37	311.78	281.53	423.25	505.13	379.95	174.11	213.41	653.86	536.82	468.53	421.32	637.83	152.47	96.80	215.36	763.13	464.07	254.00	234.69	117.90	193.37	262.35
ME	520.75	252.14	354.90	315.89	284.69	424.28	506.99	385.78	181.06	211.29	663.12	547.33	479.43	432.36	650.04	158.48	102.51	217.28	782.22	467.40	255.02	241.19	119.85	194.11	269.38
JUN 6	525.29	249.90	351.50	313.16	283.50	419.24	501.07	383.18	177.90	203.35	667.14	556.41	483.41	441.99	648.27	155.08	99.28	215.49	770.79	471.76	251.07	237.02	116.75	190.41	260.05
13	526.08	249.84	354.34	310.37	281.97	415.46	503.08	383.62	176.01	201.76	669.13	565.59	481.49	447.68	653.44	155.22	98.23	213.28	790.98	485.91	256.21	237.44	115.74	187.82	264.16
20	527.20	251.98	357.81	313.08	278.49	411.27	497.06	386.96	174.58	198.83	704.78	577.08	479.10	454.44	658.17	154.89	95.84	216.09	837.97	494.92	254.68	235.71	116.19	190.62	262.66
27	528.65	248.13	354.07	310.99	278.86	410.67	489.77	389.43	173.47	199.85	719.62	593.26	482.50	438.29	645.98	157.51	92.10	213.70	838.10	492.51	255.13	233.67	113.97	187.02	254.31
AVG	529.20	250.67	354.42	311.89	280.99	414.51	497.52	386.09	176.79	201.46	699.94	571.08	484.31	447.18	656.87	156.40	97.26	215.61	814.17	485.17	253.83	237.09	115.96	189.54	262.37
ME	529.71	250.10	354.50	310.21	278.44	409.01	485.41	388.21	176.21	200.10	712.17	573.73	486.34	437.88	644.63	157.24	93.88	212.87	857.65	488.71	256.48	230.81	113.96	186.94	264.49
JUL 3	541.35	254.21	359.21	312.53	280.63	413.20	493.90	394.29	178.44	204.03	727.01	590.61	496.99	445.89	651.18	160.01	95.29	217.76	855.62	494.55	258.53	231.74	116.02	191.12	270.82
11	552.08	255.71	360.46	311.20	279.32	411.31	482.06	397.53	173.28	201.08	722.26	585.48	513.39	441.20	675.59	162.24	96.12	216.57	837.59	501.63	257.91	222.91	115.38	193.36	276.89
18	567.84	266.56	374.17	314.55	282.08	414.27	486.49	406.62	174.24	205.44	720.95	600.66	531.40	458.62	659.48	163.27	92.95	225.10	884.06	526.64	269.97	226.54	115.71	192.88	303.12
25	566.75	255.30	369.72	306.15	280.62	407.82	468.37	403.03	176.46	200.30	758.54	631.00	529.26	435.77	605.45	162.48	83.70	215.25	844.44	531.29	264.74	202.04	115.96	184.96	266.97
AVG	553.87	256.97	365.56	309.56	279.93	408.27	478.59	400.51	174.74	201.68	731.43	603.38	514.09	441.33	639.16	161.58	91.59	217.33	858.39	516.03	262.40	216.35	114.92	188.61	276.16
ME	533.45	244.38	358.03	292.13	271.80	390.98	446.82	386.44	171.12	192.46	712.84	611.00	491.71	420.04	576.17	156.12	83.11	205.08	818.41	522.32	260.07	192.89	111.22	171.84	249.28
AUG 01	533.95	244.68	361.12	292.45	274.81	394.04	448.63	390.34	174.18	197.68	700.8	606.51	493.35	428.62	549.74	157.86	82.74	208.18	827.56	528.96	265.52	194.66	112.24	169.32	247.65
08	537.07	247.64	363.64	296.1	285.12	404.83	466.49	397.17	173.37	204.8	690.53	603.02	496.96	433.1	575.24	157.22	86.36	208.6	876.19	548.37	270.56	199.13	108.54	169.08	242.04
15	505.67	225.97	340.29	276.83	272.13	389.91	429.91	374.95	163.96	191.52	651.13	565.83	468.78	406.98	548.21	145.69	79.1	195.74	805.97	493.77	251.36	178.38	102.54	163.54	219.92
22	518.73	240.59	355.99	288.43	277.67	396.54	463.44	385.07	169.96	199.29	665.95	584.82	482.59	403.98	568.97	147.15	81.22	206.68	844.44	527.91	262.04	182.99	108.78	171.73	236.36
29	531.89	239.64	354.41	289.32	278.25	397.74	450.74	391.03	172.15	198.69	694	613.79	493.29	404.85	591.41	148.04	81.74	205.3	860.57	521.85	258.09	181.24	107.33	165.29	237.47
AVG	522.18	237.88	353.61	287.43	277.34	395.8	451.02	386.48	169.75	197.01	673.61	590.1	483.86	414.97	566.95	149.83	81.35	203.95	839.46	521.8	260.14	185.22	107.44	167.04	232.61
31	536.35	242.48	357.33	292.82	278.51	399.84	452.46	397.04	170.99	195.99	684	625.6	496.79	410.96	596.74	147.17	81.97	205.72	885.59	528.16	258.68	181.38	108.91	166.68	238.38
SEP 05	546.87	241.94	355.15	289.31	276.4	400.15	448.19	399.75	170.13	197.12	698.28	643.88	503.86	424.8	617.59	150.63	83.17	204.63	895.11	526.39	256.58	176.12	107.86	162.66	238.06
12	552.83	239.42	356.34	284.47	280.28	403.18	445.31	396.29	169.42	199.74	686.87	652.58	509.44	436.67	583.45	152.56	88.62	202.09	911.49	515.19	254.21	172.84	104.98	157.79	219.59
19	580.56	257.78	371.48	297.96	286.85	411.57	471.54	402.61	176.04	206.92	708.76	687.6	535.99	458.09	606.24	160.1	92.4	211.96	1020.7	554.66	269.5	171.1	111.22	164.32	243.28
26	576.9	259.8	371.76	290.13	288.7	412.74	459.84	412.16	179.96	206.76	707.91	680.13	533.81	452.57	595.35	159.11	92.19	210.71	1063.49	575.68	273.63	171.37	110.14	159.55	251.04
AVG	564.23	249.8	363.29	289.62	282.88	406.04	455.16	401.99	173.7	201.58	702.39	668.29	520.41	443.25	602.75	155.52	90.04	206.34	967.77	540.6	262.4	173.17	108.31	160.71	237.24
28	579.47	260.99	373.48	289.95	290.1	411.58	481.49	411.97	178.61	202.43	713.9	686.42	535.74	458.25	579.6	158.39	93.67	208.67	1088.76	579.75	274.88	179.65	109.66	160.6	255.29

Base period is December 30, 1994=100, except for groups otherwise noted: (1) 1941-43=5; (2) 1982=100. ME is month end.

STANDARD &POOR'S

CURRENT STATISTICS

Statistical Service

May 2007

The Standard & Poor's 500

This issue contains a complete twelve month record of the Daily High, Low and Close of the Standard & Poor's Stock Price Indices. Also a twelve month record, by weeks of these indices by GICs sub-industry.

Your Statistical Service should contain...

Issue	Pages
Current Statistics, dated May 2007	1-40
Current Statistics, dated January 2007	1-40

Basic Statistics:

Banking & Finance (2/03)	1-23
Production & Labor (2/99)	27-72
Income & Trade (7/95)	95-125
Transportation (6/98)	201-213
Agriculture Products (5/05)	215-228
Security Price Index Record 2006 Edition	1-495

Reference to the January 2007 (white) should be retained. May 2007 (yellow) should be retained.

The McGraw-Hill Companies

EARNINGS, DIVIDENDS AND PRICE-EARNINGS RATIOS-QUARTERLY

Based on the Stocks in the S&P Daily Indexes

Diluted Earnings (Quarterly)

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities	
1999												**1999**
1	10.96	1.38	1.16	2.22	1.99	1.95	2.63	4.80	2.56	2.09	2.23	1
2	12.51	1.63	1.63	3.08	2.70	2.07	2.63	4.95	2.97	2.52	1.35	2
3	11.93	2.37	1.47	2.11	2.16	2.34	1.67	4.87	2.89	2.40	4.30	3
4	12.77	2.63	0.48	2.20	3.90	2.14	2.61	4.80	3.51	2.61	1.14	4
2000												**2000**
1	13.74	3.56	2.02	2.52	2.48	1.92	3.01	5.69	3.54	2.40	2.80	1
2	13.48	4.19	1.97	2.96	2.50	2.16	2.74	4.17	4.24	2.63	2.30	2
3	13.71	4.30	1.48	2.75	2.17	2.66	3.09	5.20	3.05	2.79	3.82	3
4	9.07	4.56	0.14	2.41	1.82	1.88	1.53	4.75	1.80	0.82	-1.80	4
2001												**2001**
1	9.18	5.34	0.46	2.40	1.09	2.08	3.04	4.86	-0.96	1.17	1.87	1
2	4.83	4.82	0.23	2.54	1.08	2.43	3.21	4.08	-6.98	-0.69	2.55	2
3	5.23	3.09	0.43	1.63	0.74	2.62	3.11	3.21	-3.75	-0.41	3.16	3
4	5.46	0.49	1.45	1.58	0.33	2.31	2.35	3.70	-0.29	-1.41	2.19	4
2002												**2002**
1	9.19	1.82	0.77	1.69	1.63	2.48	3.24	5.83	-0.25	0.53	2.65	1
2	6.87	2.14	0.24	2.88	2.47	2.91	3.45	5.03	-2.28	-4.06	1.64	2
3	8.53	1.28	1.10	1.72	1.81	3.60	2.66	4.98	-0.80	1.50	0.86	3
4	3.00	-0.01	-0.33	1.96	-5.31	2.32	3.55	4.34	0.31	1.92	-1.81	4
2003												**2003**
1	11.91	4.94	0.89	1.89	2.07	2.67	3.88	5.69	1.23	1.99	1.61	1
2	11.10	3.56	1.63	2.79	2.55	2.72	1.56	6.42	0.39	1.52	1.14	2
3	12.58	3.65	0.46	2.56	2.45	2.14	3.30	6.63	1.96	1.28	2.69	3
4	13.16	4.70	1.65	2.99	2.99	2.37	2.42	7.16	2.60	0.36	0.53	4
2004												**2004**
1	15.18	4.95	1.80	2.88	3.01	2.67	3.93	7.63	2.26	1.62	3.10	1
2	15.25	6.06	2.52	2.96	3.35	3.06	3.97	6.31	2.80	1.60	1.54	2
3	14.18	5.61	2.58	3.14	2.54	3.11	4.10	6.81	2.41	-1.47	2.62	3
4	13.94	7.02	2.16	3.04	-0.26	2.90	2.02	7.44	3.62	1.74	1.49	4
2005												**2005**
1	16.95	7.28	3.25	3.15	2.57	2.94	3.85	8.29	2.91	1.88	2.26	1
2	18.29	8.77	3.47	4.08	2.69	3.30	4.23	7.88	3.49	1.97	1.70	2
3	17.39	9.47	2.53	4.12	2.26	3.19	3.96	6.97	2.90	1.88	2.97	3
4	17.30	10.92	2.04	4.12	0.64	3.15	4.18	7.04	4.26	1.47	1.59	4
2006												**2006**
1	19.69	9.52	3.10	4.10	3.12	3.11	5.25	8.87	3.38	1.63	2.57	1
2	20.11	12.02	4.09	4.57	2.92	3.33	3.24	9.03	3.47	1.86	2.02	2
3	21.47	11.79	3.33	4.74	2.55	3.54	4.80	9.53	3.71	2.04	3.40	3
4	20.24	9.92	5.28	5.07	2.86	3.48	2.58	9.24	4.01	1.90	2.16	4
2007												**2007**
1												1

Dividend Per Share-Adjusted to Price Index (4 Qtr. Total)

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities	
1999												**1999**
1	----	----	----	----	----	----	----	----	----	----	----	1
2	16.21	4.92	2.78	3.09	2.27	3.94	3.48	5.34	0.97	4.31	6.20	2
3	16.46	4.90	2.78	3.16	2.25	3.95	3.67	5.53	0.96	4.66	6.18	3
4	16.48	4.92	2.74	3.20	2.36	3.98	3.73	5.66	0.94	4.44	6.21	4
2000												**2000**
1	16.76	4.57	2.75	3.32	2.49	3.99	3.77	5.85	0.99	4.55	6.20	1
2	16.70	4.48	2.90	3.30	2.35	4.05	3.78	6.04	0.92	4.54	6.26	2
3	16.34	4.30	2.99	3.11	2.40	4.13	3.82	6.30	0.89	3.87	6.03	3
4	16.27	4.65	3.07	3.15	2.41	4.18	4.08	6.31	0.86	3.81	5.95	4
2001												**2001**
1	15.70	4.65	3.23	3.52	2.31	3.98	4.13	6.10	0.82	3.50	5.81	1
2	15.41	4.68	3.22	3.47	2.20	4.04	4.22	6.09	0.79	3.15	5.45	2
3	15.64	4.70	3.19	3.56	2.13	4.39	4.35	6.17	0.73	3.16	5.40	3
4	15.70	4.86	3.20	3.56	1.98	4.44	4.41	6.34	0.69	3.15	5.21	4
2002												**2002**
1	15.69	4.93	3.06	3.56	1.86	4.46	4.43	6.46	0.66	3.12	5.23	1
2	16.01	5.01	3.05	4.01	1.80	4.54	4.50	6.60	0.64	3.08	5.27	2
3	15.78	4.82	3.09	3.63	1.89	4.66	4.56	6.70	0.65	3.09	5.11	3
4	16.07	4.99	3.12	3.64	1.73	4.79	4.79	6.82	0.66	3.16	4.97	4
2003												**2003**
1	16.22	5.18	3.18	3.64	1.73	4.88	4.70	6.89	0.84	3.27	4.76	1
2	16.17	4.87	3.22	3.73	1.86	4.64	4.80	6.98	0.86	3.42	4.49	2
3	16.59	4.89	3.25	3.84	1.96	4.37	4.90	7.40	0.89	3.63	4.33	3
4	17.38	4.96	3.29	3.98	2.18	4.26	4.97	7.91	1.23	3.77	4.27	4
2004												**2004**
1	18.01	5.04	3.33	4.16	2.32	4.15	5.18	8.43	1.13	3.86	4.36	1
2	18.58	5.06	3.37	4.29	2.30	4.31	5.21	8.86	1.18	3.89	4.50	2
3	19.15	5.18	3.43	4.45	2.35	4.55	5.22	9.13	1.36	3.88	4.61	3
4	19.43	5.28	3.50	4.66	2.43	4.60	4.94	9.40	1.28	3.99	4.80	4
2005												**2005**
1	20.21	5.40	3.59	4.90	2.52	4.84	5.17	9.70	1.52	4.18	5.02	1
2	20.92	5.60	3.69	5.10	2.54	4.98	5.25	10.01	1.77	4.30	5.18	2
3	21.46	5.76	3.78	5.29	2.66	5.20	5.19	10.23	1.88	4.42	5.38	3
4	22.22	5.89	3.93	5.50	2.81	5.41	5.44	10.52	1.97	4.43	5.50	4
2006												**2006**
1	22.76	6.12	4.14	5.66	2.94	5.49	5.42	10.73	2.03	4.42	5.60	1
2	23.44	6.36	4.40	5.80	3.06	5.65	5.58	10.98	2.09	4.48	5.70	2
3	24.10	6.62	4.67	5.94	3.10	5.73	5.93	11.23	2.13	4.52	5.78	3
4	24.88	6.87	4.96	6.22	3.29	5.84	6.11	11.58	2.22	4.58	5.82	4
2007												**2007**
1	25.49											1

Diluted Price/Earnings Ratios

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities	
1999												**1999**
1	----	----	----	----	----	----	----	----	----	----	----	1
2	32.49	74.71	42.89	29.10	30.52	29.14	39.54	20.17	48.87	35.97	19.52	2
3	29.18	49.68	32.69	27.33	27.01	25.39	36.93	16.42	50.35	32.11	16.34	3
4	30.50	25.94	33.78	28.44	28.09	24.50	34.26	16.58	68.86	33.58	15.78	4
2000												**2000**
1	28.41	20.86	24.94	27.19	25.81	20.27	32.89	16.14	72.16	31.95	15.79	1
2	28.01	17.40	19.88	27.15	23.97	22.67	40.07	16.21	59.51	27.08	15.06	2
3	26.75	16.32	18.21	27.63	22.69	22.19	34.91	19.65	49.89	23.16	20.80	3
4	26.40	14.50	23.47	26.86	26.44	27.61	42.72	20.04	37.72	22.54	30.36	4
2001												**2001**
1	25.53	12.22	30.50	24.23	31.25	24.32	36.19	18.82	43.41	25.99	32.24	1
2	33.28	12.12	59.03	27.98	42.25	23.04	34.23	20.32	n/m	46.11	28.02	2
3	36.76	11.40	95.27	26.47	43.02	23.76	35.15	19.66	n/m	n/m	26.24	3
4	46.49	15.38	51.90	32.63	74.46	23.13	32.92	22.41	n/m	n/m	14.89	4
2002												**2002**
1	46.45	22.47	51.06	35.16	65.28	24.08	32.18	21.75	n/m	n/m	14.13	1
2	37.01	28.84	49.43	29.47	41.99	22.12	26.29	18.96	n/m	n/m	12.72	2
3	27.13	30.10	30.68	23.90	28.80	18.00	25.24	14.30	n/m	n/m	12.82	3
4	31.89	35.02	68.71	23.83	n/m	18.08	23.94	14.78	n/m	n/m	29.10	4
2003												**2003**
1	27.98	21.94	59.38	21.98	n/m	16.54	23.00	14.04	n/m	68.08	40.39	1
2	28.21	19.95	38.76	25.00	n/m	18.26	29.28	15.47	n/m	15.90	61.73	2
3	25.82	16.12	50.88	23.65	n/m	21.11	26.36	14.81	73.61	14.77	30.56	3
4	22.82	13.30	35.69	24.41	24.71	22.56	31.34	14.68	52.21	21.63	19.83	4
2004												**2004**
1	21.66	13.90	29.18	21.94	22.83	23.73	30.91	14.22	43.57	24.26	16.54	1
2	20.32	12.96	25.84	23.35	21.19	22.93	26.04	13.86	33.55	23.46	15.35	2
3	19.30	12.99	19.85	22.11	20.75	19.68	23.18	13.74	28.84	56.99	16.37	3
4	20.70	12.21	20.22	24.11	32.29	20.17	25.00	14.58	29.70	36.93	16.16	4
2005												**2005**
1	19.57	13.01	17.54	23.08	32.00	19.75	24.89	13.26	25.96	31.41	18.69	1
2	18.80	11.96	14.57	20.35	34.35	19.15	25.35	13.03	24.93	29.31	19.84	2
3	18.46	12.42	14.84	19.33	35.27	19.51	25.86	12.97	25.37	15.87	20.22	3
4	17.85	10.23	16.56	18.78	31.63	19.11	22.65	14.13	24.41	16.29	18.73	4
2006												**2006**
1	17.82	10.47	17.95	18.85	30.45	19.04	21.03	14.22	24.54	19.13	17.70	1
2	17.95	10.03	18.82	18.22	29.47	19.42	21.08	13.61	22.16	19.18	17.89	2
3	17.00	9.30	15.57	17.47	29.89	18.86	22.03	13.51	22.69	20.56	17.99	3
4	17.40	10.53	13.71	17.46	26.46	19.94	24.50	13.51	24.45	20.88	18.38	4

Yield—End of Qtr.

	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info. Tech.	Telecomm. Services	Utilities	
1999												**1999**
1	----	----	----	----	----	----	----	----	----	----	----	1
2	1.18	2.28	1.77	1.17	0.82	1.72	0.97	1.52	0.17	1.35	3.94	2
3	1.28	2.31	1.93	1.26	0.89	1.98	1.14	1.86	0.16	1.58	4.07	3
4	1.12	2.31	1.72	1.17	0.79	1.92	1.14	1.76	0.12	1.37	4.36	4
2000												**2000**
1	1.11	2.29	1.97	1.20	0.82	2.34	1.14	1.77	0.10	1.46	4.13	1
2	1.14	2.20	2.41	1.23	0.90	2.09	0.95	1.90	0.11	1.71	3.98	2
3	1.12	2.02	2.73	1.18	0.95	1.94	0.95	1.56	0.12	1.63	2.96	3
4	1.21	1.96	2.31	1.22	1.00	1.63	0.91	1.54	0.18	1.99	2.82	4
2001												**2001**
1	1.35	2.07	2.61	1.38	0.97	1.86	1.09	1.71	0.23	1.82	2.89	1
2	1.26	2.03	2.37	1.23	0.85	1.94	1.13	1.59	0.20	1.66	2.91	2
3	1.50	2.31	2.67	1.56	1.05	2.05	1.13	1.86	0.28	1.69	3.55	3
4	1.37	2.30	2.40	1.34	0.82	2.03	1.14	1.78	0.20	1.87	3.57	4
2002												**2002**
1	1.37	2.15	2.09	1.37	0.75	1.88	1.16	1.77	0.20	2.21	3.50	1
2	1.62	2.30	2.14	1.79	0.83	1.99	1.41	1.96	0.26	2.86	4.29	2
3	1.94	2.79	2.82	1.98	0.94	2.30	1.55	2.41	0.36	3.91	5.41	3
4	1.83	2.73	2.54	1.89	0.95	2.34	1.55	2.30	0.30	2.95	5.09	4
2003												**2003**
1	1.91	2.63	2.81	2.00	0.96	2.57	1.51	2.46	0.38	3.58	5.09	1
2	1.86	2.48	2.52	1.78	0.87	2.25	1.41	2.12	0.33	3.10	3.99	2
3	1.67	2.50	2.41	1.76	0.90	2.10	1.51	2.17	0.31	3.67	3.91	3
4	1.56	2.21	1.99	1.60	0.88	1.90	1.42	2.08	0.38	3.39	3.80	4
2004												**2004**
1	1.60	2.15	2.06	1.69	0.92	1.77	1.50	2.13	0.36	3.33	3.54	1
2	1.63	2.03	2.05	1.62	0.92	1.83	1.47	2.31	0.37	3.41	3.74	2
3	1.72	1.87	2.02	1.68	0.96	2.06	1.56	2.38	0.47	3.22	3.62	3
4	1.60	1.83	1.91	1.61	0.87	1.94	1.41	2.29	0.39	3.09	3.39	4
2005												**2005**
1	1.72	1.80	1.93	1.73	0.96	2.04	1.49	2.54	0.50	3.54	3.39	1
2	1.76	1.63	2.21	1.87	0.98	2.13	1.46	2.53	0.57	3.55	3.24	2
3	1.76	1.43	2.23	1.90	1.04	2.16	1.43	2.58	0.57	3.72	3.16	3
4	1.79	1.58	2.10	1.89	1.09	2.25	1.48	2.47	0.60	3.77	3.45	4
2006												**2006**
1	1.77	1.51	2.07	1.83	1.11	2.26	1.46	2.45	0.59	3.32	3.58	1
2	1.85	1.51	2.22	1.88	1.17	2.28	1.59	2.53	0.67	3.41	3.48	2
3	1.81	1.61	2.39	1.94	1.12	2.20	1.54	2.41	0.63	3.14	3.36	3
4	1.76	1.51	2.29	1.93	1.09	2.17	1.57	2.34	0.62	2.96	3.12	4

n/m=not meaningful.

S & P 500 BOOK VALUE–NEW

Total common equity less liquating value of preferred

2005 ..... 453.06	2002 ..... 321.72	1999 ..... 293.57	1996 ... 236.89	1993 ..... 184.04
2004 ..... 414.75	2001 ..... 343.73	1998 ..... 269.91	1995 ..... 215.8	1992 ..... 181.66
2003 ..... 367.17	2000 ..... 324.89	1997 ..... 251.03	1994 ... 193.37	

*Estimate.

HEARING EXHIBIT 00000194

STANDARD & POOR'S WEEKLY STOCK INDEXES

2006	Energy Sector	Materials Sector	Industrials Sector	Consumer Discretionary Sector	Consumer Staples Sector	Health Care Sector	Financials Sector	Information Technology Sector	Telecommunication Services Sector	Utilities	ENERGY: Oil & Gas Drilling	Oil & Gas Equipment & Services	Integrated Oil & Gas	Oil & Gas Exploration & Production	Oil & Gas Refining & Marketing	Oil & Gas Storage & Transportation	Coal & Consumable Fuels	MATERIALS: Diversified Chemicals	Fertilizers & Agricultural Chemicals	Industrial Gases	Specialty Chemicals	Construction Materials	Metal & Gas Containers	Paper Packaging	Aluminum
MAY 3	434.42	209.99	318.98	268.17	244.18	352.44	450.71	337.26	128.48	158.95	638.16	539.15	376.96	373.10	587.42	126.93		192.73	552.25	393.23	217.63	173.02	85.68	159.09	220.05
10	439.63	215.70	325.43	274.29	247.85	353.80	457.00	335.90	128.81	161.23	662.13	548.18	379.21	382.13	579.87	135.30		194.63	559.75	393.20	220.44	176.20	86.73	161.31	236.36
17	404.95	199.74	312.49	263.98	243.73	353.77	438.50	318.27	123.61	155.42	587.02	482.24	354.68	343.81	527.30	124.01		187.23	528.57	378.07	213.87	161.21	82.70	148.70	209.87
24	397.05	193.44	308.04	262.02	244.98	348.81	433.92	316.84	124.02	156.69	563.80	476.81	350.77	330.75	511.82	121.66		181.22	517.65	373.31	215.17	155.43	80.50	146.60	202.43
31	411.95	197.99	310.15	264.37	245.19	350.62	437.29	315.72	125.37	160.40	590.59	501.71	359.68	347.39	536.32	138.12		183.47	534.35	373.59	219.01	157.28	83.50	149.99	207.00
AVG	418.92	204.57	316.13	267.42	245.13	352.81	444.78	326.59	126.52	158.79	611.49	511.36	365.85	356.61	550.81	128.39		188.34	537.38	385.08	217.55	166.66	84.04	154.06	217.77
ME	411.95	197.99	310.15	264.37	245.19	350.62	437.29	315.72	125.37	160.40	590.59	501.71	359.68	347.39	536.32	138.12		183.47	534.35	373.59	218.01	157.28	83.50	149.99	207.00
JUN 7	393.62	189.89	303.51	262.08	242.45	353.78	437.82	309.49	127.54	161.59	550.93	470.18	346.22	329.37	515.35	134.01		178.74	513.52	369.36	212.44	153.29	80.89	144.71	196.10
14	384.39	184.39	298.96	256.91	242.09	348.23	421.61	302.41	127.04	160.91	525.72	446.80	341.45	320.32	502.85	129.82		173.69	488.76	359.00	210.53	144.00	79.17	142.85	192.90
21	388.30	190.53	305.32	261.73	246.00	349.37	428.69	312.51	128.86	161.13	539.19	449.01	343.79	327.86	515 17	131.74		178.95	491.49	365.11	218.65	151.52	80.02	146.18	194.66
28	410.33	189.54	302.28	257.70	245.60	343.21	426.75	305.20	128.55	161.29	557 68	465.00	364.76	352.31	547.98	136.85		176.27	486.60	363.10	218.23	151.19	80.46	145.10	199.36
AVG	398.34	190.85	304.14	281.02	244.58	349.86	431.77	308.90	128.34	162.10	554.72	467.92	351.25	336.52	527.42	134.06		178.44	503.58	368.35	215.87	152.19	80.78	146.28	198.80
ME	420.35	197.79	308.10	263.41	248.12	350.89	434.13	310.42	131.25	163.80	561.42	492.82	368.51	366.97	575.97	138.11		181.03	534.54	376 11	223.91	157.18	83.18	150.58	211.17
JUL 5	427.37	197.92	307.45	261.36	247.69	350.73	435.83	308.72	130.96	164.57	590.12	495.37	377.15	369.20	575.29	138.69	107.30	180.32	535 87	378.32	221.46	155.30	82.49	149.84	214.30
12	430.78	195.10	302.11	255.40	250.87	352.85	433.02	296.39	127.92	165.74	578.52	501.07	383.00	364.73	565.54	138.49	102.25	175.72	539 17	377.07	219.83	146.44	80.91	145.73	209.15
19	425.33	193.30	298.56	252.67	251.29	357.67	437.69	296.30	128.89	168.63	547.47	475.43	384.05	355.20	555.25	137.73	96.72	175.05	552.25	375.34	220.77	142.37	81.96	146.62	202 23
26	437.34	190.73	290.09	252.06	252.92	370.51	439.57	294.90	134.65	172.69	566.70	478.27	395 69	372.13	573.82	142.36	88.85	173.93	541.65	380.08	218.75	140.09	83.76	141.89	194.34
AVG	427.59	192.05	287.47	254.33	250.86	357.79	435.58	297.76	130.25	168.00	559.39	478.77	384.27	362.90	563.36	138.51	95.61	174.12	538.43	372.55	219.22	143.76	81.77	145.39	202.81
ME	441.21	190.88	291.74	254.48	252.59	369.62	444 15	298.70	136.79	171.69	568 98	484.30	397 55	381.25	582.79	143 86	92.49	167.45	545.90	378.35	221.92	134.95	84.29	145.36	195 44
AUG 2	443.97	192.01	291.51	254.30	253.48	372.19	443.58	296.84	138.68	173.37	574.75	488.49	400.00	382.90	583.48	144,19	94.74	188 45	561.14	382.00	222.30	143.88	84.38	146.95	193.49
9	443.22	191.31	285.29	249 40	253.25	357.77	436.63	298.77	134.84	171.67	513.40	476.16	404.61	381.06	595.43	140.33	88.79	169.43	571.81	377.51	219.32	143.15	85.34	149.40	188.20
16	430.77	185.83	298.01	259.65	257.17	372 45	447.51	315.79	134.85	171.75	516 16	468.19	392.84	362.23	564.28	140.50	87 87	175.55	592.25	389.50	226.72	151.90	89.49	153.61	187.35
23	435.14	195.44	293 74	255.53	258.30	374.01	446.88	314.24	135 42	172.85	509.67	468 45	399.74	363.56	551.64	140.31	86.49	172.51	599.62	394.75	222.79	152.99	88.23	152.82	188.78
30	426.43	195 04	294.53	258.47	261.92	380.14	447.23	324.50	138.63	173.50	505.25	455.46	391.25	363.57	525 15	141.53	81.96	174.49	597.46	393.07	225.49	156.27	89.65	154.61	185.72
AVG	437.25	193.29	292.50	255.86	257.00	372.44	444.86	308.95	136.01	172.91	520.84	471.48	399.68	370.95	564.47	141.29	87.31	171.58	584.81	385.85	223.12	150.31	87.66	151.51	188.32
ME	423.25	196.03	295.15	259 25	261.67	379.54	447.83	323.38	138.36	175.65	511.68	450.48	387.59	364.94	515 47	141.54	81.96	175.20	602.41	395.44	226.03	158.41	90.24	154.80	186.57
SEP 6	419.30	196 85	295.45	259.38	261.67	377 81	448.43	319.95	139.42	172.84	533.19	440.39	383.20	376.05	477.38	139.77	78.81	173.97	606.60	396 91	222.44	155.95	89 68	154.18	187.87
13	403.15	193.53	301.13	271.39	261.90	384.34	456.77	330.12	141.07	171.88	516.78	415.25	370.02	357.15	468.59	135.99	73.37	177.25	572.57	392.23	222.13	158.43	91.95	152.63	182.72
20	390.39	194.08	302.27	273 32	264.22	386 80	462.60	335.21	142.88	170.83	498.23	400.03	360.93	339.42	432.65	132.58	65.30	182.63	595.68	403.75	227.82	153.31	93.41	151.05	180.50
27	409.58	196.45	306.16	277.27	262.40	384.28	465.31	335.97	143.38	174.69	518.80	425.69	378.51	350.26	463.04	136.80	70.34	183.92	600.00	407.84	230.77	156.98	93.59	151.79	181.09
AVG	405.90	194.60	300.11	269.75	262.21	382.74	457.28	329.86	141.88	172.27	516.47	419.99	373.85	354.40	460.23	136.58	71.96	179.29	592.41	398.36	225.12	155.97	91.89	152.09	183.00
ME	411.38	195.56	306.29	275.84	260.75	384.92	465.83	336.28	143 89	172.33	519.25	430.64	379.83	351 92	458.74	137 60	71.30	183.12	596.95	402.39	229.41	157.68	93.04	151.78	182.98
OCT 4	399.94	193.51	313.00	282.57	262.11	386.76	474.33	341.92	145.52	175.06	483.73	410.84	372.18	340.06	446 45	134.40	66.07	182.98	596.32	407.07	230 31	159.84	93.47	151.87	177.24
11	401.48	198.06	314.61	286.02	260.06	382.94	472 67	342.31	144.51	174.89	490 65	406.52	373 12	347.06	450.71	136.22	71.30	187.21	558.10	402.54	238.00	163.91	95.48	152.66	175.22
18	417.76	201.92	316 09	288.35	260.54	389.93	475.53	346.04	144.45	178.87	508.26	425.75	387.80	365.15	469.00	138.10	75.03	188 91	568 38	409.48	241.52	168.73	94.88	151.86	178.67
25	435.84	205.05	315.55	291.35	266.18	390.39	476.30	350.36	149.99	182.80	540.59	458.21	400.87	384.52	485.05	141.16	83.10	191.96	550.86	409.71	242.34	161.53	97.45	155.22	181.22
AVG	418.49	201.32	314.55	287.83	282.15	387.28	474.16	345.80	146.66	177.82	512.21	428.64	385.85	361.17	464.07	138.24	75.70	189.12	574.58	407.86	238.19	162.76	95.58	153.84	180.01
ME	429.74	207.05	313.29	293 58	265 52	386 53	476.38	350.12	148.87	181.50	532.53	445.80	397.88	373.61	470.79	139.18	79.53	194.09	561.52	415.27	242.49	164.19	98.22	157.33	188.66
NOV 1	426.23	205.38	311.36	291.17	263.70	383.74	472.21	346.97	147.95	182.83	526.22	438.77	395.63	370.12	460.59	138.78	78.63	193.17	559.87	418.81	241.86	163.73	97.52	155.71	184.87
8	443.56	207.74	316 82	294.43	263.83	385.05	478.85	351.89	150.18	180.54	563.26	456.99	412.50	380.21	468.41	142.71	80.25	195.51	572.06	423 01	246.16	171.37	101.20	157.22	187.48
15	447.98	210.02	321.04	298 62	263.03	391.78	481.75	352.37	145.31	181.39	553.86	461.57	416.98	383.11	484.23	144.80	78.58	198.76	595.30	425.10	250.72	181.92	102.16	158.83	186.31
22	442.73	215.89	324.02	300.50	264.86	383.89	485.06	367 73	145.77	182.38	557.81	457.27	410.89	383.39	467.07	144.54	78.04	197.65	626.41	432.22	251.03	179.14	105.37	158.72	198.58
29	460.59	215.26	320.05	296.42	263.58	382.98	478.67	361.15	147.35	184.39	579.74	477 85	426.47	400.98	491.20	149.34	82.21	198.59	600.89	424.78	247.00	176.58	104 32	157.05	202.23
AVG	442.17	210.42	318.06	295.73	263.12	382.64	478.95	357.80	147.21	181.73	551.72	453.78	411.20	381.57	471.63	143.95	79.36	198.14	588.81	423.51	247.19	174.91	102.26	157.51	190.36
ME	464.36	215.61	320.01	296 50	262.86	384.43	477.46	361.19	148 38	184.90	577.85	480.02	431.27	401.40	493.20	149.39	83.50	194.23	610.41	422.15	245.64	178.78	105.31	157.52	203.41
DEC 6	465.02	217.76	321.86	301.70	267.32	384.76	484.57	361.38	150.45	186.59	592.32	473.43	432.74	398.36	502.26	149.93	85.26	194.62	609 78	424.20	249.29	181.98	106.13	165.37	200.67
13	467.58	216.61	319.13	301.47	266.78	384.50	487.88	358.56	152.97	187.81	593.56	475.90	438.60	386.03	488.42	151.72	82.72	194.30	611.43	426.81	248.58	183.80	107.10	167.01	198.71
20	459.17	218.83	326.30	303.25	268.36	390.38	496.06	358.98	151 80	186.89	579.79	460.90	434.36	371.58	474.96	148.09	75.88	200.07	659.05	428.68	249.26	181.96	108.28	170.78	196.03
27	458.89	218.51	325.66	304.74	269.45	389.83	499.87	357.85	154.14	187.57	576.06	453.44	436.84	367.56	463.72	148.28	75.27	199.20	671.87	420.32	250.69	183.29	109.44	173.45	195.90
AVG	462.47	217.65	322.74	302.04	267.57	386.83	490.19	358.97	152.08	186.86	583.42	466.18	435.12	382.58	482.30	149.24	80.00	196.81	634.86	423.66	248.89	181.76	107.32	168.18	198.50
ME	455.53	216.56	322.63	302.92	268 41	388.74	495.31	356.26	155.15	186.60	567.70	448.29	434.59	364.13	456.78	147.75	73.25	197.46	667.05	413.33	248.32	181 10	108.27	172.16	195.84
2007																									
JAN 3	438.80	215.57	324.43	303.84	269 89	388.98	496.63	357.42	154 53	187.38	541.35	429.24	418.19	351.45	445.39	147.67	68.71	198.74	656.25	419.35	247.44	181.26	108.24	173.89	191.40
10	421.80	213.94	323 94	305.52	271.28	391.42	494.23	366 49	150.01	183 67	521.46	404.65	401.29	347.24	426.04	143.32	69.33	195.88	633.02	415 15	244.41	181.50	109.28	171.37	197.27
17	429.75	219.97	329.46	310.97	273.47	400.81	497.81	365.34	150.51	182.89	534.58	413.50	407.46	356.75	448.89	145.10	71.48	203.84	688.51	424.39	249.44	182.97	111.54	175.85	199.23
24	447 53	225 40	326.80	312.82	274.23	401.24	501.55	360.87	158.10	185.24	551.31	440.58	421.48	378.91	473.23	148.80	75.37	205.15	711.62	437.81	250.59	205.04	105.71	178.58	207 52
31	447.11	226.25	326.84	311.29	273.35	400.44	498.79	361.86	159.95	185.90	556.53	437.11	420.23	385.07	480.22	146.93	75.60	202.46	699.56	439.21	245.54	205.22	106 54	178.31	210.78
AVG	434.40	219.35	325.24	308.20	272.09	396.67	498.18	361.76	153.74	184.06	536.73	420.54	411.53	362.28	452.88	145.83	71.97	208.74	674.13	424.67	246.89	192.13	108.98	176.15	200.81
ME	447.11	226.25	326.84	311.29	273.35	400.44	498.79	361.86	159 95	185.90	556 53	437.11	420.23	385.07	480.22	146.93	75.60	202.46	699.56	439.21	245.54	205.22	106.54	178.31	210.78
FEB 7	448.10	228.33	331.18	314.80	272.97	401.83	506.53	363.02	158.85	191.85	552.00	443.66	421.81	374.82	485.30	148.13	75 99	206.40	693.59	441.68	246.55	215.82	108.48	177.21	209.80
14	451.75	233.69	335.08	314.22	273.30	402.06	506.49	363.48	159.92	194.48	546.47	450.37	426.41	372.96	489.46	147.33	76.06	209.89	707.94	448.47	251.79	225.29	107.75	181.00	225.59
21	446.46	238.39	334.92	316.25	275.45	400.87	508.08	364.71	160.41	193.29	547.95	439.27	420.02	370.36	507.51	147.41	79.06	212.25	714.54	452.27	257.86	245.82	108.85	187.59	229.36
28	436.83	230.84	321.88	301.83	268.63	390.38	482.42	350.44	158.88	194.77	542.90	439.17	407.07	370.79	506.35	144.01	76.10	208.36	669.08	434.35	248 56	234.74	106.14	189.04	218.02
AVG	448.54	232.04	330.61	312.31	273.14	400.01	501.42	361.08	159.54	193.16	550.34	443.74	422.25	374.26	495.85	146.83	77.30	208.74	695.29	444.71	250.56	225.14	107.18	182.49	220.61
ME	436.83	230.84	321.88	301.83	268.63	390.38	482 42	350.44	158.88	194.77	542.90	439.17	407.07	370.79	506.35	144.01	76.10	208.36	669.08	434.35	246.56	234.74	106.14	189.04	218.02
MAR 7	439.61	226.32	318.82	298.34	265.93	386.47	475.89	346.91	153.97	192.35	544.58	452.31	408.56	369.02	522.95	142.42	73.99	204.23	672.89	423.38	243.24	236.09	102.84	183.65	211.37
14	438.98	227.49	319.60	295.16	264.46	384.54	468.43	348.46	158.33	193.34	546.63	454.62	407.29	366.37	536.16	141.02	73.20	206.80	671.87	425.58	242.43	232.48	103.57	184.59	217 44
21	451.45	236 68	329.08	305.79	272.71	394.94	489.91	358.77	163.71	201.68	573.73	465.82	418.79	377.48	543.24	144.59	76.79	215.14	696.41	444.28	249.31	241.39	106.34	191.30	220.89
28	464.96	233.72	324.05	298.89	271 07	389.88	476.17	352.66	162.59	202.99	580.75	474.70	433.16	386.91	560.29	147.17	79.13	212.43	689.27	436.63	245.76	233.85	105.85	188.39	219.13
AVG	446.05	231.36	322.91	298.74	268.84	388.83	478.10	350.54	159.95	197.07	560.02	459.03	414.28	373.43	535.32	143.27	75.78	210.24	678.45	433.51	245.43	236.18	105.23	187.14	217.75
ME	463.37	234.71	324.51	299.93	272.68	391.15	478.27	352.34	165.02	202.34	578.56	474.43	430.78	388.76	563.90	147.68	78.71	211.57	697.90	437.01	247.22	234.72	108.00	188 03	221.22
APR 4	472.56	237.89	326.01	304.57	276.74	399.05	480.26	359 46	165 47	205.81	588.86	487.57	438.09	399.40	578.23	147.54	84.23	210.24	733.84	438.16	250 30	237.82	110.72	192.22	225.14
11	476.53	237.44	325.06	305.05	276.23	401.39	478.37	358.15	163.54	207 48	588.83	497.66	439.52	407.99	589.68	148.61	86.08	208.57	726.10	435.32	245.84	234.04	111 63	188.94	228.92
18	482.24	239.62	332.17	310.57	280.41	415.73	496.79	364.89	165 23	209.88	588.20	506.63	446.62	409.15	571.52	148 69	87.70	210.27	740.44	442.18	249.37	228.82	114.59	191.66	224.94
25	493.52	244.20	337.94	313.61	283.85	421.65	502.47	372.88	165.80	215.22	616.76	517.03	454.68	418.19	612.18	154 16	92.93	214.68	763 05	458.61	253.30	241.35	114.78	195.20	233.36
AVG	482.02	240.10	331.42	308.46	279.54	411.05	489.47	364.49	165.44	209.33	597.78	504.50	445.31	408.11	589.89	148.75	88.09	211.47	740.67	443.97	250.09	237.12	113.64	191.70	227.34
ME	487.50	239.23	339.80	307 41	281.34	418.90	497.29	371.38	165.13	210.70	615.71	514.40	449.64	405.69	612.40	150 08	89.99	209.81	749.08	449.81	248 31	249.21	115.16	189.79	231.60

Base period is December 30, 1994=100, except for groups otherwise noted: (1) 1941-43=5; (2) 1982=100. ME is month end.

STANDARD &POOR'S

CURRENT STATISTICS

Statistical Service

December 2006

The Standard & Poor's 500

This issue contains a complete twelve month record of the Daily High, Low and Close of the Standard & Poor's Stock Price Indices. Also a twelve month record, by weeks of these indices by GICs sub-industry.

Your Statistical Service should contain...

Issue	Pages
Current Statistics, dated December 2006	1-40
Current Statistics, dated January 2006	1-40

Basic Statistics:

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Metals (10/97)	179-194
Transportation (6/98)	201-213
Agriculture Products (5/05)	215-228
Security Price Index Record 2006 Edition	1-495

Reference to the January 2006 (white) should be retained. The Current Statistics dated December 2006 (white) and December 2006 (yellow) should be retained.

The McGraw-Hill Companies

STANDARD & POOR'S WEEKLY STOCK INDEXES

2005	Energy Sector	Materials Sector	Industrials Sector	Consumer Discretionary Sector	Consumer Staples Sector	Health Care Sector	Financials Sector	Information Technology Sector	Telecommunication Services Sector	Utilities	ENERGY: Oil & Gas Drilling	Oil & Gas Equipment & Services	Integrated Oil & Gas	Oil & Gas Exploration & Production	Oil & Gas Refining & Marketing	Oil & Gas Storage & Transportation	Coal & Consumable Fuels	MATERIALS: Diversified Chemicals	Fertilizers & Agricultural Chemicals	Industrial Gases	Specialty Chemicals	Construction Materials	Metal & Gas Containers	Paper Packaging	Aluminum
DEC 7	383.86	186.26	290.07	263.84	240.37	358.66	424.26	344.15	121.38	157.68	542.73	395.67	345.69	345.83	495.39	125.40		187.87	492.51	360.41	199.66	137.89	81.20	147.95	186.57
14	392.09	186.08	292.79	265.75	245.23	365.29	431.37	342.96	120.76	163.83	564.95	412.32	346.39	370.56	515.17	131.35		187.19	480.19	368.38	208.87	148.05	81.00	149.63	185.92
21	381.28	186.43	292.02	260.96	244.51	371.56	429.85	336.21	118.70	160.64	558.38	402.08	336.17	360.28	497.23	129.39		184.54	484.44	362.50	205.83	140.31	81.71	152.43	189.18
28	374.10	188.90	292.31	259.33	242.80	371.34	428.75	335.30	118.23	160.56	558.29	394.83	329.87	351.13	487.91	127.29		186.47	489.90	365.62	207.86	137.65	81.57	153.04	193.23
AVG	381.70	186.31	291.73	262.46	242.85	365.81	428.50	340.16	120.29	160.91	551.64	398.58	339.53	353.35	494.51	127.23		186.26	487.30	363.32	203.73	139.53	81.31	149.79	187.07
ME	372.73	187.12	290.60	258.39	240.17	367.49	426.40	330.81	117.42	159.66	550.39	390.56	329.40	350.19	484.40	126.75		184.30	492.25	359.62	205.85	136.52	81.90	153.88	192.96
2006																									
JAN 4	390.84	191.83	293.42	260.97	242.36	375.34	432.63	341.27	119.03	162.91	586.27	420.50	343.51	363.90	516.81	130.38		186.40	508.38	360.62	204.47	136.81	85.64	155.28	196.23
11	401.07	191.14	295.28	267.52	243.09	376.72	440.14	354.52	120.18	162.22	600.28	435.97	353.21	366.15	534.91	133.05		185.97	504.76	357.40	205.25	140.84	83.72	155.79	190.55
18	406.00	187.14	290.53	263.17	241.47	375.63	431.63	343.34	119.22	165.45	596.03	437.91	357.83	372.35	551.48	135.31		178.63	503.11	358.28	205.25	139.55	81.90	154.17	188.92
25	409.82	191.52	288.20	261.90	239.53	368.05	424.74	336.66	119.52	164.79	609.62	469.18	356.73	374.60	546.79	133.19		181.60	510.48	361.47	208.05	139.71	85.64	159.31	194.07
AVG	408.61	191.27	290.83	263.45	241.16	373.87	432.00	344.02	119.58	163.98	605.53	452.52	355.55	373.41	548.10	133.85		183.29	513.28	360.90	206.49	140.29	83.72	156.17	194.56
ME	424.36	195.87	289.28	262.83	239.75	372.65	429.51	341.37	121.24	163.40	629.92	495.82	366.82	389.21	586.64	133.68		179.50	537.21	365.15	209.20	144.85	83.20	159.22	205.56
FEB 1	400.47	190.29	288.85	262.33	238.39	371.03	424.94	339.05	124.50	160.13	602.18	461.83	349.75	362.11	517.81	128.37		176.54	516.19	359.89	204.32	134.70	82.29	155.88	203.47
8	416.25	196.45	291.76	263.76	240.90	374.92	429.37	343.21	122.55	163.81	606.61	480.74	361.95	380.74	563.09	133.05		180.25	542.98	366.17	209.63	135.69	83.45	160.53	203.01
15	395.60	195.56	299.40	266.02	244.45	379.33	441.69	339.58	130.26	164.53	555.49	447.09	350.07	353.73	499.91	128.09		184.31	537.97	379.11	212.35	157.72	87.68	155.57	197.73
22	385.13	192.91	296.40	266.48	242.61	378.42	433.85	340.80	129.62	160.55	543.62	429.03	342.67	345.18	488.95	123.41		184.50	520.32	371.22	207.83	158.67	86.26	153.45	201.58
AVG	397.90	193.17	293.86	263.96	241.25	374.08	431.73	338.27	127.14	162.22	577.83	453.12	350.06	357.93	507.22	127.35		181.55	528.70	369.07	207.68	157.38	84.67	155.73	199.63
ME	389.80	191.66	296.13	264.43	242.07	375.53	437.15	337.97	129.19	164.49	560.59	434.79	345.67	347.60	493.15	125.84		182.84	532.57	376.67	209.28	159.19	86.77	154.31	191.33
MAR 1	396.10	193.93	298.11	266.28	242.72	378.37	438.86	344.88	131.13	163.92	578.47	443.25	351.10	350.89	504.51	126.55		185.73	539.81	380.43	210.72	161.31	86.89	155.26	192.83
8	388.07	189.88	297.27	262.08	245.07	374.79	435.79	338.66	130.92	159.57	557.65	430.08	343.60	340.33	497.33	118.82		182.78	524.89	372.98	207.90	155.67	87.60	152.34	187.81
15	398.64	198.70	306.83	267.15	246.38	378.28	442.51	344.71	133.79	162.68	594.21	446.23	353.30	350.44	528.90	120.89		189.60	534.73	388.17	215.56	171.28	90.04	159.34	195.12
22	395.04	197.53	310.34	267.10	248.15	381.28	444.50	342.56	133.84	160.57	577.59	440.12	352.11	343.65	521.44	119.35		188.97	522.29	396.52	214.75	173.66	91.40	160.33	191.59
29	409.82	200.60	308.88	267.30	245.18	373.44	439.91	344.84	134.48	159.18	616.86	471.00	359.75	362.77	547.84	121.95		185.28	537.46	390.93	213.11	174.67	91.51	162.84	200.40
AVG	397.07	196.27	304.10	265.40	245.34	375.78	439.46	341.82	132.80	160.49	586.66	447.67	351.55	349.49	521.76	121.20		186.18	533.99	385.24	212.66	166.92	89.64	158.31	194.28
ME	404.78	199.86	309.53	265.34	242.52	370.66	437.45	344.06	133.14	156.40	609.44	467.29	355.55	355.91	540.82	122.34		184.05	538.10	389.17	212.39	174.61	90.80	159.94	199.43
APR 5	418.07	204.74	312.23	267.78	243.47	369.79	443.71	350.49	134.44	159.90	629.50	488.07	366.36	366.93	564.38	123.88		186.58	542.29	392.82	215.54	187.93	90.22	162.74	206.67
12	412.35	202.46	310.91	264.56	239.36	359.72	435.49	343.45	129.84	154.05	612.97	469.66	363.33	361.32	574.12	121.60		183.68	524.57	382.11	213.62	177.25	87.08	158.92	222.46
19	436.81	211.94	316.96	266.64	239.94	358.85	444.38	347.81	128.92	156.58	652.14	510.10	380.61	389.76	619.69	128.34		187.13	548.83	393.28	218.52	188.19	89.52	162.82	228.07
26	425.04	209.89	317.10	266.82	243.08	357.49	444.69	345.11	128.73	156.10	623.56	513.32	371.29	368.10	569.83	123.70		189.27	541.59	395.79	218.37	178.30	90.66	160.48	228.14
AVG	422.44	208.34	313.35	266.42	241.18	361.42	442.16	345.85	130.09	156.67	629.01	493.61	370.11	370.49	580.57	124.35		186.58	541.61	390.10	215.82	181.96	88.53	161.14	219.76
ME	425.48	208.93	315.72	268.71	244.01	358.73	455.21	340.10	129.26	158.61	614.84	516.34	372.08	363.11	581.19	124.24		187.85	528.52	398.45	216.87	171.20	85.97	158.34	220.44
MAY 3	434.42	209.99	318.98	268.17	244.18	352.44	450.71	337.26	128.48	158.95	638.16	539.15	376.96	373.10	587.42	126.93		192.73	552.25	393.23	217.63	173.02	85.68	159.09	220.05
10	439.63	215.70	325.43	274.29	247.65	353.80	457.00	335.90	128.81	161.23	662.13	548.18	379.21	382.13	579.87	135.30		194.63	559.75	393.20	220.44	176.20	86.73	161.31	236.36
17	404.95	199.74	312.49	263.96	243.73	353.77	438.50	318.27	123.61	155.42	587.02	492.24	354.68	343.61	527.30	124.01		187.23	528.57	379.07	213.87	161.21	82.70	148.70	209.87
24	397.05	193.44	308.04	262.02	244.86	348.61	433.92	316.84	124.02	156.69	563.80	476.81	350.77	330.75	511.82	121.66		181.22	517.65	373.31	215.17	155.43	80.50	146.60	202.43
31	411.95	197.99	310.15	264.37	245.19	350.82	437.29	315.72	125.37	160.40	590.59	501.71	359.68	347.39	538.32	136.12		183.47	534.35	373.59	219.01	157.28	83.50	148.99	207.00
AVG	418.82	204.57	318.13	267.42	245.13	352.81	444.78	326.50	126.52	158.78	611.49	511.36	365.85	356.61	550.81	128.39		188.34	537.38	385.06	217.55	166.68	84.04	154.06	217.77
ME	411.95	197.99	310.15	264.37	245.19	350.82	437.29	315.72	125.37	160.40	590.59	501.71	359.68	347.39	538.32	138.12		183.47	534.35	373.59	219.01	157.28	83.50	148.99	207.00
JUN 7	393.62	189.89	303.51	262.08	242.45	353.78	437.82	309.49	127.54	161.59	550.93	470.18	346.22	329.37	515.35	134.01		178.74	513.52	369.36	212.44	153.29	80.89	144.71	186.10
14	384.39	184.39	298.86	258.91	242.09	348.23	421.61	302.41	127.04	160.91	525.72	446.60	341.45	320.32	502.85	129.82		173.69	498.76	359.00	210.53	144.00	79.17	142.85	182.90
21	388.30	190.53	305.32	261.73	246.00	349.37	429.69	312.51	128.96	161.13	539.18	448.01	343.79	327.86	515.17	131.74		178.95	491.49	365.11	218.65	151.52	80.02	146.18	194.66
28	410.33	189.54	302.28	257.70	245.60	343.21	428.75	305.20	128.55	161.29	557.68	465.00	364.76	352.31	547.98	136.85		176.27	486.60	363.10	218.23	151.18	80.46	145.10	199.36
AVG	398.34	190.85	304.14	261.02	244.58	349.88	431.77	308.90	128.34	162.10	554.72	457.92	351.35	336.52	527.42	134.06		178.44	503.58	368.35	215.87	152.19	80.78	146.28	198.80
ME	420.35	197.79	308.10	263.41	248.12	350.69	434.13	310.42	131.25	163.80	581.42	492.62	368.51	366.97	575.97	138.11		181.03	534.54	376.11	223.91	157.18	83.18	150.58	211.17
JUL 5	427.37	197.92	307.45	261.36	247.69	350.73	435.63	308.72	130.96	164.57	590.12	495.37	377.15	369.20	575.29	138.69	107.30	180.32	535.87	378.32	221.46	155.30	82.49	149.84	214.30
12	430.78	195.10	302.11	255.40	250.87	352.85	433.02	296.39	127.92	165.74	578.52	501.07	383.00	364.73	565.54	138.49	102.25	175.72	539.17	377.07	218.83	148.44	80.91	145.73	209.15
19	425.33	193.30	298.56	252.67	251.29	357.67	437.69	296.30	128.89	168.63	547.47	475.43	384.05	355.20	555.25	137.73	96.72	175.05	552.25	375.34	220.77	142.37	81.96	148.62	202.23
26	437.34	190.73	290.09	252.06	252.82	370.51	439.57	294.90	134.85	172.69	566.70	478.27	395.69	372.13	573.82	142.36	88.85	173.93	541.65	380.08	216.75	140.09	83.76	141.89	194.34
AVG	427.59	192.05	297.47	254.33	250.86	357.79	435.58	297.76	130.25	168.00	559.39	478.77	384.27	362.90	583.36	138.51	95.61	174.12	538.43	372.55	219.22	143.76	81.77	145.39	202.81
ME	441.21	190.88	291.74	254.48	252.59	369.62	444.15	298.70	136.79	171.69	568.99	484.30	397.55	381.25	582.79	143.86	92.49	167.45	545.90	379.35	221.92	134.95	84.29	145.36	195.44
AUG 2	443.97	192.01	291.51	254.30	253.48	372.19	443.58	296.64	138.68	173.37	574.75	488.49	400.00	382.90	583.48	144.19	94.74	168.45	561.14	382.00	222.30	143.88	84.36	146.95	193.49
9	443.22	191.31	285.29	249.40	253.25	367.77	436.63	298.77	134.84	171.87	513.40	476.16	404.61	381.06	595.43	140.33	88.79	169.43	571.81	377.51	219.32	143.15	85.34	149.40	188.20
16	430.77	195.83	298.01	259.65	257.17	372.45	447.51	315.78	134.85	171.75	516.16	468.19	392.84	362.23	584.28	140.50	87.87	175.55	592.25	389.50	226.72	151.90	89.49	153.81	187.35
23	435.14	195.44	293.74	255.53	258.30	374.01	446.88	314.24	135.42	172.85	509.67	468.45	399.74	363.56	551.64	140.31	86.49	172.51	599.62	394.75	222.78	152.99	88.23	152.82	188.79
30	426.43	195.04	294.63	258.47	261.82	380.14	447.23	324.50	138.83	173.50	505.25	455.46	391.25	363.57	525.15	141.53	81.96	174.49	597.46	393.07	225.49	156.27	89.65	154.61	185.72
AVG	437.25	193.29	292.50	255.86	257.00	372.44	444.86	308.95	136.01	172.91	520.84	471.48	399.68	376.95	584.47	141.29	87.31	171.58	584.81	385.85	223.12	150.31	87.68	151.51	188.32
ME	423.25	196.03	295.15	259.25	261.67	379.54	447.63	323.38	138.36	175.65	511.68	450.48	387.59	364.94	515.47	141.84	81.96	175.20	602.41	395.44	226.03	158.41	90.24	154.80	186.57
SEP 6	419.30	196.65	295.45	259.38	261.67	377.81	448.43	318.95	139.42	172.84	533.19	440.38	383.20	376.05	477.38	139.77	78.81	173.97	606.80	396.91	222.44	155.95	89.68	154.18	187.87
13	403.15	193.53	301.13	271.39	261.90	384.34	456.77	330.12	141.07	171.88	516.76	415.25	370.02	357.15	468.59	135.99	73.37	177.25	572.57	392.23	222.13	158.43	91.85	152.63	182.72
20	390.39	194.08	302.27	273.32	264.22	386.90	462.60	335.21	142.88	170.83	498.23	400.03	360.93	339.42	432.65	132.58	65.30	182.63	595.68	403.75	227.82	153.31	93.41	151.05	180.50
27	409.58	196.45	306.16	277.27	262.40	384.28	465.31	335.97	143.38	174.69	518.80	425.69	378.51	350.26	463.04	136.60	70.34	183.92	600.00	407.84	230.77	156.98	93.59	151.79	181.09
AVG	405.90	194.68	308.11	269.75	262.21	382.74	457.28	329.86	141.88	172.27	516.47	419.99	373.85	354.40	460.23	136.58	71.86	179.29	592.41	398.36	225.12	155.97	91.89	152.09	183.00
ME	411.38	195.56	306.29	275.84	260.75	384.92	465.83	336.28	143.89	172.33	519.25	430.84	379.83	351.92	458.74	137.60	71.30	183.12	596.95	402.39	229.41	157.68	93.04	151.78	182.98
OCT 4	399.94	193.51	313.00	282.97	262.11	386.76	474.33	341.92	145.52	175.06	483.73	410.84	372.18	340.08	446.45	134.40	66.07	182.96	596.32	407.07	230.31	159.64	93.47	151.87	177.24
11	401.48	198.06	314.61	286.02	260.08	382.94	472.67	342.31	144.51	174.69	490.65	406.52	373.12	347.08	450.71	136.22	71.30	187.21	558.10	402.54	238.00	163.91	95.48	152.66	175.22
18	417.76	201.92	316.09	288.35	260.54	389.93	475.53	346.04	144.45	178.87	508.26	425.75	387.50	365.15	469.00	138.10	75.03	188.91	568.38	409.48	241.52	166.73	94.68	151.86	178.67
25	435.84	205.05	315.55	291.35	266.18	390.39	476.30	350.36	149.89	182.80	540.59	458.21	400.87	384.52	485.05	141.16	83.10	191.96	550.86	409.71	242.34	161.53	97.45	155.22	181.22
AVG	416.49	201.32	314.65	287.83	262.15	387.28	474.16	345.68	146.66	177.62	512.21	428.64	385.85	361.17	464.07	138.24	75.70	189.12	574.58	407.86	238.18	162.76	95.58	153.84	180.01
ME	429.74	207.05	313.29	283.58	265.52	386.53	476.38	350.12	148.87	181.50	532.53	445.60	397.88	373.61	470.79	139.18	79.53	194.09	561.52	415.27	242.49	164.19	98.22	157.33	188.66
NOV 1	426.23	205.38	311.36	281.17	263.70	383.74	472.21	346.97	147.95	182.83	526.22	438.77	395.63	370.12	460.59	138.78	78.63	193.17	559.87	418.81	241.86	163.73	97.52	155.71	184.87
8	443.56	207.74	316.82	294.43	263.83	385.05	478.85	351.89	150.18	180.54	563.26	456.99	412.50	380.21	469.41	142.71	80.25	195.51	572.06	423.01	246.16	171.37	101.20	157.22	187.48
15	447.98	210.02	321.04	296.62	263.03	381.79	481.75	362.37	145.31	181.39	553.86	461.57	416.98	383.11	484.23	144.80	78.58	198.76	595.30	425.10	250.72	181.92	102.16	158.83	186.31
22	442.73	215.89	324.02	300.50	264.86	383.89	485.06	367.73	145.77	182.36	557.81	457.27	410.89	383.39	467.07	144.54	78.04	197.65	626.41	432.22	251.03	179.14	105.37	158.72	198.58
29	460.59	215.26	320.05	296.42	263.58	382.98	478.67	361.15	147.35	184.39	579.74	477.95	426.47	400.98	481.20	149.34	82.21	196.59	600.89	424.78	247.00	176.58	104.32	157.05	202.23
AVG	442.17	210.42	318.06	295.73	263.12	382.64	478.95	357.80	147.21	181.73	551.72	453.79	411.20	381.57	471.83	143.95	79.36	196.14	588.81	423.51	247.18	174.91	102.26	157.51	198.36
ME	464.36	215.61	320.01	296.50	262.66	384.43	477.46	361.19	148.38	184.90	577.85	480.02	431.27	401.40	493.20	149.39	83.50	194.23	610.41	422.15	245.64	178.78	105.31	157.52	203.41

Base period is December 30, 1994=100, except for groups otherwise noted: (1) 1941-43=5; (2) 1982=100. ME is month end.

SECURITY PRICE INDEX RECORD

Statistical Service

2008 Edition

STANDARD &POOR'S

The McGraw-Hill Companies

STANDARD & POOR'S DAILY STOCK PRICE INDEXES

Dec. 30, 1994 = 100

UTILITIES

2002

High, 152.22 April 23; Low, 77.27 October 9; Average, 118.34

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	H	138.15	135.99	149.06	145.91	C	120.51	103.29	S	96.39	93.16	S
2.....	147.80	C	C	150.40	145.17	S	117.84	101.09	H	94.25	C	93.10
3.....	146.47	S	S	149.05	145.04	127.67	117.04	C	105.00	92.81	S	94.44
4.....	145.85	135.53	138.87	149.28	C	129.48	H	S	104.76	88.99	96.19	92.01
5.....	C	132.90	141.79	148.57	S	127.60	118.30	99.78	104.46	C	96.07	91.49
6.....	S	130.96	144.67	C	144.10	124.35	C	103.17	104.24	S	97.65	91.68
7.....	146.92	131.93	145.67	S	141.36	123.95	S	104.10	C	88.35	93.50	C
8.....	145.08	132.43	145.25	149.18	142.46	C	117.17	105.58	S	84.54	90.51	S
9.....	144.63	C	C	147.86	141.46	S	113.58	106.20	103.91	77.27	C	92.50
10.....	145.19	S	S	150.09	138.76	124.14	107.33	C	101.50	83.04	S	93.59
11.....	143.55	133.80	146.00	147.45	C	123.43	110.83	S	101.90	84.19	89.63	94.29
12.....	C	134.86	144.67	147.38	S	124.69	107.14	108.09	98.94	S	87.74	94.87
13.....	S	135.65	143.33	C	138.05	125.91	C	105.21	100.65	S	88.64	95.75
14.....	144.17	135.04	143.39	S	138.93	124.80	S	108.18	C	83.36	90.25	C
15.....	144.57	133.10	143.80	145.54	136.79	C	108.68	108.21	S	84.02	91.82	S
16.....	144.15	C	C	147.80	133.59	S	105.43	106.46	99.60	80.65	C	96.84
17.....	141.80	S	S	149.78	131.84	126.90	104.26	C	95.95	82.15	S	97.47
18.....	141.67	133.10	145.72	150.55	C	128.10	101.04	S	98.52	82.86	91.64	97.25
19.....	C	131.45	146.34	150.95	S	126.81	95.77	108.15	96.66	C	91.53	96.73
20.....	S	130.96	146.37	C	134.69	124.25	C	108.37	94.69	S	92.18	97.81
21.....	H	130.74	150.18	S	135.57	124.84	S	111.50	C	87.84	93.09	C
22.....	139.43	132.22	149.41	150.88	139.16	C	93.80	113.32	S	86.21	96.04	S
23.....	140.14	C	C	152.22	140.36	S	85.73	111.47	91.91	88.42	C	97.19
24.....	140.70	S	S	151.10	140.14	122.62	93.32	C	89.18	88.37	S	97.26
25.....	140.41	131.92	148.79	147.33	C	121.59	96.47	S	91.56	89.75	96.38	H
26.....	C	133.70	147.43	144.66	S	120.31	94.90	113.66	95.10	C	93.71	98.01
27.....	S	134.37	149.44	C	H	120.57	C	111.89	93.42	S	94.31	96.71
28.....	139.40	133.54	149.43	S	139.57	122.93	S	111.19	C	91.26	H	C
29.....	135.07	.....	H	144.39	134.99	C	96.40	109.67	S	90.85	94.25	S
30.....	134.92	.....	C	146.44	133.08	S	103.97	108.80	94.42	92.72	C	97.68
31.....	137.20	.....	S	.....	132.79	.....	105.54	C	.....	92.37	.....	97.76
High	147.80	138.15	150.18	152.22	145.91	129.48	120.51	113.66	105.00	96.39	97.65	98.01
Low	134.92	130.74	135.99	144.39	131.84	120.31	85.73	99.78	89.18	77.27	87.74	91.49
Avg.	142.34	133.32	145.33	148.63	138.81	124.75	105.23	107.61	98.32	87.42	92.92	95.45

2003

High, 118.77 December 30; Low, 86.30 February 12; Average, 104.58

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	H	C	C	94.24	100.04	S	111.82	104.14	H	111.85	C	112.06
2.....	100.08	S	S	94.43	100.92	112.35	112.56	C	108.05	112.46	S	111.90
3.....	100.87	95.38	89.98	93.84	C	112.76	111.66	S	108.69	112.69	112.70	111.72
4.....	C	94.25	89.19	95.19	S	114.19	H	104.13	108.72	C	111.61	112.27
5.....	S	92.73	90.07	C	101.28	112.96	C	102.51	108.40	S	111.56	112.43
6.....	105.25	92.09	90.27	S	101.08	111.85	S	103.49	C	112.90	111.26	C
7.....	102.79	90.58	90.29	94.95	100.86	C	111.95	103.99	S	112.38	110.57	S
8.....	103.59	C	C	94.47	100.79	S	111.23	104.47	109.41	111.95	C	113.18
9.....	103.73	S	S	94.18	101.54	111.34	110.23	C	108.55	112.20	S	112.21
10.....	103.00	91.02	88.37	94.73	C	111.58	107.99	S	108.77	111.90	110.53	112.21
11.....	C	89.23	88.06	94.50	S	112.55	108.75	104.43	108.53	C	110.41	112.77
12.....	S	86.30	88.59	C	102.01	113.95	C	105.62	109.26	S	110.50	113.02
13.....	100.58	87.52	89.57	S	102.06	112.55	S	105.00	C	112.21	110.65	C
14.....	101.06	88.84	90.09	95.74	102.55	C	108.57	105.16	S	112.68	110.42	S
15.....	100.85	C	C	97.05	104.29	S	107.12	105.16	108.65	111.46	C	113.06
16.....	100.70	S	S	96.76	106.36	114.72	105.16	C	109.62	111.75	S	113.56
17.....	99.78	H	91.99	97.61	C	114.29	104.76	S	109.03	111.25	109.17	114.21
18.....	C	89.77	93.09	H	S	114.70	106.45	104.52	110.63	C	107.56	115.44
19.....	S	89.36	92.92	C	104.60	114.78	C	104.53	110.89	S	108.91	115.84
20.....	H	89.82	93.68	S	105.16	114.68	S	105.77	C	111.61	108.48	C
21.....	98.11	90.52	95.04	97.92	104.91	C	104.56	106.07	S	111.65	108.61	S
22.....	97.16	C	C	99.23	106.74	S	106.53	104.85	109.81	111.61	C	116.78
23.....	98.32	S	S	99.35	110.88	113.32	105.86	C	110.33	111.33	S	117.44
24.....	95.94	90.01	92.94	100.80	C	112.47	105.95	S	109.30	111.49	109.91	117.29
25.....	C	90.74	94.33	100.09	S	112.41	106.48	105.42	109.36	C	110.51	H
26.....	S	89.01	93.59	C	H	113.30	C	105.77	110.24	S	111.17	117.30
27.....	92.84	89.49	94.13	S	112.53	112.20	S	105.75	C	111.40	H	C
28.....	95.28	89.48	93.98	101.63	111.86	C	105.81	105.85	S	111.37	111.24	S
29.....	95.31	.....	C	101.54	109.96	S	105.36	106.26	111.43	111.43	C	118.38
30.....	93.86	.....	S	101.51	111.50	112.45	104.63	C	110.76	111.90	S	118.77
31.....	94.50	.....	93.60	.....	C	.....	104.79	S	.....	111.65	.....	118.39
High	105.25	95.38	95.04	101.63	112.53	114.78	112.56	106.26	111.43	112.90	112.70	118.77
Low	92.84	86.30	88.06	93.84	100.04	111.34	104.56	102.51	108.05	111.25	107.56	111.72
Avg.	99.22	90.32	91.61	97.13	104.85	113.11	107.65	104.90	109.45	111.87	110.31	114.56

2004

High, 142.47 December 22; Low, 112.86 May 17; Average, 124.75

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	H	S	123.37	124.07	C	118.68	119.35	S	126.86	128.43	133.94	137.18
2.....	118.34	120.32	122.84	123.69	S	118.85	120.43	123.05	127.45	C	131.71	135.68
3.....	C	121.03	122.85	C	119.05	117.84	C	123.12	127.03	S	134.33	136.67
4.....	S	119.27	123.11	S	119.28	117.96	S	123.76	C	128.80	137.21	C
5.....	118.34	118.45	124.03	123.87	118.46	C	H	122.49	S	129.08	136.46	S
6.....	118.03	119.57	C	123.88	118.52	S	120.44	123.43	H	129.86	C	137.80
7.....	118.93	C	S	122.84	115.31	119.03	120.44	C	127.73	128.94	S	136.44
8.....	118.91	S	123.56	122.54	C	118.03	120.16	S	126.57	129.46	137.59	135.86
9.....	118.47	119.97	123.30	H	S	116.96	119.69	122.94	126.97	C	137.51	136.03
10.....	C	120.90	121.97	C	113.51	117.76	C	123.67	127.26	S	137.31	136.35
11.....	S	121.22	120.25	S	113.15	H	S	124.11	C	129.40	138.79	C
12.....	118.03	120.59	121.21	120.55	112.88	C	119.79	123.88	S	130.06	140.57	S
13.....	117.89	119.96	C	118.46	113.09	S	119.84	123.45	126.39	128.48	C	138.54
14.....	119.01	C	S	118.15	114.12	117.22	120.99	C	126.34	128.43	S	138.91
15.....	118.27	S	121.03	118.83	C	117.87	121.23	S	126.29	129.75	139.68	139.83
16.....	118.56	H	121.69	119.45	S	118.43	122.19	124.26	127.38	C	139.56	139.73
17.....	C	121.31	123.85	C	112.86	119.06	C	124.11	127.79	S	138.43	139.79
18.....	S	121.42	123.25	S	113.79	119.51	S	125.50	C	129.04	138.56	C
19.....	H	120.70	122.72	118.92	113.17	C	122.78	124.52	S	128.29	138.10	S
20.....	119.59	119.82	C	118.06	113.91	S	123.25	124.92	127.42	128.99	C	140.98
21.....	121.57	C	S	117.90	114.00	120.26	120.99	C	127.89	129.11	S	142.10
22.....	121.48	S	121.36	119.38	C	120.15	120.26	S	127.41	130.09	140.21	142.47
23.....	121.04	120.08	121.27	119.51	S	121.05	119.74	124.50	126.41	C	140.85	142.23
24.....	C	119.56	121.12	C	115.57	121.27	C	124.58	126.45	S	141.31	H
25.....	S	120.57	121.45	S	117.65	120.79	S	125.20	C	132.16	H	C
26.....	120.36	121.02	121.67	120.21	117.67	C	119.33	125.05	S	133.84	141.69	S
27.....	119.73	122.40	C	120.03	118.61	S	119.37	125.14	126.69	133.16	C	141.13
28.....	120.44	C	S	120.04	119.04	121.03	120.51	C	127.46	132.53	S	141.95
29.....	120.74	S	122.41	118.48	C	119.89	121.46	S	127.01	133.32	140.11	142.17
30.....	120.58	.....	123.15	118.48	S	120.51	122.21	125.30	127.41	C	138.34	142.43
31.....	C	.....	123.31	.....	H	.....	C	126.64	.....	S	.....	141.60
High	121.57	122.40	124.03	124.07	119.28	121.27	123.25	126.64	127.89	133.84	141.69	142.47
Low	117.89	118.45	120.25	117.90	112.86	116.96	119.33	122.49	126.29	128.29	131.71	135.68
Avg.	119.42	120.43	122.38	120.35	115.68	119.15	120.69	124.26	127.06	130.06	138.20	139.36

2005

High, 170.70 September 29; Low, 137.31 January 7; Average, 155.03

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	C	145.45	147.42	148.45	S	153.43	161.75	161.60	166.54	C	156.26	159.44
2.....	S	145.93	147.31	C	152.85	153.23	C	165.08	166.37	S	157.11	159.15
3.....	139.93	146.17	147.57	S	152.08	153.40	S	165.72	C	170.43	156.79	C
4.....	138.80	147.91	150.09	148.72	152.32	C	H	164.39	S	169.37	156.62	S
5.....	137.42	C	C	149.79	151.43	S	161.99	161.48	H	164.37	C	159.21
6.....	137.70	S	S	149.53	151.15	153.44	159.29	C	168.24	162.22	S	158.90
7.....	137.31	147.41	151.08	150.43	C	153.85	160.48	S	168.10	163.83	156.28	157.68
8.....	C	147.89	150.14	149.28	S	154.00	162.14	158.20	166.54	C	156.05	159.39
9.....	S	147.21	147.31	C	152.31	154.19	C	159.74	168.53	S	157.31	161.06
10.....	138.29	147.35	148.57	S	151.26	154.94	S	159.76	C	160.89	156.43	C
11.....	137.70	147.25	147.29	150.85	151.42	C	163.38	160.86	S	161.00	154.96	S
12.....	138.17	C	C	152.35	150.00	S	163.82	160.35	168.20	158.33	C	160.04
13.....	138.92	S	S	151.30	147.56	155.50	164.11	C	167.00	154.89	S	162.06
14.....	139.93	148.62	149.96	149.72	C	156.07	162.52	S	167.00	156.45	153.79	163.83
15.....	C	148.08	149.20	147.03	S	155.33	162.47	160.86	169.09	C	154.15	164.07
16.....	S	148.83	147.83	C	148.22	155.07	C	158.59	170.68	S	155.30	164.25
17.....	H	148.38	148.73	S	150.06	156.70	S	158.17	C	158.58	157.63	C
18.....	141.12	146.51	148.34	147.82	150.31	C	162.08	158.86	S	155.49	157.66	S
19.....	140.65	C	S	149.66	150.85	S	162.59	159.84	170.37	156.06	C	161.99
20.....	140.16	S	S	148.28	150.88	157.09	163.29	C	169.27	152.04	S	162.45
21.....	139.53	H	148.11	150.05	C	157.16	160.48	S	166.74	153.97	157.99	160.64
22.....	C	142.85	145.38	150.66	S	158.54	162.02	161.04	165.50	C	158.17	161.62
23.....	S	143.84	144.28	C	150.41	159.12	C	162.06	166.00	S	159.42	161.75
24.....	140.76	145.18	145.98	S	150.54	157.93	S	161.19	C	157.96	H	C
25.....	139.71	147.84	H	151.73	150.45	C	161.67	162.75	S	158.11	160.22	S
26.....	141.87	C	C	150.04	150.91	S	161.82	162.13	166.91	156.07	C	H
27.....	142.52	S	S	151.10	151.69	158.85	161.82	C	167.38	154.40	S	161.09
28.....	142.75	146.73	146.23	150.06	C	160.45	163.59	S	167.38	157.68	159.64	160.56
29.....	C	.....	144.30	152.21	S	160.01	163.52	163.05	170.70	C	159.90	160.24
30.....	S	.....	146.37	C	H	160.23	C	162.93	170.43	S	158.37	159.66
31.....	144.31	.....	147.89	.....	151.90	.....	S	164.27	.....	159.46	.....	C
High	144.31	148.83	151.08	152.35	152.85	160.45	164.11	165.72	170.70	170.43	160.22	164.25
Low	137.31	142.85	144.28	147.03	147.56	153.23	159.29	158.17	165.50	152.04	153.79	157.68
Avg.	139.88	146.81	147.70	149.96	150.88	156.30	162.24	161.43	167.95	159.12	157.15	160.91

2006

High, 188.34 December 14; Low, 153.23 April 17; Average, 168.63

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	S	163.81	163.92	C	157.13	162.25	C	173.53	175.41	S	182.83	185.53
2.....	H	161.44	163.70	S	159.94	164.06	S	173.37	C	173.49	181.44	C
3.....	162.79	160.40	163.46	156.75	158.95	C	165.38	172.42	S	174.32	180.09	S
4.....	162.91	C	C	158.49	159.35	S	H	172.28	H	175.06	C	187.31
5.....	161.86	S	S	159.90	162.70	162.53	164.57	C	173.75	174.48	S	187.72
6.....	163.33	161.25	159.80	157.51	C	162.45	163.86	S	172.84	173.29	179.38	186.59
7.....	C	160.47	159.38	155.09	S	161.59	165.03	170.49	172.79	C	178.96	185.75
8.....	S	160.13	159.57	C	161.63	162.45	C	171.88	173.07	S	180.54	185.38
9.....	162.60	160.85	158.80	S	160.30	163.54	S	171.87	C	173.36	180.64	C
10.....	162.67	160.85	159.69	155.39	161.23	C	165.84	171.78	S	174.51	181.82	S
11.....	162.22	C	C	153.76	159.61	S	166.93	171.35	172.54	174.89	C	186.19
12.....	162.19	S	S	154.05	158.02	163.97	165.74	C	171.39	175.30	S	187.06
13.....	163.42	160.55	160.51	153.29	C	161.87	165.42	S	171.88	175.18	181.81	187.81
14.....	C	160.36	162.04	H	S	160.91	165.48	172.08	170.91	C	182.24	188.34
15.....	S	160.55	162.68	C	158.80	163.08	C	173.43	171.35	S	181.39	187.96
16.....	H	161.72	163.74	S	158.15	163.02	S	171.75	C	175.86	181.95	C
17.....	165.10	163.37	162.98	153.23	155.42	C	165.99	171.25	S	177.09	182.18	S
18.....	165.45	C	C	156.35	155.65	S	166.42	173.25	170.54	178.87	C	186.53
19.....	166.92	S	S	156.58	156.98	160.93	168.63	C	171.18	179.66	S	187.55
20.....	165.70	H	161.04	157.91	C	161.28	169.40	S	170.83	180.75	181.73	186.89
21.....	C	163.70	159.47	158.49	S	161.13	169.90	173.46	170.40	C	181.88	186.49
22.....	S	164.53	160.57	C	158.26	160.41	C	174.61	170.21	S	182.36	186.07
23.....	165.90	163.78	160.20	S	155.97	160.50	S	172.85	C	181.36	H	C
24.....	167.15	164.24	159.96	159.65	156.69	C	171.30	173.39	S	181.16	182.63	S
25.....	164.79	C	C	157.52	158.11	S	172.06	173.28	172.60	182.80	C	H
26.....	163.37	S	S	156.10	159.85	161.24	172.69	C	172.58	182.17	S	187.05
27.....	164.30	165.78	158.74	158.08	C	160.56	171.42	S	174.69	181.19	181.00	187.57
28.....	C	164.49	158.00	158.61	S	161.29	172.30	174.68	174.09	C	182.08	186.89
29.....	S	.....	159.19	C	H	163.34	C	174.88	172.33	S	184.39	186.60
30.....	163.22	.....	157.53	S	158.25	163.80	S	173.50	C	181.24	184.90	C
31.....	163.40	.....	156.40	.....	160.40	.....	171.69	175.65	.....	181.50	.....	S
High	167.15	165.78	163.92	159.90	162.70	164.06	172.69	175.65	175.41	182.80	184.90	188.34
Low	161.86	160.13	156.40	153.23	155.42	160.41	163.86	170.49	170.21	173.29	178.96	185.38
Avg.	163.96	162.22	160.50	156.67	158.70	162.10	168.00	172.92	172.27	177.62	181.73	186.86

2007

High, 223.91 December 10; Low, 182.10 January 12; Average, 203.21

Date	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1.....	H	187.42	195.40	S	213.01	210.07	S	197.68	C	205.60	211.00	C
2.....	H	188.22	192.45	206.27	214.15	C	204.31	199.33	S	205.22	212.46	S
3.....	187.38	C	C	206.56	213.65	S	204.03	191.54	H	205.06	C	217.55
4.....	186.79	S	S	205.81	213.71	209.30	H	C	199.69	206.70	S	219.69
5.....	183.44	190.32	189.89	206.50	C	206.19	203.26	S	197.12	207.80	214.93	223.14
6.....	C	191.76	192.53	H	S	203.35	202.13	198.68	199.47	C	215.12	222.82
7.....	S	191.85	192.35	C	215.52	196.73	C	202.78	196.46	S	209.73	223.28
8.....	183.01	192.76	192.71	S	214.29	198.74	S	204.80	C	207.16	213.99	C
9.....	183.23	192.92	192.83	207.84	214.74	C	202.67	199.52	S	210.24	212.27	S
10.....	183.67	C	C	208.47	212.43	S	199.96	198.46	197.02	208.61	C	223.91
11.....	183.46	S	S	207.48	214.10	200.82	201.08	C	199.15	209.41	S	218.84
12.....	182.10	192.59	195.02	206.75	C	197.79	204.36	S	199.74	210.11	208.85	219.12
13.....	C	193.78	192.25	206.40	S	201.76	206.85	198.54	200.36	C	210.25	221.78
14.....	S	194.48	193.34	C	214.84	202.58	C	194.39	201.14	S	209.78	218.35
15.....	H	193.33	195.58	S	215.25	205.78	S	191.52	C	207.81	210.06	C
16.....	182.75	193.41	194.42	207.68	216.54	C	203.91	191.08	S	207.24	211.06	S
17.....	182.89	C	C	209.33	215.49	S	203.79	196.21	199.92	206.80	C	215.58
18.....	182.62	S	S	209.88	216.49	203.67	205.44	C	204.02	206.52	S	218.73
19.....	183.37	H	196.65	208.90	C	204.08	209.41	S	206.92	201.63	211.55	217.32
20.....	C	194.28	199.34	210.70	S	198.83	205.76	196.00	204.80	C	214.52	217.55
21.....	S	193.29	201.68	C	216.72	200.26	C	197.03	205.81	S	212.08	219.19
22.....	183.06	193.84	201.37	S	215.87	196.70	S	199.29	C	203.19	H	C
23.....	183.88	195.68	202.28	212.25	213.25	C	207.06	199.42	S	203.24	212.57	S
24.....	185.24	C	C	213.59	207.46	S	199.84	201.00	205.86	204.08	C	219.26
25.....	184.10	S	S	215.22	207.14	197.72	200.30	C	205.53	208.05	S	H
26.....	184.52	200.48	203.37	213.82	C	197.03	194.65	S	206.76	211.22	211.10	218.31
27.....	C	194.80	203.12	212.49	S	199.85	191.15	194.28	205.33	C	212.80	216.33
28.....	S	194.77	202.99	C	H	199.39	C	192.06	202.43	S	215.40	218.00
29.....	184.50	.....	203.64	S	208.43	200.10	S	196.69	C	212.87	214.95	C
30.....	185.21	.....	202.34	210.70	210.54	C	192.84	194.86	S	212.69	216.03	S
31.....	185.90	.....	C	.....	211.29	.....	192.46	195.99	.....	215.81	.....	216.11
High	187.38	200.48	203.64	215.22	216.72	210.07	209.41	204.80	206.92	215.81	216.03	223.91
Low	182.10	187.42	189.89	205.81	207.14	196.70	191.15	191.08	196.46	201.63	208.85	215.58
Avg.	184.06	193.16	197.07	209.33	213.41	201.46	201.68	197.01	201.98	207.70	212.41	219.24

PRICE, EARNINGS, DIVIDENDS, YIELDS AND PRICE-EARNINGS RATIOS-QUARTERLY

Utilities (55)

	Price 30-DEC-94=100			Diluted Earnings		Basic Earnings		Diluted Price/Earn Ratio			Dividends			Yield %			Total Return
					4 Qtrs		4 Qtrs					4 Qtrs	% of				
Quarter	High	Low	Close	Qtr'ly	Total	Qtr'ly	Total	High	Low	Close	Qtr'ly	Total	Diluted EPS	High	Low	Close	Index
2004 Q3	127.89	119.33	127.41	2.62	7.78	2.77	8.08	16.43	15.33	16.37	1.18	4.61	59.24	3.86	3.61	3.62	195.26
2004 Q4	142.47	128.29	141.60	1.49	8.75	1.54	9.08	16.28	14.66	16.18	1.29	4.80	54.84	3.74	3.37	3.39	219.05
2005 Q1	151.08	137.31	147.89	2.26	7.91	2.49	8.36	19.10	17.36	18.69	1.37	5.02	63.39	3.65	3.32	3.39	230.93
2005 Q2	160.45	147.03	160.23	1.70	8.08	1.75	8.55	19.87	18.21	19.84	1.35	5.19	64.22	3.53	3.23	3.24	252.44
2005 Q3	170.70	158.17	170.43	2.97	8.43	3.02	8.80	20.25	18.77	20.22	1.37	5.38	63.85	3.40	3.15	3.16	270.78
2005 Q4	172.17	152.04	159.66	1.59	8.52	1.62	8.88	20.20	17.84	18.73	1.41	5.50	64.55	3.62	3.20	3.45	255.94
2006 Q1	167.15	156.40	156.40	2.57	8.84	2.61	9.00	18.91	17.70	17.70	1.46	5.60	63.34	3.58	3.35	3.58	252.99
2006 Q2	164.06	153.23	163.80	2.02	9.15	2.05	9.30	17.92	16.74	17.89	1.45	5.70	62.25	3.72	3.47	3.48	267.38
2006 Q3	175.65	163.86	172.33	3.40	9.58	3.45	9.73	18.33	17.10	17.99	1.45	5.78	60.35	3.53	3.29	3.36	283.70
2006 Q4	188.34	173.29	186.60	2.16	10.15	2.19	10.30	18.56	17.07	18.38	1.45	5.82	57.31	3.36	3.09	3.12	309.66
2007 Q1	203.64	182.10	202.34	2.49	10.07	2.51	10.20	20.22	18.08	20.09	1.51	5.86	58.24	3.22	2.88	2.90	338.43
2007 Q2	216.72	196.70	200.10	2.26	10.31	2.29	10.44	21.03	19.09	19.42	1.52	5.93	57.55	3.02	2.74	2.96	337.13
2007 Q3	209.40	191.08	202.43	4.95	11.85	5.00	11.99	17.67	16.12	17.08	1.56	6.04	50.96	3.16	2.88	2.98	343.71
2007 Q4	223.91	201.63	216.11	2.28	11.97	2.31	12.11	18.70	16.84	18.05	1.59	6.18	51.62	3.07	2.76	2.86	369.67
2008 Q1	222.57	189.22	193.04	3.32	12.80	3.35	12.95	17.38	14.78	15.08	1.64	6.31	49.24	3.33	2.83	3.27	332.94
2008 Q2	206.05	197.98	203.09	....	....	....	....	....	....	....	....	....	....	....	....	....	350.52
			203.09	*2008 Earnings E14.13(2007-E13.02)*				*8.5*		*14.40*		*6.61*				*3.30*	*350.52*

SECURITY PRICE INDEX RECORD

Statistical Service

2006 Edition

STANDARD &POOR'S

HEARING EXHIBIT 00000201

STANDARD & POOR'S DAILY STOCK PRICE INDEXES

Dec. 30, 1994 = 100

UTILITIES

2000

High, 217 42 December 28; Low, 138 75 January 3; Average, 175.33

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	C	156 12	146 57	C	163 97	169 37	C	174 90	194 03	S	205 01	197.35
2	S	154 88	147 51	S	163 24	167.00	S	177 75	C	211 43	202 34	C
3	138 75	157 30	148.49	151 64	162 12	C	162.91	179 44	S	207 83	198.65	S
4	138 91	159.37	C	150 05	164 18	S	H	180.65	H	201 75	C	199.01
5	144.08	C	S	151.00	162.97	161.63	161.00	C	195.91	198.59	S	198.55
6	146 09	S	143 95	150 10	C	166 23	162.03	S	198 13	199.51	200.87	198.02
7	148.39	153 52	144 09	150.80	S	166 17	163.96	184 54	198.22	C	200 97	198 79
8	C	156 11	142 19	C	165 12	167 30	C	187 25	202.31	S	201 37	199.36
9	C	155 35	141 65	S	163 48	168.58	S	185 28	C	201 65	201 83	C
10	147.42	154.71	142.71	153.62	165.13	C	166.93	184.05	S	203.58	202.90	S
11	146 77	153.41	C	153 41	169.07	S	168.89	185.27	207 48	203.29	C	201.27
12	149 50	C	S	156 30	167.15	170 30	168 81	C	207 84	199 85	S	202.21
13	150 38	S	141 39	160 34	C	171 30	169 83	S	207 50	200.92	200.54	203 02
14	151.68	154 83	139 89	154.84	S	167 11	169.01	188 64	205.72	C	197 17	200.03
15	C	155.47	145.58	C	169.92	169.09	C	188.31	209.16	S	199.81	200.91
16	S	155.57	151 50	S	168.55	168.83	S	188 66	C	203 81	202 61	C
17	H	154 90	148.69	154 82	166 04	C	170 18	190 83	S	202 99	206.23	S
18	149 00	152.39	C	155 39	168 15	S	170.14	190.70	207 70	198.88	C	204.89
19	149 50	C	S	156.82	168.10	167 08	172 00	C	199 56	198.83	S	205 64
20	154.78	S	147.90	159.29	C	167.37	171.31	S	195.18	198.68	205.27	208.19
21	158.99	H	148 46	H	S	168.06	171.26	189 76	192.51	C	203 42	205 73
22	C	150.43	147 16	C	168 84	166 22	C	189 80	197.01	S	201 82	209.66
23	S	148 33	148 30	S	166 12	166.03	S	192 26	C	199 92	201 82	C
24	156 81	145 04	147.81	161 85	166 14	C	170 78	188 59	S	197 67	202.53	S
25	153.01	142.42	C	166.29	166.22	S	171.77	187.35	198.68	192.77	C	H
26	154 33	C	S	168 68	167.90	166 49	169 39	C	203 99	190 65	S	217 06
27	154 24	S	150 34	165 43	C	161.62	172.81	S	206 49	194.81	202 76	217 07
28	152.07	146 08	147 05	162.91	C	164 77	171.33	190 20	208.60	C	204 02	217 42
29	C	147.16	150 76	C	H	162 40	C	189 01	209.32	S	201 10	216.03
30	S		150 37	S	166 97	158 71	S	190 16	C	199 64	197.91	C
31	157.63	.....	151.48	.....	169.31	.....	169.75	192.14	.....	200.92	.....	S
High	158 99	157 30	151 50	168 68	169 92	171 30	172 81	192 26	209 32	211 43	206 23	217 42
Low	138 75	142 42	139 89	150 05	162 12	158 71	161 00	174 90	192 51	190 65	197 17	197 35
Avg	150 12	152 37	146 69	157 03	166 30	166 44	168 70	186 76	202 27	200 36	201 86	205 01

2001

High, 211 13 April 26; Low, 134 75 December 17; Average, 179 82

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	H	192 94	202 18	S	210 48	201.21	S	179 71	C	153 26	151 22	C
2	208.30	195.23	203.81	199 90	205 74	C	187 18	182 16	S	157.43	148.31	S
3	197 63	C	C	197 79	203 18	S	187 28	181.94	H	162.67	C	140.72
4	185 10	S	S	195 41	205.53	200 73	187 28	C	173.59	163 44	S	143.76
5	186.16	198.13	204.05	196.43	C	196.13	189.67	S	171.03	163.82	152.23	144.24
6	C	198 08	203 87	190.01	S	193.98	190.92	176 97	170 11	C	152 35	142.35
7	S	201 64	206 53	C	203 50	192 15	C	176 73	170.60	S	150 00	144.47
8	188 94	204 34	208 09	S	200 89	193.96	S	171 64	C	163.45	153.39	C
9	185.99	207.16	205.54	194 55	204 29	C	192 09	173 43	S	161 13	154.35	S
10	184.33	C	C	201.55	203.85	S	193.46	174.41	169.40	163.84	C	140.95
11	177 25	S	S	200 87	205.07	196 86	190 55	C	C	164 49	S	136.31
12	181.54	205 38	199 26	200.27	C	197 15	189 02	S	C	163.94	155 21	137 35
13	C	206 01	196 39	H	S	192 25	188.04	172 53	C	C	157 03	138.75
14	S	205.15	193 18	C	206 32	186 31	C	173 26	S	S	153 65	137.06
15	H	202.93	197.67	S	203.24	189.18	S	171.14	C	162.33	150.96	C
16	178 80	204.91	194.14	203.59	204.42	C	188 32	170 89	S	165 63	151.52	S
17	180.86	C	C	208 24	204 01	S	187 67	170.29	165 48	164.07	C	134.75
18	183.43	S	S	207 70	207.47	188 03	185 77	C	162 07	159 01	S	137.51
19	184.66	204.91	194.21	203.44	C	189 74	185 61	S	158.56	161.32	150 63	142.72
20	C	205.44	194.36	202.15	S	187.77	181.17	170.90	160.08	C	151.91	141.83
21	S	205 22	189 93	C	208.94	181 84	C	170 92	157.32	S	148.62	141.09
22	188 48	204 06	182 41	S	208 70	183.99	S	172 61	C	159 32	H	C
23	192 11	200.71	185.01	206 54	209 51	C	176 04	173 34	S	156 19	149.76	S
24	194.43	C	C	207 32	207 73	S	168 35	174.46	156 51	150 64	C	142.40
25	198.02	S	S	207.86	203.06	182.14	173.63	C	154.92	154.06	S	H
26	197.54	202 27	192 53	211 13	C	183 39	178 02	S	147.93	153.04	148 12	143.83
27	C	202.87	195 36	210.56	S	185 58	178.27	176 42	146 30	C	148.69	145.76
28	S	201.24	194 63	C	203.06	186 34	C	176 60	152.15	S	142 81	146.30
29	197 97	.....	195 21	S	201 14	186.90	S	175 80	C	153 00	143 40	C
30	195 75	.....	199.51	210 96	200 81	C	179 10	172.56	S	150 12	142 61	S
31	194.83	.....	C	.....	203.44	.....	178.08	172.46	.....	151.43	.....	145.88
High	208 30	207 16	208 09	211 13	210 48	201 21	193 46	182 16	173 59	165 63	157 03	146 30
Low	177 25	192 94	182 41	190 01	200 81	181 84	168 35	170 29	146 30	150 12	142 61	134 75
Avg	189 63	202 43	197 18	202 82	204 97	190 27	184 34	174 40	161 07	159 03	150 32	141.40

2002

High, 152 22 April 23; Low, 77.27 October 9; Average, 118 34

Date	Jan	Feb	Mar.	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	H	138.15	135.99	149 06	145.91	C	120 51	103 29	S	96.39	93.16	S
2	147 80	C	C	150.40	145 17	S	117 84	101.09	H	94.25	C	93 10
3	146 47	S	S	149 05	145.04	127 67	117.04	C	105.00	92 81	S	94 44
4	145.85	135.53	138.87	149 28	C	129.48	H	S	104 76	88.99	96 19	92.01
5	C	132.90	141.79	148.57	S	127.60	118.30	99.78	104.46	C	96.07	91.49
6	S	130 96	144 67	C	144 10	124 35	C	103 17	104.24	S	97 65	91.68
7	146 92	131 93	145 67	S	141 36	123.95	S	104 10	C	88.35	93 50	S
8	145 08	132.43	145.25	149 18	142 46	C	117 17	105.58	S	84.54	90.51	S
9	144 63	C	C	147 86	141 46	S	113 58	106.20	103 91	77.27	C	92 50
10	145.19	S	S	150.09	138.76	124.14	107.33	C	101.50	83.04	S	95.59
11	143.55	133 80	146 00	147 45	C	123 43	110 83	S	101 90	84.19	89 63	94 29
12	C	134 86	144 67	147.38	S	124 69	107.14	108 09	98 94	C	87.74	94 87
13	S	135 65	143.33	C	138 05	125 91	C	105.21	100.65	S	88 64	95.75
14	144 17	135 04	143 39	S	138 93	124.80	S	108 18	C	83.36	90 25	C
15	144.57	133.10	143.80	145.54	136.79	C	108.68	108.21	S	84.02	91.82	S
16	144 15	C	C	147 80	133 59	S	105 43	106.46	99 60	80 65	C	96.84
17	141 80	S	S	149 78	131.84	126 90	104 26	C	95 95	82 15	S	97.47
18	141.67	133 10	145 72	150.55	C	128 10	101 04	S	98 52	82.86	91 64	97 25
19	C	131 45	146 34	150.95	S	126 81	95.77	108 15	96 66	C	91.53	96 73
20	S	130.96	146.37	C	134.69	124.25	C	108.37	94.69	S	92.18	97.81
21	H	130 74	150 18	S	135.57	124.84	S	111 50	C	87 84	93.09	C
22	139 43	132.22	149.41	150.88	139 16	C	93 80	113.32	S	86 21	96.04	S
23	140 14	C	C	152.23	140.36	S	85 73	111.47	91 91	88 42	C	97 19
24	140 70	S	S	153 10	140.14	122 62	93 32	C	89 18	88.37	S	97.26
25	140.41	131.92	148.79	147.33	C	121.59	96.47	S	91.56	89.75	96.38	H
26	C	133 70	147 43	144.66	S	120 31	94.90	113 66	95 10	C	93 71	98 01
27	S	134 37	149 44	C	H	120 57	C	111 89	93.42	S	94.31	96.71
28	139 40	133.54	149.43	S	139 57	122.93	S	110 19	C	91 26	H	C
29	135 07	-	H	144 39	134 99	C	96 40	109 67	S	90.85	94.25	S
30	134 92	.	C	146 44	133 08	S	103 97	108.80	94 42	92 72	C	97 68
31	137.20	.....	S	.....	132.79	.....	105.54	C	.....	92.37	.....	97.76
High	147 80	138 15	150 18	152 22	145 91	129 48	120 51	113 66	105 00	96.39	97 65	98 01
Low	134 92	130 74	135 99	144 39	131 84	120 31	85 73	99 78	89 18	77 27	87 74	91.49
Avg	142.34	133.32	145 33	148 63	138 81	124 75	105 23	107 61	98 32	87 42	92 92	95 45

2003

High, 118 77 December 30; Low, 86 30 February 12; Average, 104.58

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct.	Nov	Dec
1	H	C	C	94.24	100 04	S	111 82	104.14	H	111 85	C	112 06
2	100.08	S	S	94 43	100.92	112 35	112 56	C	108 05	112.46	S	111 90
3	100.87	95 38	89.98	93 84	C	112 76	111.66	S	108 69	112.69	112 70	111 72
4	C	94 25	89 19	93.19	S	114 19	H	104 13	108 72	C	111 61	112.27
5	S	92.73	90.07	C	101.28	112.96	C	102.51	108.40	S	111.56	112.43
6	105 25	92 09	90.27	S	101 08	111.85	S	103.49	C	112 90	111 26	C
7	102 79	90.58	90.29	94 95	100 86	C	111 95	103.99	S	112.38	110.57	S
8	103 59	C	C	94 47	100 79	S	111.23	104.47	109 41	111 95	C	113 18
9	103.73	S	S	94 18	101.54	111 34	110.23	C	108.55	112 20	S	112.21
10	103.00	91.02	88.37	94.73	C	111.58	107.99	S	108.77	111.90	110.53	112.21
11	C	89 23	88.06	94.50	S	112.55	108.75	104 43	108 53	C	110 41	112.77
12	S	86 30	88 59	C	102 01	113 95	C	105 62	109.26	S	110 50	113.02
13	100 58	87.52	89 57	S	102.06	112.55	S	105.00	C	112 21	110 65	C
14	101.06	88.84	90.09	95.74	102 55	C	108.57	105.16	S	112.68	110.42	S
15	100.85	C	C	97.05	104.29	S	107.12	105.16	108.65	111.46	C	113.06
16	100 70	S	S	96 76	106.36	114 72	105 16	C	109 62	111 75	S	113 56
17	99.78	H	91.99	97.61	S	114.29	104 76	S	109 03	111.25	109 17	114 21
18	C	89.77	93 09	H	S	114.70	106.45	104.52	110 63	C	107 56	115.44
19	S	89.36	92 92	C	104 60	114.78	C	104.53	110.89	S	108 91	115.84
20	H	89.82	93.68	S	105.16	114.68	S	105.77	C	111.61	108.48	C
21	98.11	90.52	95.04	97 92	104 91	C	104 56	106 07	S	111 65	108.61	S
22	97 16	C	C	99 23	106 74	S	106 53	104.85	109 81	111 61	C	116 78
23	98 32	S	S	99.35	110.88	113.32	105.86	C	110.33	111 33	S	117.44
24	95.94	90 01	92 94	100 80	C	112 47	105 95	S	109.30	111.49	109 91	117.29
25	C	90.74	94.33	100.09	S	112.41	106.48	105.42	109.36	C	110.51	H
26	S	89.01	93 59	C	H	113 30	C	105 77	110.24	S	111.17	117.30
27	92 84	89.49	94 13	S	112.53	112.20	S	105 75	C	111 40	H	C
28	95 28	89 48	93.98	101 63	111 86	C	105.81	105.85	S	113 37	111.24	S
29	95 31		C	101.54	109 96	S	105.36	106.26	111.43	111 43	C	118 38
30	93 86	.	S	101 51	111.50	112 45	104 63	C	110 76	111 90	S	118.77
31	94.50	.....	93.60	.....	C	.....	104.79	S	.....	111.65	.....	118.39
High	103 25	95 38	95.04	101 63	112 53	114.78	112 56	106 26	111 43	112 90	112 70	118 77
Low	92 84	86 30	88 06	93 84	100 04	111 34	104 56	102 51	108 05	111 25	107 56	111 72
Avg	99 22	90 32	91 61	97 13	104 85	113 11	107 65	104 90	109 45	111 87	110 31	114 56

2004

High, 142 47 December 22; Low, 112 86 May 17; Average, 124.75

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	H	S	123 37	124 07	C	118 68	119 35	S	126 86	128.43	133 94	137 18
2	118.34	120 32	122 84	123.69	S	118 85	120.43	123 05	127 45	C	131 71	135 68
3	C	121 03	122 85	C	119 05	117 84	C	123 12	127.03	S	134 33	136.67
4	S	119 27	123 11	S	119.28	117.96	S	123 76	C	128 80	137 21	C
5	118.34	118.45	124.03	123.87	118.46	C	H	122.49	S	129.08	136.46	S
6	118 03	119.57	C	123 88	118.52	S	120 44	123.43	H	129 86	C	137 80
7	118 93	C	S	122 84	115.31	119 03	120 44	C	127 73	128 94	S	136 44
8	118 91	S	123 56	122.54	C	118 03	120 16	S	126 57	129.46	137 59	135 86
9	118.47	119 97	123 30	H	S	116 96	119.69	122 94	126 97	C	137 51	136 03
10	C	120.90	121.97	C	113.51	117.76	C	123.67	127.26	S	137.31	136.35
11	S	121 22	120 25	S	113 15	H	S	124 12	C	129 40	138 79	C
12	118 03	120 59	121.21	120 55	112 88	C	119 79	123 88	S	130 06	140.57	S
13	117 89	119.96	C	118 46	113 09	S	119 84	123.45	126 39	128 48	C	138 54
14	119 01	C	S	118.15	114.12	117 22	120 99	C	126 34	128 43	S	138 91
15	118.27	S	121.03	118.83	C	117.87	121.23	S	126.29	129.75	139.68	139.83
16	118.56	H	121 69	119.45	S	118 43	122.19	124 26	127 38	C	139 56	139 73
17	C	121 31	123 85	C	112 86	119 06	C	124 11	127.79	S	138 43	139.79
18	S	121 42	123.35	S	113 79	119.51	S	125 50	C	129 04	138 56	C
19	H	120 70	122.72	118 92	113 17	C	122 78	124 52	S	128 29	138.10	S
20	119.59	119.82	C	118.06	113.91	S	123.25	124.92	127.42	128.99	C	140.98
21	121 57	C	S	117 90	114.00	120 26	120 99	C	127 89	129 11	S	142 10
22	121 48	S	121 36	119 38	C	120 15	120 26	S	127 41	130.09	140 21	142 47
23	121.04	120 08	121 27	119.51	S	121 05	119.74	124.50	126.41	C	140 85	142.23
24	C	119 56	121 12	C	115.57	121 27	C	124 58	126.45	S	141.31	H
25	S	120.57	121.45	S	117.65	120.79	S	125.20	C	132.16	H	C
26	120 36	121 02	121.67	120 21	117 67	C	119 33	125 05	S	133 84	141.69	S
27	119 73	122.40	C	120 03	118 61	S	119 37	125.14	126 69	133 16	C	141 13
28	120 44	C	S	120 04	119.04	121 03	120 51	C	127 46	132 53	S	141 95
29	120.74	S	122 41	118 48	C	119 89	121 46	S	127 01	133.32	140 11	142 17
30	120.58	.	123 15	118 48	S	120.51	122.21	125 30	127 41	C	138 34	142 43
31	C	.....	123.31	.....	H	.....	C	126.64	.....	S	.....	141.60
High	121 57	122 40	124 03	124 07	119 28	121 27	123 25	126 64	127 89	133 84	141 69	142 47
Low	117 89	118 45	120 25	117 90	112 86	116 96	119 33	122 49	126 29	128 29	131 71	135 68
Avg	119 42	120 43	122 38	120 35	115 68	119 15	120 69	124 26	127 06	130 06	138 20	139.36

2005

High, 170 70 September 29; Low, 137 31 January 7; Average, 155.03

Date	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
1	C	145 45	147 42	148.45	S	153 43	161.75	161 60	166 54	C	156 26	159 44
2	S	145 93	147 31	C	152.85	153 23	C	165 08	166.37	S	157 11	159.15
3	139 93	146 17	147 57	S	152 08	153.40	S	165 72	C	170 43	156 79	S
4	138.80	147.91	150.09	148 72	152 32	C	H	164 39	S	169 37	156.62	S
5	137.42	C	C	149.79	151.43	S	161.99	161.48	H	164.37	C	159.21
6	137 70	S	S	149 53	151.15	153 44	159 29	C	168 24	162 22	S	158 90
7	137.31	147 41	151 08	150 43	C	153 85	160 48	S	168 10	163.83	156 28	157 68
8	C	147 89	150 14	149.28	S	154 00	162.14	158 20	166 54	C	156 05	159 39
9	S	147.21	147 31	C	152.31	154 19	C	159 74	168.53	S	157 31	161.06
10	138.29	147.35	148.57	S	151.26	154.94	S	159.76	C	160.89	156.43	C
11	137 70	147.25	147.29	150.85	151 42	C	163 38	160 86	S	161 00	154.96	S
12	138 17	C	C	152 35	150.00	S	163 82	160.35	168 20	158 33	C	160 04
13	138 92	S	S	151 30	147.56	155 50	164 11	C	167 00	154 89	S	162 06
14	139.93	148 62	149 96	149 72	C	156.07	162 52	S	167 00	156.45	153 79	163 83
15	C	148.08	149.20	147.03	S	155.33	162.47	160.86	169.09	C	154.15	164.07
16	S	148.83	147 83	C	148 22	155 07	C	158 59	170.68	S	155 30	164.25
17	H	148 38	148 73	S	150.06	156.70	S	158 17	C	158 58	157 63	C
18	141 12	146.51	148.34	147 82	150 31	C	162 08	158 86	S	155.49	157.66	S
19	140.65	C	C	149 66	150 85	S	162.59	159.84	170 37	156 06	C	161 99
20	140.16	S	S	148.28	150.88	157.09	163.29	C	169.27	152.04	S	162.45
21	139.53	H	148 11	150 05	S	157 16	160 48	S	166 74	153.97	157 99	160 64
22	C	142 85	145.38	150.66	S	158 54	162.02	161 04	165 50	C	158 17	161 62
23	S	143 84	144.28	C	150 41	159 12	C	162 06	166.00	S	159.42	161.75
24	140 76	145 18	145.98	S	150 54	157.93	S	161 19	C	157 96	H	S
25	139.71	147.84	H	151.73	150.45	C	161.67	162.75	S	158.11	160.22	C
26	141 87	C	C	150 04	150 91	S	161 82	162.13	166 91	156 07	C	H
27	142 52	S	S	151 10	151.69	158 85	161 82	C	167 38	154 40	S	161 09
28	142.75	146 73	146 23	150 06	C	160 45	163 59	S	167 38	157.68	159 64	160 56
29	C	.	144 30	152.21	S	160.01	163.52	163 05	170 70	C	159 90	160 24
30	S	.	146 37	C	H	160 23	C	162 93	170 43	S	158 37	159.66
31	144.31	.....	147.89	.....	151.90	.....	S	164.27	.....	159.46	.....	C
High	144 31	148 83	151 08	152 35	152 85	160 45	164 11	165 72	170 70	170 43	160 22	164 25
Low	137 31	142 85	144 28	147 03	147 56	153 23	159 29	158 17	165 50	152 04	153 79	157 68
Avg	139 88	146.81	147 70	149 96	150 88	156 30	162 24	163 43	167 95	159 12	157 15	160 91

HEARING EXHIBIT 00000202

EARNINGS, DIVIDENDS AND PRICE-EARNINGS RATIOS-QUARTERLY
Based on the Stocks in the S&P Daily Indices

Dividend Per Share-Adjusted to Price Index
(4 Qtr.Total)

		SECTOR										
	S&P 500	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Information Technology	Telecommunications Services	Utilities	
1999												1999
1	—	—	—	—	—	—	—	—	—	—	—	1
2	16.21	4.92	2.78	3.09	2.27	3.94	3.48	5.34	0.97	4.31	6.20	
3	16.46	4.90	2.78	3.16	2.25	3.95	3.67	5.53	0.96	4.66	6.18	3
4	16.48	4.92	2.74	3.20	2.36	3.98	3.73	5.66	0.94	4.44	6.21	4
2000												2000
1	16.76	4.57	2.75	3.32	2.49	3.99	3.77	5.85	0.99	4.55	6.20	1
2	16.70	4.48	2.90	3.30	2.35	4.05	3.78	6.04	0.92	4.54	6.26	2
3	16.34	4.30	2.99	3.11	2.40	4.13	3.82	6.30	0.89	3.87	6.03	3
4	16.27	4.65	3.07	3.15	2.41	4.18	4.08	6.31	0.86	3.81	5.95	4
2001												2001
1	15.97	4.60	3.15	3.19	2.34	4.25	4.09	6.31	0.84	3.47	5.76	1
2	15.69	4.63	3.08	3.16	2.25	4.33	4.33	6.25	0.81	3.15	5.43	2
3	15.74	4.80	3.07	3.56	2.11	4.36	4.44	6.31	0.75	3.18	5.46	3
4	15.74	4.88	3.08	3.56	1.97	4.41	4.51	6.49	0.71	3.15	5.34	4
2002												2002
1	15.73	4.94	3.06	3.58	1.86	4.46	4.50	6.55	0.66	3.12	5.26	1
2	16.01	5.01	3.06	4.01	1.80	4.54	4.50	6.60	0.64	3.08	5.27	2
3	15.78	4.82	3.09	3.63	1.69	4.68	4.56	6.70	0.65	3.09	5.11	3
4	16.07	4.99	3.12	3.64	1.73	4.79	4.79	6.82	0.66	3.18	4.97	4
2003												2003
1	16.22	5.18	3.18	3.64	1.73	4.88	4.70	6.89	0.84	3.27	4.76	1
2	16.17	4.82	3.22	3.73	1.86	4.64	4.80	6.98	0.86	3.42	4.49	2
3	16.59	4.89	3.25	3.84	1.96	4.37	4.90	7.40	0.89	3.63	4.33	3
4	17.38	4.96	3.29	3.98	2.18	4.26	4.97	7.91	1.23	3.77	4.27	4
2004												2004
1	18.01	5.04	3.33	4.16	2.32	4.15	5.18	8.43	1.13	3.86	4.36	1
2	18.58	5.08	3.37	4.29	2.30	4.31	5.21	8.86	1.18	3.89	4.50	2
3	19.15	5.18	3.43	4.45	2.35	4.55	5.22	9.13	1.38	3.88	4.61	3
4	19.43	5.28	3.50	4.66	2.43	4.60	4.94	9.40	1.28	3.99	4.80	4
2005												2005
1	20.21	5.40	3.59	4.90	2.52	4.84	5.17	9.70	1.52	4.18	5.02	1
2	20.92	5.60	3.69	5.10	2.54	4.99	5.25	10.01	1.77	4.30	5.19	2
3	21.46	5.76	3.78	5.29	2.66	5.20	5.19	10.23	1.88	4.42	5.38	3
4	22.22	5.89	3.93	5.50	2.81	5.41	5.44	10.52	1.97	4.43	5.50	4

HEARING EXHIBIT 00000203

MERGENT BOND RECORD MONTHLY UPDATE



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HEARING EXHIBIT 00000204

Corporate Bond Yield Averages

	AV. CORP.	CORPORATE BY RATINGS Aaa	Aa	A	Baa	CORPORATE BY GROUPS P.U.	IND.	R.R.		PUBLIC UTILITY BONDS Aaa	Aa	A	Baa		INDUSTRIAL BONDS Aaa	Aa	A	Baa		RAILROAD BONDS Aaa	Aa	A	Baa
2002																							
Jan.	7.38	6.55	7.03	7.50	7.87	7.69	7.07	---	Jan.	----	7.28	7.66	8.13	Jan.	6.55	6.78	7.35	7.60	Jan.	----	----	----	----
Feb.	7.32	6.51	6.95	7.37	7.89	7.62	7.02	---	Feb.	----	7.14	7.54	8.18	Feb.	6.51	6.76	7.20	7.59	Feb.	----	----	----	----
Mar.	7.57	6.81	7.22	7.62	8.11	7.83	7.30	---	Mar.	----	7.42	7.76	8.32	Mar.	6.81	7.02	7.47	7.89	Mar.	----	----	----	----
Apr.	7.49	6.76	7.16	7.49	8.04	7.74	7.23	---	Apr.	----	7.38	7.57	8.26	Apr.	6.76	6.93	7.40	7.81	Apr.	----	----	----	----
May	7.49	6.75	7.20	7.43	8.09	7.76	7.22	---	*May*	----	*7.43*	*7.52*	*8.33*	May	*6.75*	6.95	7.33	7.84	May	----	----	----	----
June	7.36	6.64	7.08	7.25	7.96	7.67	7.06	---	June	----	7.33	7.42	8.26	June	6.64	6.83	7.09	7.67	June	----	----	----	----
July	7.27	6.53	6.98	7.14	7.90	7.54	6.99	---	July	----	7.22	7.31	8.07	July	6.53	6.74	6.97	7.71	July	----	----	----	----
Aug.	7.06	6.37	6.84	6.95	7.58	7.34	6.77	---	Aug.	----	7.10	7.17	7.74	Aug.	6.37	6.57	6.73	7.42	Aug.	----	----	----	----
Sep.	6.87	6.15	6.63	6.76	7.40	7.23	6.51	---	Sep.	----	6.98	7.08	7.62	Sep.	6.15	6.27	6.43	7.17	Sep.	----	----	----	----
Oct.	7.08	6.33	6.74	6.95	7.74	7.43	6.72	---	Oct.	----	7.07	7.23	8.00	Oct.	6.33	6.40	6.67	7.48	Oct.	----	----	----	----
Nov.	7.01	6.31	6.71	6.89	7.62	7.31	6.70	---	Nov	----	7.03	7.14	7.76	Nov.	6.31	6.39	6.63	7.47	Nov.	----	----	----	----
Dec.	6.90	6.21	6.63	6.80	7.45	7.20	6.59	---	Dec.	----	6.94	7.07	7.61	Dec.	6.21	6.32	6.53	7.28	Dec.	----	----	----	----
2003																							
Jan.	6.84	6.17	6.59	6.76	7.35	7.13	6.54	----	Jan.	----	6.87	7.06	7.47	Jan.	6.17	6.30	6.46	7.23	Jan.	----	----	----	----
Feb.	6.62	5.95	6.34	6.63	7.06	6.92	6.31	----	Feb.	----	6.66	6.93	7.17	Feb.	5.95	6.02	6.33	6.94	Feb.	----	----	----	----
Mar.	6.53	5.89	6.28	6.54	6.95	6.80	6.26	----	Mar.	----	6.56	6.79	7.05	Mar.	5.89	6.04	6.30	6.84	*Mar.*	----	----	----	----
Apr.	6.44	*5.74*	6.22	*6.45*	*6.85*	*6.68*	*6.18*	----	Apr.	----	6.47	6.64	6.94	Apr.	5.74	5.97	6.26	6.76	Apr.	----	----	----	----
May	6.02	5.22	5.85	6.08	6.38	6.35	5.70	----	May	----	6.20	6.36	6.47	May	5.22	5.48	5.79	6.29	May	----	----	----	----
June	5.85	4.97	5.72	5.92	6.19	6.21	5.49	----	June	----	6.12	6.21	6.30	June	4.97	5.31	5.62	6.07	June	----	----	----	----
July	6.26	5.49	6.07	6.34	6.62	6.54	5.98	----	July	----	6.37	6.57	6.67	July	5.49	5.77	6.11	6.56	July	----	----	----	----
Aug.	6.57	5.87	6.31	6.63	7.01	6.78	6.35	----	Aug.	----	6.48	6.78	7.08	Aug.	5.87	6.13	6.48	6.92	Aug.	----	----	----	----
Sep.	6.37	5.72	6.13	6.42	6.79	6.58	6.16	----	Sep.	----	6.30	6.56	6.87	Sep.	5.72	5.95	6.27	6.71	Sep.	----	----	----	----
Oct.	6.32	5.70	6.11	6.33	6.73	6.50	6.14	----	Oct	----	6.28	6.43	6.79	Oct.	5.70	5.94	6.23	6.67	Oct.	----	----	----	----
Nov.	6.27	5.65	6.08	6.28	6.66	6.44	6.09	----	Nov.	----	6.26	6.37	6.69	Nov.	5.65	5.91	6.18	6.63	Nov.	----	----	----	----
Dec.	6.20	5.65	6.02	6.19	6.60	6.36	6.04	----	Dec.	----	6.18	6.27	6.61	Dec.	5.62	5.85	6.11	6.58	Dec.	----	----	----	----
2004																							
Jan.	6.08	5.54	5.91	6.08	6.44	6.23	5.92	----	Jan.	----	6.06	6.15	6.47	Jan.	5.54	5.74	6.02	6.40	Jan.	----	----	----	----
Feb.	6.00	5.50	5.87	6.04	6.27	6.17	5.83	----	Feb.	----	6.10	6.15	6.28	*Feb.*	*5.50*	*5.65*	*5.93*	*6.24*	Feb.	----	----	----	----
Mar.	*5.84*	*5.33*	*5.70*	*5.86*	*6.11*	6.01	5.67	----	Mar	----	5.93	5.97	6.12	Mar.	5.33	5.48	5.75	6.10	Mar.	----	----	----	----
Apr.	6.22	5.73	6.10	6.25	6.46	6.38	6.05	----	Apr.	----	6.33	6.35	6.46	Apr.	5.73	5.85	6.15	6.45	Apr.	----	----	----	----
May.	6.51	6.04	6.40	6.54	6.75	6.68	6.34	----	May.	----	6.66	6.62	6.75	May.	6.04	6.13	6.45	6.73	May.	----	----	----	----
June	6.42	6.01	6.21	6.42	6.78	6.53	6.31	----	June	----	6.30	6.46	6.84	June	6.01	6.12	6.37	6.72	June	----	----	----	----
July	6.24	5.82	6.02	6.23	6.62	6.34	6.13	----	July	----	6.09	6.27	6.67	July	5.82	5.94	6.18	6.57	July	----	----	----	----
Aug.	6.08	5.65	5.87	6.08	6.48	6.18	5.98	----	Aug.	----	5.95	6.14	6.45	Aug.	5.65	5.79	6.02	6.47	Aug.	----	----	----	----
Sep.	5.91	5.46	5.73	5.91	6.27	6.01	5.81	----	Sep	----	5.79	5.98	6.27	Sep.	5.46	5.67	5.84	6.27	Sep.	----	----	----	----
Oct.	5.87	5.47	5.69	5.86	6.21	5.95	5.78	----	Oct	----	5.74	5.94	6.17	Oct.	5.47	5.63	5.78	6.24	Oct.	----	----	----	----
Nov.	5.89	5.52	5.72	5.88	6.21	5.97	5.80	----	Nov.	----	5.79	5.97	6.16	Nov.	5.52	5.65	5.78	6.25	Nov.	----	----	----	----
Dec.	5.84	5.47	5.69	5.82	6.15	5.93	5.75	----	Dec.	----	5.78	5.92	6.10	Dec.	5.47	5.60	5.72	6.20	Dec	----	----	----	----
2005																							
Jan.	5.72	5.36	5.58	5.68	6.02	5.80	5.63	----	Jan.	----	*5.68*	*5.78*	*5.95*	Jan.	*5.36*	*5.48*	*5.58*	6.08	Jan	----	----	----	----
Feb.	5.55	5.20	5.44	5.51	5.82	5.64	5.45	----	Feb.	----	5.55	5.61	5.76	Feb.	5.20	5.32	5.40	5.87	Feb.	----	----	----	----
Mar.	5.77	5.40	5.64	5.73	6.06	5.86	5.67	----	Mar.	----	5.76	5.83	6.01	Mar.	5.40	5.53	5.63	6.11	Mar.	----	----	----	----
Apr.	5.65	5.33	5.44	5.58	6.05	5.72	5.58	----	Apr.	----	5.56	5.64	5.95	Apr.	5.33	5.31	5.52	6.15	Apr.	----	----	----	----
May	5.54	5.15	5.29	5.49	6.01	5.60	5.48	----	May	----	5.39	5.53	5.88	May	5.15	5.18	5.45	6.13	May	----	----	----	----
June	5.35	4.96	5.02	5.33	5.86	5.39	5.31	----	June	----	5.05	5.40	5.70	June	4.96	4.99	5.26	6.01	June	----	----	----	----
July	5.46	5.06	5.14	5.44	5.95	5.56	5.41	----	July	----	5.18	5.51	5.81	July	5.06	5.10	5.37	6.10	July	----	----	----	----
Aug.	5.49	5.09	5.20	5.48	5.96	5.51	5.46	----	Aug.	----	5.23	5.50	5.80	Aug	5.09	5.16	5.45	6.12	Aug.	----	----	----	----
Sept.	5.53	5.13	5.24	5.50	6.03	5.54	5.51	----	Sept.	----	5.27	5.52	5.83	Sept	5.13	5.21	5.47	6.22	Sept.	----	----	----	----
Oct.	5.77	5.34	5.46	5.75	6.29	5.79	5.74	----	Oct.	----	5.50	5.79	6.08	Oct.	5.34	5.42	5.70	6.49	Oct.	----	----	----	----
Nov.	5.86	5.42	5.55	5.83	6.39	5.88	5.83	----	Nov.	----	5.59	5.88	6.19	Nov.	5.42	5.52	5.78	6.59	Nov.	----	----	----	----
Dec.	5.81	5.38	5.51	5.84	6.33	5.83	5.80	----	Dec.	----	5.55	5.80	6.14	Dec	5.38	5.45	5.88	6.51	Dec.	----	----	----	----
2006																							
Jan.	5.75	5.29	5.45	5.79	6.24	5.77	5.73	----	Jan.	----	5.50	5.75	6.06	Jan.	5.29	5.39	5.83	6.41	Jan.	----	----	----	----
Feb.	5.80	5.35	5.51	5.85	6.27	5.83	5.78	----	*Feb.*	----	*5.55*	5.82	6.11	Feb	5.35	5.46	5.87	6.43	Feb.	----	----	----	----
Mar.	5.95	5.52	5.67	5.98	6.41	5.98	5.92	----	Mar.	----	5.71	5.98	6.26	Mar.	5.52	5.64	5.96	6.55	Mar.	----	----	----	----
Apr.	6.26	5.84	6.00	6.27	6.68	6.28	6.23	----	Apr.	----	6.02	6.29	6.54	Apr.	5.84	5.98	6.26	6.82	Apr.	----	----	----	----
May	6.36	5.95	6.13	6.40	6.75	6.39	6.33	----	May	----	6.16	6.42	6.59	May	5.95	6.10	6.37	6.90	May	----	----	----	----
June	6.35	5.89	6.11	6.39	6.78	6.39	6.31	----	June	----	6.16	6.40	6.61	June	5.89	6.05	6.36	6.94	June	----	----	----	----
July	6.33	5.85	6.08	6.36	6.76	6.37	6.28	----	July	----	6.13	6.37	6.61	July	5.85	6.02	6.35	6.91	July	----	----	----	----
Aug.	6.16	5.68	5.91	6.19	6.59	6.20	6.11	----	Aug.	----	5.97	6.20	6.43	Aug.	5.68	5.85	6.18	6.74	Aug.	----	----	----	----
Sep.	5.98	5.51	5.75	5.98	6.43	6.03	5.94	----	Sep.	----	5.81	6.00	6.26	Sep.	5.51	5.68	5.95	6.59	Sep	----	----	----	----
Oct.	5.97	5.51	5.74	5.94	6.42	6.01	5.93	----	Oct.	----	5.80	5.98	6.24	Oct.	5.51	5.68	5.90	6.60	Oct.	----	----	----	----
Nov.	5.78	5.33	5.57	5.76	6.20	5.82	5.73	----	Nov.	----	5.61	5.80	6.04	Nov.	5.33	5.52	5.72	6.36	Nov	----	----	----	----
Dec.	5.79	5.29	5.58	5.78	6.22	5.83	5.74	----	Dec.	----	*5.62*	*5.81*	*6.05*	Dec.	*5.29*	*5.53*	*5.75*	*6.38*	Dec.	----	----	----	----
2007																							
Jan.	5.92	5.40	5.75	5.93	6.34	5.96	5.88	----	Jan.	----	5.78	5.96	6.16	Jan.	5.40	5.71	5.91	6.52	Jan.	----	----	----	----

Notes: Moody's® Long-Term Corporate Bond Yield Averages have been published daily since 1929. They are derived from pricing data on a regularly-replenished population of nearly 75 seasoned corporate bonds in the US market, each with current outstandings over $100 million. The bonds have maturities as close as possible to 30 years; they are dropped from the list if their remaining life falls below 20 years, if their ratings change. Bonds with deep discounts or steep premiums to par are generally excluded. All yields are yield-to-maturity calculated on a semi-annual basis. Each observation is an unweighted average, with Average Corporate Yields representing the unweighted average of the corresponding Average Industrial and Average Public Utility observations. Because of the dearth of **Aaa** -rated railroad term bond issues, Moody's® **Aaa** railroad bond yield average was discontinued as of December 18, 1967. Moody's® **Aaa** public utility average suspended from Jan. 1984 thru Sept. 1984. Oct. 1984 figure for last 14 business days only. The Railroad Bond Averages were discontinued as of July 17, 1989 because of insufficient frequently tradable bonds. The July figures were based on 8 business days.

Because of the dearth of Aaa rated public utility bond issues, Moody's Aaa public utility bond yield average was discontinued as of December 10, 2001.

Note: October 2002 figures have been adjusted.

Note: January 2003 figures have been adjusted

HEARING EXHIBIT 00000205

MERGENT BOND RECORD MONTHLY UPDATE

MERGENT

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HEARING EXHIBIT 00000206

Corporate Bond Yield Averages

	AV. CORP.	CORPORATE BY RATINGS Aaa	Aa	A	Baa	CORPORATE BY GROUPS P.U.	IND.	R.R.		PUBLIC UTILITY BONDS Aaa	Aa	A	Baa		INDUSTRIAL BONDS Aaa	Aa	A	Baa		RAILROAD BONDS Aaa	Aa	A	Baa
2001																							
Jan.	7.55	7.15	7.38	7.75	7.93	7.76	7.34	---	Jan	7.53	7.73	7.80	7.99	Jan	6.76	7.02	7.70	7.86	Jan	---	---	---	---
Feb	7.50	7.10	7.32	7.69	7.87	7.69	7.30	---	Feb	7.46	7.62	7.74	7.94	Feb.	6.74	7.01	7.64	7.80	Feb.	---	---	---	---
Mar.	7.41	6.98	7.22	7.61	7.84	7.59	7.23	---	Mar.	7.31	7.51	7.68	7.85	Mar.	6.64	6.92	7.55	7.83	Mar	---	---	---	---
Apr	7.63	7.20	7.43	7.82	8.07	7.81	7.45	---	Apr	7.53	7.72	7.94	8.06	Apr	6.86	7.14	7.74	8.08	Apr.	---	---	---	---
May	7.69	7.29	7.50	7.88	8.07	7.88	7.49	---	May	7.61	7.79	7.99	8.11	May	6.96	7.20	7.75	8.03	May	---	---	---	---
June	7.56	7.18	7.34	7.73	7.97	7.75	7.36	---	June	7.50	7.62	7.85	8.02	June	6.85	7.05	7.60	7.92	June	---	---	---	---
July	7.51	7.13	7.27	7.65	7.97	7.71	7.30	---	July	7.46	7.55	7.78	8.05	July	6.80	6.99	7.52	7.89	July	---	---	---	---
Aug.	7.37	7.02	7.11	7.48	7.85	7.57	7.16	---	Aug	7.36	7.39	7.59	7.95	Aug.	6.67	6.83	7.37	7.74	Aug	---	---	---	---
Sep.	7.54	7.17	7.27	7.67	8.03	7.73	7.34	---	Sep	7.52	7.55	7.75	8.12	Sep.	6.83	7.00	7.60	7.93	Sep	---	---	---	---
Oct.	7.41	7.03	7.13	7.59	7.91	7.64	7.18	---	Oct	7.45	7.47	7.63	8.02	Oct	6.60	6.79	7.54	7.79	Oct.	---	---	---	---
Nov	7.32	6.97	7.01	7.49	7.81	7.61	7.03	---	Nov	7.45	7.45	7.57	7.96	Nov	6.48	6.56	7.40	7.66	Nov	---	---	---	---
Dec.	7.55	6.76	7.19	7.70	8.05	7.86	7.23	---	Dec	7.53	7.53	7.83	8.27	Dec	6.67	6.85	7.56	7.82	Dec	---	---	---	---
2002																							
Jan.	7.38	6.55	7.03	7.50	7.87	7.69	7.07	---	Jan	---	7.28	7.66	8.13	Jan	6.55	6.78	7.35	7.60	Jan.	---	---	---	---
Feb.	7.32	6.51	6.95	7.37	7.89	7.62	7.02	---	Feb	---	7.14	7.54	8.18	Feb	6.51	6.76	7.20	7.59	Feb.	---	---	---	---
Mar.	7.57	6.81	7.22	7.62	8.11	7.83	7.30	---	Mar	---	7.42	7.76	8.32	Mar.	6.81	7.02	7.47	7.89	Mar	---	---	---	---
Apr	7.49	6.76	7.16	7.49	8.04	7.74	7.23	---	Apr	---	7.38	7.57	8.26	Apr.	6.76	6.93	7.40	7.81	Apr	---	---	---	---
May	7.49	6.75	7.20	7.43	8.09	7.76	7.22	---	May	---	7.43	7.52	8.33	May	6.75	6.95	7.33	7.84	May	---	---	---	---
June	7.36	6.64	7.08	7.25	7.96	7.67	7.06	---	June	---	7.33	7.42	8.26	June	6.64	6.83	7.09	7.67	June	---	---	---	---
July	7.27	6.53	6.98	7.14	7.90	7.54	6.99	---	July	---	7.22	7.31	8.07	July	6.53	6.74	6.97	7.71	July	---	---	---	---
Aug.	7.06	6.37	6.84	6.95	7.58	7.34	6.77	---	Aug	---	7.10	7.17	7.74	Aug	6.37	6.57	6.73	7.42	Aug	---	---	---	---
Sep	6.87	6.15	6.63	6.76	7.40	7.23	6.51	---	Sep	---	6.98	7.08	7.62	Sep	6.15	6.27	6.43	7.17	Sep	---	---	---	---
Oct.	7.08	6.33	6.74	6.95	7.74	7.43	6.72	---	Oct	---	7.07	7.23	8.00	Oct.	6.33	6.40	6.67	7.48	Oct	---	---	---	---
Nov	7.01	6.31	6.71	6.89	7.62	7.31	6.70	---	Nov	---	7.03	7.14	7.76	Nov.	6.31	6.39	6.63	7.47	Nov	---	---	---	---
Dec.	6.90	6.21	6.63	6.80	7.45	7.20	6.59	---	Dec	---	6.94	7.07	7.61	Dec	6.21	6.32	6.53	7.28	Dec	---	---	---	---
2003																							
Jan.	6.84	6.17	6.59	6.76	7.35	7.13	6.54	---	Jan	---	6.87	7.06	7.47	Jan	6.17	6.30	6.46	7.23	Jan.	---	---	---	---
Feb	6.62	5.95	6.34	6.63	7.06	6.92	6.31	---	Feb	---	6.66	6.93	7.17	Feb	5.95	6.02	6.33	6.94	Feb	---	---	---	---
Mar	6.53	5.89	6.28	6.54	6.95	6.80	6.26	---	Mar	---	6.56	6.79	7.05	Mar.	5.89	6.04	6.30	6.84	Mar	---	---	---	---
Apr.	6.44	5.74	6.22	6.45	6.85	6.68	6.18	---	Apr	---	6.47	6.64	6.94	Apr.	5.74	5.97	6.26	6.76	Apr	---	---	---	---
May	6.02	5.22	5.85	6.08	6.38	6.35	5.70	---	May	---	6.20	6.36	6.47	May	5.22	5.48	5.79	6.29	May	---	---	---	---
June	5.85	4.97	5.72	5.92	6.19	6.21	5.49	---	June	---	6.12	6.21	6.30	June	4.97	5.31	5.62	6.07	June	---	---	---	---
July	6.26	5.49	6.07	6.34	6.62	6.54	5.98	---	July	---	6.37	6.57	6.67	July	5.49	5.77	6.11	6.56	July	---	---	---	---
Aug.	6.57	5.87	6.31	6.63	7.01	6.78	6.35	---	Aug	---	6.48	6.78	7.08	Aug.	5.87	6.13	6.48	6.92	Aug	---	---	---	---
Sep.	6.37	5.72	6.13	6.42	6.79	6.58	6.16	---	Sep	---	6.30	6.56	6.87	Sep	5.72	5.95	6.27	6.71	Sep.	---	---	---	---
Oct.	6.32	5.70	6.11	6.33	6.73	6.50	6.14	---	Oct	---	6.28	6.43	6.79	Oct.	5.70	5.94	6.23	6.67	Oct.	---	---	---	---
Nov.	6.27	5.65	6.08	6.28	6.66	6.44	6.09	---	Nov	---	6.26	6.37	6.69	Nov	5.65	5.91	6.18	6.63	Nov	---	---	---	---
Dec.	6.20	5.65	6.02	6.19	6.60	6.36	6.04	---	Dec	---	6.18	6.27	6.61	Dec.	5.62	5.85	6.11	6.58	Dec	---	---	---	---
2004																							
Jan.	6.08	5.54	5.91	6.08	6.44	6.23	5.92	---	Jan.	---	6.06	6.15	6.47	Jan	5.54	5.74	6.02	6.40	Jan.	---	---	---	---
Feb	6.00	5.50	5.87	6.04	6.27	6.17	5.83	---	Feb	---	6.10	6.15	6.28	Feb	5.50	5.65	5.93	6.24	Feb	---	---	---	---
Mar.	5.84	5.33	5.70	5.86	6.11	6.01	5.67	---	Mar.	---	5.93	5.97	6.12	Mar.	5.33	5.48	5.75	6.10	Mar.	---	---	---	---
Apr.	6.22	5.73	6.10	6.25	6.46	6.38	6.05	---	Apr	---	6.33	6.35	6.46	Apr.	5.73	5.85	6.15	6.45	Apr	---	---	---	---
May	6.51	6.04	6.40	6.54	6.75	6.68	6.34	---	May.	---	6.66	6.62	6.75	May.	6.04	6.13	6.45	6.73	May	---	---	---	---
June	6.42	6.01	6.21	6.42	6.78	6.53	6.31	---	June	---	6.30	6.46	6.84	June	6.01	6.12	6.37	6.72	June	---	---	---	---
July	6.24	5.82	6.02	6.23	6.62	6.34	6.13	---	July	---	6.09	6.27	6.67	July	5.82	5.94	6.18	6.57	July	---	---	---	---
Aug.	6.08	5.65	5.87	6.08	6.48	6.18	5.98	---	Aug	---	5.95	6.14	6.45	Aug.	5.65	5.79	6.02	6.47	Aug.	---	---	---	---
Sep.	5.91	5.46	5.73	5.91	6.27	6.01	5.81	---	Sep	---	5.79	5.98	6.27	Sep	5.46	5.67	5.84	6.27	Sep	---	---	---	---
Oct	5.87	5.47	5.69	5.86	6.21	5.95	5.78	---	Oct	---	5.74	5.94	6.17	Oct	5.47	5.63	5.78	6.24	Oct.	---	---	---	---
Nov	5.89	5.52	5.72	5.88	6.21	5.97	5.80	---	Nov	---	5.79	5.97	6.16	Nov	5.52	5.65	5.78	6.25	Nov.	---	---	---	---
Dec	5.84	5.47	5.69	5.82	6.15	5.93	5.75	---	Dec	---	5.78	5.92	6.10	Dec	5.47	5.60	5.72	6.20	Dec	---	---	---	---
2005																							
Jan.	5.72	5.36	5.58	5.68	6.02	5.80	5.63	---	Jan	---	5.68	5.78	5.95	Jan	5.36	5.48	5.58	6.08	Jan.	---	---	---	---
Feb.	5.55	5.20	5.44	5.51	5.82	5.64	5.45	---	Feb.	---	5.55	5.61	5.76	Feb	5.20	5.32	5.40	5.87	Feb	---	---	---	---
Mar.	5.77	5.40	5.64	5.73	6.06	5.86	5.67	---	Mar.	---	5.76	5.83	6.01	Mar.	5.40	5.53	5.63	6.11	Mar.	---	---	---	---
Apr.	5.65	5.33	5.44	5.58	6.05	5.72	5.58	---	Apr.	---	5.56	5.64	5.95	Apr	5.33	5.31	5.52	6.15	Apr	---	---	---	---
May	5.54	5.15	5.29	5.49	6.01	5.60	5.48	---	May	---	5.39	5.53	5.88	May	5.15	5.18	5.45	6.13	May	---	---	---	---
June	5.35	4.96	5.02	5.33	5.86	5.39	5.31	---	June	---	5.05	5.40	5.70	June	4.96	4.99	5.26	6.01	June	---	---	---	---
July	5.46	5.06	5.14	5.44	5.95	5.50	5.41	---	July	---	5.18	5.51	5.81	July	5.06	5.10	5.37	6.10	July	---	---	---	---
Aug	5.49	5.09	5.20	5.48	5.96	5.51	5.46	---	Aug	---	5.23	5.50	5.80	Aug.	5.09	5.16	5.45	6.12	Aug.	---	---	---	---
Sept	5.53	5.13	5.24	5.50	6.03	5.54	5.51	---	Sept	---	5.27	5.52	5.83	Sept	5.13	5.21	5.47	6.22	Sept	---	---	---	---
Oct.	5.77	5.34	5.46	5.75	6.29	5.79	5.74	---	Oct	---	5.50	5.79	6.08	Oct	5.34	5.42	5.70	6.49	Oct.	---	---	---	---
Nov.	5.86	5.42	5.55	5.83	6.39	5.88	5.83	---	Nov	---	5.59	5.88	6.19	Nov	5.42	5.52	5.78	6.59	Nov	---	---	---	---
Dec.	5.81	5.38	5.51	5.84	6.33	5.83	5.80	---	Dec	---	5.55	5.80	6.14	Dec.	5.38	5.45	5.88	6.51	Dec.	---	---	---	---
2006																							
Jan.	5.75	5.29	5.45	5.79	6.24	5.77	5.73	---	Jan.	---	5.50	5.75	6.06	Jan	5.29	5.39	5.83	6.41	Jan	---	---	---	---
Feb	5.80	5.35	5.51	5.85	6.27	5.83	5.78	---	Feb.	---	5.55	5.82	6.11	Feb	5.35	5.46	5.87	6.43	Feb	---	---	---	---
Mar.	5.95	5.52	5.67	5.98	6.41	5.98	5.92	---	Mar	---	5.71	5.98	6.26	Mar.	5.52	5.64	5.96	6.55	Mar	---	---	---	---
Apr.	6.26	5.84	6.00	6.27	6.68	6.28	6.23	---	Apr.	---	6.02	6.29	6.54	Apr.	5.84	5.98	6.26	6.82	Apr	---	---	---	---
May	6.36	5.95	6.13	6.40	6.75	6.39	6.33	---	May	---	6.16	6.42	6.59	May	5.95	6.10	6.37	6.90	May	---	---	---	---

Notes: Moody's® Long-Term Corporate Bond Yield Averages have been published daily since 1929 They are derived from pricing data on a regularly-replenished population of nearly 75 seasoned corporate bonds in the US market, each with current outstandings over $100 million The bonds have maturities as close as possible to 30 years; they are dropped from the list if their remaining life falls below 20 years, if their ratings change. Bonds with deep discounts or steep premiums to par are generally excluded All yields are yield-to-maturity calculated on a semi-annual basis Each observation is an unweighted average, with Average Corporate Yields representing the unweighted average of the corresponding Average Industrial and Average Public Utility observations Because of the dearth of Aaa -rated railroad term bond issues, Moody's® Aaa railroad bond yield average was discontinued as of December 18, 1967. Moody's® Aaa public utility average suspended from Jan 1984 thru Sept. 1984 Oct. 1984 figure for last 14 business days only The Railroad Bond Averages were discontinued as of July 17, 1989 because of insufficient frequently tradable bonds The July figures were based on 8 business days.

Because of the dearth of Aaa rated public utility bond issues, Moody's Aaa public utility bond yield average was discontinued as of December 10, 2001

Note: October 2002 figures have been adjusted

Note: January 2003 figures have been adjusted

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MERGENT BOND RECORD MONTHLY UPDATE

MERGENT

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HEARING EXHIBIT 00000208

Corporate Bond Yield Averages

	AV. CORP.	CORPORATE BY RATINGS Aaa	Aa	A	Baa	CORPORATE BY GROUPS P.U.	IND.	R.R.		PUBLIC UTILITY BONDS Aaa	Aa	A	Baa		INDUSTRIAL BONDS Aaa	Aa	A	Baa		RAILROAD BONDS Aaa	Aa	A	Baa
2000																							
Jan.	8.06	7.78	7.96	8.15	8.33	8.22	7.89	---	Jan.	7.95	8.17	8.35	8.40	Jan.	7.60	7.74	7.94	8.26	Jan.	---	---	---	---
Feb.	7.96	7.68	7.82	8.06	8.29	8.10	7.82	---	Feb.	7.82	7.99	8.25	8.33	Feb.	7.53	7.65	7.87	8.24	Feb.	---	---	---	---
Mar.	7.99	7.68	7.83	8.07	8.37	8.14	7.83	---	Mar.	7.87	7.99	8.28	8.40	Mar.	7.48	7.66	7.84	8.34	Mar.	---	---	---	---
Apr.	7.98	7.64	7.82	8.07	8.40	8.14	7.82	---	Apr.	7.87	8.00	8.29	8.40	Apr.	7.41	7.63	7.84	8.40	Apr	---	---	---	---
May	8.41	7.99	8.24	8.49	8.90	8.55	8.25	---	May	8.22	8.44	8.70	8.86	May	7.76	8.03	8.28	8.94	May	---	---	---	---
June	8.05	7.67	7.87	8.18	8.48	8.22	7.87	---	June	7.96	8.10	8.36	8.47	June	7.37	7.63	8.00	8.49	June	---	---	---	---
July	7.98	7.65	7.81	8.11	8.35	8.17	7.78	---	July	8.00	8.10	8.25	8.33	July	7.30	7.51	7.97	8.36	July	---	---	---	---
Aug.	7.88	7.55	7.70	8.02	8.26	8.05	7.70	---	Aug.	7.89	7.95	8.13	8.25	Aug.	7.20	7.44	7.91	8.26	Aug.	---	---	---	---
Sept.	7.98	7.62	7.83	8.13	8.35	8.16	7.81	---	Sept.	7.92	8.11	8.23	8.32	Sept.	7.29	7.54	8.03	8.37	Sept.	---	---	---	---
Oct.	7.95	7.55	7.81	8.11	8.34	8.08	7.82	---	Oct.	7.80	8.08	8.14	8.29	Oct.	7.29	7.55	8.08	8.38	Oct.	---	---	---	---
Nov.	7.90	7.45	7.75	8.09	8.28	8.03	7.76	---	Nov.	7.71	8.03	8.11	8.25	Nov.	7.19	7.47	8.07	8.31	Nov.	---	---	---	---
Dec.	7.65	7.21	7.48	7.88	8.02	7.79	7.50	---	Dec.	7.51	7.79	7.84	8.01	Dec.	6.90	7.16	7.90	8.03	Dec.	---	---	---	---
2001																							
Jan.	7.55	7.15	7.38	7.75	7.93	7.76	7.34	---	Jan.	7.53	7.73	7.80	7.99	Jan.	6.76	7.02	7.70	7.86	Jan.	---	---	---	---
Feb.	7.50	7.10	7.32	7.69	7.87	7.69	7.30	---	Feb.	7.46	7.62	7.74	7.94	Feb.	6.74	7.01	7.64	7.80	Feb.	---	---	---	---
Mar.	7.41	6.98	7.22	7.61	7.84	7.59	7.23	---	Mar.	7.31	7.51	7.68	7.85	Mar.	6.64	6.92	7.55	7.83	Mar.	---	---	---	---
Apr.	7.63	7.20	7.43	7.82	8.07	7.81	7.45	---	Apr.	7.53	7.72	7.94	8.06	Apr.	6.86	7.14	7.74	8.08	Apr.	---	---	---	---
May	7.69	7.29	7.50	7.88	8.07	7.88	7.49	---	May	7.61	7.79	7.99	8.11	May	6.96	7.20	7.75	8.03	May	---	---	---	---
June	7.56	7.18	7.34	7.73	7.97	7.75	7.36	---	June	7.50	7.62	7.85	8.02	June	6.85	7.05	7.60	7.92	June	---	---	---	---
July	7.51	7.13	7.27	7.65	7.97	7.71	7.30	---	July	7.46	7.55	7.78	8.05	July	6.80	6.99	7.52	7.89	July	---	---	---	---
Aug.	7.37	7.02	7.11	7.48	7.85	7.57	7.16	---	Aug.	7.36	7.39	7.59	7.95	Aug.	6.67	6.83	7.37	7.74	Aug	---	---	---	---
Sep.	7.54	7.17	7.27	7.67	8.03	7.73	7.34	---	Sep.	7.52	7.55	7.75	8.12	Sep.	6.83	7.00	7.60	7.93	Sep.	---	---	---	---
Oct.	7.41	7.03	7.13	7.59	7.91	7.64	7.18	---	Oct.	7.45	7.47	7.63	8.02	Oct.	6.60	6.79	7.54	7.79	Oct.	---	---	---	---
Nov.	7.32	6.97	7.01	7.49	7.81	7.61	7.03	---	Nov.	7.45	7.45	7.57	7.96	Nov.	6.48	6.56	7.40	7.66	Nov.	---	---	---	---
Dec.	7.55	6.76	7.19	7.70	8.05	7.86	7.23	---	Dec.	7.53	7.53	7.83	8.27	Dec	6.67	6.85	7.56	7.82	Dec.	---	---	---	---
2002																							
Jan.	7.38	6.55	7.03	7.50	7.87	7.69	7.07	---	Jan.	---	7.28	7.66	8.13	Jan.	6.55	6.78	7.35	7.60	Jan.	---	---	---	---
Feb.	7.32	6.51	6.95	7.37	7.89	7.62	7.02	---	Feb.	---	7.14	7.54	8.18	Feb.	6.51	6.76	7.20	7.59	Feb.	---	---	---	---
Mar.	7.57	6.81	7.22	7.62	8.11	7.83	7.30	---	Mar.	---	7.42	7.76	8.32	Mar.	6.81	7.02	7.47	7.89	Mar.	---	---	---	---
Apr.	7.49	6.76	7.16	7.49	8.04	7.74	7.23	---	Apr.	□	7.38	7.57	8.26	Apr.	6.76	6.93	7.40	7.81	Apr.	---	---	---	---
May	7.49	6.75	7.20	7.43	8.09	7.76	7.22	---	May	---	7.43	7.52	8.33	May	6.75	6.95	7.33	7.84	May	---	---	---	---
June	7.36	6.64	7.08	7.25	7.96	7.67	7.06	---	June	---	7.33	7.42	8.26	June	6.64	6.83	7.09	7.67	June	---	---	---	---
July	7.27	6.53	6.98	7.14	7.90	7.54	6.99	---	July	---	7.22	7.31	8.07	July	6.53	6.74	6.97	7.71	July	---	---	---	---
Aug.	7.06	6.37	6.84	6.95	7.58	7.34	6.77	---	Aug.	---	7.10	7.17	7.74	Aug.	6.37	6.57	6.73	7.42	Aug.	---	---	---	---
Sep.	6.87	6.15	6.63	6.76	7.40	7.23	6.51	---	Sep.	---	6.98	7.08	7.62	Sep.	6.15	6.27	6.43	7.17	Sep.	---	---	---	---
Oct.	7.08	6.33	6.74	6.95	7.74	7.43	6.72	---	Oct.	---	7.07	7.23	8.00	Oct.	6.33	6.40	6.67	7.48	Oct.	---	---	---	---
Nov.	7.01	6.31	6.71	6.89	7.62	7.31	6.70	---	Nov.	---	7.03	7.14	7.76	Nov.	6.31	6.39	6.63	7.47	Nov	---	---	---	---
Dec.	6.90	6.21	6.63	6.80	7.45	7.20	6.59	---	Dec.	---	6.94	7.07	7.61	Dec.	6.21	6.32	6.53	7.28	Dec.	---	---	---	---
2003																							
Jan.	6.84	6.17	6.59	6.76	7.35	7.13	6.54	---	Jan.	---	6.87	7.06	7.47	Jan.	6.17	6.30	6.46	7.23	Jan.	---	---	---	---
Feb.	6.62	5.95	6.34	6.63	7.06	6.92	6.31	---	Feb.	---	6.66	6.93	7.17	Feb.	5.95	6.02	6.33	6.94	Feb.	---	---	---	---
Mar.	6.53	5.89	6.28	6.54	6.95	6.80	6.26	---	Mar.	---	6.56	6.79	7.05	Mar.	5.89	6.04	6.30	6.84	Mar.	---	---	---	---
Apr.	6.44	5.74	6.22	6.45	6.85	6.68	6.18	---	Apr.	---	6.47	6.64	6.94	Apr.	5.74	5.97	6.26	6.76	Apr.	---	---	---	---
May	6.02	5.22	5.85	6.08	6.38	6.35	5.70	---	May	---	6.20	6.36	6.47	May	5.22	5.48	5.79	6.29	May	---	---	---	---
June	5.85	4.97	5.72	5.92	6.19	6.21	5.49	---	June	---	6.12	6.21	6.30	June	4.97	5.31	5.62	6.07	June	---	---	---	---
July	6.26	5.49	6.07	6.34	6.62	6.54	5.98	---	July	---	6.37	6.57	6.67	July	5.49	5.77	6.11	6.56	July	---	---	---	---
Aug.	6.57	5.87	6.31	6.63	7.01	6.78	6.35	---	Aug.	---	6.48	6.78	7.08	Aug.	5.87	6.13	6.48	6.92	Aug.	---	---	---	---
Sep	6.37	5.72	6.13	6.42	6.79	6.58	6.16	---	Sep.	---	6.30	6.56	6.87	Sep.	5.72	5.95	6.27	6.71	Sep.	---	---	---	---
Oct.	6.32	5.70	6.11	6.33	6.73	6.50	6.14	---	Oct.	---	6.28	6.43	6.79	Oct.	5.70	5.94	6.23	6.67	Oct.	---	---	---	---
Nov.	6.27	5.65	6.08	6.28	6.66	6.44	6.09	---	Nov.	---	6.26	6.37	6.69	Nov.	5.65	5.91	6.18	6.63	Nov.	---	---	---	---
Dec.	6.20	5.65	6.02	6.19	6.60	6.36	6.04	---	Dec.	---	6.18	6.27	6.61	Dec.	5.62	5.85	6.11	6.58	Dec.	---	---	---	---
2004																							
Jan.	6.08	5.54	5.91	6.08	6.44	6.23	5.92	---	Jan.	---	6.06	6.15	6.47	Jan.	5.54	5.74	6.02	6.40	Jan.	---	---	---	---
Feb.	6.00	5.50	5.87	6.04	6.27	6.17	5.83	---	Feb.	---	6.10	6.15	6.28	Feb.	5.50	5.65	5.93	6.24	Feb.	---	---	---	---
Mar.	5.84	5.33	5.70	5.86	6.11	6.01	5.67	---	Mar.	---	5.93	5.97	6.12	Mar.	5.33	5.48	5.75	6.10	Mar.	---	---	---	---
Apr.	6.22	5.73	6.10	6.25	6.46	6.38	6.05	---	Apr.	---	6.33	6.35	6.46	Apr.	5.73	5.85	6.15	6.45	Apr.	---	---	---	---
May	6.51	6.04	6.40	6.54	6.75	6.68	6.34	---	May	---	6.66	6.62	6.75	May	6.04	6.13	6.45	6.73	May	---	---	---	---

Notes: See Moody's® Bond Survey for a brief description and the latest published list of bonds included in the averages. Because of the dearth of Aaa®-rated railroad term bond issues, Moody's® Aaa railroad bond yield average was discontinued as of December 18, 1967. Moody's® Aaa public utility average suspended from Jan. 1984 thru Sept. 1984. Oct. 1984 figure for last 14 business days only. The Railroad Bond Averages were discontinued as of July 17, 1989 because of insufficient frequently tradable bonds. The July figures were based on 8 business days. Because of the dearth of Aaa rated public utility bond issues, Moody's Aaa public utility bond yield average was discontinued as of December 10, 2001.

Note: October 2002 figures have been adjusted.

Note: January 2003 figures have been adjusted.

HEARING EXHIBIT 00000209

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HEARING EXHIBIT 00000210

Corporate Bond Yield Averages

	AV. CORP.	CORPORATE BY RATINGS Aaa	Aa	A	Baa	CORPORATE BY GROUPS P.U.	IND.	R.R.		PUBLIC UTILITY BONDS Aaa	Aa	A	Baa		INDUSTRIAL BONDS Aaa	Aa	A	Baa		RAILROAD BONDS Aaa	Aa	A	Baa
1997																							
Sept	7 40	7.15	7 34	7 39	7 70	7.50	7.29	---	Sept	7 33	7.43	7 47	7.79	Sept	6 94	7 25	7 32	7 63	Sept	---	---	---	---
Oct	7 26	7 00	7.20	7 27	7 57	7 37	7.15	---	Oct	7.18	7.28	7.35	7.67	Oct	6 81	7.12	7.19	7.48	Oct	---	---	---	---
Nov.	7 13	6.87	7 07	7 15	7 42	7.24	7 01	---	Nov	7.09	7 15	7.25	7.49	Nov.	6 65	7 00	7 05	7 35	Nov.	---	---	---	---
Dec.	7.03	6 76	6 99	7 05	7 32	7 16	6 91	---	Dec.	6 99	7 07	7 16	7 41	Dec	6 54	6 90	6 95	7 24	Dec.	---	---	---	---
1998																							
Jan	6 89	6 61	6 82	6 93	7 19	7.03	6 75	---	Jan.	6.85	6.94	7.04	7.28	Jan	6 38	6 70	6 81	7 11	Jan	---	---	---	---
Feb.	6 95	6 67	6 88	7.01	7.25	7 09	6 82	---	Feb	6 91	6.99	7.12	7 36	Feb	6 44	6.78	6 90	7 15	Feb	---	---	---	---
Mar.	7.00	6 72	6 93	7 05	7 32	7 13	6 87	---	Mar.	6.96	7 04	7 16	7 37	Mar	6.47	6.83	6 94	7.26	Mar	---	---	---	---
Apr.	6.99	6.69	6 90	7 03	7 33	7 12	6 86	---	Apr	6.94	7 02	7.16	7.37	Apr.	6 44	6 79	6 90	7 29	Apr	---	---	---	---
May	6 98	6.69	6.91	7 03	7 30	7 11	6.85	---	May	6.94	7.02	7 16	7 34	May	6.44	6 81	6 90	7 26	May	---	---	---	---
June	6.83	6 53	6.78	6 88	7 13	6.99	6 67	---	June	6 80	6 91	7 03	7 21	June	6 25	6.66	6.72	7 05	June	---	---	---	---
July	6.84	6.55	6 78	6 89	7 15	6 99	6 69	---	July	6 80	6.91	7.03	7 23	July	6 29	6 65	6.76	7 06	July	---	---	---	---
Aug.	6.83	6.52	6.77	6 89	7 14	6.96	6 70	---	Aug	6 75	6 87	7.00	7 20	Aug	6 29	6 67	6 78	7.08	Aug	---	---	---	---
Sept	6.75	6.41	6.69	6 82	7 09	6.88	6 62	---	Sept	6.66	6.78	6 93	7.13	Sept	6 10	6.59	6 71	7.05	Sept	---	---	---	---
Oct	6.77	6 37	6.69	6.85	7.18	6.88	6 66	---	Oct	6.63	6 79	6 96	7 13	Oct.	6 10	6.58	6 73	7.22	Oct	---	---	---	---
Nov.	6.87	6 41	6 79	6 95	7.34	6 96	6.79	---	Nov	6.59	6 89	7 03	7 31	Nov	6 22	6.68	6.88	7 36	Nov.	---	---	---	---
Dec	6 72	6 22	6.65	6 80	7 23	6 84	6 60	---	Dec.	6 43	6.78	6 91	7 24	Dec	6 00	6 51	6 68	7.21	Dec	---	---	---	---
1999																							
Jan	6 76	6:24	6 68	6 84	7 29	6 87	6.65	---	Jan	6 41	6 82	6 97	7 30	Jan	6.07	6 54	6.70	7.27	Jan	---	---	---	---
Feb	6 89	6.40	6 79	6.97	7.39	7.00	6.77	---	Feb	6 56	6 94	7.09	7.41	Feb.	6.23	6 64	6 84	7 37	Feb.	---	---	---	---
Mar.	7.07	6 62	6.98	7.14	7.53	7 18	6.96	---	Mar.	6.78	7 11	7.26	7.55	Mar	6.46	6 83	7.02	7 51	Mar.	---	---	---	---
Apr.	7.05	6 64	6.96	7 13	7.48	7.16	6 94	---	Apr	6.80	7.11	7 22	7 51	Apr	6 46	6 81	7.03	7 45	Apr	---	---	---	---
May	7.32	6.93	7.23	7 40	7 72	7 42	7.22	---	May	7 09	7 38	7 47	7 74	May	6.77	7.07	7.33	7 70	May	---	---	---	---
June	7.62	7.23	7.52	7 69	8.02	7 70	7.53	---	June	7.37	7.67	7 74	8.03	June	7.09	7.37	7 64	8 00	June	---	---	---	---
July	7.57	7 19	7 48	7 65	7.95	7 66	7 48	---	July	7.34	7.62	7 71	7.97	July	7.04	7 33	7 59	7 93	July	---	---	---	---
Aug.	7.77	7.40	7 68	7 84	8.15	7 86	7.67	---	Aug.	7.54	7.82	7.91	8.16	Aug	7.24	7.54	7.76	8 14	Aug.	---	---	---	---
Sept.	7.78	7 39	7 68	7 84	8.20	7.87	7.68	---	Sept.	7 55	7 82	7.93	8.19	Sept	7 23	7 53	7.76	8.21	Sept	---	---	---	---
Oct.	7 93	7.55	7.79	7 99	8 38	8.02	7 84	---	Oct.	7.73	7.96	8.06	8 32	Oct.	7.37	7.63	7.92	8.43	Oct.	---	---	---	---
Nov.	7.73	7.36	7.62	7.79	8.15	7 86	7.59	---	Nov	7.56	7 82	7 94	8 12	Nov	7.15	7 42	7 65	8.17	Nov.	---	---	---	---
Dec.	7 87	7 55	7.78	7.96	8.19	8 04	7 69	---	Dec.	7 74	8.00	8 14	8 28	Dec	7 35	7 55	7.77	8.09	Dec	---	---	---	---
2000																							
Jan.	8.06	7.78	7.96	8 15	8 33	8.22	7 89	---	Jan.	7.95	8.17	8.35	8.40	Jan	7 60	7.74	7 94	8 26	Jan.	---	---	---	---
Feb.	7 96	7.68	7.82	8 06	8 29	8.10	7.82	---	Feb.	7.82	7.99	8 25	8 33	Feb	7 53	7.65	7 87	8.24	Feb	---	---	---	---
Mar.	7.99	7.68	7.83	8 07	8.37	8.14	7.83	---	Mar.	7.87	7.99	8.28	8 40	Mar.	7.48	7.66	7.84	8.34	Mar.	---	---	---	---
Apr.	7 98	7.64	7.82	8 07	8 40	8 14	7 82	---	Apr	7.87	8.00	8 29	8.40	Apr.	7.41	7.63	7 84	8.40	Apr	---	---	---	---
May	8.41	7 99	8.24	8 49	8.90	8 55	8.25	---	May	8.22	8 44	8 70	8 86	May	7 76	8 03	8 28	8.94	May	---	---	---	---
June	8 05	7.67	7 87	8.18	8.48	8 22	7.87	---	June	7.96	8 10	8 36	8.47	June	7 37	7.63	8.00	8.49	June	---	---	---	---
July	7 98	7.65	7.81	8.11	8 35	8.17	7.78	---	July	8 00	8 10	8.25	8.33	July	7.30	7.51	7.97	8.36	July	---	---	---	---
Aug.	7 88	7.55	7.70	8.02	8 26	8.05	7 70	---	Aug	7 89	7 95	8 13	8 25	Aug.	7 20	7 44	7 91	8.26	Aug	---	---	---	---
Sept.	7.98	7.62	7.83	8.13	8.35	8.16	7 81	---	Sept	7.92	8 11	8 23	8.32	Sept	7 29	7 54	8.03	8.37	Sept.	---	---	---	---
Oct.	7.95	7.55	7.81	8 11	8.34	8.08	7.82	---	Oct.	7.80	8 08	8 14	8 29	Oct	7.29	7 55	8.08	8 38	Oct.	---	---	---	---
Nov.	7.90	7 45	7 75	8.09	8.28	8.03	7.76	---	Nov.	7 71	8 03	8 11	8.25	Nov.	7 19	7.47	8 07	8 31	Nov.	---	---	---	---
Dec	7.65	7 21	7.48	7 88	8 02	7 79	7 50	---	Dec	7.51	7 79	7 84	8.01	Dec	6 90	7 16	7 90	8.03	Dec.	---	---	---	---
2001																							
Jan.	7 55	7 15	7.38	7 75	7 93	7.76	7.34	---	Jan.	7 53	7 73	7 80	7 99	Jan	6 76	7.02	7 70	7.86	Jan.	---	---	---	---
Feb.	7.50	7.10	7.32	7.69	7.87	7.69	7.30	---	Feb.	7.46	7 62	7.74	7 94	Feb.	6.74	7.01	7.64	7 80	Feb	---	---	---	---
Mar.	7 41	6.98	7.22	7.61	7.84	7.59	7.23	---	Mar.	7.31	7.51	7.68	7 85	Mar	6 64	6 92	7.55	7 83	Mar.	---	---	---	---
Apr.	7.63	7 20	7.43	7.82	8.07	7.81	7 45	---	Apr.	7.53	7 72	7 94	8.06	Apr	6.86	7.14	7.74	8.08	Apr.	---	---	---	---
May	7 69	7.29	7.50	7 88	8.07	7.88	7 49	---	May	7.61	7 79	7 99	8.11	May	6 96	7 20	7 75	8 03	May	---	---	---	---
June	7.56	7.18	7.34	7.73	7 97	7.75	7.36	---	June	7.50	7.62	7.85	8 02	June	6.85	7.05	7 60	7.92	June	---	---	---	---
July	7.51	7.13	7.27	7 65	7.97	7 71	7 30	---	July	7.46	7.55	7 78	8.05	July	6.80	6.99	7 52	7 89	July	---	---	---	---
Aug	7 37	7.02	7.11	7 48	7 85	7.57	7 16	---	Aug	7.36	7.39	7 59	7.95	Aug.	6.67	6.83	7.37	7 74	Aug	---	---	---	---
Sep.	7 54	7 17	7 27	7 67	8 03	7.73	7.34	---	Sep.	7.52	7 55	7.75	8 12	Sep	6 83	7.00	7.60	7.93	Sep.	---	---	---	---
Oct.	7 41	7.03	7 13	7.59	7.91	7 64	7 18	---	Oct	7 45	7 47	7.63	8 02	Oct.	6 60	6 79	7 54	7.79	Oct	---	---	---	---
Nov.	7.32	6 97	7.01	7.49	7 81	7.61	7 03	---	Nov	7.45	7.45	7 57	7.96	Nov.	6 48	6.56	7 40	7.66	Nuv	---	---	---	---
Dec	7.55	6.76	7.19	7 70	8 05	7.86	7 23	---	Dec	7.53	7.53	7 83	8.27	Dec	6 67	6 85	7.56	7.82	Dec.	---	---	---	---
2002																							
Jan.	7 38	6.55	7 03	7 50	7.87	7 69	7.07	---	Jan.	---	7 28	7 66	8.13	Jan.	6 55	6.78	7 35	7.60	Jan	---	---	---	---
Feb	7.32	6.51	6 95	7.37	7.89	7.62	7 02	---	Feb.	---	7.14	7.54	8.18	Feb	6 51	6 76	7.20	7.59	Feb	---	---	---	---
Mar.	7.57	6 81	7.22	7 62	8 11	7.83	7.30	---	Mar.	---	7 42	7 76	8 32	Mar	6 81	7.02	7.47	7.89	Mar	---	---	---	---
Apr.	7 49	6.76	7 16	7.49	8.04	7.74	7.23	---	Apr.	---	7 38	7 57	8 26	Apr	6 76	6.93	7 40	7 81	Apr.	---	---	---	---
May	7 49	6 75	7 20	7 43	8.09	7.76	7 22	---	May	---	7 43	7.52	8.33	May	6 75	6 95	7 33	7 84	May	---	---	---	---
June	7 36	6.64	7 08	7 25	7.96	7 67	7.06	---	June	---	7 33	7 42	8 26	June	6 64	6 83	7.09	7 67	June	---	---	---	---
July	7.27	6 53	6 98	7.14	7.90	7 54	6 99	---	July	---	7 22	7 31	8 07	July	6 53	6.74	6.97	7.71	July	---	---	---	---
Aug	7 06	6.37	6 84	6 95	7.58	7 34	6 77	---	Aug	---	7.10	7 17	7 74	Aug	6 37	6.57	6 73	7 42	Aug.	---	---	---	---
Sep	6.87	6 15	6 63	6 76	7.40	7.23	6.51	---	Sep	---	6.98	7 08	7 62	Sep	6 15	6 27	6 43	7.17	Sep	---	---	---	---
Oct	7 08	6 33	6.74	6.95	7.74	7.43	6.72	---	Oct.	---	7 07	7.23	8 00	Oct.	6 33	6.40	6 67	7 48	Oct.	---	---	---	---
Nov	7 01	6.31	6.71	6 89	7 62	7.31	6.70	---	Nov.	---	7.03	7 14	7.76	Nov	6.31	6 39	6 63	7.47	Nov.	---	---	---	---
Dec	6 90	6.21	6.63	6.80	7 45	7.20	6 59	---	Dec	---	6 94	7.07	7 61	Dec	6.21	6.32	6 53	7.28	Dec	---	---	---	---
2003																							
Jan.	6 84	6.17	6 59	6 76	7 35	7 13	6 54	---	Jan	---	6.87	7.06	7 47	Jan.	6.17	6 30	6 46	7.23	Jan.	---	---	---	---
Feb	6 62	5.95	6 34	6 63	7.06	6 92	6 31	---	Feb.	---	6 66	6 93	7 17	Feb.	5.95	6 02	6 33	6 94	Feb	---	---	---	---
Mar	---	---	---	---	---	---	---	---	Mar	---	---	---	---	Mar.	---	---	---	---	Mar	---	---	---	---
Apr	---	---	---	---	---	---	---	---	Apr.	---	---	---	---	Apr	---	---	---	---	Apr.	---	---	---	---
June	---	---	---	---	---	---	---	---	June	---	---	---	---	June	---	---	---	---	June	---	---	---	---
July	---	---	---	---	---	---	---	---	July	---	---	---	---	July	---	---	---	---	July	---	---	---	---
Aug	---	---	---	---	---	---	---	---	Aug.	---	---	---	---	Aug.	---	---	---	---	Aug	---	---	---	---
Sep	---	---	---	---	---	---	---	---	Sep	---	---	---	---	Sep	---	---	---	---	Sep	---	---	---	---
Oct.	---	---	---	---	---	---	---	---	Oct	---	---	---	---	Oct.	---	---	---	---	Oct	---	---	---	---
Nov.	---	---	---	---	---	---	---	---	Nov.	---	---	---	---	Nov	---	---	---	---	Nov	---	---	---	---
Dec.	---	---	---	---	---	---	---	---	Dec	---	---	---	---	Dec	---	---	---	---	Dec	---	---	---	---

Notes: See Moody's® Bond Survey for a brief description and the latest published list of bonds included in the averages Because of the dearth of Aaa -rated railroad term bond issues, Moody's® Aaa railroad bond yield average was discontinued as of December 18, 1967 Moody's® Aaa public utility average suspended from Jan 1984 thru Sept. 1984. Oct 1984 figure for last 14 business days only The Railroad Bond Averages were discontinued as of July 17, 1989 because of insufficient frequently tradable bonds The July figures were based on 8 business days
Because of the dearth of Aaa rated public utility bond issues, Moody's Aaa public utility bond yield average was discontinued as of December 10 2001
Note: October 2002 figures have been adjusted
Note: January 2003 figures have been adjusted

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ECONOMIC COMMENTARY

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Moody's Long-term Corporate Bond Yield Averages

	Daily					PAST 12 MONTHS		MONTHLY	
	1/4	1/3	1/2	12/29	12/28	HIGH	LOW	December	November
Average Corporate:	7.52	7.55	7.50	7.60	7.59	8.41	7.65	7.65	7.90
Aaa:	7.09	7.11	7.08	7.16	7.15	7.99	7.21	7.21	7.45
Aa:	7.33	7.35	7.31	7.41	7.40	8.24	7.48	7.48	7.75
A:	7.73	7.76	7.70	7.84	7.83	8.49	7.88	7.88	8.09
Baa:	7.94	7.97	7.91	8.00	7.96	8.90	8.02	8.02	8.28
Average Industrial:	7.35	7.38	7.33	7.45	7.43	8.25	7.50	7.50	7.76
Aaa:	6.74	6.76	6.73	6.83	6.81	7.76	6.90	6.90	7.19
Aa:	6.98	7.00	6.96	7.07	7.06	8.03	7.16	7.16	7.47
A:	7.73	7.77	7.72	7.89	7.87	8.28	7.84	7.90	8.07
Baa:	7.94	7.97	7.90	7.99	7.97	8.94	8.03	8.03	8.31
Average Public Utility:	7.70	7.72	7.67	7.76	7.74	8.55	7.79	7.79	8.03
Aaa:	7.44	7.46	7.43	7.49	7.48	8.22	7.51	7.51	7.71
Aa:	7.68	7.70	7.65	7.75	7.73	8.44	7.79	7.79	8.03
A:	7.72	7.75	7.68	7.79	7.78	8.70	7.84	7.84	8.11
Baa:	7.94	7.96	7.91	8.00	7.95	8.86	8.01	8.01	8.25
SPREADS ABOVE TREASURY (bp)									
Average Corporate:	250	241	259	249	248	242	144	242	219
Aaa:	207	197	217	205	204	199	116	199	175
Aa:	231	221	240	230	229	225	130	225	205
A:	271	262	279	273	272	265	153	265	239
Baa:	292	283	300	289	285	280	172	280	258
Average Industrial:	233	224	242	234	232	228	127	228	206
Aaa:	172	162	182	172	170	168	99	168	148
Aa:	196	186	205	196	195	194	112	194	177
A:	271	263	281	278	276	268	132	268	236
Baa:	292	283	299	288	286	281	164	281	260
Average Public Utility:	268	258	276	265	263	256	158	256	233
Aaa:	242	232	252	238	237	229	130	229	201
Aa:	266	256	274	264	262	256	147	256	233
A:	270	261	277	268	267	262	173	262	241
Baa:	292	282	300	289	284	279	179	279	254

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Moody's Indices and Yield Averages

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Moody's Long-term Corporate Bond Yield Averages

	Daily					PAST 12 MONTHS		MONTHLY	
	11/2	11/1	10/31	10/30	10/27	HIGH	LOW	October	September
Average Corporate:	7.90	7.93	7.93	7.90	7.90	8.41	7.73	7.95	7.98
Aaa:	7.46	7.49	7.49	7.46	7.46	7.99	7.36	7.55	7.62
Aa:	7.76	7.79	7.79	7.76	7.77	8.24	7.62	7.81	7.83
A:	8.09	8.11	8.11	8.09	8.08	8.49	7.79	8.11	8.13
Baa:	8.28	8.31	8.33	8.30	8.30	8.90	8.15	8.34	8.35
Average Industrial:	7.76	7.81	7.81	7.78	7.78	8.25	7.59	7.82	7.81
Aaa:	7.20	7.26	7.26	7.23	7.23	7.76	7.15	7.29	7.29
Aa:	7.48	7.52	7.52	7.48	7.50	8.03	7.42	7.55	7.54
A:	8.06	8.09	8.09	8.07	8.07	8.28	7.65	8.08	8.03
Baa:	8.30	8.36	8.37	8.32	8.32	8.94	8.09	8.38	8.37
Average Public Utility:	8.03	8.04	8.05	8.02	8.02	8.55	7.86	8.08	8.16
Aaa:	7.71	7.72	7.72	7.69	7.69	8.22	7.56	7.80	7.95
Aa:	8.04	8.05	8.05	8.03	8.03	8.44	7.82	8.08	8.11
A:	8.12	8.13	8.13	8.10	8.09	8.70	7.94	8.14	8.23
Baa:	8.25	8.26	8.28	8.27	8.28	8.86	8.12	8.29	8.32
SPREADS ABOVE TREASURY (bp)									
Average Corporate:	216	219	218	217	219	223	144	223	220
Aaa:	172	175	174	173	175	183	116	182	183
Aa:	202	205	204	203	206	209	130	209	204
A:	235	237	236	236	237	238	153	238	234
Baa:	254	257	258	257	259	261	172	261	256
Average Industrial:	202	207	206	205	207	210	127	210	202
Aaa:	146	152	151	150	152	156	99	156	150
Aa:	174	178	177	175	179	182	112	182	176
A:	232	235	234	234	236	235	132	235	224
Baa:	256	262	262	259	261	265	164	265	258
Average Public Utility:	229	230	230	229	231	237	158	235	237
Aaa:	197	198	197	196	198	217	130	208	217
Aa:	230	231	230	230	232	235	147	235	232
A:	238	239	238	237	238	244	173	241	244
Baa:	251	252	253	254	257	257	179	257	253

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Moody's Long-term Corporate Bond Yield Averages

	Daily					PAST 12 MONTHS		MONTHLY	
	9/8	9/7	9/6	9/5	9/1	HIGH	LOW	August	July
Average Corporate:	7.89	7.91	7.90	7.86	7.86	8.41	7.73	7.88	7.98
Aaa:	7.54	7.55	7.54	7.51	7.51	7.99	7.36	7.55	7.65
Aa:	7.73	7.73	7.72	7.68	7.68	8.24	7.62	7.70	7.81
A:	8.05	8.07	8.06	8.02	8.01	8.49	7.79	8.02	8.11
Baa:	8.25	8.27	8.26	8.22	8.22	8.90	8.15	8.26	8.35
Average Industrial:	7.73	7.73	7.73	7.69	7.69	8.25	7.59	7.70	7.78
Aaa:	7.21	7.22	7.21	7.18	7.18	7.76	7.15	7.20	7.30
Aa:	7.46	7.48	7.47	7.43	7.43	8.03	7.42	7.44	7.51
A:	7.95	7.97	7.96	7.92	7.92	8.28	7.65	7.91	7.97
Baa:	8.28	8.30	8.28	8.24	8.24	8.94	8.09	8.26	8.36
Average Public Utility:	8.06	8.07	8.06	8.02	8.02	8.55	7.86	8.05	8.17
Aaa:	7.86	7.87	7.87	7.84	7.84	8.22	7.55	7.89	8.00
Aa:	7.99	7.97	7.96	7.92	7.92	8.44	7.82	7.95	8.10
A:	8.15	8.17	8.16	8.12	8.10	8.70	7.93	8.13	8.25
Baa:	8.22	8.24	8.23	8.20	8.20	8.86	8.12	8.25	8.33
SPREADS ABOVE TREASURY (bp)									
Average Corporate:	216	217	219	218	219	206	144	206	194
Aaa:	181	181	183	183	184	173	116	173	161
Aa:	200	199	201	200	201	188	130	188	177
A:	232	233	235	234	234	220	153	220	207
Baa:	252	253	255	254	255	247	172	244	231
Average Industrial:	200	200	202	201	202	189	127	189	175
Aaa:	148	148	150	150	151	144	99	139	126
Aa:	173	174	176	175	176	165	112	162	147
A:	222	223	225	224	225	209	132	209	193
Baa:	255	256	257	256	257	252	164	244	232
Average Public Utility:	233	233	235	234	235	223	158	223	213
Aaa:	213	214	216	216	217	207	130	207	196
Aa:	226	223	225	224	225	213	147	213	206
A:	242	243	245	244	243	231	173	231	221
Baa:	249	250	252	252	253	243	179	243	229

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	July	June				Past 12 Months		Monthly	
	3	30	29	28	27	High	Low	June	May
Avg. Corporate	8.02	8.03	8.04	8.11	8.09	8.41	7.57	8.05	8.41
Aaa	7.67	7.69	7.68	7.76	7.74	7.99	7.19	7.67	7.99
Aa	7.85	7.84	7.84	7.91	7.89	8.24	7.48	7.87	8.24
A	8.15	8.17	8.18	8.24	8.23	8.49	7.65	8.18	8.49
Baa	8.41	8.43	8.44	8.51	8.48	8.90	7.95	8.48	8.90
Avg. Industrial	7.83	7.85	7.87	7.94	7.91	8.25	7.48	7.87	8.25
Aaa	7.32	7.34	7.36	7.44	7.42	7.76	7.04	7.37	7.76
Aa	7.56	7.57	7.60	7.67	7.65	8.03	7.33	7.63	8.03
A	8.00	8.02	8.04	8.11	8.09	8.28	7.59	8.00	8.28
Baa	8.44	8.46	8.47	8.53	8.49	8.94	7.93	8.49	8.94
Avg. Public Utility	8.21	8.22	8.20	8.27	8.26	8.55	7.66	8.22	8.55
Aaa	8.02	8.04	8.00	8.08	8.06	8.22	7.34	7.96	8.22
Aa	8.13	8.11	8.07	8.15	8.13	8.44	7.62	8.10	8.44
A	8.29	8.31	8.31	8.37	8.36	8.70	7.71	8.36	8.70
Baa	8.38	8.40	8.40	8.49	8.47	8.86	7.97	8.47	8.86

Spreads Above Treasury (bp)

	July	June				Past 12 Months		Monthly	
	3	30	29	28	27	High	Low	June	May
Avg. Corporate	204	202	201	202	201	201	144	197	198
Aaa	169	168	165	167	166	167	116	158	156

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Aa	187	183	181	182	181	184	130	178	181
A	217	216	215	215	215	210	153	210	207
Baa	243	242	241	242	240	247	172	240	247
Avg. Industrial	185	184	184	185	183	185	127	179	183
Aaa	134	133	133	135	134	144	99	129	133
Aa	158	156	157	158	157	165	112	155	160
A	202	201	201	202	201	192	132	192	185
Baa	246	245	244	244	241	252	164	241	252
Avg. Public Utility	223	221	217	218	218	216	158	214	213
Aaa	204	203	197	199	198	189	130	188	179
Aa	215	210	204	206	205	203	147	202	201
A	231	230	228	228	228	231	173	228	227
Baa	240	239	237	240	239	243	179	239	243

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	May					Past 12 Months		Monthly	
	5	4	3	2	1	High	Low	April	March
Avg. Corporate	8.40	8.36	8.27	8.17	8.12	8.06	7.32	7.98	7.99
Aaa	7.99	7.95	7.89	7.79	7.74	7.78	6.93	7.64	7.68
Aa	8.23	8.19	8.09	8.00	7.95	7.96	7.23	7.82	7.83
A	8.49	8.45	8.35	8.25	8.20	8.15	7.40	8.07	8.07
Baa	8.87	8.84	8.74	8.64	8.59	8.40	7.72	8.40	8.37
Avg. Industrial	8.25	8.20	8.10	8.00	7.96	7.89	7.22	7.82	7.83
Aaa	7.77	7.72	7.65	7.55	7.51	7.60	6.77	7.41	7.48
Aa	8.04	7.99	7.89	7.79	7.74	7.74	7.07	7.63	7.66
A	8.29	8.23	8.12	8.01	7.97	7.94	7.33	7.84	7.84
Baa	8.89	8.85	8.75	8.65	8.60	8.43	7.70	8.40	8.34
Avg. Public Utility	8.54	8.51	8.43	8.34	8.28	8.22	7.42	8.14	8.14
Aaa	8.21	8.18	8.12	8.02	7.96	7.95	7.04	7.87	7.87
Aa	8.41	8.39	8.29	8.21	8.16	8.17	7.38	8.00	7.99
A	8.69	8.66	8.57	8.48	8.43	8.35	7.47	8.29	8.28
Baa	8.85	8.82	8.72	8.63	8.58	8.40	7.74	8.40	8.40

Spreads Above Treasury (bp)

	May					Past 12 Months		Monthly	
	5	4	3	2	1	High	Low	April	March
Avg. Corporate	191	192	187	186	185	201	144	201	175
Aaa	150	151	149	148	147	167	114	167	144

HEARING EXHIBIT 00000217

Aa	174	175	169	169	168	184	134	184	159
A	200	201	195	194	193	209	153	209	183
Baa	238	240	234	233	232	243	172	243	213
Avg. Industrial	176	176	170	169	169	185	127	185	159
Aaa	128	128	125	124	124	144	92	144	124
Aa	155	155	149	148	147	165	112	165	142
A	180	179	172	170	170	187	132	187	161
Baa	240	241	235	234	233	243	164	243	210
Avg. Public Utility	205	207	203	203	201	216	161	216	190
Aaa	172	174	172	171	169	189	126	189	164
Aa	192	195	189	190	189	203	156	203	176
A	220	222	217	217	216	231	168	231	205
Baa	236	238	232	232	231	242	179	242	216

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	March			February		Past 12 Months		Monthly	
	3	2	1	29	28	High	Low	February	January
Avg. Corporate	7.97	8.00	8.01	7.98	8.04	8.06	7.05	7.96	8.06
Aaa	7.68	7.71	7.72	7.69	7.75	7.78	6.62	7.68	7.78
Aa	7.82	7.85	7.86	7.83	7.89	7.96	6.96	7.82	7.96
A	8.06	8.09	8.10	8.07	8.12	8.15	7.30	8.06	8.15
Baa	8.32	8.35	8.35	8.33	8.38	8.38	7.48	8.29	8.33
Avg. Industrial	7.81	7.85	7.86	7.84	7.89	7.89	6.94	7.82	7.89
Aaa	7.49	7.53	7.53	7.51	7.57	7.60	6.46	7.53	7.60
Aa	7.65	7.69	7.70	7.68	7.73	7.74	6.81	7.65	7.74
A	7.84	7.87	7.88	7.86	7.91	7.94	7.02	7.87	7.94
Baa	8.27	8.31	8.31	8.29	8.33	8.43	7.45	8.24	8.26
Avg. Public Utility	8.12	8.15	8.15	8.13	8.18	8.22	7.16	8.10	8.22
Aaa	7.86	7.89	7.90	7.87	7.93	7.95	6.78	7.82	7.95
Aa	7.98	8.00	8.01	7.98	8.04	8.17	7.11	7.99	8.17
A	8.28	8.30	8.31	8.28	8.33	8.35	7.22	8.25	8.35
Baa	8.37	8.39	8.39	8.37	8.42	8.40	7.51	8.33	8.40

HEARING EXHIBIT 00000219

Spreads Above Treasury (bp)

	March			February		Past 12 Months		Monthly	
	3	2	1	29	28	High	Low	February	January
Avg. Corporate	160	167	163	158	162	172	144	170	144
Aaa	131	138	134	129	133	133	105	142	116
Aa	145	152	148	143	147	162	134	156	134
A	169	176	172	167	170	180	153	180	153
Baa	195	202	197	193	196	214	172	203	172
Avg. Industrial	144	152	148	144	147	162	127	156	127
Aaa	112	120	115	111	115	127	89	127	99
Aa	128	136	132	128	131	147	112	138	112
A	147	154	150	146	149	170	132	160	132
Baa	190	198	193	189	191	217	164	198	164
Avg. Public Utility	175	182	177	173	176	181	160	184	161
Aaa	149	156	152	147	151	156	120	156	134
Aa	161	167	163	158	162	176	154	172	156
A	191	197	193	188	191	198	168	198	174
Baa	200	206	201	197	200	213	179	207	179

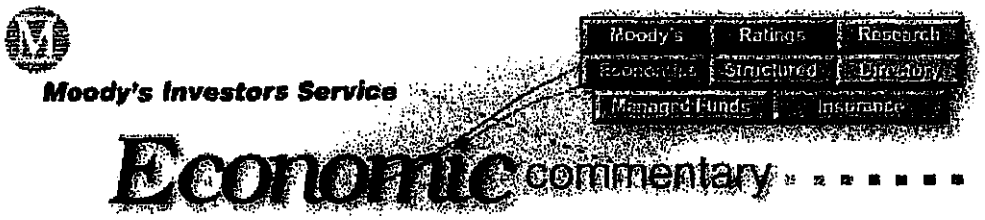
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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	January					Past 12 Months		Monthly	
	7	6	5	4	3	High	Low	December	November
Avg. Corporate	7.99	8.01	8.07	7.99	8.06	7.93	6.76	7.87	7.73
Aaa	7.69	7.72	7.78	7.69	7.75	7.55	6.24	7.55	7.36
Aa	7.94	7.96	8.03	7.94	8.01	7.79	6.68	7.78	7.62
A	8.11	8.12	8.18	8.10	8.17	7.99	6.84	7.96	7.79
Baa	8.22	8.24	8.29	8.21	8.27	8.38	7.29	8.19	8.15
Avg. Industrial	7.82	7.84	7.89	7.81	7.88	7.84	6.65	7.69	7.59
Aaa	7.49	7.51	7.57	7.48	7.54	7.37	6.07	7.35	7.15
Aa	7.72	7.74	7.80	7.71	7.78	7.63	6.54	7.55	7.42
A	7.91	7.92	7.97	7.90	7.97	7.92	6.70	7.77	7.65
Baa	8.16	8.18	8.23	8.15	8.21	8.43	7.27	8.09	8.17
Avg. Public Utility	8.15	8.18	8.24	8.16	8.23	8.02	6.84	8.04	7.86
Aaa	7.89	7.92	7.98	7.89	7.96	7.73	6.41	7.74	7.56
Aa	8.15	8.18	8.25	8.16	8.24	7.96	6.78	8.00	7.82
A	8.30	8.32	8.39	8.30	8.37	8.06	6.91	8.14	7.94
Baa	8.27	8.30	8.35	8.27	8.33	8.32	7.24	8.28	8.12

HEARING EXHIBIT 00000221

Spreads Above Treasury (bp)

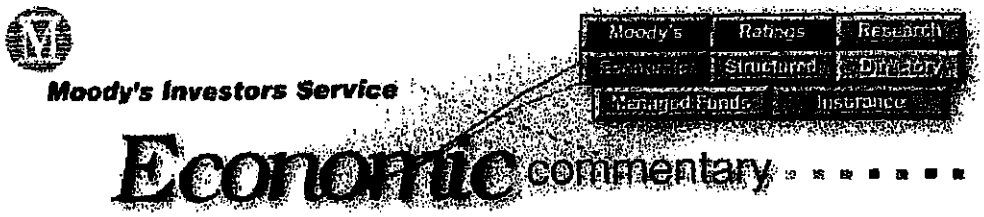
	January					Past 12 Months		Monthly	
	7	6	5	4	3	High	Low	December	November
Avg. Corporate	144	144	144	147	144	172	150	153	160
Aaa	114	115	115	117	113	133	103	120	122
Aa	139	139	140	142	139	162	140	143	148
A	156	155	155	158	155	178	157	162	166
Baa	167	167	166	169	165	218	193	184	201
Avg. Industrial	127	127	126	129	126	162	135	135	146
Aaa	94	94	94	96	92	118	86	100	102
Aa	117	117	117	119	116	147	121	121	128
A	136	135	134	138	135	170	143	143	151
Baa	161	161	160	163	159	217	175	175	204
Avg. Public Utility	160	161	161	164	161	181	160	170	173
Aaa	134	135	135	137	134	149	119	140	142
Aa	160	161	162	164	162	176	154	165	168
A	175	175	176	178	175	187	168	180	181
Baa	172	173	172	175	171	219	195	194	199

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	October					Past 12 Months		Monthly	
	29	28	27	26	25	High	Low	October	September
Avg. Corporate	7.81	7.91	7.99	8.03	8.02	7.93	6.72	7.93	7.78
Aaa	7.38	7.51	7.59	7.64	7.63	7.55	6.22	7.55	7.39
Aa	7.68	7.79	7.86	7.91	7.89	7.79	6.65	7.79	7.68
A	7.86	7.97	8.05	8.10	8.08	7.99	6.80	7.99	7.84
Baa	8.30	8.38	8.45	8.48	8.47	8.38	7.23	8.38	8.20
Avg. Industrial	7.73	7.83	7.90	7.94	7.93	7.84	6.60	7.84	7.68
Aaa	7.20	7.33	7.41	7.45	7.43	7.37	6.00	7.37	7.23
Aa	7.53	7.63	7.70	7.75	7.72	7.63	6.51	7.63	7.53
A	7.79	7.90	7.98	8.02	8.01	7.92	6.68	7.92	7.76
Baa	8.39	8.47	8.52	8.55	8.54	8.43	7.21	8.43	8.21
Avg. Public Utility	7.88	7.99	8.07	8.12	8.11	8.02	6.84	8.02	7.87
Aaa	7.56	7.68	7.77	7.83	7.82	7.73	6.41	7.73	7.55
Aa	7.83	7.94	8.02	8.07	8.05	7.96	6.78	7.96	7.82
A	7.93	8.04	8.12	8.17	8.15	8.06	6.91	8.06	7.93
Baa	8.20	8.29	8.37	8.41	8.40	8.32	7.24	8.32	8.19

Spreads Above Treasury (bp)

	October					Past 12 Months		Monthly	
	29	28	279	26	25	High	Low	October	September
Avg. Corporate	165	166	167	165	168	172	150	167	172
Aaa	122	126	127	126	129	133	103	130	133
Aa	152	154	154	153	155	162	140	154	162
A	170	172	173	172	174	178	157	174	178
Baa	214	213	213	210	213	218	193	212	214
Avg. Industrial	157	158	158	156	159	162	139	158	162
Aaa	104	108	109	107	109	118	86	111	117
Aa	137	138	138	137	138	147	126	137	147
A	163	165	166	164	167	170	145	166	169
Baa	223	222	220	217	220	217	191	217	214
Avg. Public Utility	172	174	175	174	177	181	160	176	181
Aaa	140	143	145	145	148	149	119	148	149
Aa	167	169	170	169	171	176	154	170	176
A	177	179	180	179	181	187	168	181	187
Baa	204	204	205	203	206	219	195	206	213

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	September					Past 12 Months		Monthly	
	9/3/99	9/2/99	9/1/99	8/31/99	8/30/99	High	Low	August	July
Avg. Corporate	7.77	7.87	7.82	7.81	7.79	7.77	6.72	7.77	7.57
Aaa	7.39	7.50	7.44	7.43	7.42	7.40	6.22	7.40	7.19
Aa	7.69	7.78	7.73	7.72	7.70	7.68	6.65	7.68	7.48
A	7.84	7.94	7.89	7.88	7.86	7.84	6.80	7.84	7.65
Baa	8.17	8.27	8.22	8.21	8.18	8.15	7.09	8.15	7.95
Avg. Industrial	7.67	7.78	7.73	7.72	7.69	7.67	6.60	7.67	7.48
Aaa	7.24	7.36	7.30	7.30	7.27	7.24	6.00	7.24	7.04
Aa	7.55	7.64	7.59	7.58	7.55	7.54	6.51	7.54	7.33
A	7.75	7.87	7.81	7.80	7.77	7.76	6.68	7.76	7.59
Baa	8.15	8.26	8.21	8.20	8.17	8.14	7.04	8.14	7.93
Avg. Public Utility	7.87	7.96	7.91	7.90	7.88	7.86	6.84	7.86	7.66
Aaa	7.54	7.64	7.58	7.56	7.56	7.54	6.41	7.54	7.34
Aa	7.82	7.92	7.86	7.85	7.84	7.82	6.78	7.82	7.62
A	7.92	8.01	7.97	7.96	7.95	7.91	6.91	7.91	7.71
Baa	8.18	8.27	8.22	8.21	8.18	8.16	7.13	8.16	7.97

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000225

	September					Past 12 Months		Monthly	
	9/3	9/2	9/1	8/31	8/30	High	Low	August	July
Avg. Corporate	176	175	174	175	174	177	150	171	160
Aaa	138	138	136	137	137	136	103	133	122
Aa	168	166	165	166	165	169	140	162	151
A	183	182	181	182	181	184	157	178	168
Baa	216	215	214	215	213	218	189	209	198
Avg. Industrial	166	166	165	166	164	166	139	161	150
Aaa	123	124	122	124	122	118	86	118	107
Aa	154	152	151	152	150	158	126	147	136
A	174	175	173	174	172	173	145	170	161
Baa	214	214	213	214	212	222	184	208	196
Avg. Public Utility	186	184	183	184	183	188	160	180	169
Aaa	153	152	150	150	151	163	119	148	137
Aa	181	180	178	179	179	179	154	176	165
A	191	189	189	190	190	195	168	185	173
Baa	217	215	214	215	213	219	193	210	200

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	July		June			Past 12 Months		Monthly	
	2	1	30	29	28	High	Low	June	May
Avg. Corporate	7.57	7.59	7.59	7.66	7.69	7.62	6.72	7.62	7.32
Aaa	7.18	7.20	7.21	7.27	7.32	7.23	6.22	7.23	6.93
Aa	7.47	7.49	7.49	7.56	7.59	7.52	6.65	7.52	7.23
A	7.65	7.66	7.67	7.74	7.77	7.69	6.80	7.69	7.40
Baa	7.96	7.98	7.99	8.05	8.09	8.02	7.09	8.02	7.72
Avg. Industrial	7.48	7.50	7.50	7.57	7.61	7.53	6.60	7.53	7.22
Aaa	7.05	7.07	7.08	7.15	7.20	7.09	6.00	7.09	6.77
Aa	7.32	7.34	7.34	7.41	7.44	7.37	6.51	7.37	7.07
A	7.59	7.61	7.62	7.69	7.72	7.64	6.68	7.64	7.33
Baa	7.94	7.96	7.97	8.03	8.08	8.00	7.04	8.00	7.70
Avg. Public Utility	7.65	7.67	7.67	7.74	7.77	7.70	6.84	7.70	7.42
Aaa	7.30	7.32	7.33	7.39	7.43	7.37	6.41	7.37	7.09
Aa	7.62	7.63	7.64	7.71	7.74	7.67	6.78	7.67	7.38
A	7.70	7.71	7.72	7.78	7.81	7.74	6.91	7.74	7.47
Baa	7.98	8.00	8.00	8.07	8.10	8.03	7.13	8.03	7.74

Spreads Above Treasury (bp)

	July		June			Past 12 Months		Monthly	
	2	1	30	29	28	High	Low	June	May
Avg. Corporate	157	159	163	160	160	177	117	158	153
Aaa	118	120	125	121	123	136	88	120	114
Aa	147	149	153	150	150	169	111	149	144
A	165	166	171	168	168	184	122	166	161
Baa	196	198	203	199	200	218	147	198	193
Avg. Industrial	148	150	154	151	152	166	102	149	143
Aaa	105	107	112	109	111	110	62	106	98
Aa	132	134	138	135	135	158	97	134	129
A	159	161	166	163	163	173	109	161	154
Baa	194	196	201	197	199	222	139	196	191
Avg. Public Utility	165	167	171	168	168	188	132	167	163
Aaa	130	132	137	133	134	163	113	133	130
Aa	162	163	168	165	165	179	124	163	159
A	170	171	176	172	172	195	135	171	168
Baa	198	200	204	201	201	219	156	199	195

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	April					Past 12 Months		Monthly	
	30	29	28	27	26	High	Low	April	March
Avg. Corporate	7.17	7.04	7.09	7.06	7.08	7.07	6.72	7.05	7.07
Aaa	6.78	6.63	6.68	6.65	6.67	6.69	6.22	6.64	6.62
Aa	7.08	6.95	7.00	6.97	6.99	6.98	6.65	6.96	6.98
A	7.25	7.12	7.16	7.14	7.16	7.14	6.80	7.13	7.14
Baa	7.58	7.46	7.50	7.48	7.50	7.53	7.09	7.48	7.53
Avg. Industrial	7.07	6.92	6.98	6.95	6.97	6.96	6.60	6.94	6.96
Aaa	6.61	6.46	6.51	6.48	6.50	6.46	6.00	6.46	6.46
Aa	6.92	6.78	6.85	6.82	6.84	6.83	6.51	6.81	6.83
A	7.18	7.02	7.07	7.04	7.06	7.03	6.68	7.03	7.02
Baa	7.57	7.43	7.48	7.45	7.47	7.51	7.04	7.45	7.51
Avg. Public Utility	7.27	7.15	7.19	7.16	7.18	7.18	6.84	7.16	7.18
Aaa	6.94	6.79	6.85	6.81	6.83	6.94	6.41	6.80	6.78
Aa	7.23	7.11	7.15	7.11	7.13	7.11	6.78	7.11	7.11
A	7.32	7.21	7.25	7.23	7.25	7.26	6.91	7.22	7.26
Baa	7.59	7.48	7.52	7.50	7.52	7.55	7.13	7.51	7.55

HEARING EXHIBIT 00000229

Spreads Above Treasury (bp)

	April					Past 12 Months		Monthly	
	30	29	28	27	26	High	Low	April	March
Avg. Corporate	151	152	151	152	151	177	106	151	150
Aaa	112	111	110	111	110	136	77	110	105
Aa	142	143	142	143	142	169	99	142	140
A	159	160	158	160	159	184	111	159	157
Baa	192	194	192	194	193	218	138	194	196
Avg. Industrial	141	140	140	141	140	166	93	140	139
Aaa	95	94	93	94	93	110	52	92	89
Aa	126	126	127	128	127	158	89	127	126
A	152	150	149	150	149	173	97	149	145
Baa	191	191	190	191	190	222	134	191	194
Avg. Public Utility	161	163	161	162	161	188	119	162	160
Aaa	128	127	127	127	126	163	102	126	120
Aa	157	159	157	157	156	179	109	157	154
A	166	169	167	169	168	195	124	168	168
Baa	193	196	194	196	195	219	142	196	197

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	March					Past 12 Months		Monthly	
	12	11	10	9	8	High	Low	February	January
Avg. Corporate	7.03	7.06	7.05	7.03	7.09	7.00	6.72	6.89	6.76
Aaa	6.58	6.60	6.59	6.57	6.64	6.71	6.22	6.40	6.24
Aa	6.94	6.97	6.96	6.94	6.99	6.93	6.65	6.79	6.68
A	7.11	7.13	7.12	7.11	7.17	7.05	6.80	6.97	6.84
Baa	7.49	7.52	7.51	7.50	7.56	7.39	7.09	7.39	7.29
Avg. Industrial	6.91	6.94	6.93	6.91	6.98	6.87	6.60	6.77	6.65
Aaa	6.41	6.44	6.43	6.40	6.47	6.47	6.00	6.23	6.07
Aa	6.79	6.82	6.81	6.79	6.85	6.83	6.51	6.64	6.54
A	6.98	7.00	6.99	6.98	7.04	6.94	6.68	6.84	6.70
Baa	7.46	7.49	7.48	7.47	7.55	7.37	7.04	7.37	7.27
Avg. Public Utility	7.14	7.17	7.16	7.14	7.20	7.13	6.84	7.00	6.87
Aaa	6.74	6.76	6.75	6.73	6.80	6.96	6.41	6.56	6.41
Aa	7.08	7.11	7.10	7.08	7.13	7.04	6.78	6.94	6.82
A	7.24	7.26	7.25	7.23	7.29	7.16	6.91	7.09	6.97
Baa	7.51	7.54	7.53	7.52	7.56	7.41	7.13	7.41	7.30

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000232

	March					Past 12 Months		Monthly	
	12	11	10	9	8	High	Low	February	January
Avg. Corporate	151	150	150	150	146	177	106	152	161
Aaa	106	104	104	104	101	136	77	103	109
Aa	142	141	141	141	136	169	98	142	153
A	159	157	157	158	154	184	111	160	169
Baa	197	196	196	197	193	218	138	202	214
Avg. Industrial	139	138	138	138	135	166	93	140	149
Aaa	89	88	88	87	84	110	52	86	92
Aa	127	126	126	126	122	158	87	128	139
A	146	144	144	145	141	173	97	147	155
Baa	194	193	193	194	192	222	134	200	212
Avg. Public Utility	162	161	161	161	157	188	119	163	172
Aaa	122	120	120	120	117	163	102	119	125
Aa	156	155	155	155	150	179	109	157	166
A	172	170	170	170	166	195	124	172	182
Baa	199	198	198	199	193	219	142	204	215

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HEARING EXHIBIT 00000233



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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	January					Past 12 Months		Monthly	
	14	13	12	11	10	High	Low	December	November
Avg. Corporate	8.11	8.07	8.13	8.09	8.02	7.93	6.76	7.87	7.73
Aaa	7.84	7.80	7.85	7.81	7.72	7.55	6.24	7.55	7.36
Aa	8.00	7.96	8.04	8.01	7.96	7.79	6.68	7.78	7.62
A	8.18	8.14	8.21	8.18	8.12	7.99	6.84	7.96	7.79
Baa	8.42	8.38	8.40	8.36	8.27	8.38	7.29	8.19	8.15
Avg. Industrial	7.94	7.90	7.94	7.90	7.84	7.84	6.65	7.69	7.59
Aaa	7.68	7.64	7.66	7.60	7.53	7.37	6.07	7.35	7.15
Aa	7.77	7.73	7.81	7.77	7.73	7.63	6.54	7.55	7.42
A	7.96	7.92	7.99	7.96	7.92	7.92	6.70	7.77	7.65
Baa	8.33	8.29	8.30	8.26	8.18	8.43	7.27	8.09	8.17
Avg. Public Utility	8.28	8.24	8.31	8.28	8.19	8.02	6.84	8.04	7.86
Aaa	7.99	7.95	8.04	8.02	7.91	7.73	6.41	7.74	7.56
Aa	8.22	8.18	8.27	8.24	8.18	7.96	6.78	8.00	7.82
A	8.39	8.35	8.43	8.40	8.32	8.06	6.91	8.14	7.94
Baa	8.50	8.47	8.49	8.45	8.35	8.32	7.24	8.28	8.12

HEARING EXHIBIT 00000234

Spreads Above Treasury (bp)

	January					Past 12 Months		Monthly	
	14	13	12	11	10	High	Low	December	November
Avg. Corporate	143	142	142	143	143	172	150	153	160
Aaa	116	115	114	115	113	133	103	120	122
Aa	132	131	133	135	137	162	140	143	148
A	150	149	150	152	153	178	157	162	166
Baa	174	173	169	170	168	218	193	184	201
Avg. Industrial	126	125	123	124	125	162	135	135	146
Aaa	100	99	95	94	94	118	86	100	102
Aa	109	108	110	111	114	147	121	121	128
A	128	127	128	130	133	170	143	143	151
Baa	165	164	159	160	159	217	175	175	204
Avg. Public Utility	160	159	160	162	160	181	160	170	173
Aaa	131	130	133	136	132	149	119	140	142
Aa	154	153	156	158	159	176	154	165	168
A	171	170	172	174	173	187	168	180	181
Baa	182	182	178	179	176	219	195	194	199

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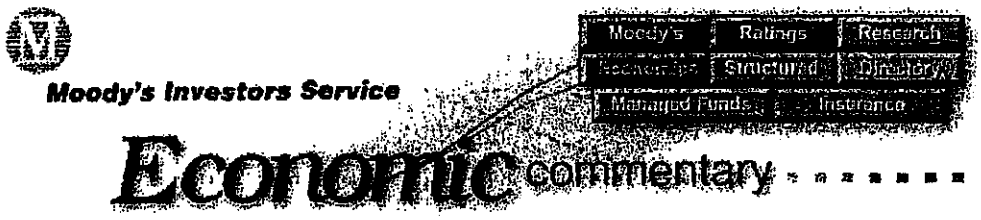
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HEARING EXHIBIT 00000235

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	November					Past 12 Months		Monthly	
	12	11	10	9	8	High	Low	October	September
Avg. Corporate	7.64	7.69	7.70	7.68	7.70	7.93	6.72	7.93	7.78
Aaa	7.28	7.32	7.31	7.28	7.26	7.55	6.22	7.55	7.39
Aa	7.53	7.58	7.58	7.56	7.58	7.79	6.65	7.79	7.68
A	7.70	7.75	7.76	7.73	7.75	7.99	6.80	7.99	7.84
Baa	8.06	8.12	8.13	8.13	8.20	8.38	7.23	8.38	8.20
Avg. Industrial	7.51	7.55	7.56	7.57	7.61	7.84	6.60	7.84	7.68
Aaa	7.07	7.09	7.07	7.06	7.07	7.37	6.00	7.37	7.23
Aa	7.33	7.36	7.37	7.39	7.42	7.63	6.51	7.63	7.53
A	7.54	7.57	7.60	7.59	7.66	7.92	6.68	7.92	7.76
Baa	8.11	8.17	8.20	8.25	8.30	8.43	7.21	8.43	8.21
Avg. Public Utility	7.77	7.83	7.83	7.78	7.78	8.02	6.84	8.02	7.87
Aaa	7.48	7.54	7.54	7.50	7.44	7.73	6.41	7.73	7.55
Aa	7.73	7.79	7.79	7.73	7.73	7.96	6.78	7.96	7.82
A	7.86	7.92	7.92	7.86	7.83	8.06	6.91	8.06	7.93
Baa	8.00	8.06	8.06	8.01	8.10	8.32	7.24	8.32	8.19

Spreads Above Treasury (bp)

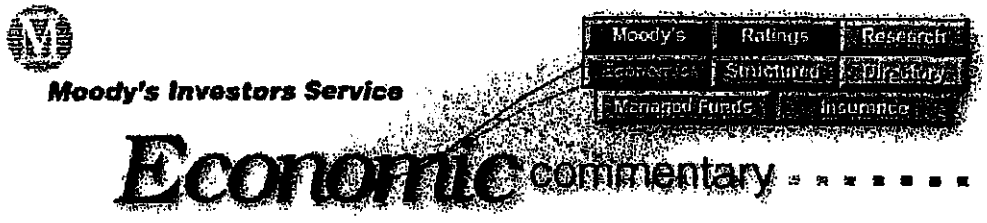
	November					Past 12 Months		Monthly	
	12	11	10	9	8	High	Low	October	September
Avg. Corporate	161	161	161	161	165	172	150	167	172
Aaa	125	124	122	121	121	133	103	130	133
Aa	150	150	150	149	153	162	140	154	162
A	167	167	168	166	170	178	157	174	178
Baa	203	204	205	206	215	218	193	212	214
Avg. Industrial	148	147	148	150	156	162	139	158	162
Aaa	104	101	99	99	102	118	86	111	117
Aa	130	128	129	132	137	147	126	137	147
A	151	149	152	152	161	170	145	166	169
Baa	208	209	212	218	225	217	191	217	214
Avg. Public Utility	174	175	175	171	173	181	160	176	181
Aaa	145	146	146	143	139	149	119	148	149
Aa	170	171	171	166	168	176	154	170	176
A	183	184	184	179	178	187	168	181	187
Baa	197	198	198	194	205	219	195	206	213

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	September					Past 12 Months		Monthly	
	10	9	8	7	3	High	Low	August	July
Avg. Corporate	7.76	7.84	7.80	7.82	7.77	7.77	6.72	7.77	7.57
Aaa	7.39	7.46	7.42	7.44	7.39	7.40	6.22	7.40	7.19
Aa	7.68	7.74	7.71	7.73	7.69	7.68	6.65	7.68	7.48
A	7.83	7.90	7.86	7.88	7.84	7.84	6.80	7.84	7.65
Baa	8.16	8.23	8.20	8.21	8.17	8.15	7.09	8.15	7.95
Avg. Industrial	7.65	7.74	7.70	7.72	7.67	7.67	6.60	7.67	7.48
Aaa	7.22	7.31	7.27	7.29	7.24	7.24	6.00	7.24	7.04
Aa	7.53	7.61	7.58	7.59	7.55	7.54	6.51	7.54	7.33
A	7.73	7.82	7.78	7.80	7.75	7.76	6.68	7.76	7.59
Baa	8.13	8.21	8.18	8.20	8.15	8.14	7.04	8.14	7.93
Avg. Public Utility	7.87	7.93	7.89	7.91	7.87	7.86	6.84	7.86	7.66
Aaa	7.55	7.61	7.57	7.59	7.54	7.54	6.41	7.54	7.34
Aa	7.82	7.87	7.84	7.86	7.82	7.82	6.78	7.82	7.62
A	7.93	7.98	7.94	7.96	7.92	7.91	6.91	7.91	7.71
Baa	8.19	8.24	8.21	8.22	8.18	8.16	7.13	8.16	7.97

Spreads Above Treasury (bp)

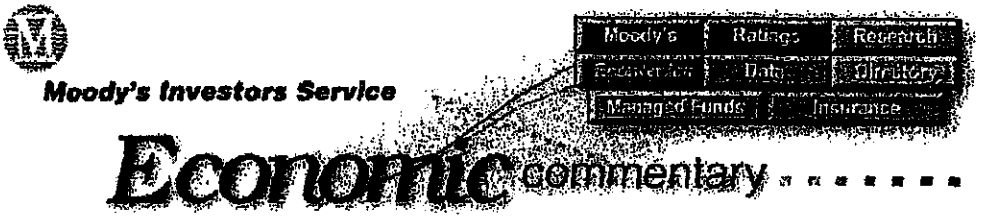
	September					Past 12 Months		Monthly	
	10	9	8	7	3	High	Low	August	July
Avg. Corporate	172	175	173	175	176	177	150	171	160
Aaa	135	137	135	137	138	136	103	133	122
Aa	164	165	164	166	168	169	140	162	151
A	179	181	179	181	183	184	157	178	168
Baa	212	214	213	214	216	218	189	209	198
Avg. Industrial	161	165	163	165	166	166	139	161	150
Aaa	118	122	120	122	123	118	86	118	107
Aa	149	152	151	152	154	158	126	147	136
A	169	173	171	173	174	173	145	170	161
Baa	209	212	211	213	214	222	184	208	196
Avg. Public Utility	183	184	182	184	186	188	160	180	169
Aaa	151	152	150	152	153	163	119	148	137
Aa	178	178	177	179	181	179	154	176	165
A	189	189	187	189	191	195	168	185	173
Baa	215	215	214	215	217	219	193	210	200

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	July					Past 12 Months		Monthly	
	9	8	7	6	2	High	Low	June	May
Avg. Corporate	7.57	7.58	7.63	7.61	7.57	7.62	6.72	7.62	7.32
Aaa	7.21	7.21	7.26	7.23	7.18	7.23	6.22	7.23	6.93
Aa	7.48	7.48	7.54	7.52	7.47	7.52	6.65	7.52	7.23
A	7.65	7.65	7.70	7.69	7.65	7.69	6.80	7.69	7.40
Baa	7.95	7.96	8.00	8.00	7.96	8.02	7.09	8.02	7.72
Avg. Industrial	7.47	7.49	7.54	7.53	7.48	7.53	6.60	7.53	7.22
Aaa	7.05	7.06	7.12	7.10	7.05	7.09	6.00	7.09	6.77
Aa	7.32	7.33	7.39	7.37	7.32	7.37	6.51	7.37	7.07
A	7.59	7.60	7.65	7.64	7.59	7.64	6.68	7.64	7.33
Baa	7.93	7.95	8.00	7.99	7.94	8.00	7.04	8.00	7.70
Avg. Public Utility	7.67	7.66	7.71	7.69	7.65	7.70	6.84	7.70	7.42
Aaa	7.36	7.35	7.40	7.35	7.30	7.37	6.41	7.37	7.09
Aa	7.63	7.63	7.68	7.66	7.62	7.67	6.78	7.67	7.38
A	7.71	7.70	7.75	7.74	7.70	7.74	6.91	7.74	7.47
Baa	7.97	7.96	7.99	8.01	7.98	8.03	7.13	8.03	7.74

Spreads Above Treasury (bp)

	July					Past 12 Months		Monthly	
	9	8	7	6	2	High	Low	June	May
Avg. Corporate	157	159	159	158	157	177	117	158	153
Aaa	121	122	122	120	118	136	88	120	114
Aa	148	149	150	149	147	169	111	149	144
A	165	166	166	166	165	184	122	166	161
Baa	195	197	196	197	196	218	147	198	193
Avg. Industrial	147	150	150	150	148	166	102	149	143
Aaa	105	107	108	107	105	110	62	106	98
Aa	132	134	135	134	132	158	97	134	129
A	159	161	161	161	159	173	109	161	154
Baa	193	196	196	196	194	222	139	196	191
Avg. Public Utility	167	167	167	166	165	188	132	167	163
Aaa	136	136	136	132	130	163	113	133	130
Aa	163	164	164	163	162	179	124	163	159
A	171	171	171	171	170	195	135	171	168
Baa	197	197	195	198	198	219	156	199	195

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	May					Past 12 Months		Monthly	
	21	20	19	18	17	High	Low	April	March
Avg. Corporate	7.35	7.41	7.34	7.41	7.36	7.07	6.72	7.05	7.07
Aaa	6.96	7.02	6.95	7.02	6.98	6.69	6.22	6.64	6.62
Aa	7.25	7.32	7.25	7.31	7.27	6.98	6.65	6.96	6.98
A	7.43	7.49	7.42	7.49	7.45	7.14	6.80	7.13	7.14
Baa	7.75	7.81	7.74	7.79	7.75	7.53	7.09	7.48	7.53
Avg. Industrial	7.23	7.30	7.23	7.31	7.27	6.96	6.60	6.94	6.96
Aaa	6.78	6.86	6.78	6.87	6.83	6.46	6.00	6.46	6.46
Aa	7.09	7.16	7.09	7.16	7.12	6.83	6.51	6.81	6.83
A	7.34	7.42	7.34	7.43	7.38	7.03	6.68	7.03	7.02
Baa	7.69	7.76	7.69	7.77	7.73	7.51	7.04	7.45	7.51
Avg. Public Utility	7.46	7.52	7.45	7.50	7.45	7.18	6.84	7.16	7.18
Aaa	7.13	7.18	7.11	7.17	7.12	6.94	6.41	6.80	6.78
Aa	7.41	7.47	7.41	7.46	7.42	7.11	6.78	7.11	7.11
A	7.51	7.56	7.50	7.55	7.51	7.26	6.91	7.22	7.26
Baa	7.80	7.85	7.79	7.80	7.76	7.55	7.13	7.51	7.55

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000243

	May					Past 12 Months		Monthly	
	21	20	19	18	17	High	Low	April	March
Avg. Corporate	160	159	154	153	147	177	106	151	150
Aaa	121	120	115	114	109	136	77	110	105
Aa	150	150	145	143	138	169	99	142	140
A	168	167	162	161	156	184	111	159	157
Baa	200	199	194	191	186	218	138	194	196
Avg. Industrial	148	148	143	143	138	166	93	140	139
Aaa	103	104	98	99	94	110	52	92	89
Aa	134	134	129	128	123	158	89	127	126
A	159	160	154	155	149	173	97	149	145
Baa	194	194	189	189	184	222	134	191	194
Avg. Public Utility	171	170	165	162	156	188	119	162	160
Aaa	138	136	131	129	123	163	102	126	120
Aa	166	165	161	158	153	179	109	157	154
A	176	174	170	167	162	195	124	168	168
Baa	205	203	199	192	187	219	142	196	197

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	March					Past 12 Months		Monthly	
	19	18	17	16	15	High	Low	February	January
Avg. Corporate	7.03	7.00	7.01	6.98	7.01	7.00	6.72	6.89	6.76
Aaa	6.58	6.54	6.55	6.52	6.55	6.71	6.22	6.40	6.24
Aa	6.94	6.91	6.92	6.89	6.92	6.93	6.65	6.79	6.68
A	7.11	7.07	7.08	7.06	7.09	7.05	6.80	6.97	6.84
Baa	7.50	7.47	7.48	7.45	7.47	7.39	7.09	7.39	7.29
Avg. Industrial	6.91	6.88	6.89	6.86	6.89	6.87	6.60	6.77	6.65
Aaa	6.42	6.37	6.38	6.35	6.38	6.47	6.00	6.23	6.07
Aa	6.78	6.76	6.77	6.74	6.77	6.83	6.51	6.64	6.54
A	6.97	6.93	6.94	6.91	6.95	6.94	6.68	6.84	6.70
Baa	7.47	7.44	7.45	7.42	7.44	7.37	7.04	7.37	7.27
Avg. Public Utility	7.15	7.11	7.12	7.10	7.12	7.13	6.84	7.00	6.87
Aaa	6.74	6.70	6.71	6.68	6.71	6.96	6.41	6.56	6.41
Aa	7.09	7.05	7.06	7.04	7.06	7.04	6.78	6.94	6.82
A	7.24	7.21	7.22	7.20	7.22	7.16	6.91	7.09	6.97
Baa	7.52	7.49	7.50	7.48	7.50	7.41	7.13	7.41	7.30

HEARING EXHIBIT 00000245

Spreads Above Treasury (bp)

	March					Past 12 Months		Monthly	
	19	18	17	16	15	High	Low	February	January
Avg. Corporate	148	152	151	151	149	177	106	152	161
Aaa	103	106	105	105	103	136	77	103	109
Aa	139	143	142	142	140	169	98	142	153
A	156	159	158	159	157	184	111	160	169
Baa	195	199	198	198	195	218	138	202	214
Avg. Industrial	136	140	139	139	137	166	93	140	149
Aaa	87	89	88	88	86	110	52	86	92
Aa	123	128	127	127	125	158	87	128	139
A	142	145	144	144	143	173	97	147	155
Baa	192	196	195	195	192	222	134	200	212
Avg. Public Utility	160	163	162	163	160	188	119	163	172
Aaa	119	122	121	121	119	163	102	119	125
Aa	154	157	156	157	154	179	109	157	166
A	169	173	172	173	170	195	124	172	182
Baa	197	201	200	201	198	219	142	204	215

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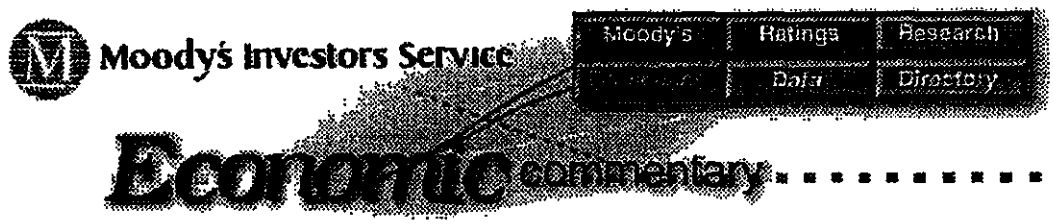
MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	January					Past 12 Months		Monthly	
	29	28	27	26	23	High	Low	December	November
Avg. Corporate	6.94	7.02	7.02	6.97	7.03	7.99	7.03	7.03	7.13
Aaa	6.66	6.75	6.75	6.70	6.77	7.73	6.76	6.76	6.87
Aa	6.85	6.94	6.94	6.89	6.95	7.93	6.99	6.99	7.07
A	6.99	7.07	7.06	7.02	7.07	7.98	7.05	7.05	7.15
Baa	7.25	7.34	7.32	7.28	7.33	8.35	7.32	7.32	7.42
Avg. Industrial	6.80	6.89	6.89	6.84	6.91	7.90	6.91	6.91	7.01
Aaa	6.43	6.53	6.53	6.48	6.55	7.58	6.54	6.54	6.65
Aa	6.74	6.83	6.83	6.78	6.84	7.85	6.90	6.90	7.00
A	6.88	6.96	6.95	6.90	6.97	7.93	6.95	6.95	7.05
Baa	7.16	7.25	7.24	7.20	7.26	8.28	7.24	7.24	7.35
Avg. Public Utility	7.07	7.15	7.15	7.10	7.15	8.08	7.16	7.16	7.24
Aaa	6.88	6.97	6.97	6.92	6.98	7.87	6.99	6.99	7.09
Aa	6.96	7.04	7.04	7.00	7.06	8.00	7.07	7.07	7.15
A	7.09	7.17	7.17	7.13	7.17	8.03	7.16	7.16	7.25

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	November					Past 12 Months		Monthly	
	25	24	21	20	19	High	Low	October	September
Avg. Corporate	7.09	7.10	7.07	7.08	7.06	7.99	7.26	7.26	7.40
Aaa	6.83	6.85	6.82	6.83	6.80	7.73	7.00	7.00	7.14
Aa	7.04	7.05	7.02	7.04	7.01	7.93	7.20	7.20	7.34
A	7.11	7.12	7.10	7.10	7.09	7.98	7.27	7.27	7.39
Baa	7.38	7.40	7.37	7.38	7.36	8.35	7.57	7.57	7.71
Avg. Industrial	6.96	6.98	6.95	6.97	6.94	7.90	7.15	7.15	7.29
Aaa	6.60	6.62	6.59	6.60	6.57	7.58	6.81	6.81	6.96
Aa	6.95	6.97	6.94	6.96	6.94	7.85	7.12	7.12	7.26
A	7.00	7.02	6.99	7.00	6.98	7.93	7.19	7.19	7.32
Baa	7.30	7.32	7.29	7.30	7.28	8.28	7.48	7.48	7.63
Avg. Public Utility	7.21	7.22	7.20	7.20	7.18	8.08	7.37	7.37	7.50
Aaa	7.05	7.07	7.04	7.05	7.02	7.87	7.18	7.18	7.33
Aa	7.12	7.12	7.10	7.11	7.08	8.00	7.28	7.28	7.43
A	7.21	7.22	7.20	7.20	7.19	8.03	7.35	7.35	7.47

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Baa	7.45	7.47	7.44	7.45	7.43	8.42	7.67	7.67	7.79

Spreads Above Treasury (bp)

	November					Past 12 Months		Monthly	
	25	24	21	20	19	High	Low	October	September
Avg. Corporate	103	104	104	103	103	95	87	95	91
Aaa	77	78	78	77	76	69	58	69	66
Aa	98	98	99	98	98	89	77	89	85
A	105	106	106	104	105	96	88	95	90
Baa	132	133	133	132	132	134	122	126	122
Avg. Industrial	91	92	92	91	91	87	79	84	80
Aaa	55	56	56	54	54	53	45	50	47
Aa	90	91	91	90	91	83	74	81	77
A	95	96	96	94	95	90	81	87	83
Baa	125	126	126	124	125	126	111	117	114
Avg. Public Utility	115	116	116	115	115	106	95	106	103
Aaa	100	101	101	99	99	87	69	87	85
Aa	107	106	107	105	105	97	79	97	95
A	116	116	117	114	116	104	94	103	99
Baa	140	141	141	139	140	143	130	136	131

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	September					Past 12 Months		Monthly	
	25	24	23	22	19	High	Low	August	July
Avg. Corporate	7.32	7.24	7.30	7.28	7.30	7.99	7.41	7.47	7.42
Aaa	7.06	6.97	7.04	7.01	7.04	7.73	7.10	7.22	7.14
Aa	7.26	7.19	7.25	7.22	7.25	7.93	7.31	7.40	7.36
A	7.31	7.23	7.29	7.27	7.29	7.98	7.41	7.46	7.42
Baa	7.65	7.59	7.64	7.62	7.64	8.35	7.75	7.82	7.75
Avg. Industrial	7.21	7.12	7.19	7.16	7.19	7.90	7.32	7.37	7.32
Aaa	6.87	6.78	6.85	6.82	6.85	7.58	6.99	7.04	6.99
Aa	7.17	7.10	7.16	7.13	7.17	7.85	7.22	7.34	7.29
A	7.23	7.14	7.21	7.18	7.21	7.93	7.34	7.40	7.37
Baa	7.55	7.47	7.54	7.51	7.53	8.28	7.62	7.70	7.62
Avg. Public Utility	7.43	7.37	7.42	7.40	7.42	8.08	7.48	7.57	7.52
Aaa	7.24	7.15	7.22	7.19	7.22	7.87	7.21	7.39	7.29
Aa	7.35	7.28	7.33	7.31	7.33	8.00	7.32	7.46	7.43
A	7.39	7.32	7.37	7.35	7.37	8.03	7.48	7.51	7.48
Baa	7.75	7.71	7.74	7.73	7.74	8.42	7.87	7.93	7.87

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Baa	7.75	7.71	7.74	7.73	7.74	8.42	7.87	7.93	7.87

Spreads Above Treasury (bp)

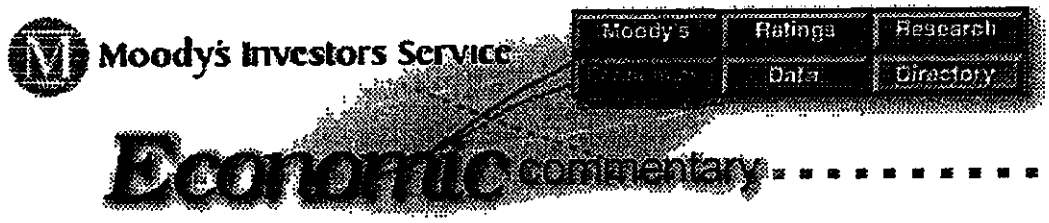
	September					Past 12 Months		Monthly	
	25	24	23	22	19	High	Low	August	July
Avg. Corporate	92	93	92	93	93	95	87	89	91
Aaa	66	65	65	66	66	65	58	64	63
Aa	86	88	86	87	88	87	77	82	85
A	91	92	91	92	92	96	88	88	91
Baa	125	128	126	127	126	134	124	124	124
Avg. Industrial	81	81	81	81	82	87	79	79	81
Aaa	47	47	47	47	48	53	45	46	48
Aa	77	79	78	78	80	83	74	76	78
A	83	83	83	83	84	90	81	82	86
Baa	115	116	116	116	116	126	111	112	111
Avg. Public Utility	104	105	103	105	104	103	95	99	101
Aaa	84	84	84	84	85	79	69	81	78
Aa	95	97	95	96	96	92	79	88	92
A	99	101	99	100	100	104	94	93	97
Baa	135	140	136	138	137	143	133	135	136

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MOODY'S LONG-TERM CORPORATE BOND YIELD AVERAGES

Based on Bonds with Maturities 20 years and above

Yields (%)

	July					Past 12 Months		Monthly	
	25	24	23	22	21	High	Low	June	May
Avg. Corporate	7.36	7.34	7.33	7.36	7.46	7.80	7.56	7.68	7.86
Aaa	7.08	7.05	7.04	7.08	7.18	7.52	7.28	7.41	7.58
Aa	7.31	7.28	7.28	7.30	7.39	7.74	7.49	7.62	7.80
A	7.37	7.35	7.34	7.37	7.46	7.80	7.56	7.68	7.86
Baa	7.69	7.67	7.66	7.69	7.79	8.14	7.89	8.02	8.20
Avg. Industrial	7.26	7.23	7.23	7.26	7.36	7.72	7.45	7.59	7.79
Aaa	6.92	6.89	6.88	6.92	7.03	7.38	7.13	7.26	7.45
Aa	7.24	7.21	7.21	7.23	7.32	7.68	7.41	7.55	7.74
A	7.31	7.28	7.28	7.31	7.41	7.77	7.50	7.64	7.83
Baa	7.56	7.54	7.53	7.56	7.66	8.06	7.76	7.91	8.12
Avg. Public Utility	7.47	7.44	7.44	7.46	7.55	7.88	7.66	7.77	7.94
Aaa	7.24	7.21	7.20	7.23	7.33	7.66	7.43	7.55	7.72
Aa	7.38	7.35	7.35	7.37	7.46	7.80	7.56	7.68	7.85
A	7.43	7.41	7.40	7.43	7.51	7.82	7.61	7.72	7.89
Baa	7.82	7.80	7.79	7.81	7.91	8.22	8.02	8.12	8.28

HEARING EXHIBIT 00000252

Spreads Above Treasury (bp)

	July					Past 12 Months		Monthly	
	25	24	23	22	21	High	Low	June	May
Avg. Corporate	91	91	90	95	92	101	87	91	94
Aaa	63	62	61	67	64	72	58	64	66
Aa	86	85	85	89	85	87	77	85	88
A	92	92	91	96	92	105	89	91	94
Baa	124	124	123	128	125	139	126	125	128
Avg. Industrial	81	80	80	85	82	93	80	82	87
Aaa	47	46	45	51	49	62	47	49	53
Aa	79	78	78	82	78	85	74	78	82
A	86	85	85	90	87	101	81	87	91
Baa	111	111	110	115	112	124	117	114	120
Avg. Public Utility	102	101	101	105	101	109	95	100	102
Aaa	79	78	77	82	79	82	69	78	80
Aa	93	92	92	96	92	89	78	91	93
A	98	98	97	102	97	108	96	95	97
Baa	137	137	136	140	137	155	134	135	136

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	May					Past 12 Months		Monthly	
	22	21	20	19	16	High	Low	Apr	Mar
Avg. Corporate	7.91	7.89	7.85	7.84	7.84	8.06	7.00	7.99	7.83
Aaa	7.63	7.61	7.56	7.56	7.56	7.80	6.71	7.73	7.55
Aa	7.84	7.82	7.83	7.78	7.77	8.00	6.89	7.93	7.77
A	7.91	7.89	7.84	7.84	7.84	8.05	7.03	7.98	7.82
Baa	8.25	8.23	8.18	8.18	8.17	8.40	7.37	8.34	8.18
Avg. Industrial	7.83	7.81	7.79	7.76	7.76	7.96	6.89	7.90	7.74
Aaa	7.49	7.47	7.42	7.42	7.41	7.64	6.59	7.58	7.40
Aa	7.78	7.76	7.83	7.72	7.71	7.91	6.85	7.85	7.70
A	7.88	7.86	7.81	7.81	7.81	7.99	6.91	7.93	7.76
Baa	8.17	8.15	8.10	8.10	8.09	8.31	7.19	8.25	8.09
Avg. Public Utility	7.98	7.96	7.91	7.91	7.91	8.16	7.10	8.08	7.92
Aaa	7.77	7.75	7.70	7.70	7.70	7.96	6.82	7.87	7.70
Aa	7.90	7.88	7.83	7.83	7.83	8.08	6.92	8.00	7.84
A	7.93	7.91	7.86	7.87	7.86	8.11	7.14	8.03	7.87
Baa	8.32	8.30	8.25	8.25	8.25	8.49	7.53	8.42	8.26

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000254

	May					Past 12 Months		Monthly	
	22	21	20	19	16	High	Low	Apr	Mar
Avg. Corporate	92	93	94	92	94	101	87	91	91
Aaa	64	65	65	64	66	72	58	65	63
Aa	85	86	92	86	87	87	77	85	85
A	92	93	93	92	94	105	89	90	90
Baa	126	127	127	126	127	139	126	126	126
Avg. Industrial	84	85	88	84	86	93	80	82	82
Aaa	50	51	51	50	51	62	47	50	48
Aa	79	80	92	80	81	85	74	77	78
A	89	90	90	89	91	101	81	85	84
Baa	118	119	119	118	119	124	117	117	117
Avg. Public Utility	99	100	100	99	101	109	95	100	100
Aaa	78	79	79	78	80	82	69	79	78
Aa	91	92	92	91	93	89	78	92	92
A	94	95	95	95	96	108	96	95	95
Baa	133	134	134	133	135	155	134	134	134

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	March					Past 12 Months		Monthly	
	27	26	25	24	21	High	Low	Feb	Jan
Avg. Corporate	7.98	7.89	7.87	7.85	7.88	8.08	7.00	7.59	7.71
Aaa	7.71	7.62	7.60	7.58	7.61	7.80	6.71	7.31	7.42
Aa	7.92	7.83	7.81	7.79	7.82	7.94	6.89	7.54	7.63
A	7.97	7.87	7.85	7.84	7.87	8.11	7.03	7.59	7.71
Baa	8.32	8.23	8.22	8.20	8.23	8.48	7.37	7.94	8.09
Avg. Industrial	7.89	7.79	7.77	7.75	7.78	8.00	6.89	7.50	7.63
Aaa	7.56	7.46	7.44	7.42	7.45	7.70	6.59	7.14	7.30
Aa	7.84	7.75	7.73	7.71	7.74	7.92	6.85	7.47	7.58
A	7.91	7.81	7.79	7.77	7.80	8.06	6.91	7.52	7.64
Baa	8.24	8.14	8.12	8.11	8.14	8.32	7.19	7.86	8.00
Avg. Public Utility	8.07	7.98	7.97	7.95	7.98	8.16	7.10	7.68	7.79
Aaa	7.86	7.77	7.76	7.73	7.76	7.90	6.82	7.47	7.53
Aa	8.00	7.91	7.89	7.87	7.90	7.96	6.92	7.60	7.68
A	8.03	7.93	7.91	7.90	7.93	8.15	7.14	7.64	7.77
Baa	8.40	8.32	8.31	8.29	8.32	8.64	7.53	8.02	8.18

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000256

	March					Past 12 Months		Monthly	
	27	26	25	24	21	High	Low	Feb	Jan
Avg. Corporate	90	91	91	93	92	108	87	91	89
Aaa	63	64	64	66	65	81	58	63	60
Aa	84	85	85	87	86	96	77	86	81
A	89	89	89	92	91	110	89	91	89
Baa	124	125	126	128	127	146	126	126	127
Avg. Industrial	81	81	81	83	82	99	80	82	81
Aaa	48	48	48	50	49	71	47	46	48
Aa	76	77	77	79	78	93	74	79	76
A	83	83	83	85	84	101	81	84	82
Baa	116	116	116	119	118	138	117	118	118
Avg. Public Utility	99	100	101	103	102	117	95	100	97
Aaa	78	79	80	81	80	90	69	79	71
Aa	92	93	93	95	94	100	78	92	86
A	95	95	95	98	97	122	96	96	95
Baa	132	134	135	137	136	162	134	134	136

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	Jan	December				Past 12 Months		Monthly	
	2	31	30	27	26	High	Low	Dec	Nov
Avg. Corporate	7.66	7.58	7.48	7.49	7.53	8.08	7.00	7.50	7.41
Aaa	7.36	7.27	7.18	7.18	7.23	7.80	6.71	7.20	7.10
Aa	7.56	7.47	7.40	7.40	7.44	7.94	6.89	7.41	7.31
A	7.67	7.59	7.49	7.49	7.54	8.11	7.03	7.51	7.41
Baa	8.06	7.97	7.86	7.87	7.92	8.48	7.37	7.89	7.79
Avg. Industrial	7.58	7.49	7.40	7.40	7.45	8.00	6.89	7.42	7.33
Aaa	7.23	7.14	7.05	7.05	7.10	7.70	6.59	7.07	6.99
Aa	7.53	7.44	7.36	7.36	7.41	7.92	6.85	7.38	7.29
A	7.58	7.50	7.41	7.41	7.46	8.06	6.91	7.43	7.34
Baa	7.98	7.89	7.78	7.79	7.83	8.32	7.19	7.80	7.70
Avg. Public Utility	7.74	7.65	7.56	7.56	7.61	8.16	7.10	7.58	7.48
Aaa	7.48	7.39	7.30	7.30	7.36	7.90	6.82	7.33	7.21
Aa	7.59	7.50	7.43	7.43	7.47	7.96	6.92	7.44	7.32
A	7.75	7.67	7.57	7.57	7.61	8.15	7.14	7.59	7.49
Baa	8.13	8.05	7.94	7.95	8.01	8.64	7.53	7.98	7.87

Spreads Above Treasury (bp)

HEARING EXHIBIT 00000258

U.S. Corporate Bonds

Moody's Long-Term Corporate Bond Yield Averages

Based on Seasoned Bonds with Remaining Maturities of at Least 20 Years*

Yields (%)

	November					Past 12 Months		Monthly Average	
	7	6	5	4	1	High	Low	Oct	Sept
Avg. Corporate	7.43	7.49	7.54	7.56	7.55	8.08	7.00	7.68	7.95
Aaa	7.14	7.19	7.24	7.26	7.25	7.80	6.71	7.39	7.66
Aa	7.34	7.39	7.44	7.46	7.45	7.94	6.89	7.58	7.82
A	7.44	7.50	7.55	7.57	7.57	8.11	7.03	7.70	7.95
Baa	7.81	7.87	7.92	7.94	7.93	8.48	7.37	8.07	8.35
Avg. Industrial	7.35	7.42	7.47	7.49	7.46	8.00	6.89	7.61	7.88
Aaa	7.03	7.08	7.13	7.15	7.13	7.70	6.59	7.28	7.55
Aa	7.32	7.37	7.42	7.44	7.41	7.92	6.85	7.55	7.80
A	7.35	7.43	7.48	7.50	7.48	8.06	6.91	7.62	7.89
Baa	7.71	7.78	7.83	7.85	7.83	8.32	7.19	7.98	8.28
Avg. Public Utility	7.51	7.56	7.61	7.63	7.63	8.16	7.10	7.76	8.01
Aaa	7.25	7.30	7.35	7.37	7.37	7.90	6.82	7.50	7.76
Aa	7.35	7.40	7.45	7.47	7.48	7.96	6.92	7.60	7.84
A	7.53	7.57	7.62	7.64	7.65	8.15	7.14	7.77	8.01
Baa	7.90	7.95	8.01	8.03	8.03	8.64	7.53	8.15	8.41

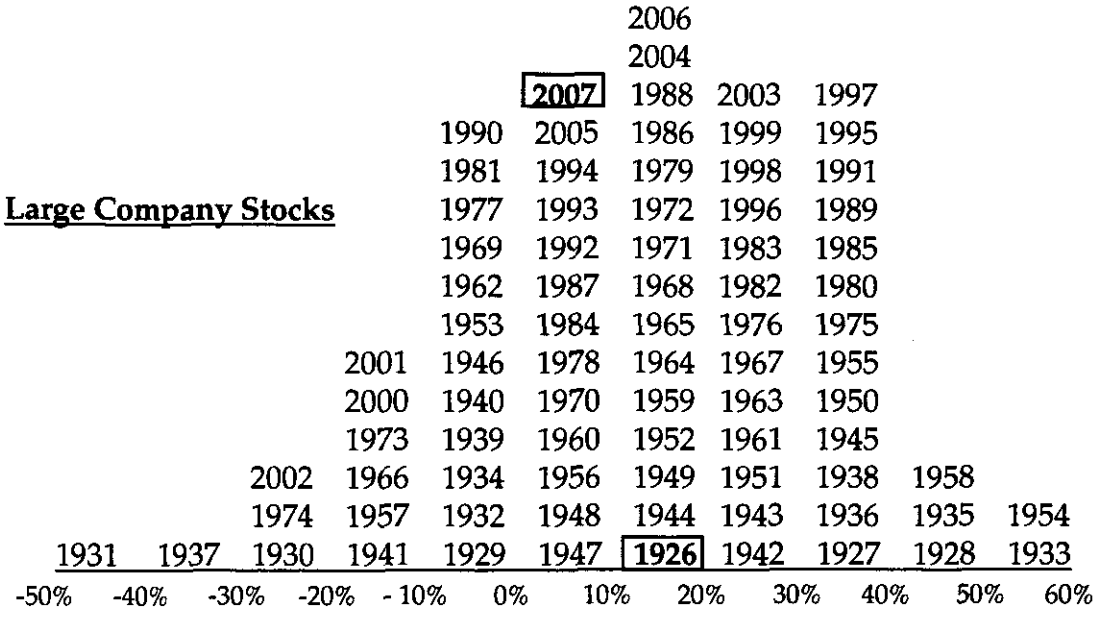
Spreads Above 30-Year Treasury (bp)

	November					Past 12 Months		Monthly Average	
	7	6	5	4	1	High	Low	Oct	Sept
Avg. Corporate	96	87	96	91	87	108	87	87	93
Aaa	67	58	66	61	57	81	58	58	64
Aa	87	77	86	80	77	96	77	77	80
A	97	89	97	92	89	110	89	89	93
Baa	134	126	134	129	125	146	126	126	133
Avg. Industrial	88	80	88	83	78	99	80	80	86
Aaa	56	47	55	50	45	71	47	47	53
Aa	85	76	84	79	73	93	74	74	78
A	88	82	90	85	80	101	81	81	87
Baa	124	117	125	120	115	138	117	117	126
Avg. Public Utility	104	94	103	98	95	117	95	95	99
Aaa	78	69	77	72	69	90	69	69	74
Aa	88	79	87	82	80	100	78	79	82
A	106	96	104	99	97	122	96	96	99
Baa	143	134	143	138	135	162	134	134	139

* Moody's Long-Term Corporate Bond Yield Averages have been pubished daily since 1929. They are derived from pricing data on a regularly-replenished population of nearly 100 seasoned corporate bonds in the US market, each with current outstandings over $100 million. The bonds have maturities as close as possible to 30 years; they are dropped from the list if their remaining life falls below 20 years, if they are susceptible to redemption, or if their ratings change. Bonds with deep discounts or steep premiums to par are generally excluded. All yields are yield-to-maturity calculated on a semi-annual basis. *Each observation is an unweighted average, with Average Corporate Yields representing the unweighted average of* the corresponding Average Industrial and Average Public Utility observations. For a complete listing of the bonds, see Moody's Credit Perspectives Quarterly Supplement, August 5, 1996. Contact: Amit Agrawal

HEARING EXHIBIT 00000259

Utilities, Inc.
Total Returns on Large Company Stocks
1926 to 2007



Arithmetic Mean: $r_A = \sum_{t=1}^{n} r_t / n$

Source : Stocks, Bonds, Bills, and Inflation – Market Results for 1926-2007 - 2008 Yearbook Valuation Edition, pp. 30-31, Morningstar, Inc., Chicago, IL

HEARING EXHIBIT 00000260

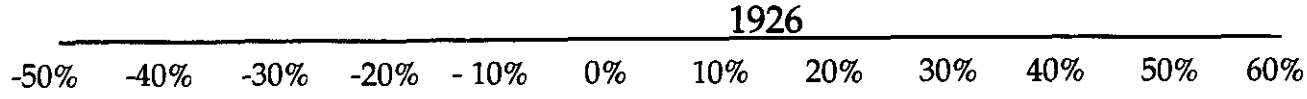
Utilities, Inc.

Total Returns on Large Company Stocks

1926 to 2007

Large Company Stocks

2007



Geometric Mean: $r_G = \left[V_n / V_0 \right]^{1/n} - 1$

Source : Stocks, Bonds, Bills, and Inflation – Market Results for 1926-2007 - 2008 Yearbook Valuation Edition, pp. 30-31, Morningstar, Inc., Chicago, IL

HEARING EXHIBIT 00000261

Utilities, Inc.

DOCKET NO. 08006-WS

Workpaper No. 8 of Pauline M. Ahern, CRRA

Supporting data from

Value Line Investment Survey (Standard Edition)

ADV. AUTO PARTS NYSE-AAP

RECENT PRICE 41.81 | P/E RATIO 15.5 (Trailing: 16.9 Median: NMF) | RELATIVE P/E RATIO 1.00 | DIV'D YLD 0.6% | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 3 New 2/13/04
TECHNICAL 2 Raised 8/1/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

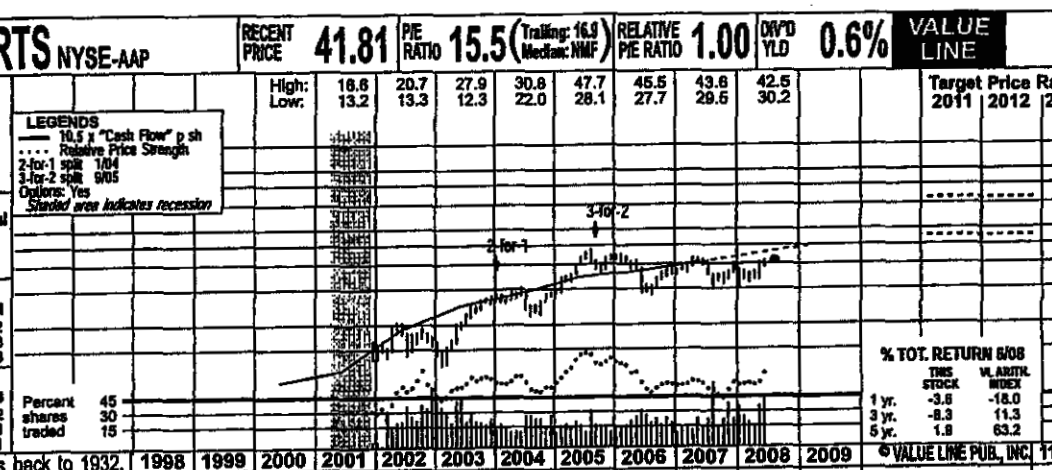
	Price	Gain	Ann'l Total Return
High	85	(+105%)	20%
Low	55	(+30%)	8%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	0	2
Options	0	0	0	0	0	0	0	1	3
to Sell	0	0	0	1	0	0	0	1	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	108	125	112
to Sell	156	132	151
Hld's(000)	94528	96249	94491



Target Price Range 2011 | 2012 | 2013

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:			16.6	20.7	27.9	30.8	47.7	45.5	43.6	42.5				
Low:			13.2	13.3	12.3	22.0	28.1	27.7	29.6	30.2				
	--	--	26.96	25.67	30.67	31.52	34.79	39.42	43.82	48.90	52.70	58.45	Sales per sh A	77.80
	--	--	.98	1.11	1.78	2.36	2.72	3.28	3.52	3.93	4.35	4.80	"Cash Flow" per sh	6.60
	--	--	.20	.44	.89	1.43	1.67	2.13	2.16	2.32	2.70	2.95	Earnings per sh B	4.40
	--	--	--	--	--	--	--	--	.24	.24	.24	.24	Div'ds Decl'd per sh D	.48
	--	--	.83	.85	.92	.91	1.66	2.00	2.45	2.13	2.15	2.20	Cap'l Spending per sh	2.50
	--	--	1.84	2.94	4.37	5.70	6.67	8.50	9.79	10.34	11.40	12.85	Book Value per sh	21.95
	--	--	84.87	98.06	107.21	110.83	108.37	108.20	105.35	99.06	95.00	93.00	Common Shs Outst'g C	90.00
	--	--	--	34.1	18.9	14.3	16.0	17.8	17.1	16.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
	--	--	--	1.75	1.03	.82	.85	.95	.92	.84			Relative P/E Ratio	1.05
	--	--	--	--	--	--	--	--	.7%	.6%			Avg Ann'l Div'd Yield	.7%
	--	--	2288.0	2517.6	3287.9	3493.7	3770.3	4265.0	4616.5	4844.4	5100	5250	Sales ($mill) A	7000
	--	--	7.0%	7.7%	10.1%	11.4%	11.5%	12.4%	11.8%	11.8%	12.0%	12.0%	Operating Margin	12.5%
	--	--	66.8	71.2	94.1	100.7	104.9	119.9	139.4	147.3	160	170	Depreciation ($mill)	200
	--	--	16.6	38.1	97.1	160.5	189.7	234.7	231.3	242.0	255	275	Net Profit ($mill)	395
	--	--	38.8%	39.7%	38.8%	38.5%	38.5%	38.1%	37.5%	37.8%	38.0%	38.0%	Income Tax Rate	38.0%
	--	--	.7%	1.5%	3.0%	4.6%	5.0%	5.5%	5.0%	5.0%	5.0%	5.2%	Net Profit Margin	5.6%
	--	--	321.6	442.1	462.9	372.5	418.3	406.4	498.6	456.9	450	475	Working Cap'l ($mill)	550
	--	--	579.9	932.0	724.8	422.8	438.3	406.0	477.2	505.1	550	550	Long-Term Debt ($mill)	600
	--	--	156.3	288.6	468.4	631.2	722.3	919.8	1030.9	1023.8	1085	1195	Shr. Equity ($mill)	1975
	--	--	6.7%	5.7%	11.4%	17.0%	17.2%	18.9%	16.5%	17.0%	16.5%	16.5%	Return on Total Cap'l	18.5%
	--	--	10.6%	13.2%	20.7%	25.4%	26.3%	25.5%	22.4%	23.6%	23.5%	23.0%	Return on Shr. Equity	20.0%
	--	--	10.6%	13.2%	20.7%	25.4%	26.3%	25.5%	20.6%	21.2%	21.5%	21.0%	Retained to Com Eq	18.0%
	--	--	--	--	--	--	--	--	8%	10%	9%	8%	All Div'ds to Net Prof	11%

Advance Auto Parts dates back to 1932, when founder Arthur Taubman purchased a small chain of home and auto supply stores in Roanoke, Virginia. During the 1970s, the company stopped selling home appliances and turned all of its attention to the automotive parts business. In November, 2001, Advance acquired publicly held Discount Auto Parts. This merger established the firm as a leader in the automotive aftermarket, and it paved the way for Advance to become a public company. Its shares began trading on the NYSE on November 29, 2001.

CAPITAL STRUCTURE as of 4/19/08
Total Debt $556.3 mill. Due in 5 Yrs $500.0 mill.
LT Debt $553.8 mill. LT Interest $30.0 mill. (37% of Cap'l)
Leases, Uncapitalized Annual rentals $265.5 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 95,284,683 shs.
as of 5/23/08

MARKET CAP: $4.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/19/08
Cash Assets	11.1	14.7	19.1
Receivables	97.0	85.0	84.1
Inventory (LIFO)	1463.3	1529.5	1618.3
Other	40.6	53.6	27.6
Current Assets	1612.0	1682.8	1749.1
Accts Payable	779.1	842.5	948.1
Debt Due	34.3	30.6	2.5
Other	300.0	352.8	365.3
Current Liab.	1113.4	1225.9	1315.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	9.5%	10.0%
"Cash Flow"	--	22.5%	10.5%
Earnings	--	34.0%	12.0%
Dividends	--	--	20.0%
Book Value	--	25.5%	15.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1258.4	1023.2	1019.7	963.7	4265.0
2006	1393.0	1107.9	1099.5	1016.1	4616.5
2007	1468.1	1169.9	1158.0	1048.4	4844.4
2008	1526.1	1208.9	1195	1170	5100
2009	1570	1245	1230	1205	5250

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.62	.60	.55	.36	2.13
2006	.68	.59	.56	.33	2.16
2007	.71	.64	.61	.35	E2.32
2008	.86	.71	.66	.47	2.70
2009	.93	.78	.72	.52	2.95

Calendar	QUARTERLY DIVIDENDS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	.06	.06	.06	.18
2007	.06	.06	.06	.06	.24
2008	.06	.06	.06		

BUSINESS: Advance Auto Parts, Inc. is the nation's second-largest retailer of auto parts and accessories. It operates more than 3,290 stores in 40 states, Puerto Rico, and the Virgin Islands (under the *Advance Auto Parts*, *Advance Discount Auto Parts*, *Discount Auto Parts*, and *Western Auto* trade names). The company serves both the do-it-yourself and the professional installer markets. It also has a small wholesale business, which it currently plans to divest. Acquired Western Auto Supply Co., 11/98; Discount Auto Parts, 11/01. Has approximately 25,500 full-time employees. Offs. & Dirs. own 2.5% of common stock (4/08 proxy). Pres. & CEO: Darren R. Jackson. Inc.: DE. Addr.: 5673 Airport Road, Roanoke, VA 24012. Tel.: 540-362-4911. Internet: www.AdvanceAutoParts.com.

Advance Auto Parts, behind new CEO Darren Jackson, is on a roll. (Mr. Jackson took over the top spot at the firm late last year.) The company got off to a strong start in 2008, despite headwinds from high gas prices and the increasingly chilly retail climate. In fact, share net of $0.86 for the March interim was $0.08 ahead of our estimate and 21% above the year-earlier mark, thanks to successful efforts to keep overhead costs in check and to an improvement in same-store sales, especially on the commercial, or *do-it-for-me* (DIFM), side of the business. A healthy expansion of the gross margin, a byproduct of lower supply chain and logistics expenses and the ongoing pricing power within the parts industry, was also a big plus for the bottom line. Looking ahead . . . **We expect results to remain solid through the balance of 2008 and well into next year.** Momentum should continue to build across the commercial business, as Advance broadens its product assortment (it is making an effort to stock higher-quality, more-recognizable brands), beefs up its salesforce, and aggressively targets large garages with a national presence (versus smaller mom-and-pop shops). Moreover, the economically sensitive do-it-yourself (DIY) operations, which have been struggling lately (DIY comps fell 3% during the first quarter), ought to pick up a bit in the near term. The DIY segment will probably benefit from greater parts availability and store-level productivity enhancements. In addition, market-share advances, mostly at the expense of AutoZone, are likely, in our view.

Margins should widen moderately over time. Though Advance's operating margin still lags AutoZone's by a significant degree, we believe that the profitability gap will narrow in the years ahead, with the help of category management activities and further efficiency gains in the areas of logistics and procurement. Margins will also get a lift, we think, from the company's plans to open smaller, more cost-effective units going forward.

This timely issue possesses decent upside potential out to 2009-2011. Patience will probably be required here, however, given the lack of enthusiasm for retail stocks these days.

Justin Hellman *August 8, 2008*

(A) Fiscal year ends on the Saturday nearest the end of December.
(B) Earnings based on diluted shares outstanding. Excludes nonrecurring losses: '01, $0.30; '02, $0.29; '03, $0.32. Next earnings report due mid-August.
(C) In millions, adjusted for stock splits.
(D) Quarterly dividend initiated in 2/06. Payments typically made in April, July, October, and January.
(E) Quarterly share net does not sum to year-end total in '07 due to rounding.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	75
Earnings Predictability	75

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ALLIANCEBERNSTEIN NYSE-AB

RECENT PRICE 53.02 | P/E RATIO 14.0 (Trailing: 13.1 Median: 16.0) | RELATIVE P/E RATIO 0.87 | DIV'D YLD 7.4% | VALUE LINE

TIMELINESS 4 Raised 6/20/08
SAFETY 3 Lowered 11/29/02
TECHNICAL 3 Raised 8/22/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

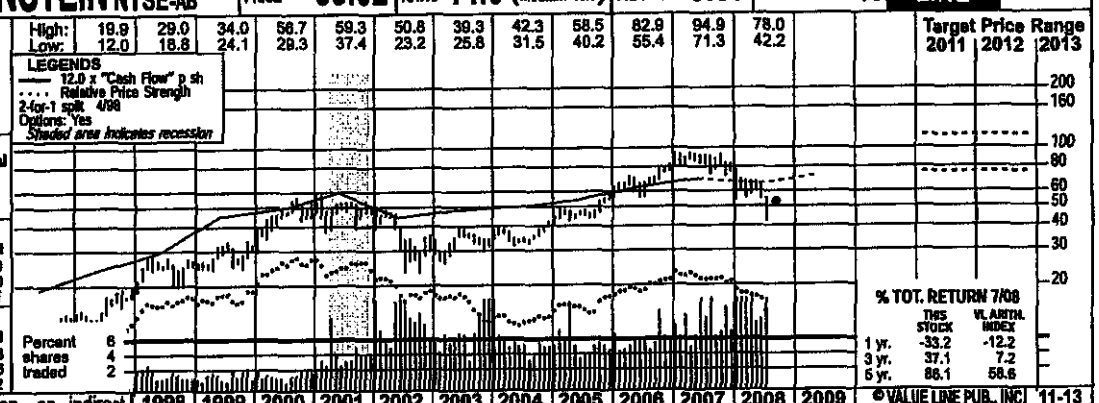
	Price	Gain	Ann'l Total Return
High	115	(+115%)	26%
Low	75	(+40%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	1	0	0
Options	1	0	0	1	2	0	0	0	0
to Sell	1	0	0	1	1	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	124	139	128
to Sell	157	136	166
Hld's(000)	39021	38784	38572



AllianceBernstein Corporation, an indirect wholly owned subsidiary of AXA, is the general partner of both AB Holding and AllianceBernstein. AB holding units are traded on the NYSE while the units of the private partnership do not trade publicly and are subject to significant restrictions on transfer.

CAPITAL STRUCTURE as of 6/30/08

Total Debt $495.8 mill. Due in 5 Yrs None

Total Interest $30.0 mill. (10% of Cap'l)

Leases, Uncapitalized Annual rentals $117.1 mill.

Pension Assets-12/07 $56.8 mill. Oblig. $76.7 mill.

Partner's Units 260,971,273 units

MARKET CAP: $13.8 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	2556.5	2946.4	2481.0
Deferd. Sales	195.0	183.6	159.1
Receivables	3488.3	1833.6	1408.1
Other Assets	4361.3	4605.2	4835.8
Total Assets	10601.1	9368.8	8684.0
Accts. Payable	4916.7	3687.1	2816.4
Other	778.6	606.5	811.0
Total Debt	334.9	533.9	495.8
Total Liab.	6030.1	4827.5	4123.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	12.0%	6.5%	8.5%
"Cash Flow"	12.0%	4.0%	9.5%
Earnings	12.5%	6.5%	9.5%
Dividends	12.5%	6.0%	9.5%
Book Value	21.0%	1.5%	6.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	750.3	768.5	811.1	920.8	3250.7
2006	895.7	933.3	934.7	1186.7	3950.4
2007	1044.3	1158.8	1152.8	1169.4	4525.3
2008	1029	1063.6	1100	1107.4	4300
2009	1160	1160	1180	1200	4700

Calendar	EARNINGS PER UNIT [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.58	.68	.74	1.02	3.02
2006	.78	.89	.87	1.27	3.82
2007	.91	1.16	1.20	1.06	4.33
2008	.83	.96	.98	1.03	3.80
2009	.95	1.00	1.15	1.35	4.45

Calendar	QUARTERLY DISTRIBUTIONS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.14	.53	.52	1.19
2005	.62	.56	.68	.74	2.60
2006	1.02	.78	.89	.87	3.56
2007	1.48	.91	1.16	1.20	4.75
2008	1.06	.83	.96		

© VALUE LINE PUB., INC.	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
Revenues per unit	7.77	10.88	10.21	12.03	10.96	10.87	11.92	12.72	15.25	17.38	16.40	17.80	24.45
"Cash Flow" per unit	2.48	3.78	4.10	4.96	3.72	4.04	4.17	4.51	5.24	5.79	5.45	6.05	9.05
Earnings per unit [A]	1.66	2.53	3.12	2.77	2.19	2.12	2.43	3.02	3.82	4.33	3.80	4.45	6.45
Dist Decl'd per unit [B]	1.60	2.49	3.18	2.84	2.30	1.97	1.19	2.80	3.56	4.75	3.82	4.10	6.40
Cap'l spending per unit	.19	.37	.31	.35	.21	.12	.23	.28	.37	.53	.55	.60	.70
Book Value per unit	2.50	3.18	16.56	15.87	15.68	14.87	16.31	16.66	17.47	17.27	18.30	19.40	24.25
Units Outs'g [C]	170.37	171.86	246.99	248.69	250.14	251.38	253.88	255.62	259.06	260.34	262.00	264.00	268.00
Avg Ann'l P/E Ratio	14.8	11.1	14.4	17.8	16.9	15.6	14.9	15.7	17.7	19.8	Bold figures are Value Line estimates		15.0
Relative P/E Ratio	.77	.63	.94	.91	.92	.89	.79	.84	.96	1.04			1.00
Avg Ann'l Dist Yield	6.5%	8.8%	7.1%	5.7%	6.2%	6.0%	3.3%	5.9%	5.3%	5.5%			6.6%
Revenues ($mill)	1324.1	1869.3	2522.1	2992.9	2742.4	2732.8	3026.9	3250.7	3950.4	4525.3	4300	4700	6550
Operating Margin	36.7%	39.6%	41.8%	43.7%	36.1%	41.6%	37.1%	38.3%	36.3%	36.3%	36.0%	37.0%	40.0%
Depreciation ($mill) [D]	129.4	188.3	301.6	448.1	298.3	402.5	353.8	285.4	249.1	247.7	280	300	450
Net Profit ($mill)	292.9	461.6	712.0	787.3	631.7	613.8	705.2	868.3	1108.8	1260.4	1150	1300	1980
Income Tax Rate [E]	16.0%	12.7%	5.3%	4.6%	4.8%	5.2%	5.4%	6.9%	6.3%	9.2%	9.0%	9.0%	8.5%
Net Profit Margin	22.1%	24.7%	28.2%	26.3%	23.0%	22.5%	23.3%	26.7%	28.1%	27.9%	26.7%	27.7%	30.2%
Assets Under Mgt.($mill)	286.7	368.3	453.7	455.4	387.0	474.8	538.8	579.0	716.9	800.4	750	800	1100
Total Debt ($mill)	190.2	390.1	782.2	627.6	426.9	405.3	407.5	407.3	334.9	533.9	550	600	650
Partners Cap'l ($mill)	430.3	552.7	4133.7	3988.2	3963.5	3778.5	4183.7	4302.7	4571.0	4541.2	4800	5100	6500
Return on Total Cap'l	47.7%	49.3%	14.6%	17.4%	14.7%	15.0%	15.6%	18.7%	22.8%	25.1%	21.5%	23.5%	28.0%
Return on Partners Cap'l	68.1%	83.5%	17.2%	19.7%	15.9%	16.2%	16.9%	20.2%	24.3%	27.8%	24.0%	25.5%	30.5%
Retained to Com Eq	4.3%	19.0%	1.9%	NMF	NMF	1.3%	7.8%	1.6%	1.8%	NMF	2.0%	2.0%	3.0%
Dist. to "Cash Flow" [F]	66%	55%	62%	84%	70%	56%	36%	65%	76%	90%	75%	75%	74%

BUSINESS: AllianceBernstein Holding L.P., formerly Alliance Capital Management, was originally formed in 1987 as a successor to ACMC, a subsidiary of AXA Financial, with the purpose of providing investment management services to institutional investors. The partnership is one of the largest investment advisers in the US, providing investment management services and research directly to institutional clients and through broker-dealers to individual clients. Alliance Capital acquired Sanford C. Bernstein Inc., 10/00. Has 5,580 employees. AXA, AXA Financial, and its subsidiaries own about 60.1% of units and a 1% general partnership; CEO: Lewis A. Sanders; Inc.: DE. Addr.: 1345 Avenue of the Americas, NY, NY 10105. Tel.: 212-969-1000. Internet: www.alliancebernstein.com.

AllianceBernstein continues to report weak results. Total revenue declined about 8% during the second quarter of 2008. This reflects a 10% decline in assets under management during the quarter. Much of the reduction was caused by market depreciation, resulting from the pullback in the financial markets in the U.S. and internationally. Moreover, investor inflows for the last 12 months contributed only about $3 billion to assets under management, which is relatively little. Modest investor inflows into the institutional and private client segments were offset by outflows from the retail unit.

Nonetheless, operating expenses declined about 8% during the second quarter. Alliance has done a good job reducing compensation costs and spending on promotion and marketing efforts. This more than offset higher administrative costs, associated with the opening of offices. Taxes also increased, due to different international accounting methods.

AllianceBernstein will probably continue to expand internationally. At the end of June, about 40% of customers were domiciled outside of the United States. The opening of a substantial London office in 2006 has helped attract many of these clients. We expect Alliance to open offices in other international locations. However, this assumes the financial markets begin to firm up a bit.

The business outlook has become less favorable. We are lowering our earnings estimates by $0.30 per diluted share for 2008. This reflects the partnership's weak second-quarter results, and ongoing declines in the financial markets. We are also reducing our earnings estimate by $0.55 for 2009.

These untimely units have pulled back about 17% in price since our May report. Investors are probably concerned about Alliance's earnings outlook, given that the business is largely dependent on the performance of the financial markets. Still, our current projections indicate that this issue holds worthwhile total return potential for the next 3 to 5 years. The dividend, while lower than it once was, still provides a substantial yield, and should supply some downside support for these units.

Adam Rosner *August 22, 2008*

(A) Diluted net inc. per unit. Excl. gain/(loss): '00, (19¢); '03, ($1.11). Excl. merger-related amortization. Qtly. figs. in '06 do not sum due to rounding. Next egs. report late Oct. (B) Partnership distributes all avail. cash flow. Historically distributions paid in late Feb., May, Aug., and Nov.
(C) In mill., adj. for split.
(D) Includes amort. of sales commissions in '03. (E) Limited partnership pays minimal taxes. (F) Includes all partnership distributions.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	60
Earnings Predictability	75

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APPLIED BIOSYS. GP. NYSE-ABI

RECENT PRICE 36.38 | P/E RATIO 20.0 (Trailing: 20.8 Median: 27.0) | RELATIVE P/E RATIO 1.30 | DIV'D YLD 0.5% | VALUE LINE

TIMELINESS — Suspended 6/20/08
SAFETY 2 Raised 2/29/08
TECHNICAL — Suspended 6/20/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+50%)	12%
Low	40	(+10%)	3%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	0	1	5	0	0	0	0
to Sell	0	3	0	1	5	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	139	150	154
to Sell	167	159	169
Hld's(000)	163432	164283	159206

High: 21.5 25.2 62.9 160.0 94.3 39.3 24.0 24.4 28.2 39.5 37.7 37.3
Low: 14.5 13.6 22.0 42.8 18.5 13.0 14.9 17.8 19.2 26.1 27.8 28.8

LEGENDS
16.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 7/99
2-for-1 split 2000
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	18.9	-12.2
3 yr.	80.4	7.2
5 yr.	76.3	58.6

Percent shares traded 18 12 6

2-for-1

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
6.77	5.75	5.96	6.31	6.78	7.29	7.75	5.93	6.64	7.66	7.67	8.04	8.90	9.16	10.22	11.43	13.20	14.15	Sales per sh (A)	17.15
.68	.61	.68	.65	.82	1.01	.88	.94	1.15	1.32	1.19	1.34	1.37	1.64	1.88	1.89	2.75	2.90	"Cash Flow" per sh	3.45
.41	.36	.42	.40	.54	.72	.63	.72	.86	.96	.79	.83	.83	1.19	1.24	1.40	1.75	1.85	Earnings per sh (B)	2.30
.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	.17	Div'ds Decl'd per sh (C)■	.17
.17	.14	.19	.16	.18	.34	.51	.40	.45	.68	.45	.63	.31	.43	.22	.33	.30	.30	Cap'l Spending per sh	.30
2.27	1.74	1.69	1.81	1.89	2.49	2.86	2.59	4.47	4.92	5.38	6.40	6.35	7.81	7.90	8.68	7.30	8.40	Book Value per sh	12.70
134.55	175.78	171.79	168.44	171.59	175.22	197.27	205.93	209.00	211.50	208.10	209.20	195.70	195.00	187.00	183.20	168.50	168.00	Common Shs Outst'g (D)	166.00
18.4	23.3	20.2	18.6	19.6	21.7	28.1	31.1	66.0	74.8	32.4	22.1	25.3	17.0	18.2	23.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.12	1.38	1.32	1.24	1.23	1.25	1.46	1.77	4.29		1.77	1.26	1.34	.91	.98	1.23			Relative P/E Ratio	1.35
2.2%	2.0%	2.0%	2.3%	1.6%	1.1%	1.0%	.8%	.3%	.2%	.7%	.9%	.8%	.8%	.7%	.5%			Avg Ann'l Div'd Yield	.4%
1531.2	1221.7	1388.1	1619.5	1604.0	1682.9	1741.1	1787.1	1911.2	2093.5	2224.7	2375	Sales ($mill) (A)	2850
14.4%	19.0%	19.3%	21.4%	19.7%	18.1%	18.0%	22.3%	22.9%	23.5%	23.7%	24.0%	Operating Margin	24.0%
53.1	44.3	54.5	66.8	81.2	106.4	96.8	82.9	77.2	79.6	82.0	85.0	Depreciation ($mill)	95.0
120.2	148.4	186.2	212.4	168.5	174.4	172.3	236.9	275.1	286.9	300	315	Net Profit ($mill)	390
26.8%	16.0%	32.5%	30.2%	29.1%	18.4%	28.2%	20.3%	13.3%	24.8%	29.0%	31.0%	Income Tax Rate	31.0%
7.8%	12.1%	13.4%	13.1%	10.5%	10.4%	9.9%	13.3%	14.4%	12.7%	13.5%	13.3%	Net Profit Margin	13.7%
287.9	274.8	395.1	505.8	549.8	691.2	592.0	844.1	439.5	646.7	335	345	Working Cap'l ($mill)	555
33.7	31.5	36.1	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
564.2	534.3	934.4	1041.2	1125.2	1338.2	1243.6	1522.9	1477.7	1580.3	1250	1440	Shr. Equity ($mill)	2145
20.4%	26.4%	19.3%	20.4%	15.0%	13.0%	13.9%	15.6%	18.5%	16.8%	23.5%	22.0%	Return on Total Cap'l	18.0%
21.3%	27.8%	19.9%	20.4%	15.0%	13.0%	13.9%	15.6%	18.6%	16.8%	24.0%	22.0%	Return on Shr. Equity	18.0%
14.4%	21.4%	17.1%	17.0%	12.6%	10.4%	10.4%	13.4%	17.0%	14.8%	21.5%	20.0%	Retained to Com Eq	17.0%
33%	23%	14%	17%	16%	20%	25%	14%	9%	12%	10%	9%	All Div'ds to Net Prof	7%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $125.0 mill. Due in 5 Yrs $125.0 mill.
LT Debt None LT Interest None

Leases, Uncapitalized $36.6 million

Pension Assets $728.4 mill. Oblig. $750.6 mill.

Pfd Stock None

Common Stock 166,663,895 shs.
as of 5/5/08

MARKET CAP: $6.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	373.9	494.5	364.7
Receivables	373.8	446.8	458.9
Inventory (FIFO)	129.4	132.1	172.2
Other	135.8	161.0	140.0
Current Assets	1012.7	1234.4	1135.8
Accts Payable	200.6	161.4	155.1
Debt Due	--	--	125.0
Other	372.6	426.3	421.1
Current Liab.	573.2	587.7	701.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.0%	7.0%	9.0%
"Cash Flow"	8.0%	8.0%	11.5%
Earnings	9.0%	9.0%	9.5%
Dividends	--	--	--
Book Value	14.5%	10.5%	7.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) (A) Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	390.3	463.5	454.8	478.5	1787.1
2006	415.5	481.9	490.7	523.1	1911.2
2007	476.3	530.0	529.9	557.3	2093.5
2008	501.2	561.9	552.6	609.0	2224.7
2009	535	595	600	645	2375

Fiscal Year Ends	EARNINGS PER SHARE (A) (B) Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.18	.26	.28	.31	1.05
2006	.24	.31	.34	.35	1.24
2007	.29	.37	.36	.38	1.40
2008	.32	.50	.44	.49	1.75
2009	.35	.53	.45	.52	1.85

Calendar	QUARTERLY DIVIDENDS PAID (C)■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.043	.043	.043	.043	.17
2005	.043	.043	.043	.043	.17
2006	.043	.043	.043	.043	.17
2007	.043	.043	.043	.043	.17
2008	.043	.043	.043		

BUSINESS: Applied Biosystems Group (formerly PE Biosystems Group) is the main portion of Applera Corp. (formerly PE Corp. and, before that, Perkin-Elmer Corp.). (Applera includes Celera Genomics, NYSE: CRA.) Applied Biosystems develops, markets, and supplies instruments, reagents, software, and related services to the life science industry and research community. Foreign business: 56.5% of 2007 sales. R&D: 9.7%. Employs 5,530; Officers/directors own 4.6% of stock; Primecap Management, 12.1%; Goldman Sachs, 9.1%; Axa/AllianceBernstein L.P., 4.3%; (9/07 proxy). Chairman, President: T. White. Incorporated: Delaware Address: 301 Merritt 7, Norwalk, CT 06851. Telephone: 203-840-2000. Internet:www.appliedbiosystems.com.

Applied Biosystems has entered into a merger agreement with Invitrogen Corp. In June, it was announced that the two companies would be combined, with Invitrogen purchasing all of the outstanding stock of Applied Biosystems for $38 a share in cash and Invitrogen stock. The total cost would be approximately $6.7 billion. The deal was approved by the boards of directors for both companies, and has already passed the waiting stage of the Federal Trade Commission in the U.S. (The review from the European regulatory commissions will follow.) The closing of this deal is expected to occur by the end of the calendar year. Nevertheless, investors should note that neither our estimates nor our projections will reflect this possible merger until it has been finalized. Meanwhile,

The company finished a record-breaking fiscal year (ended June 30th). Earnings advanced 25%, partially on the strength of revenue gains and better margins. Applied was helped by the favorable impact from currency translations, as well as solid contributions from the Asia/Pacific region. Fourth-quarter sales from the PCR/Applied Genomics segment rose 15%, with the DNA Sequencing division gaining 9%. Also adding to the top and bottom lines were sales of the *SOLiD* sequencing platform, with the *SOLiD 2.0* next-generation upgrade debuting in May. Demand for this product increased by 10% in the June interim, and will likely remain strong over the next few quarters. Thus, we have raised our share-net estimate for fiscal 2009 by a nickel, to $1.85.

Strong demand and better margins should bolster earnings growth over the next 3 to 5 years. Contributions from the Consumables and Services divisions have been rising steadily, and should continue to bolster the bottom line. Also, tighter controls over R&D and employee-related expenses will likely lead to wider margins over the 2011–2013 stretch.

The Timeliness rank of Applied Biosystems has been suspended. The stock rose close to our 3- to 5-year price band following the news of the merger, and probably will be affected more by merger developments than by fundamentals in the near term.

John D. Burke August 29, 2008

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	25
Earnings Predictability	75

(A) Fiscal year ended July 31 prior to 1993; June 30, thereafter. Data prior to fiscal '99 are for Perkin-Elmer. (B) Primary earnings thru 1997; diluted thereafter. Excludes nonrecurring gains (losses): '07, (52¢); '06, 37¢; '05, (10¢); '04, 14¢; '03, ($0.07); '98, ($1.41); '97, (30¢); '96, ($1.85); '95, 4¢; '94, (52¢); '93, ($2.72); '92, 7¢. Next earnings report late October.

(C) Dividends historically paid in early January, April, July, October. ■Div'd. reinvest. plan avail. (D) In mill., adjust. for splits.

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ABM INDUSTRIES NYSE-ABM

RECENT PRICE 20.77 | P/E RATIO 14.5 (Trailing: 21.4 / Median: 19.0) | RELATIVE P/E RATIO 0.89 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 3 Raised 5/23/08
SAFETY 3 Lowered 8/3/06
TECHNICAL 3 Lowered 5/30/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+140%)	26%
Low	35	(+70%)	15%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	4	0	0	0	0	0	3
to Sell	0	0	0	1	0	0	0	0	3

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	83	64	69
to Sell	78	88	88
Hld's(000)	39844	39361	39577

High: 15.8 18.5 17.5 16.1 19.1 19.8 18.0 22.5 21.9 24.0 31.2 23.0
Low: 8.7 12.5 10.0 9.6 12.5 12.9 12.5 16.8 17.8 16.1 19.0 18.1

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/96
2-for-1 split 5/02
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013: 64 / 48 / 40 / 32 / 24 / 20 / 16 / 12 / 8 / 6

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.9	-9.4
3 yr.	23.2	30.2
5 yr.	69.0	96.6

Percent shares traded: 9 / 6 / 3

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
22.25	22.02	24.44	25.77	27.89	30.60	34.76	36.37	39.30	39.98	43.49	46.78	49.61	52.73	55.78	58.35	76.00	81.70	Revenues per sh A	92.00
.51	.56	.66	.78	.89	1.04	1.22	1.33	1.48	1.46	1.23	1.06	1.13	1.33	1.42	1.40	1.95	2.30	"Cash Flow" per sh	3.15
.32	.36	.41	.46	.53	.61	.72	.83	.93	.90	.92	.73	.84	.91	.97	.99	1.30	1.55	Earnings per sh A B	2.30
.12	.13	.13	.15	.18	.20	.24	.28	.30	.33	.36	.38	.40	.42	.44	.48	.52	.52	Div'ds Decl'd per sh C	.62
.15	.18	.24	.27	.28	.32	.27	.43	.41	.35	.15	.24	.24	.36	.29	.45	.35	.35	Cap'l Spending per sh	.35
2.96	3.14	3.44	3.78	4.22	4.83	5.49	6.18	6.88	7.40	7.67	9.18	9.08	9.70	11.13	12.46	12.90	13.95	Book Value per sh D	18.35
34.06	35.11	36.20	37.46	38.98	40.83	43.20	44.81	46.00	48.76	50.40	48.37	48.71	49.05	48.64	48.64	50.00	50.00	Common Shs Outst'g E	50.00
14.3	12.6	11.8	12.7	15.5	16.9	20.6	17.5	13.0	17.6	17.6	20.4	21.7	21.4	19.1	24.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
.87	.74	.77	.85	.97	.97	1.07	1.00	.85	.90	.96	1.16	1.15	1.14	1.03	1.30			Relative P/E Ratio	1.20
2.7%	2.7%	2.6%	2.6%	2.2%	1.9%	1.6%	1.9%	2.5%	2.1%	2.2%	2.5%	2.2%	2.1%	2.4%	2.0%			Avg Ann'l Div'd Yield	1.5%
						1501.8	1629.7	1807.6	1950.0	2192.0	2262.5	2416.2	2586.6	2712.7	2837.8	3800	4085	Revenues ($mill) A	4600
						5.4%	5.5%	5.5%	5.2%	3.9%	3.1%	3.0%	3.2%	3.6%	3.3%	4.0%	4.3%	Operating Margin	5.1%
						19.6	20.7	23.5	26.3	15.2	14.8	13.1	19.6	20.7	18.8	27.0	30.0	Depreciation ($mill)	35.0
						33.9	39.7	44.3	45.0	46.7	36.4	42.1	45.9	46.2	49.4	65.0	80.0	Net Profit ($mill)	120
						41.0%	41.0%	39.0%	38.3%	32.6%	33.6%	27.4%	28.7%	38.0%	33.9%	37.5%	38.0%	Income Tax Rate	40.0%
						2.3%	2.4%	2.5%	2.3%	2.1%	1.6%	1.7%	1.8%	1.8%	1.7%	1.7%	1.9%	Net Profit Margin	2.5%
						186.5	184.3	224.2	229.5	210.7	244.0	231.7	246.4	312.4	353.2	320	385	Working Cap'l ($mill)	425
						33.7	28.9	36.8	.9	--	--	--	--	--	--	280	280	Long-Term Debt ($mill)	50.0
						243.5	283.4	322.7	361.2	386.7	444.0	442.2	475.9	541.2	605.8	645	700	Shr. Equity ($mill)	920
						12.7%	12.8%	12.7%	12.8%	12.1%	8.2%	9.5%	9.6%	8.9%	8.2%	8.0%	9.0%	Return on Total Cap'l	12.5%
						13.9%	14.0%	13.7%	12.5%	12.1%	8.2%	9.5%	9.6%	8.9%	8.2%	10.0%	11.5%	Return on Shr. Equity	13.0%
						9.8%	9.6%	9.4%	8.6%	7.5%	4.0%	5.1%	5.3%	4.9%	4.2%	6.0%	7.5%	Retained to Com Eq	9.5%
						32%	33%	33%	36%	38%	51%	46%	45%	45%	48%	40%	33%	All Div'ds to Net Prof	26%

CAPITAL STRUCTURE as of 1/31/08
Total Debt $316.0 mill. Due in 5 Yrs $316.0 mill.
LT Debt $316.0 mill. LT Interest $16.2 mill.

Leases, Uncapitalized Annual rentals $34.2 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 50,195,569 shs.
as of 2/29/08
MARKET CAP: $1.0 billion (Mid-Cap)

CURRENT POSITION ($MILL.)	2006	2007	1/31/08
Cash Assets	134.0	136.2	3.2
Receivables	364.0	370.5	503.8
Inventory (FIFO)	22.8	20.3	20.7
Other	90.9	115.9	152.8
Current Assets	631.7	642.9	680.5
Accts Payable	66.3	69.8	72.7
Debt Due	--	--	--
Other	253.0	219.9	313.5
Current Liab.	319.3	289.7	386.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	6.5%	9.5%
"Cash Flow"	4.5%	--	16.0%
Earnings	6.0%	1.0%	17.0%
Dividends	10.0%	6.0%	7.5%
Book Value	10.0%	8.5%	11.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	638.2	639.6	650.1	658.7	2586.6
2006	666.6	660.1	689.3	696.7	2712.7
2007	703.5	692.9	717.5	723.9	2837.8
2008	922.6	930	965	982.4	3800
2009	985	1000	1045	1055	4085

Fiscal Year Ends	EARNINGS PER SHARE A B Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	.11	.18	.31	.31	.91
2006	.06	.21	.35	.33	.97
2007	.18	.27	.24	.30	.99
2008	.16	.29	.41	.44	1.30
2009	.29	.39	.43	.44	1.55

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.105	.105	.105	.105	.42
2006	.11	.11	.11	.11	.44
2007	.12	.12	.12	.12	.48
2008	.125	.125			

BUSINESS: ABM Industries is the largest, publicly traded facility services contractor in the United States. Company performs air-conditioning, elevator, engineering, janitorial, lighting, mechanical, landscaping, parking, and security services for commercial, industrial, and institutional customers. Foreign sales (mostly Canada) about 5% of total. Depr. rate: 14.3%. As of 11/30/07, had about 107,000 employees, incl. 30,000 from OneSource acq. (Nov. '07). Off./dir. own about 15.6% of stock; T. Rosenberg Trust, 9.8%; Kayne Anderson, 7.5%; Wells Fargo, 7.3%; Franklin, 7.2%. (2/08 Proxy). Chairman: Maryellen Herringer. President/CEO: Henrik Slipsager. Inc.: DE. Address: 160 Pacific Ave., Suite 222, San Francisco, CA 94111. Tel.: 415-733-4000. Internet: www.abm.com.

ABM Industries' integration of acquired OneSource is progressing well. Revenue growth at the acquiree is proving to be a little better than we expected. We now we look for top-line contributions during the first 12 months to approach $900 million. This, combined with good cross-selling opportunities, which stands to build momentum after the integration is complete, should give extra lift to the top line. Cost-cutting measures, aimed primarily at eliminating merger-related administrative redundancies, are going well, too. In the April period, this action likely resulted in a boost to earnings by a penny or two. The quarterly benefits should ramp up to a nickel, or more, starting in fiscal 2009 (begins November 1st).

Core businesses seem on track for a solid fiscal 2008. ABM's sales team appears to be inking a decent number of deals, despite a weak economy. January-quarter revenues rose 4.2%, notwithstanding the contributions from OneSource. We believe this relatively solid showing is a result of strong outsourcing demand, which usually picks up during down cycles. Based on good order activity, combined with revenues from acquisitions, we look for the top line to rise 33%, to nearly $3.8 billion this fiscal year, with more moderate growth likely in fiscal 2009.

Share earnings stand to rise nicely. Rising volume, higher average selling prices, and cost-cutting actions, should widen the operating margin by 60–70 basis points in fiscal 2008. Higher tax and interest expenses (from the additional debt used to pay for OneSource) will act as somewhat of a drag. Still, share net ought to advance a solid 33%, to $1.30, this fiscal year. Additional efficiency-enhancing measures stand to give further lift to the bottom line in fiscal 2009.

Acquisitions will likely play an important role in growth strategy. A very fragmented market should provide plenty of buyout opportunities in the coming years. This augurs well for long-term margin expansion, too, since the company would benefit from economies of scale.

Neutrally ranked ABM Industries stock has appeal. The capital gains potential over the pull to 2011–2013 is above average.

Warren Thorpe — *June 6, 2008*

(A) Fiscal year ends October 31st. Quarterly 2002 and 2003 figures were restated to reflect the acquisition of Lakeside and the sale of elevator operations, respectively. (B) Diluted earnings 1998 and thereafter; basic 1997 and earlier. Excludes nonrecurring gains: '92, 9¢; '01, 50¢; '07, 5¢. Next earnings report due early Sept. (C) Dividends historically paid early February, May, August, and November. (D) Includes intangible assets of $276.7 million, or $5.69/share, at 10/31/07. (E) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	45
Earnings Predictability	90

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HEARING EXHIBIT 00000266

AMER. CAPITAL NDQ-ACAS

RECENT PRICE 22.30 | P/E RATIO 7.6 (Trailing: 7.9 Median: 11.0) | RELATIVE P/E RATIO 0.47 | DIV'D YLD 18.8% | VALUE LINE

TIMELINESS 4 Lowered 9/28/07
SAFETY 3 New 2/23/07
TECHNICAL 3 Lowered 8/1/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+125%)	33%
Low	35	(+55%)	25%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	3	0	4	0	0	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	1	0	2	2	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	239	212	223
to Sell	122	152	146
Hld's(000)	83510	85821	91184

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	20.8	24.6	23.1	27.8	29.9	33.0	30.0	34.9	39.6	46.4	50.0	37.9		
Low:	16.5	9.2	14.0	19.8	21.9	15.2	20.8	24.7	29.5	29.7	32.4	15.8		
	1.53	1.83	2.24	2.74	3.38	3.13	3.79	4.66	5.62	6.33	5.30	5.80	Operating income per sh [A]	7.20
	--	--	--	--	--	--	2.50	2.66	2.68	3.03	2.85	2.95	"Cash Flow" per sh	3.50
	1.48	1.72	1.96	2.24	2.57	2.56	2.83	3.10	3.11	3.36	2.95	3.00	Earnings per sh [B]	3.60
	1.23	1.82	1.95	2.30	2.57	2.79	2.91	3.08	2.48	3.72	4.19	4.45	Div'ds Decl'd per sh [C] ■	5.40
	--	--	--	--	--	.03	.03	.07	.16	.16	.20	.20	Cap'l Spending per sh	.25
	13.78	17.08	15.90	16.88	15.82	17.83	21.11	24.37	28.35	32.86	26.95	25.55	Book Value per sh	23.00
	11.06	18.25	28.00	38.02	43.47	65.95	88.71	118.91	153.16	195.90	210.00	220.00	Common Shs Outst'g [D]	275.00
	12.6	10.8	11.8	11.9	9.6	10.0	10.8	11.5	12.1	12.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
	.67	.62	.77	.61	.54	.57	.57	.61	.65	.68			Relative P/E Ratio	.80
	6.5%	9.8%	8.4%	8.7%	10.2%	10.9%	9.5%	8.7%	6.6%	8.7%			Avg Ann'l Div'd Yield	12.5%
	17.0	33.4	62.7	104.2	147.0	206.3	336.1	554.5	860.0	1240.0	1110	1275	Operating Income ($mill) [A]	1975
	90.3%	92.4%	92.7%	78.6%	79.5%	77.2%	77.5%	77.5%	72.8%	71.5%	72.5%	73.0%	Operating Margin	75.0%
	--	--	--	--	--	--	1.5	2.5	2.5	--	Nil	Nil	Depreciation ($mill)	Nil
	16.9	24.7	44.7	71.6	102.5	140.7	220.1	313.8	425.0	594.0	600	650	Net Profit ($mill)	950
	--	--	--	--	--	--	1.0%	3.8%	2.5%	1.0%	.5%	3.0%	Income Tax Rate	3.0%
	99.6%	73.8%	71.2%	68.7%	69.8%	68.2%	65.5%	56.6%	49.4%	47.9%	54.0%	51.0%	Net Profit Margin	48.0%
	176.2	2.3	d71.7	d87.7	d304.1	d615.9	d703.2	70.4	d18.0	342.0	250	300	Working Cap'l ($mill) [E]	475
	30.0	78.5	68.0	147.6	255.8	116.0	623.3	2286.2	3573.0	4557.0	4800	5300	Long-Term Debt ($mill)	7250
	152.7	311.8	445.2	641.6	687.7	1175.9	1872.4	2897.6	4342.0	6441.0	5450	5625	Shr. Equity ($mill)	6325
	9.3%	6.9%	9.6%	9.7%	11.6%	11.6%	9.6%	7.0%	6.6%	6.7%	7.0%	7.5%	Return on Total Cap'l	8.5%
	11.1%	7.9%	10.0%	11.2%	14.9%	12.0%	11.8%	10.8%	9.8%	9.2%	11.0%	11.5%	Return on Shr. Equity	15.0%
	2.2%	NMF	.1%	NMF	NMF	NMF	.4%	1.4%	2.9%	.8%	NMF	NMF	Retained to Com Eq	NMF
	81%	106%	99%	108%	103%	109%	97%	87%	70%	91%	140%	150%	All Div'ds to Net Prof	155%

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-40.1	-12.2
3 yr.	-28.4	7.2
5 yr.	15.6	58.8

Target Price Range 2011 | 2012 | 2013

American Capital Strategies was incorporated in Delaware in 1986. On August 29, 1997, it completed an initial public offering and became a nondiversified, closed end investment company. On October 1, 1997, American Capital began operations so as to qualify to be taxed as a regulated investment company. The company is not subject to federal income tax on the portion of its taxable income and capital gains distributed to stockholders.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4079 mill. Due in 5 Yrs $3050 mill.
LT Debt $3922 mill. LT Interest $220.0 mill.
(41% of Capital)

Leases, Uncapitalized Annual rentals $18.0 mill.
No Defined Benefit Pension Plan

Preferred Stock None
Common Stock 203,100,000 shares

MARKET CAP: $4.5 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	77	143	37
Investments [E]	8076	10928	9639
Other	456	661	543
Total Assets	8609	11732	10219
Debt	3573	4557	3922
Debt Due	353	267	157
Other	341	467	421
Total Liab.	4267	5291	4500

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Oper. Inc.	36.0%	14.5%	5.0%
"Cash Flow"	--	--	26.0%
Earnings	31.5%	7.0%	2.0%
Dividends	31.0%	6.5%	10.0%
Book Value	7.5%	12.0%	-4.0%

Calendar	QUARTERLY INCOME ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	100.8	131.7	148.8	173.2	554.5
2006	173.2	212.0	230.8	244.0	860.0
2007	250	326	310	354	1240
2008	292	263	275	280	1110
2009	310	315	320	330	1275

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.70	.76	.82	.82	3.10
2006	.77	.81	.77	.76	3.11
2007	.73	.91	.81	.90	3.36
2008	.77	.71	.72	.75	2.95
2009	.72	.74	.76	.78	3.00

Calendar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	.67	.68	.69	.75	2.79
2004	.76	--	.70	1.45	2.97
2005	.06	.73	.75	1.57	3.11
2006	.03	.80	.82	.83	2.48
2007	.88	.89	.91	.92	3.60
2008	1.00	1.01	1.03	1.05	

BUSINESS: American Capital Strategies, Ltd. is the largest U.S. publicly traded alternative asset manager with $12 billion in capital resources under management. It invests in management and employee buyouts, private equity buyouts, and early stage and mature private and public middle-market companies (companies with sales between $10 million and $750 million). It provides senior and mezzanine (subordinated) debt and equity to fund growth, acquisitions, recapitalizations, and securitizations. Has about 485 employees. Officers and directors own 2.6% of common (4/08 proxy). Chairman, President & CEO: Malon Wilkus. Inc.: DE. Address: 2 Bethesda Metro Center, 14th Floor, Bethesda MD 20814. Telephone: (301) 951-6122. Internet: www.americancapital.com.

American Capital Strategies posted respectable second-quarter results, even though the investment climate was mostly favorable. The alternative asset manager reported net operating income (NOI) of $0.71 in the June interim, which was well below the year-earlier figure. The decline was mostly due to the alternative asset manager's limited access to new capital. Book value also decreased owing to the deterioration of market multiples. Along this same line, ACAS recorded $264 million in net unrealized investment losses, which reduced net assets.

Prolonged economic sluggishness would likely present a considerable headwind. The portfolio's credit quality is mixed, as nonaccruals rose meaningfully in the second quarter. However, the underlying barometers were largely unchanged, which is encouraging. Still, we expect the value of the portfolio to continue its steady decline in the second half of 2008 and in the beginning of 2009. Consequently, we believe the firm will have a difficult time expanding its bottom line in the coming 12 months, even though it recycles a hefty amount of capital through sales and repayments that could be used to invest at today's more attractive levels.

We are growing concerned about the firm's ability to cover the dividend, but are leaving our payout projections unchanged at this juncture. Management believes ACAS will continue raising the quarterly payout incrementally thanks to $500 million (company estimate) of taxable income it will roll into 2009, and its ability to produce portfolio gains. However, the potential for realized losses increases as economic weakness persists. In addition, the disparity between operating income and the dividend is steadily growing. We estimate the aforementioned spillover dividend will fall between $450 million and $475 million. However, in the firm's corner is the fact that management could choose to reduce expenses, and the current portfolio has plenty of potential for gains.

This untimely issue is only suited for high-yield investors willing to take on quite a bit of risk. If the economic weakness persists until mid- to late-2009, ACAS may well have no choice but to revise its dividend policy.

Erik M. Manning *August 22, 2008*

(A) Total int., dividend, fee, and other income. (B) Diluted net operating income. Excludes net realized gains (losses) on investments and net unrealized appreciation (depreciation) of investments. Figures may not sum due to change in share base. Next earnings report due early November. (C) Dividends historically paid in January, April, July and October. ■ Dividend reinvestment plan available. May not match array due to additional divs. paid on top of quarterly payouts. (D) In millions. (E) At fair value.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	90

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ALCON INC. NYSE-ACL

RECENT PRICE 171.50 | P/E RATIO 25.3 (Trailing: 28.5 Median: NMF) | RELATIVE P/E RATIO 1.99 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 1 Raised 8/22/08
SAFETY 2 Raised 8/29/08
TECHNICAL 3 Lowered 7/18/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	295	(+70%)	17%
Low	215	(+25%)	6%

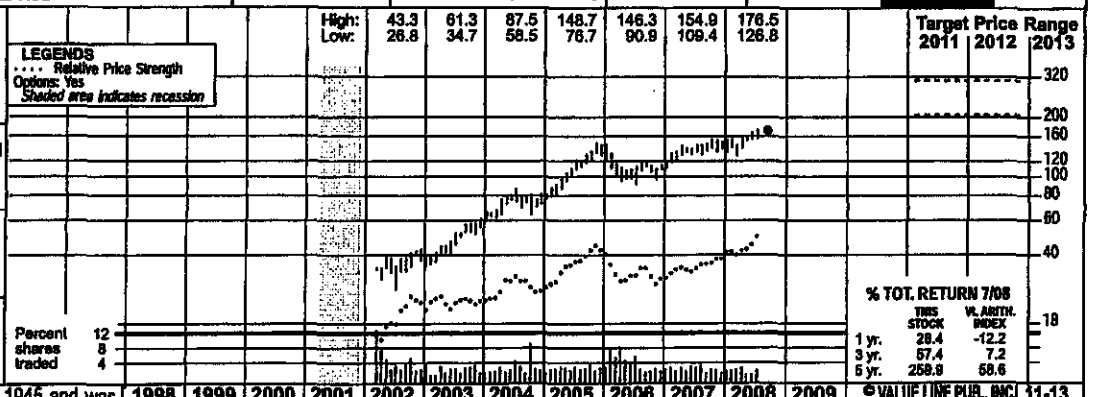
Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	137	158	133
to Sell	117	99	145
Hld's(000)	54319	62157	63651

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession



	High:	43.3	61.3	87.5	148.7	146.3	154.9	176.5					
	Low:	26.8	34.7	58.5	76.7	90.9	109.4	126.8					

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	28.4	-12.2
3 yr.	67.4	7.2
5 yr.	259.9	58.6

Alcon, Inc. was founded in 1945 and was originally incorporated in Switzerland in 1971 as Societe Fromagere Nestle. The company officially changed its name to Alcon, Inc. in 2001. On March 20, 2002, the company completed its initial public offering by issuing 69,750,000 shares of common stock at $33.00 per share. The deal was underwritten by Credit Suisse First Boston and Merrill Lynch.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1598.9 mill. Due in 5 Yrs $1598.9 mill.
LT Debt $53.5 mill. LT Interest $3.0 mill. (2% of Cap'l)
Leases, Uncapitalized: Annual rentals $54.9 mill.
Pension Assets $54.3 mill. Oblig. $411.3 mill.

Pfd Stock None

Common Stock 297,662,706 shs.

MARKET CAP: $51.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1489.2	2134.3	2891.2
Receivables	912.8	1089.2	1291.4
Inventory (Avg Cst)	473.8	548.5	606.7
Other	586.3	1052.8	373.2
Current Assets	3462.1	4824.8	5162.5
Accts Payable	168.9	208.7	249.6
Debt Due	932.3	1752.4	1598.9
Other	899.9	901.1	953.2
Current Liab.	2001.1	2862.2	2801.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	--	9.5%	11.0%
"Cash Flow"	--	21.5%	21.5%
Earnings	--	26.0%	14.0%
Dividends	--	--	NMF
Book Value	--	12.5%	18.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	1070.5	1172.0	1071.1	1054.9	4368.5
2006	1157.1	1310.8	1203.8	1224.9	4896.6
2007	1322.7	1471.5	1335.7	1469.7	5599.6
2008	1536.4	1735.2	1545	1643.4	6460
2009	1715	1890	1725	1820	7150

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.80	1.04	.95	.86	3.65
2006	.95	1.18	1.06	1.16	4.35
2007	1.21	1.48	1.39	1.31	5.39
2008	1.43	1.88	1.57	1.62	6.50
2009	1.70	2.05	1.85	1.85	7.45

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.550	--	--	.55
2005	--	.990	--	--	.99
2006	--	1.380	--	--	1.38
2007	--	2.060	--	--	2.06
2008	--	2.450			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
Sales per sh	--	--	--	9.16	9.74	11.04	12.80	14.25	16.26	18.80	21.70	24.10		30.50
"Cash Flow" per sh	--	--	--	1.70	2.05	2.49	3.48	4.41	5.64	6.20	7.35	8.35		10.75
Earnings per sh A	--	--	--	1.05	1.53	1.90	2.80	3.65	4.35	5.39	6.50	7.45		9.80
Div'ds Decl'd per sh B	--	--	--	--	--	.23	.36	.99	1.38	2.06	2.45	3.00		4.25
Cap'l Spending per sh	--	--	--	.42	.39	.51	.48	.53	.74	.75	.85	.95		1.20
Book Value per sh C	--	--	--	4.63	3.15	5.16	7.16	8.34	9.87	11.35	15.30	19.30		26.50
Common Shs Outst'g D	--	--	--	300.00	309.03	308.52	305.85	306.49	301.18	297.66	298.00	297.00		295.00
Avg Ann'l P/E Ratio	--	--	--	--	23.7	25.0	26.0	30.0	25.5	25.2	Bold figures are			26.0
Relative P/E Ratio	--	--	--	--	1.29	1.43	1.37	1.60	1.38	1.33	Value Line			1.75
Avg Ann'l Div'd Yield	--	--	--	--	--	.5%	.5%	.9%	1.2%	1.5%	estimates			1.0%
Sales ($mill)	--	--	--	2747.7	3009.1	3406.9	3913.6	4368.5	4896.6	5599.6	6460	7150		9000
Operating Margin	--	--	--	28.5%	28.9%	30.8%	33.9%	37.6%	39.4%	39.5%	39.5%	40.0%		40.5%
Depreciation ($mill)	--	--	--	195.3	166.5	177.8	193.2	210.6	357.3	210.4	220	230		250
Net Profit ($mill)	--	--	--	315.6	468.9	590.1	871.8	1139.9	1341.9	1629.0	1970	2250		2950
Income Tax Rate	--	--	--	38.6%	31.1%	30.6%	22.6%	21.3%	17.0%	17.8%	13.5%	13.0%		13.0%
Net Profit Margin	--	--	--	11.5%	15.5%	17.3%	22.3%	26.1%	27.4%	29.1%	30.5%	31.5%		32.7%
Working Cap'l ($mill)	--	--	--	658.5	d361.4	237.2	766.7	989.5	1461.9	1962.6	3100	4225		5100
Long-Term Debt ($mill)	--	--	--	697.4	80.8	75.0	71.9	56.0	48.0	52.2	50.0	50.0		50.0
Shr. Equity ($mill)	--	--	--	1389.6	974.3	1591.5	2187.9	2556.1	2913.6	3374.7	4550	5725		7800
Return on Total Cap'l	--	--	--	16.4%	44.4%	35.5%	38.6%	44.3%	46.0%	48.5%	43.0%	39.5%		37.5%
Return on Shr. Equity	--	--	--	22.7%	47.9%	37.1%	39.8%	44.6%	46.1%	48.5%	43.5%	39.5%		37.5%
Retained to Com Eq	--	--	--	22.1%	NMF	30.3%	32.1%	32.8%	31.8%	30.1%	26.8%	23.5%		21.5%
All Div'ds to Net Prof	--	--	--	3%	NMF	18%	19%	26%	31%	37%	38%	40%		42%

BUSINESS: Alcon Inc. is a global medical specialty company that develops, manufactures, and markets pharmaceuticals, surgical equipment and devices, and consumer eye care products to treat diseases and disorders of the eye. The company sells products in over 180 countries. Has two primary business segments: Alcon U.S. (48% of 2007 sales) and Alcon International (52%). Has three products segments: pharmaceutical (41% of 2007 sales), surgical (45%), and consumer eye (14%). As of 12/31/07, company had about 14,500 empls. Nestle owns 52.2% of common stock; Novartis owns 24.8% (as of 7/3/08). Chairman, CEO, Pres.: Cary Rayment. Inc.: Switzerland. Addr.: Bosch 69, P.O. Box 62, Hunenberg, Switzerland. Tel. 800-400-8599. Internet: www.alconlabs.com.

Alcon posted strong results in the first half of 2008. Revenue over the first two quarters advanced 17%, while share-net surged 23%, as compared to last year. All three business segments posted strong results, particularly the Surgical division, where sales improved 21%, to $1.37 billion. This was largely driven by strong global demand for Alcon's intraocular lenses. Meanwhile, sales at the Pharmaceutical division gained more than 15%, as robust demand for glaucoma products led to a 27% jump in their sales. The Consumer Eye Care group, ACL's smallest division, posted a respectable, but relatively smaller gain of 10%, which was largely the result of strong international sales, as U.S. sales improved less than 4%.

Strong International growth and related currency gains continue to boost performance. Although revenue gains from the U.S. have been solid, superb International results have driven ACL's recent performance. Indeed, U.S. sales have advanced only 6.5% this year compared to a 27% increase overseas. As of recently, the revenue split had been pretty even between the two markets. However, a faster international growth rate, and expansion into newer regions should result in even larger contributions from these markets in the coming years.

Novartis has purchased an initial 25% stake in Alcon from Nestle. The deal is a two-step transaction, with Novartis acquiring the rest of Nestle's 77% equity stake between 2010-2011. There are many *potential positives to the new ownership*, which is a much more strategic fit. Meanwhile, management has placed share repurchases on hold following the transaction, and will be accumulating cash for the near future. We look for larger dividend payouts as a result of the excess cash.

Management has stated that it expects the tax rate over the next few years to be in the low teens. This is due *to tax benefits from international operations* and shared-service centers abroad.

These shares are ranked to outperform the broader market in the coming year. Yet, despite our expectations of solid results and continued global expansion, these shares offer below-average gains over the 3-to 5-year period.

Joel Schwed *August 29, 2008*

(A) Diluted earnings per share. Excludes net nonrecurring gains/(losses): '03, 2¢; '04, 18¢; '05, (67¢); '06, 2¢; '07, (14¢). Next earnings report due late October.
(B) Dividends historically paid in May.
(C) Includes intangibles. In 2007: $715.6 million, $2.40 per share.
(D) In millions.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	90
Earnings Predictability	95

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ACCENTURE LTD. NYSE-ACN

RECENT PRICE 41.02 | P/E RATIO 14.8 (Trailing: 16.5 / Median: NMF) | RELATIVE P/E RATIO 0.92 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 1 Raised 7/11/08
SAFETY 2 Raised 8/22/08
TECHNICAL 3 Lowered 8/8/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+105%)	21%
Low	65	(+60%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	0	0	0	0	1	0
to Sell	0	3	0	2	0	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	233	290	276
to Sell	202	177	198
Hld's(000)	446379	457159	459442

LEGENDS
15.5 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 26.0 30.5 26.5 28.1 29.5 38.0 44.0 42.0
Low: 11.6 11.3 13.5 21.8 21.0 25.7 33.0 31.8

Target Price Range 2011 | 2012 | 2013

Percent shares traded: 15 / 10 / 5

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	0.1	-12.2
3 yr.	72.3	7.2
5 yr.	122.2	58.6

On 12/19/00, Accenture member firms separated from Andersen Worldwide and Arthur Andersen LLP, and was organized as a holding company, Accenture Ltd. On 7/19/01, Accenture's IPO of 115 million shares was sold to the public at $14.50 per share, yielding $1.7 billion in net proceeds. Goldman Sachs was the lead underwriter. Following the offering there were 986,143,367 shares outstanding (including 591.2 mill Class X shares).

CAPITAL STRUCTURE as of 5/31/08
Total Debt $6.7 mill. Due in 5 Yrs $6.7 mill.
LT Debt $2.5 mill. LT Interest $.1 mill. (Less than 1% of Cap'l)
Leases, Uncapitalized: Annual rentals $388 mill.
Pension Assets-8/07 $939.2 mill. Oblig. $973.0 mill.
Preferred Stock None
Common Stock 737,129,900 shares
(Includes 136.3 mill. Class X shares. There were 816.4 mill. weighted average, diluted Class A shares in the May quarter.) [E]
MARKET CAP: $30.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	3419.9	3545.7	3354.6
Receivables	1916.5	2409.3	2838.4
Other	2017.4	2016.2	2420.6
Current Assets	7353.8	7971.2	8613.6
Accts Payable	856.1	985.1	1008.4
Debt Due	24.8	23.8	4.2
Other	4935.8	5953.7	5533.5
Current Liab.	5816.5	6962.6	6546.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	10.5%	15.0%
"Cash Flow"	--	8.0%	21.0%
Earnings	--	13.5%	16.0%
Dividends	--	--	25.0%
Book Value	--	43.5%	28.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) [A][B] Nov.Per	Feb.Per	May Per	Aug.31	Full Fiscal Year
2005	4071	4216	4497	4309	17094
2006	4543	4491	4805	4388	18228
2007	5167	5169	5544	5573	21453
2008	*6102*	*6058*	*6593*	*6522*	*25275*
2009	*7075*	*7025*	*7350*	*7275*	*28725*

Fiscal Year Ends	EARNINGS PER SHARE [A][B] Nov.Per	Feb.Per	May Per	Aug.31	Full Fiscal Year
2005	.32	.32	.44	.38	1.46
2006	.36	.37	.50	.39	1.62
2007	.46	.47	.54	.50	1.97
2008	.60	.64	.74	.67	*2.65*
2009	.72	.85	.86	.77	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID [E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	.30	.30
2006	--	--	--	.35	.35
2007	--	--	--	.42	.42
2008	--	--			

	1998[D]	1999[D]	2000[D]	2001[D]	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	14.28	13.24	13.70	15.65	16.51	21.26	28.28	*35.10*	*41.35*	Revenues per sh [AC]	*52.40*
	--	--	--	1.37	.89	.75	.98	1.22	1.54	2.22	*3.05*	*3.50*	"Cash Flow" per sh	*5.05*
	--	--	--	.86	.91	1.05	1.22	1.46	1.62	1.97	*2.65*	*3.00*	Earnings per sh [ABC]	*4.15*
	--	--	--	--	--	--	--	--	.30	.35	*.42*	*.50*	Div'ds Decl'd per sh [E]	*.80*
	--	--	--	.40	.27	.22	.29	.34	.36	.48	*.60*	*.65*	Cap'l Spending per sh	*.80*
	--	--	--	.30	.44	.81	1.52	1.84	2.21	2.72	*2.80*	*4.20*	Book Value per sh	*10.00*
	--	--	--	934.47	988.77	977.84	965.88	923.71	857.40	758.55	*720.00*	*695.00*	Common Shs Outst'g [E]	*675.00*
	--	--	--	17.3	21.1	16.1	20.0	17.0	17.7	18.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*18.0*
	--	--	--	.89	1.15	.92	1.06	.91	.96	.99			Relative P/E Ratio	*1.20*
	--	--	--	--	--	--	--	--	1.0%	.9%			Avg Ann'l Div'd Yield	*1.1%*
	9639.7	11079	11540	13348	13105	13397	15114	17094	18228	21453	*25275*	*28725*	Revenues ($mill) [AC]	*35200*
	20.3%	20.3%	20.1%	21.9%	13.6%	13.3%	13.3%	13.5%	11.9%	13.7%	*14.2%*	*14.6%*	Operating Margin	*16.0%*
	172.7	217.0	237.1	414.1	285.4	237.2	257.1	282.1	320.6	444.5	*475*	*500*	Depreciation ($mill)	*600*
	1685.3	2022.7	2463.9	869.4	587.3	498.2	690.8	848.2	998.1	1243.1	*1700*	*1950*	Net Profit ($mill) [CD]	*2800*
	4.2%	5.7%	9.0%	63.2%	38.0%	35.1%	32.0%	33.0%	25.5%	34.2%	*29.0%*	*35.0%*	Income Tax Rate	*35.0%*
	17.5%	18.3%	21.4%	6.5%	4.6%	3.7%	4.6%	5.0%	5.5%	5.8%	*6.7%*	*6.8%*	Net Profit Margin	*8.0%*
	--	913.4	1015.3	400.8	734.0	1686.1	1683.4	1822.9	1537.3	1008.6	*2000*	*2300*	Working Cap'l ($mill)	*5000*
	--	127.4	98.9	1.1	3.4	14.0	2.2	44.1	27.1	2.8	*2.0*	*2.0*	Long-Term Debt ($mill)	*2.0*
	--	2208.1	2368.5	282.2	438.6	794.2	1471.8	1696.9	1894.3	2063.3	*2000*	*2925*	Shr. Equity ($mill)	*6750*
	--	86.9%	100.1%	312.7%	135.3%	61.7%	46.9%	48.8%	51.9%	60.2%	*85.0%*	*66.5%*	Return on Total Cap'l	*41.5%*
	--	91.6%	104.0%	308.1%	136.2%	62.7%	46.9%	50.0%	52.6%	60.2%	*85.0%*	*66.5%*	Return on Shr. Equity	*41.5%*
	--	91.6%	104.0%	308.1%	136.2%	62.7%	46.9%	50.0%	38.4%	46.0%	*70.0%*	*55.0%*	Retained to Com Eq	*33.5%*
	--	--	--	--	--	--	--	--	27%	24%	*16%*	*17%*	All Div'ds to Net Prof	*19%*

BUSINESS: Accenture Ltd. is a leading global provider of management and technology consulting services and solutions. The company manages 150 offices in 49 countries. FY '07 revenue by segment: Comm. & High Tech, 23%; Products, 25%; Financial Services, 22%; Resources, 16%; Gov., 13%; Other, 1%. FY '07 revenue by region: Americas, 43%; EMEA, 48%; Asia/Pacific, 9%. FY '07 revenue by service: Consulting/systems integrations, 60%; outsourcing, 40%. Officers & directors own less than 1% of common; two companies own 13.2% of Class A common. (12/07 Proxy). Has about 146,000 employees. Chairman & CEO: William D. Green. Incorporated: Bermuda. Address: 22 Victoria Street, Hamilton HM12, Bermuda. Telephone: 441-296-8262. Internet: www.accenture.com.

Accenture shares have ascended to the top of our Timeliness Ranking System. The company's forte is management consulting and technology outsourcing. Because of the current tumultuous market backdrop, profits at ACN have been rising handsomely as corporations seek help in reshaping themselves to accommodate mostly unfavorable demand patterns. In fact, rampant downsizing (layoffs and cost-cutting) stemming from *the credit crunch has led to a windfall* of new revenues for the company. And this momentum shows no sign of slackening.

The investment community has yet to factor in all of the positives here. The stock's price has not risen much in the past three months despite a strong corporate showing, subsequent upwards earnings revision, and increasingly glowing prospects. It's now trading at less than 15 times our projected earnings over the next 12 *months, a nice discount from* our expected P/E ratio out to 2011-2013. With that, its appreciation potential over that span is worthwhile. Further, the company has a pristine balance sheet and has developed a leadership position in the information technology services going up against titans such as IBM.

We are boosting our earnings estimates for fiscal 2008 and 2009. (Years end August 31st). As other companies scramble to improve productivity and profitability, *ACN will likely rake in fat profits.* Accordingly our per-share figures are higher by a nickel and a dime, respectively, to $2.65 and $3.00. These numbers could run up even more if share repurchases are ramped up faster than we are factoring. ACN's strong cash flow has led to management retiring shares at a rapid clip over the majority of fiscal 2008.

Economic concerns are warranted, but Accenture seems to be navigating the stormy seas successfully. *The ongoing* economic adversity has many taking a glass-half-empty stance, but ACN's bookings have not shown any signs of heading south. As this report headed to press, there had been no deal delays or cancellations to speak of. And we do not see the picture changing barring a sustained global downturn, which, of course, is not in our most recent economic outlook.

Erik M. Manning *August 22, 2008*

(A) Fiscal years end August 31st. Revenues include reimbursements. (B) Diluted earnings per Class A share. Excludes nonrecurring items: '01, d$1.37; '02, d35¢; '04 d1¢; '05, 10¢; '06, d27¢. Quarterly figures may not sum due to rounding. Next earnings report due late Sept. (C) '01 figures are pro forma. (D) Thru '01, ACN was organized as a partnership. Net income is before distributions to partners. (E) Includes Class A & Class X shares. Class A's have one vote; receive dividends. Class X's have one vote; do not receive dividends.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	70
Earnings Predictability	45

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AFFIL. COMP. SVCS. NYSE-ACS

RECENT PRICE 49.74 | P/E RATIO 14.0 (Trailing: 15.0 Median: 22.0) | RELATIVE P/E RATIO 0.87 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 3/14/08
SAFETY 3 New 2/28/03
TECHNICAL 3 Lowered 9/15/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+160%)	27%
Low	85	(+70%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	8	1	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	4
to Sell	0	0	0	1	0	0	0	0	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	134	150	162
to Sell	176	149	140
Hld's(000)	77301	82723	86867

High:	15.1	22.5	26.5	31.3	53.6	57.1	56.8	61.2	61.2	63.7	61.7	57.4
Low:	9.8	11.2	15.9	15.5	26.8	32.7	40.0	46.0	45.8	46.5	39.5	40.4

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 11/99
2-for-1 split 2/02
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-10.2	-12.2
3 yr.	-3.6	7.2
5 yr.	-2.7	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	5.89	5.61	8.70	11.58	16.67	19.79	20.40	23.20	28.43	32.21	34.75	47.31	57.98	64.15	71.05	Sales per sh	101.10
--	--	--	d1.33	d.87	.97	1.08	1.55	1.77	2.25	2.58	3.45	4.30	5.11	5.73	6.30	7.40	8.10	"Cash Flow" per sh	12.45
--	--	--	.34	.41	.53	.65	.83	.86	1.23	1.76	2.20	2.61	3.12	2.87	2.49	3.32	3.70	Earnings per sh A	5.40
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
--	--	--	.22	.61	.53	.43	.62	.72	.98	1.09	1.54	1.76	2.02	3.49	3.18	3.25	3.30	Cap'l Spending per sh	3.50
--	--	--	2.01	4.28	4.85	4.90	6.17	7.17	8.75	15.87	18.24	20.29	22.67	21.71	20.75	24.05	28.05	Book Value per sh B	40.00
--	--	--	53.17	70.73	71.80	102.69	98.49	98.16	101.16	132.02	133.21	127.68	125.23	113.18	89.56	96.00	94.00	Common Shs Outst'g C	80.00
--	--	--	18.3	22.5	25.1	22.7	24.2	22.9	23.7	27.1	21.2	19.1	17.2	19.2	21.3	15.1		Avg Ann'l P/E Ratio	20.0
--	--	--	1.22	1.41	1.45	1.18	1.38	1.49	1.21	1.48	1.21	1.01	.92	1.04	1.11	.87		Relative P/E Ratio	1.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
						1189.1	1642.2	1962.5	2063.6	3062.9	3787.2	4113.1	4351.2	5353.7	5772.5	6160.6	6680	Sales ($mill)	9100
						13.4%	13.7%	13.5%	18.3%	17.8%	19.1%	20.1%	21.5%	18.0%	16.5%	16.5%	17.0%	Operating Margin	18.0%
						47.5	66.7	84.8	93.6	110.5	152.1	190.0	232.8	289.9	346.2	380	400	Depreciation ($mill)	590
						63.3	86.2	90.3	134.3	229.6	306.8	359.2	406.9	358.8	253.1	329.0	360	Net Profit ($mill)	530
						40.9%	40.8%	45.6%	39.3%	36.3%	37.5%	37.2%	36.5%	35.7%	34.0%	33.7%	36.0%	Income Tax Rate	36.0%
						5.3%	5.3%	4.6%	6.5%	7.5%	8.1%	8.7%	9.4%	6.7%	4.4%	5.3%	5.4%	Net Profit Margin	5.8%
						198.1	194.3	413.7	528.5	388.6	422.0	406.8	406.0	704.2	839.6	1018.0	1020	Working Cap'l ($mill)	1100
						234.9	349.1	525.6	649.3	708.2	498.3	372.4	750.4	1614.0	1842.8	2357.5	2500	Long-Term Debt ($mill)	2600
						503.7	607.4	711.4	885.5	2095.4	2429.2	2590.5	2838.4	2456.2	2066.2	2308.4	2450	Shr. Equity ($mill)	3600
						9.4%	9.9%	8.3%	9.5%	8.7%	10.9%	12.4%	11.6%	9.7%	8.8%	9.5%	8.0%	Return on Total Cap'l	10.0%
						12.6%	14.2%	12.7%	15.2%	11.0%	12.6%	13.9%	14.3%	14.6%	12.2%	14.3%	14.5%	Return on Shr. Equity	14.5%
						12.6%	14.2%	12.7%	15.2%	11.0%	12.6%	13.9%	14.3%	14.6%	12.2%	14.3%	14.5%	Retained to Com Eq	14.5%
						--	--	--	--	--	--	--	--	--	--	--	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2404.9 mill. Due in 5 Yrs $451.7 mill.
LT Debt $2357.5 mill. LT Interest $150.0 mill. (51% of Cap'l)

Leases, Uncapitalized: Annual rentals $337.5 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 86,390,144 shs.
As of 5/31/08
MARKET CAP: $4.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	100.8	307.3	461.9
Receivables	1231.8	1257.1	1378.3
Inventory (Avg Cst)	--	--	--
Other	196.7	246.1	262.9
Current Assets	1528.3	1810.5	2103.1
Accts Payable	104.5	98.0	198.2
Debt Due	23.1	47.0	47.4
Other	697.5	825.9	839.5
Current Liab.	825.1	970.9	1085.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	21.5%	17.0%	13.5%
"Cash Flow"	--	20.5%	14.0%
Earnings	21.0%	17.0%	11.5%
Dividends	--	--	Nil
Book Value	19.5%	15.5%	10.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2005	1046.2	1027.0	1063.3	1214.7	4351.2
2006	1310.9	1347.6	1314.5	1380.7	5353.7
2007	1385.4	1426.8	1440.5	1519.8	5772.5
2008	1493.1	1511.4	1542.4	1613.7	6160.6
2009	*1600*	*1680*	*1700*	*1700*	*6680*

Fiscal Year Ends	EARNINGS PER SHARE A Sep.30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2005	.72	.73	.81	.87	3.12
2006	.73	.81	.81	.72	2.87
2007	.59	.72	.82	.37	2.49
2008	.65	.81	.85	1.01	3.32
2009	*.80*	*.90*	*.95*	*1.05*	*3.70*

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Affiliated Computer Services, Inc. provides business process outsourcing (BPO), and information technology (IT) outsourcing solutions to federal, state, and local governments. The company also provides services to commercial businesses, healthcare providers, and telecommunications companies. ACS provides federal, state, and local governments with child support payment processing, electronic toll collection, welfare verification, traffic violation processing, loan processing, and human resources services. Has ab't. 68,000 employees. Off. and directors own about *11.1% of common stock (4/08 proxy)*. President & CEO. Lynn Blodgett. Inc.: DE. Address: 2828 North Haskell Avenue, Dallas, TX 75204. Tel.: 214-841-6111. Internet: www.acs-inc.com.

Affiliated Computer Services finished fiscal 2008 with relatively healthy results (year ended June 30th). Total revenues advanced about 6% during the fourth quarter. A good portion of the increase was due to the addition of new customers, as well as contributions from acquisitions, which offset less robust same-store results. Business at the commercial segment, which represents about 60% of the top line, remained strong, offsetting a sluggish performance at the Government unit.

The company continues to expand its customer base. During the fourth quarter, Affiliated Computer added new business, which should provide about $201 million in annual recurring revenue. This business should contribute about $690 million in revenue over the next few years. Moreover, the company reports that it currently has a substantial business pipeline, and plans to continue expanding its sales force.

Affiliated should be able to keep its operating margin wide. Efficiency should improve, thanks to the use of incentive-based compensation methods, and the addition of offshore service centers and labor. Operating expenses in fiscal 2008 were a bit high, due to the integration of acquisitions, and efforts to enter the government healthcare sector. We expect earnings to advance about 10%-15% annually, on average, for the next few years.

Elsewhere, finances remain healthy. The company had about $462 million in cash at the end of the year. The long-term debt level is sizable, owing largely to the six large acquisitions that the company completed during the past year. However, it has only about $47 million in debt due in the year ahead. The company will also probably be selling some of its less profitable businesses to raise capital or make purchases.

These shares are ranked to outperform the year-ahead market. Moreover, our projections indicate the issue offers good appreciation potential for the next 3 to 5 years. However, results have been heavily dependent on ongoing acquisitions, which adds *some risk for shareholders.*

Adam Rosner *August 22, 2008*

(A) Diluted earnings. Fiscal year ends June 30th. Excludes nonrecurring gains: '00, $0.17; '04, $1.27. '05, $0.07. Qtly. Egs. may not sum due to rounding. Next earnings report due late Oct.
(B) Includes intangibles. In 2007: $3093.8 million, or $31.07 per share.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	80

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ANALOG DEVICES NYSE-ADI

RECENT PRICE 31.77 | P/E RATIO 18.2 (29.6 / 36.9) | RELATIVE P/E RATIO 1.21 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 2 Raised 6/20/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 4/4/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+105%)	21%
Low	45	(+40%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	2	0
Options	0	0	2	0	2	3	0	0	0
to Sell	0	0	2	0	0	2	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	170	186	189
to Sell	213	208	218
Hld's(000)	248793	253563	239814

High: 18.3 19.6 47.3 103.0 64.0 48.8 50.3 52.4 41.4 41.5 41.1 38.3
Low: 10.3 8.0 12.2 41.3 29.0 17.9 22.8 31.4 31.7 26.1 30.2 26.2

LEGENDS
17.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 1/95
3-for-2 split 1/96
4-for-3 split 1/97
2-for-1 split 3/00
Options: Yes
Shaded area indicates recession

Percent shares traded 21 14 7

Target Price Range 2011 | 2012 | 2013: 128 96 80 64 48 40 32 24 16 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-0.6	-9.7
3 yr.	0.3	27.3
5 yr.	-2.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.96	2.26	2.57	3.08	3.76	3.64	3.84	4.15	7.21	6.27	4.70	5.53	7.01	6.51	7.52	8.28	9.10	10.00	Sales per sh A	14.25
.24	.35	.45	.60	.81	.87	.77	.97	2.14	1.75	1.04	1.26	1.92	1.76	2.06	2.07	2.45	2.70	"Cash Flow" per sh	3.75
.05	.15	.24	.38	.52	.52	.36	.55	1.59	1.12	.54	.78	1.45	1.27	1.43	1.43	1.70	1.90	Earnings per sh A B	2.75
--	--	--	--	--	--	--	--	--	--	--	--	.20	.32	.56	.70	.78	.80	Div'ds Decl'd per sh C	.96
.23	.22	.30	.70	.74	.55	.52	.22	.77	.82	.16	.18	.39	.23	.38	.47	.53	.55	Cap'l Spending per sh	.75
1.30	1.46	1.73	2.15	2.72	3.36	3.52	4.62	6.44	7.83	7.99	8.88	10.11	10.06	10.05	7.71	7.25	7.95	Book Value per sh D	10.10
288.74	295.18	301.00	305.55	317.49	323.88	320.62	349.77	357.51	363.25	363.19	370.23	375.84	366.83	342.00	303.35	285.00	280.00	Common Shs Outst'g E	260.00
31.2	22.1	19.3	19.2	18.0	26.6	37.2	34.8	42.0	41.1	65.5	42.2	30.7	28.9	24.3	24.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	28.0
1.89	1.31	1.27	1.28	1.13	1.53	1.93	1.98	2.73	2.11	3.58	2.41	1.62	1.54	1.31	1.31			Relative P/E Ratio	1.35
--	--	--	--	--	--	--	--	--	--	--	--	.4%	.9%	1.6%	2.0%			Avg Ann'l Div'd Yield	1.8%
1230.8	1450.4	2577.5	2276.9	1707.6	2047.3	2633.8	2388.8	2573.2	2511.1	2595	2800	Sales ($mill) A	3700
23.2%	26.6%	35.8%	32.0%	24.5%	26.5%	32.3%	29.4%	30.0%	28.9%	31.5%	31.5%	Operating Margin	31.5%
127.6	142.6	156.7	210.5	172.4	168.3	152.6	155.6	172.2	154.8	150	155	Depreciation ($mill)	155
119.5	196.8	607.1	424.5	205.6	298.3	570.7	488.7	533.0	474.4	550	595	Net Profit ($mill)	815
20.6%	23.6%	29.9%	31.1%	23.3%	21.9%	22.1%	21.1%	23.5%	24.0%	23.0%	23.0%	Income Tax Rate	23.0%
9.7%	13.6%	23.6%	18.6%	12.0%	14.6%	21.7%	20.5%	20.7%	18.9%	21.2%	21.3%	Net Profit Margin	22.0%
582.6	899.8	2518.1	2906.9	3140.6	2422.2	2951.6	2913.6	2520.4	1430.9	1585	1720	Working Cap'l ($mill)	2030
340.8	16.2	1213.0	1206.0	1274.5	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
1128.4	1616.0	2303.7	2843.0	2900.0	3288.1	3799.6	3691.5	3435.8	2338.1	2065	2225	Shr. Equity ($mill)	2620
8.5%	12.1%	17.3%	11.2%	5.5%	9.6%	15.0%	13.2%	15.5%	20.3%	26.5%	26.5%	Return on Total Cap'l	31.0%
10.6%	12.2%	26.4%	14.9%	7.1%	9.1%	15.0%	13.2%	15.5%	20.3%	26.5%	26.5%	Return on Shr. Equity	31.0%
10.6%	12.2%	26.4%	14.9%	7.1%	9.1%	13.0%	10.0%	9.6%	10.5%	15.5%	16.5%	Retained to Com Eq	21.5%
--	--	--	--	--	--	13%	24%	38%	48%	41%	38%	All Div'ds to Net Prof	31%

CAPITAL STRUCTURE as of 5/3/08
Total Debt None

Leases, Uncapitalized Annual rentals $43 mill.

Pension Assets 11/07 $167.8 mill.
Oblig. $160.8 mill.

Pfd Stock None

Common Stock 290,120,570 shs.

MARKET CAP: $9.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	2128.3	1081.2	1185.2
Receivables	329.4	336.4	332.3
Inventory (FIFO)	378.7	347.5	319.4
Other	174.9	213.9	151.5
Current Assets	3011.3	1978.0	1988.4
Accts Payable	124.6	159.1	100.5
Debt Due	--	--	--
Other	366.3	389.0	522.5
Current Liab.	490.9	548.1	623.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	4.0%	11.0%
"Cash Flow"	10.0%	3.5%	9.5%
Earnings	11.5%	5.0%	10.5%
Dividends	--	--	11.5%
Book Value	13.0%	4.5%	NMF

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Jan.Per	Apr.Per	Jul.Per	Oct.Per	Full Fiscal Year
2005	580.5	603.7	582.5	622.1	2388.8
2006	621.3	643.9	663.7	644.3	2573.2
2007	610.9	614.7	637.0	648.5	2511.1
2008	613.9	649.3	660	671.8	2595
2009	635	675	730	760	2800

Fiscal Year Ends	EARNINGS PER SHARE A B Jan.Per	Apr.Per	Jul.Per	Oct.Per	Full Fiscal Year
2005	.28	.31	.32	.36	1.27
2006	.33	.37	.37	.36	1.43
2007	.36	.37	.37	.33	1.43
2008	.40	.44	.43	.43	1.70
2009	.45	.45	.50	.50	1.90

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.04	.06	.06	.06	.22
2005	.06	.10	.10	.121	.38
2006	.12	.12	.16	.16	.56
2007	.18	.18	.18	.18	.72
2008	.18	.20			

BUSINESS: Analog Devices, Inc. makes linear, mixed-signal, and digital integrated circuits for real-world signal processing applications. Sold to OEMs (original equipment manufacturers) for incorporation into equipment and systems for computer, communications, industrial, instrumentation, military/aerospace, and consumer electronics applications. Foreign business: 74% of sales in '07. R&D: 20.7% of sales. '07 depr. rate: 7.4%. Has 9,600 employees. Officers and directors own 4.1%; Capital Research & Management, 10.8%; T. Rowe Price, 10.8%; UBS Glbl Asset Mngmt, 9.7% (2/08 proxy). Chmn.: R. Stata. President & CEO: J. Fishman. Inc.: MA. Address: One Technology Way, P.O. Box 9106, Norwood, MA 02062-9106. Telephone: 781-329-4700. Internet: www.analog.com.

Analog Devices turned in solid top- and bottom-line growth in its fiscal second quarter (ended May 3rd). Revenues were up 6% over the same period a year ago. Notably, robust demand from the industrial end market, which accounts for half of total sales, drove a 10% increase in the segment. Further, sales to the communications sector, which makes up a quarter of the total, rose 20% on strong orders for high-performance products used in wireless base stations and in other networking infrastructure. Given the diverse customer base in these markets, and the opportunity for continued growth, especially in China and other parts of Asia, we expect the momentum in these segments to continue at least into the next fiscal year. **However, sales to the consumer end market showed a slight decline.** Based on the recent uncertain conditions, the relatively small 2% dip over the year-ago quarter is not too bad, although we will continue to keep an eye on this segment, which represents 20% of revenues. Any weakness may be offset by the company's focus on producing high-performance products that go into higher-end cameras and TVs, which can charge more of a premium. **The company has been favorably adjusting its product mix.** It recently divested some lower-margin lines, which reduced its exposure to the more volatile markets of PCs and low-end handsets, and is consolidating its wafer fab facilities in Ireland. Through its relationship with Taiwan firm TSMC, Analog plans to increase capacity for its MEMS products to meet expected demand, and the increased scale should lower unit costs.

Analog Devices continues to maintain a strong balance sheet, with nearly $1.2 billion in cash, and no debt. This has allowed it to increase its quarterly dividend. In the May quarter, it also repurchased 5.8 million shares, or about 2% of the outstanding total. In addition, we would not be surprised by an acquisition or two to further enhance the company's offerings. **Shares of ADI are ranked to outperform the year-ahead market.** Also, although the company has navigated the current environment fairly well, we project only average appreciation potential for the issue over the next 3 to 5 years.

William Kuo *July 11, 2008*

(A) Fiscal year ends on Saturday closest to October 31st.
(B) Fully diluted earnings. Excludes nonrecurring charges: '98, $0.21; '01, $0.19; '02, $0.26; '05, ($0.18); '06, $0.05. Excl. disc. ops: '06, $0.85. Next earnings report due early Aug.
(C) Dividends historically paid in mid-March, June, September, and December.
(D) Includes intangibles. In '07: $303.6 mill., $1.00/share.
(E) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	25
Earnings Predictability	50

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ARCHER DANIELS NYSE-ADM

RECENT PRICE 29.97 | P/E RATIO 10.7 (Trailing: 10.6 Median: 10.0) | RELATIVE P/E RATIO 0.69 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 3 Lowered 9/1/08
SAFETY 3 Lowered 11/17/95
TECHNICAL 4 Lowered 9/1/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

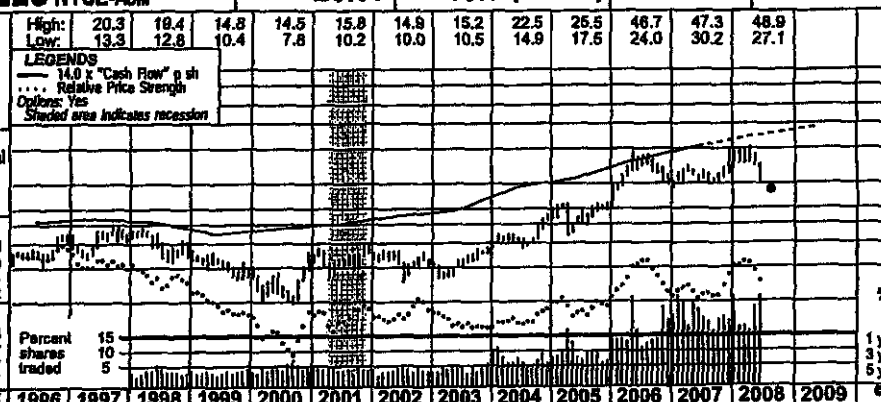
	Price	Gain	Ann'l Total Return
High	80	(+165%)	29%
Low	55	(+85%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	0	0	0	0
Options	1	1	10	1	1	9	0	0	4
to Sell	2	2	16	5	0	11	1	0	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	252	332	287
to Sell	271	287	337
Hld's(000)	416410	443049	443537



Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.3	-16.0
3 yr.	83.9	11.3
5 yr.	181.3	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
12.15	12.93	15.68	17.76	18.20	21.42	24.52	21.14	19.40	30.27	36.08	47.62	55.55	55.25	55.81	68.40	98.45	103.80	Sales per sh A	113.65
1.05	1.14	1.16	1.65	1.49	1.55	1.46	1.28	1.36	1.44	1.58	1.58	2.20	2.44	3.00	3.51	4.05	4.00	"Cash Flow" per sh	5.35
.66	.70	.66	1.10	.95	.80	.65	.41	.45	.58	.70	.68	1.16	1.42	2.00	2.38	2.90	2.80	Earnings per sh B	4.00
.04	.04	.04	.07	.12	.16	.17	.17	.18	.18	.20	.24	.27	.32	.37	.43	.49	.52	Div'ds Decl'd per sh C	.65
.83	.52	.71	.76	1.03	1.21	1.07	.99	.65	.41	.54	.65	.78	.96	1.16	1.86	1.70	1.70	Cap'l Spending per sh	1.35
5.91	6.44	6.96	8.20	8.40	9.36	9.90	9.24	9.20	9.56	10.39	10.98	11.83	12.96	14.96	17.48	19.70	21.85	Book Value per sh D	30.30
759.71	758.59	725.29	713.62	731.44	646.85	657.09	675.61	663.91	662.38	649.99	644.86	650.75	650.53	655.69	643.59	650.00	655.00	Common Shs Outst'g D	660.00
16.5	15.5	16.1	11.9	13.9	19.2	27.6	33.9	24.1	19.7	19.6	17.8	13.1	14.3	14.6	15.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
1.00	.92	1.06	.80	.87	1.11	1.44	1.93	1.57	1.01	1.07	1.01	.69	.76	.79	.80			Relative P/E Ratio	1.15
.4%	.4%	.4%	.5%	.9%	1.1%	1.0%	1.2%	1.7%	1.7%	1.5%	2.0%	1.8%	1.6%	1.3%	1.2%			Avg Ann'l Div'd Yield	.9%
16109	14283	12877	20051	23454	30708	36151	35944	38596	44018	64000	68000	Sales ($mill) A	75000						
8.1%	7.8%	8.5%	6.3%	6.1%	4.6%	4.7%	5.6%	6.6%	6.2%	5.0%	5.0%	Operating Margin	6.5%						
526.8	585.0	604.2	572.4	566.6	643.6	685.6	684.7	656.7	701.0	750	800	Depreciation ($mill)	900						
443.8	281.3	300.9	383.3	458.6	438.1	744.7	921.7	1312.1	1561.0	1875	1830	Net Profit ($mill)	2525						
33.8%	33.0%	14.8%	26.6%	31.2%	29.1%	23.1%	32.1%	28.3%	31.0%	32.0%	33.0%	Income Tax Rate	35.0%						
2.8%	2.0%	2.3%	1.9%	2.0%	1.4%	2.1%	2.6%	3.6%	3.5%	2.8%	2.7%	Net Profit Margin	3.5%						
1734.4	1949.3	1629.4	2283.3	2643.9	3274.4	3588.8	4343.8	5661.5	7254.0	8540	9230	Working Cap'l ($mill)	12600						
2847.1	3191.9	3277.2	3351.1	3111.3	3872.3	3739.9	3530.1	4050.3	4752.0	5235	5235	Long-Term Debt ($mill)	5235						
6504.9	6240.8	6110.2	6331.7	6754.8	7069.2	7698.2	8433.5	9806.9	11253	12810	14300	Shr. Equity ($mill)	20000						
5.8%	4.3%	4.6%	5.3%	5.9%	5.3%	7.7%	8.8%	10.5%	11.1%	11.5%	10.5%	Return on Total Cap'l	11.5%						
6.8%	4.5%	4.9%	6.1%	6.8%	6.2%	9.7%	10.9%	13.4%	13.9%	14.5%	13.0%	Return on Shr. Equity	13.0%						
5.2%	2.8%	3.0%	4.1%	4.9%	4.0%	7.4%	8.4%	10.9%	11.4%	12.0%	10.5%	Retained to Com Eq	11.0%						
24%	38%	40%	33%	28%	36%	23%	23%	18%	18%	17%	19%	All Div'ds to Net Prof	16%						

CAPITAL STRUCTURE as of 3/31/08
Total Debt $10,996 mill. Due in 5 Yrs $4970 mill.
LT Debt $6026.0 mill. LT Interest $475.0 mill.
(LT Interest earned: 6.9x; total Int. coverage: 6.8x)
(31% of Cap'l)

Leases, Uncapitalized Annual rentals $316.0 mill.
Pension Assets-6/07 $1611.0 mill.
Oblig. $1916.0 mill.

Pfd Stock None
Common Stock 643,922,718 shs.
as of 4/31/08

MARKET CAP: $19.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2334	2087	3826
Receivables	4471	6404	10447
Inventory (LIFO)	4678	6060	10569
Other	344	571	387
Current Assets	11827	15122	25228
Accts Payable	4014	4919	8936
Debt Due	629	533	4970
Other	1522	2416	3979
Current Liab.	6165	7868	15885

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales E	12.0%	16.0%	12.0%
"Cash Flow"	6.5%	15.5%	10.0%
Earnings	7.5%	27.5%	13.0%
Dividends	12.0%	14.5%	9.5%
Book Value	5.5%	9.5%	13.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	8972	9064	8484	9424	35944
2006	8626	9299	9123	9548	36596
2007	9447	10976	11381	12214	44018
2008	12828	16496	18708	15968	64000
2009	16000	17500	18750	15750	68000

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.41	.41	.30	.30	1.42
2006	.31	.54	.54	.61	2.00
2007	.61	.67	.51	.59	2.38
2008	.71	.75	.80	.64	2.90
2009	.65	.70	.70	.75	2.80

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.075	.075	.075	.075	.30
2005	.075	.075	.085	.085	.32
2006	.085	.085	.10	.10	.37
2007	.115	.115	.115	.115	.46
2008	.13	.13			

BUSINESS: Archer Daniels Midland Co. is in the business of procuring, transporting, storing, processing, & merchandising agricultural commodities & products. It is one of the world's largest processors of oilseeds, corn, and wheat. Fiscal 2007 revenue mix: oilseed and corn processing, 44%; ag. services, 45%; other prods., 11%. Foreign sales: 46% of total in fiscal 2007. Fiscal 2007 depreciation rate: 4.4%. Has about 27,300 employees. Officers/directors own 3.3% of stock; Barclay's Global Invest. 10.7%; State Farm Auto Insurance Co., 8.9% (9/07 proxy). Chairman: G. Allen Andreas. President & CEO: Patricia Woertz. Inc.: Delaware. Address: 4666 Faries Parkway, Box 1470, Decatur, Illinois 62525. Telephone: 217-424-5200. Internet: www.admworld.com.

Archer Daniels Midland stock has declined dramatically since our May report, owing to the effects of bad weather. The worst flooding in the U.S. Midwest in 15 years is apt to materially impact results over the next several quarters. Persistent rain in the region has delayed corn plantings, which stands to hurt this year's crop. Indeed, the USDA is predicting a 25-year low for the 2009 harvest season. This bodes ill for U.S. ethanol production, which depends on corn as a key input. ADM suspended production at the Cedar Rapids ethanol processing plant because flooding-related rail problems left it unable to ship materials in or out of its facility. While the resulting constrained capacity has driven up ethanol prices (24% this year, to $2.60/gallon), the price of corn has risen that much more (61%, to $5.85/bushel). So although we have raised our top-line expectations, higher input costs will probably squeeze the unit's margins for now.

Speculation of future changes to U.S. biofuel policies will also probably contribute to share volatility. The recent legislation mandates biofuel usage of 9.0 billion gallons starting this year, with steadily increasing floors approaching 36 billion gallons by 2022. The rising cost of producing ethanol and the effect the industry is having on agricultural commodity prices may lead to an adjustment of the above quotas. Indeed, the Environmental Protection Agency is currently considering making changes to the U.S. Renewable Fuels Standard. As the largest U.S. biofuel producer, ADM stands to be strongly affected.

Meanwhile, the market for oilseeds processing seems relatively bright, thanks to strong global demand for protein meal and vegetable oil. Capacity utilization remains high and appears well balanced with end demand. Weather conditions in Brazil and Europe have been good, which suggests a good crop this year. **These neutrally ranked shares have wide capital gains potential over the 3- to 5-year horizon.** Still, investors should be prepared for additional near-term volatility, as a number of factors are in play. Those who are fairly risk averse may want to wait for the dust to settle.

Warren Thorpe *August 1, 2008*

(A) Fscl. yr. ends June 30th. (B) Dil. egs. Excl. n/r gain (loss): '97, (30¢); '98, (7¢); '99, 10¢; '02, 8¢; '03, 2¢; '04, (40¢); '05, 19¢. Excl. net gain from accig. change: '93, 10¢. Next egs. report due early August. (C) Div'd historically paid in early Mar., June, Sep., Dec. Plus annual stock div'd.: '99-'01: 5%. (D) In mill., adj. for stk. spit. & div'd. (E) ADM began reporting revenue gross as a principal versus net as an agent in fiscal 2001. (F) Includes intangibles. In 2007: $317.0 million, $0.49/shr.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	80
Earnings Predictability	75

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ALLERGAN, INC NYSE-AGN

RECENT PRICE 52.29 | P/E RATIO 20.1 (26.0 / 34.8) | RELATIVE P/E RATIO 1.32 | DIV'D YLD 0.4% | VALUE LINE

TIMELINESS 3 Lowered 4/21/06
SAFETY 1 Raised 4/18/08
TECHNICAL 3 Raised 6/27/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+120%)	22%
Low	95	(+80%)	17%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	3	1	0	1	0	0
to Sell	3	0	0	3	1	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	217	243	245
to Sell	212	205	221
Hld's(000)	280169	284091	286942

High:	9.3	16.6	28.9	50.6	49.7	37.6	40.9	46.3	55.3	81.5	69.1	70.4	
Low:	6.5	7.9	15.6	22.3	29.5	24.5	28.3	33.4	34.5	46.3	52.5	51.0	

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/99
2-for-1 split 6/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-9.4	-18.0
3 yr.	23.5	11.3
5 yr.	37.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.46	3.33	3.72	4.13	4.41	4.40	4.70	5.24	5.93	6.42	5.35	6.74	7.78	8.64	10.06	12.68	14.95	16.30	Sales per sh	19.70
.57	.59	.64	.71	.78	.62	.77	.92	1.11	1.30	.94	1.40	1.67	2.07	1.98	2.58	3.40	3.95	"Cash Flow" per sh	5.15
.38	.40	.43	.48	.50	.36	.50	.65	.81	.99	.76	1.14	1.39	1.78	1.51	1.86	2.60	3.00	Earnings per sh A	4.00
.10	.10	.11	.12	.12	.13	.13	.14	.16	.18	.18	.18	.18	.20	.20	.20	.20	.22	Div'ds Decl'd per sh ■ B	.30
.25	.23	.23	.24	.23	.25	.19	.24	.25	.34	.30	.42	.37	.29	.43	.46	.65	.70	Cap'l Spending per sh	.80
1.93	2.00	2.37	2.59	2.86	3.22	2.59	2.36	3.32	3.72	3.12	2.76	4.25	5.84	10.32	12.22	15.00	18.15	Book Value per sh C	29.35
259.16	257.73	254.65	258.13	262.05	261.17	268.52	268.51	263.36	262.50	259.00	260.29	262.83	268.51	304.54	305.91	308.00	310.00	Common Shs Outst'g D	315.00
15.4	14.6	14.2	15.5	18.2	22.6	23.9	36.7	42.8	36.9	40.5	32.0	29.3	24.0	36.6	32.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	26.0
.93	.86	.93	1.04	1.14	1.30	1.24	2.09	2.78	1.99	2.21	1.82	1.55	1.28	1.98	1.72			Relative P/E Ratio	1.75
1.6%	1.7%	1.7%	1.6%	1.3%	1.6%	1.1%	.6%	.5%	.5%	.5%	.5%	.4%	.5%	.4%	.3%			Avg Ann'l Div'd Yield	0.3%
1261.7	1406.2	1562.6	1685.2	1385.0	1755.4	2045.6	2319.2	3063.3	3938.9	4600	5050	Sales ($mill)	6200
23.1%	23.0%	23.6%	25.8%	25.2%	28.3%	29.1%	29.9%	23.8%	26.3%	31.0%	32.0%	Operating Margin	35.0%
76.5	73.8	77.7	75.0	45.0	59.6	58.3	78.9	152.4	215.4	250	275	Depreciation ($mill)	350
131.2	174.2	215.1	265.0	198.1	304.7	371.0	476.7	451.9	575.3	800	950	Net Profit ($mill)	1275
34.8%	31.6%	29.1%	29.1%	28.2%	28.7%	30.1%	25.4%	19.2%	27.1%	27.0%	27.0%	Income Tax Rate	27.0%
10.4%	12.4%	13.8%	15.7%	14.3%	17.4%	18.1%	20.6%	14.8%	14.6%	17.4%	18.8%	Net Profit Margin	20.6%
292.7	277.6	893.8	635.3	796.6	544.8	916.4	761.6	1472.2	1408.5	1750	2150	Working Cap'l ($mill)	3350
201.1	208.8	584.7	520.6	526.4	573.3	570.1	57.5	1606.4	1590.2	1600	1600	Long-Term Debt ($mill)	1600
696.0	634.5	873.8	977.4	808.3	718.6	1116.2	1566.9	3143.1	3738.6	4625	5625	Shr. Equity ($mill)	9250
15.2%	21.2%	15.1%	16.3%	15.4%	23.9%	22.6%	29.7%	10.1%	11.5%	13.0%	13.0%	Return on Total Cap'l	12.0%
18.9%	27.5%	24.6%	27.1%	24.5%	42.4%	33.2%	30.4%	14.4%	15.4%	17.5%	17.0%	Return on Shr. Equity	14.0%
14.0%	21.6%	19.8%	22.3%	18.7%	35.9%	29.0%	27.1%	12.5%	13.8%	16.0%	15.5%	Retained to Com Eq	13.0%
26%	21%	19%	18%	24%	15%	13%	11%	13%	11%	8%	7%	All Div'ds to Net Prof	7%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1644.0 mill. Due in 5 Yrs $65.0 mill.
LT Debt $1605.7 mill. LT Interest $55.0 mill.
Total debt incl. $750 mill. 1.5% conv. notes ('26), conv. at $128.66 into 7.9 common shs.
(Total interest coverage: 9.2x) (30% of Cap'l)

Leases, Uncapitalized Annual rentals $42.4 mill.
Pension Assets-12/07 $547.5 million
Obligation $578.6 million

Common Stock 307,511,888 shares as of 5/2/08
MARKET CAP: $16.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1369.4	1157.9	1104.6
Receivables	386.9	483.1	566.4
Inventory (FIFO)	168.5	224.7	247.2
Other	205.5	278.5	271.6
Current Assets	2130.3	2124.2	2189.8
Accts Payable	142.4	208.7	202.6
Debt Due	102.0	39.7	38.3
Other	413.7	467.3	447.3
Current Liab.	658.1	715.7	688.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.5%	12.5%	11.0%
"Cash Flow"	12.0%	14.5%	15.0%
Earnings	14.5%	15.0%	15.0%
Dividends	5.0%	3.0%	7.0%
Book Value	12.5%	23.0%	21.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	527.2	591.0	606.1	594.9	2319.2
2006	625.7	801.7	806.8	829.1	3063.3
2007	876.7	977.9	993.7	1090.6	3938.9
2008	1076.6	1160	1160	1203.4	4600
2009	1175	1250	1250	1375	5050

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	.39	.39	.47	.53	1.78
2006	.40	.31	.35	.45	1.51
2007	.38	.45	.51	.52	1.86
2008	.53	.63	.72	.72	2.60
2009	.62	.73	.77	.88	3.00

Calendar	QUARTERLY DIVIDENDS PAID ■ B Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2004	.045	.045	.045	.045	.18
2005	.05	.05	.05	.05	.20
2006	.05	.05	.05	.05	.20
2007	.05	.05	.05	.05	.20
2008	.05	.05			

BUSINESS: Allergan, Inc. is a drug and medical device company. Drugs treat eye (46% of 2007 sales), neuromuscular (31%), and skin disorders (3%). Medical devices include breast and facial implants (13%) and LapBand obesity implant (7%). Important drugs: Alphagan P, Lumigan, and Betagan for glaucoma; Botox/Botox Cosmetic for muscle spasms, strabismus, and facial wrinkles; and Restasis for dry eyes. Foreign business: 34% of sales. '07 depr. rate: 19.4%; R&D, 18.2% of sales. Acq'd Inamed, 3/06; spun off Amer. Med. Optics 6/02. Has 6,770 employees. Off. & dir. own 1.7% of stock; FMR, 11.3%; UBS, 8.6% (3/08 Proxy). Chmn. & CEO: D.E. Pyott, Inc.: DE. Addr.: 2525 Dupont Dr., Irvine, CA 92612. Tel.: 714-246-4500. Internet: www.allergan.com.

We have raised our 2008 earnings outlook for Allergan by $0.30 a share, to $2.60, thanks to the strong results of its ophthalmic pharmaceuticals business. The company achieved 22% sales growth from these lines in the first quarter, and its market share is now at a record 29.5% in the U.S. Allergan's *RESTASIS* treatment for chronic dry eye and *COMBIGAN* eye drops for intraocular pressure related to glaucoma have performed especially well. ***BOTOX's* sales growth is slowing,** though. While top-line results were still strong at 18% year over year in the first quarter, the company could not match the 24% increase achieved in the fourth quarter of 2007. Sluggish domestic sales, a reflection of weak consumer spending, were the main cause of the slowdown. Luxury items, such as cosmetic pharmaceuticals, are likely to remain under pressure until the U.S. economy begins to recover from the current slump, likely sometime next year. The international business has maintained its high-growth rate, however, and *BOTOX* has been able to maintain its 85% global market share despite new competition.

Use of *BOTOX* for the treatment of chronic headache remains an important growth opportunity. The randomized double-masked portion of Phase III studies has been completed, and new data from the headache program is likely to be released by the end of this summer. Sales of a *BOTOX* headache treatment could eventually reach $500 million annually if approved, helping to kick-start the growth of the brand, though release of the product is not likely before 2009. **The price of these shares has fallen about 13% since our April report,** due largely to Allergan's exposure to the slowing domestic luxury cosmetic pharmaceuticals market. Growth from abroad and the company's other product offerings should more than offset the impact of challenges in the cosmetic pharmaceuticals sector, though. As a result, these shares possess wide appreciation potential to 2011–2013. This issue should appeal to more-conservative investors as well, due to its high Safety rank. However, Allergan stock is likely to only keep pace with the market in the year ahead.

Jerry W. Gray Jr. *July 18, 2008*

(A) Primary EPS through '95; diluted thereafter. Excl. nonrecur. gains (losses): '97, 13¢; '98, (85¢); '01, (16¢); '02, (20¢); '03, ($1.34); '04, 4¢; '05, (27¢); '06, ($1.95); '07, (24¢). Excl. income from disc'd ops.: '99, 5¢; '02, 4¢. Next earnings report due early Aug.
(B) Div'ds paid in March, June, Sept., and Dec. ■ Div'd reinvestment plan available.
(C) Incl. intangibles in 2007: $3.52 billion, $11.51/sh.
(D) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	65
Earnings Predictability	75

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ALBEMARLE CORP. NYSE-ALB

RECENT PRICE 39.69 | P/E RATIO 14.4 (Trailing: 15.4 Median: 15.0) | RELATIVE P/E RATIO 0.92 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 2 Raised 6/13/08
SAFETY 3 New 11/28/97
TECHNICAL 3 Raised 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

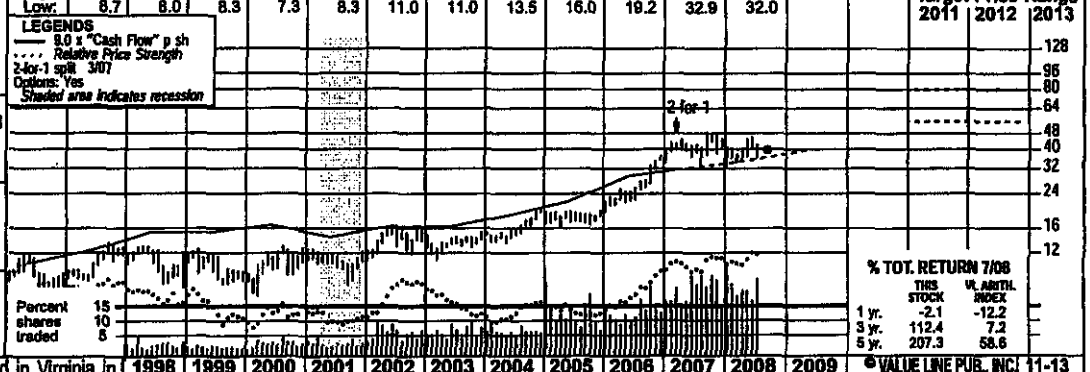
	Price	Gain	Ann'l Total Return
High	80	(+100%)	20%
Low	55	(+40%)	10%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	0	0
Options	0	2	0	1	0	3	0	0	0
to Sell	0	3	0	1	0	3	0	0	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	119	117	105
to Sell	133	134	142
Hld's(000)	62461	65371	65641



Albemarle was incorporated in Virginia in November of 1993 and was a wholly-owned subsidiary of Ethyl Corporation. On February 28, 1994, Ethyl spunoff to its common shareholders all of the outstanding shares of Albemarle, including Ethyl's olefins and derivatives, bromine chemicals, and specialty chemicals businesses. Since that time, Albemarle has been a publicly traded company on the New York Stock Exchange under the ticker ALB.

CAPITAL STRUCTURE as of 3/31/08

Total Debt $880.4 mill. Due in 5 Yrs $460 mill.
LT Debt $861.1 mill. LT Interest $46.0 mill. (41% of Cap'l)

Leases, Uncapitalized Annual rentals $10.1 mill.

Pension Assets 12/07-$511.8 mill. Oblig. $510.0 mill.
Pfd Stock None
Common Stock 91,463,534 shs.
5/1/08
MARKET CAP: $3.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	149.5	130.6	135.1
Receivables	333.7	370.7	420.1
Inventory (LIFO)	378.3	472.8	501.9
Other	99.4	79.3	86.3
Current Assets	960.9	1053.4	1143.4
Accts Payable	202.5	198.8	223.0
Debt Due	50.7	16.6	19.3
Other	229.7	187.5	166.3
Current Liab.	482.9	402.9	408.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.0%	18.0%	7.5%
"Cash Flow"	9.5%	12.0%	12.5%
Earnings	12.5%	16.5%	16.0%
Dividends	10.5%	7.0%	12.0%
Book Value	9.5%	12.0%	12.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	510.0	502.8	506.6	588.1	2107.5
2006	607.4	568.8	607.8	584.5	2368.5
2007	589.2	563.8	584.0	599.2	2336.2
2008	668.2	620.8	*640*	*671*	*2600*
2009	*700*	*685*	*715*	*725*	*2825*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.27	.30	.23	.35	1.15
2006	.36	.45	.63	.59	2.03
2007	.60	.59	.61	.60	2.40
2008	.70	.67	*.67*	*.71*	*2.75*
2009	*.81*	*.78*	*.80*	*.81*	*3.20*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.073	.073	.073	.073	.29
2005	.075	.075	.075	.08	.31
2006	.08	.082	.083	.09	.34
2007	.09	.105	.105	.105	.41
2008	.105	.12	.12		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	8.73	9.16	10.01	10.08	11.76	13.49	18.06	22.54	24.97	24.66	*27.35*	*29.75*	Sales per sh	*37.10*
	1.70	1.70	1.85	1.61	1.83	1.82	2.08	2.43	3.27	3.59	*3.90*	*4.45*	"Cash Flow" per sh	*6.30*
	.82	.83	1.04	.75	.83	.78	.92	1.15	2.03	2.40	*2.75*	*3.20*	Earnings per sh A	*4.50*
	.19	.20	.23	.26	.27	.28	.29	.31	.34	.41	*.48*	*.54*	Div'ds Decl'd per sh Bm	*.70*
	.82	.84	.57	.55	.46	.50	.69	.75	1.05	1.04	*1.00*	*1.05*	Cap'l Spending per sh	*1.15*
	4.80	5.31	6.10	6.52	6.83	7.73	8.49	9.95	10.84	13.49	*14.75*	*16.30*	Book Value per sh	*23.15*
	94.02	92.40	91.65	91.00	83.38	82.31	83.80	93.50	94.86	94.73	*95.00*	*95.00*	Common Shs Outst'g C	*95.00*
	13.4	12.3	10.1	14.8	17.0	17.4	17.5	15.6	12.8	17.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*15.0*
	.70	.70	.66	.76	.93	.99	.92	.84	.69	.90			Relative P/E Ratio	*1.00*
	1.7%	2.0%	2.2%	2.4%	1.9%	2.1%	1.8%	1.7%	1.3%	1.0%			Avg Ann'l Div'd Yield	*1.0%*
	820.9	845.9	917.5	916.9	980.2	1110.2	1513.7	2107.5	2368.5	2336.2	*2600*	*2825*	Sales ($mill)	*3525*
	24.5%	23.7%	23.5%	19.4%	18.5%	16.8%	14.6%	13.0%	15.8%	18.1%	*17.5%*	*19.0%*	Operating Margin	*22.0%*
	75.0	75.8	73.8	77.6	80.6	84.0	97.3	117.4	113.0	106.9	*110*	*120*	Depreciation ($mill)	*170*
	84.7	81.4	96.2	69.2	71.7	65.4	76.8	109.7	197.0	232.9	*260*	*305*	Net Profit ($mill)	*430*
	31.0%	30.6%	31.0%	30.3%	27.8%	12.0%	28.1%	21.5%	14.8%	20.2%	*20.0%*	*20.0%*	Income Tax Rate	*24.0%*
	10.3%	9.6%	10.5%	7.5%	7.3%	5.9%	5.1%	5.2%	8.3%	10.0%	*10.0%*	*10.8%*	Net Profit Margin	*12.0%*
	203.6	201.2	173.1	79.9	248.1	271.3	373.6	451.8	478.0	650.5	*725*	*750*	Working Cap'l ($mill)	*900*
	192.5	159.0	97.7	12.4	180.1	228.4	889.6	775.9	681.9	707.3	*800*	*750*	Long-Term Debt ($mill)	*800*
	451.7	490.6	558.9	593.3	569.7	636.2	711.4	930.3	1026.1	1278.3	*1400*	*1550*	Shr. Equity ($mill)	*2200*
	13.5%	13.2%	15.1%	11.5%	9.8%	7.8%	5.3%	7.6%	12.7%	12.7%	*12.0%*	*13.5%*	Return on Total Cap'l	*14.5%*
	18.8%	16.8%	17.2%	11.7%	12.6%	10.3%	10.8%	11.8%	19.2%	18.2%	*18.5%*	*19.5%*	Return on Shr. Equity	*19.5%*
	14.5%	12.8%	13.7%	7.6%	8.6%	6.8%	7.2%	8.9%	16.1%	15.1%	*15.5%*	*16.5%*	Retained to Com Eq	*16.5%*
	23%	23%	21%	34%	32%	35%	33%	24%	16%	17%	*17%*	*17%*	All Div'ds to Net Prof	*16%*

BUSINESS: Albemarle Corp. is a manufacturer of chemicals that are additives to or intermediates for plastics, polymers and elastomers, agricultural compounds, and pharm. The company currently operates through its polymer additives (37% of Q1 '08 sales), catalysts (41%), and fine chemicals (22%) divisions. ALB's polymer chemicals business produces a broad range of chemicals, including flame retardants, polymer curatives, and antioxidants. Has approximately 4,130 employees. Officers and directors own about 5.8% of common stock (3/08 proxy). Chief Executive Officer & President: Mark Rohr. Chairman: William Gottwald. Inc.: Virginia. Address: 330 South Fourth Street, P.O. Box 1335, Richmond, VA. 23219. Telephone: 804-788-6000. Internet: www.albemarle.com.

Albemarle registered a 14% share-net improvement during the June quarter on a year-to-year basis. Operating profit increased by 5% for the interim, to $77.8 million, thanks to strong results at the company's Catalysts and Fine Chemicals business segments. This helped to offset relatively subpar results at the Polymer Additives unit. This division was hurt by increased raw material costs, though improved brominated flame retardant sales, better pricing, and a more profitable product mix helped to lessen the damage.

Despite margin concerns and a lackluster domestic economy, Albemarle should post positive bottom-line comparisons over the second half of this year. During its second-quarter conference call, management stated that raw material cost inflation will climb by $220 million relative to last year, with most of this amount occurring during the latter half of 2008. However, in the past, Albemarle has been able to pass along higher raw material costs to its customers. That said, we still look for a modest decline in the operating margin this year, as the company appears unlikely to recoup all of the cost inflation. Demand for Refinery Catalysts should remain strong, thanks to regulations mandating cleaner fuels and an increased percentage of sour crudes being processed by refiners. We look for the Polymer Additives unit to continue to benefit from solid fundamentals in the electronics industry, which should help offset the slumping automotive and construction markets. The Fine Chemicals division should benefit from economies of scale, due to improved plant utilization. Also, Albemarle will continue to focus on augmenting its presence in promising emerging markets, such as the Middle East and Asia.

We look for annual earnings growth in the mid-teens range over the pull to 2011–2013. The company's cash flow will likely remain strong, which puts it in a lucrative competitive position for the long run.

Albemarle shares are now ranked favorably for year-ahead relative price performance. Total return potential for the 3- to 5-year pull is worthwhile at the current valuation.

Alan G. House *August 15, 2008*

(A) Primary shares until 1996, thereafter diluted. Excludes nonrecurring gain (loss): '99, 12¢; '00, 6¢; '01, (1¢); '02, 4¢; '03, 11¢; '04, (27¢); '05, 6¢. Excludes extraordinary loss of 3¢ a share in 2003. Next earnings report due late Oct.
(B) Div'ds historically paid in early Jan., April, July, and October. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	70

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ALLIED CAPITAL NYSE-ALD

RECENT PRICE 13.96 | P/E RATIO NMF (Trailing: NMF / Median: NMF) | RELATIVE P/E RATIO NMF | DIV'D YLD 18.6-9.3% | VALUE LINE

TIMELINESS 4 Lowered 11/16/07
SAFETY 3 Lowered 5/25/07
TECHNICAL 4 Lowered 8/22/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+295%)	47%
Low	35	(+150%)	35%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	11	4	0	2	0	0	2
Options	0	0	0	1	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	128	122	133
to Sell	109	129	98
Hld's(000)	53144	53496	55674

High: 22.5 29.3 24.0 21.6 26.5 29.0 28.2 31.1 30.8 33.0 33.3 23.5
Low: 13.9 12.0 16.5 15.5 18.0 16.9 19.5 21.6 24.5 25.7 20.5 10.5

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded 18 12 6

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-45.0	-12.2
3 yr.	-36.8	7.2
5 yr.	-7.7	58.6

Allied Capital was formed by the December 31, 1997 merger of Allied Capital Corporation, Allied Capital Corporation II, Allied Capital Commercial Corporation, Allied Capital Advisers, and Allied Capital Lending Corporation. Immediately following the merger, the new entity, which was previously four investment funds and an investment adviser, became known as Allied Capital Corporation. Over the last five years, the company has raised about $900 million of equity capital to fuel its growth.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2043.3 mill. Due in 5 Yrs $150 mill.
LT Debt $2043.3 mill. LT Interest $208.0 mill.
(44.0% of Cap'l)
Leases, Uncapitalized: None
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 178,691,875 shs.
as of 8/7/08
MARKET CAP: $2.5 billion (Mid-Cap)

ASSETS($Mill.)	2006	2007	6/30/08
Loans	4496.1	4780.5	4497.6
Funds Sold	--	--	--
Securities	202.2	201.2	100.1
Other Earning	--	--	
Other	189.2	232.9	340.0
LIABILITIES($Mill.)			
Deposits	--	--	
Funds Borrowed	--	--	
Long-Term Debt	1899.1	2289.5	2043.3
Shr. Equity	2841.2	2771.8	2845.8
Other	147.2	153.3	48.6
Total	4887.5	5214.6	4937.7
Loan Loss Resrv.	--	--	--

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	--	5.5%	10.0%
Earnings	--	7.5%	3.0%
Dividends	--	4.0%	3.0%
Book Value	--	7.0%	-6.5%
Total Assets	--	5.5%	9.5%

Calendar	PORTFOLIO ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	3195	2714	3224	3606	
2006	3691	3593	4120	4496	
2007	4499	4471	4327	4781	
2008	4635	4496	*4500*	*4600*	
2009	*4800*	*5000*	*5200*	*5400*	

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.69	2.28	.82	2.36	6.36
2006	.68	.24	.53	.23	1.68
2007	.87	.57	d.62	.18	1.00
2008	d.25	d.59	*.15*	*.24*	*d.45*
2009	*.40*	*.50*	*.60*	*.80*	*2.30*

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.57	.57	.57	.59	2.30
2005	.57	.57	.58	.586	2.30
2006	.59	.60	.61	.62	2.42
2007	.63	.65	.65	.72	2.65
2008	.65	.65			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	1.50	1.64	1.94	2.16	2.20	1.62	1.88	6.36	1.68	1.00	*d.45*	*2.30*	Earnings per sh A	*3.65*
	1.43	1.60	1.82	2.01	2.23	2.28	2.30	2.30	2.42	2.42	*2.60*	*2.60*	Div'ds Decl'd per sh B=	*2.85*
	8.55	10.12	12.07	13.57	14.22	14.94	14.87	19.17	19.12	17.54	*12.40*	*11.70*	Book Value per sh	*13.35*
	56.73	65.93	85.29	99.61	108.70	128.12	133.10	136.70	148.58	158.00	*180.00*	*185.00*	Common Shs Outst'g C	*170.00*
	14.2	12.0	9.6	10.9	10.9	14.5	14.2	4.3	17.9	19.9	*Bold figures are*		Avg Ann'l P/E Ratio	*12.0*
	.74	.68	.62	.56	.60	.83	.75	.23	.97	1.05	*Value Line*		Relative P/E Ratio	*.85*
	6.7%	6.1%	9.8%	8.6%	9.3%	9.7%	8.6%	8.3%	8.0%	8.8%	*estimates*		Avg Ann'l Div'd Yield	*6.5%*
	856.1	1290.0	1853.8	2460.7	2794.3	3019.9	3261.0	4025.9	4887.5	5214.6	*5100*	*5900*	Total Assets ($mill)	*8100*
	800.3	1228.5	1788.0	2329.6	2488.2	2584.6	3013.4	3606.4	4496.1	4780.5	*4600*	*5400*	Loans ($mill)	*7600*
	80.0	99.2	141.0	177.9	196.4	221.7	249.5	246.6	285.8	285.5	*375*	*450*	Net Interest Inc ($mill)	*675*
	3.2	6.1	13.1	--	--	--	--	--	--	--	*Nil*	*Nil*	Loan Loss Prov'n ($mill)	*Nil*
	32.9	40.8	56.6	67.4	87.5	27.2	90.5	786.3	122.0	56.4	*d240*	*235*	Noninterest Inc ($mill)	*325*
	30.8	35.2	41.5	45.0	54.6	59.3	89.4	148.6	147.5	175.0	*215*	*235*	Noninterest Exp ($mill)	*285*
	78.1	98.6	143.1	200.7	228.3	192.0	249.5	872.8	245.1	154.3	*d75.0*	*420*	Net Profit ($mill)	*680*
	1.9%	--	--	--	.4%	--	.4%	1.3%	5.8%	8.2%	*4.0%*	*4.0%*	Income Tax Rate	*5.0%*
	9.12%	7.64%	7.72%	8.16%	8.17%	6.36%	7.65%	21.68%	5.0%	3.0%	*NMF*	*7.1%*	Return on Total Assets	*8.4%*
	239.4	487.4	704.6	876.1	794.2	954.2	1176.6	1264.8	1899.1	2289.5	*2800*	*3200*	Long-Term Debt ($mill)	*3600*
	492.1	674.5	1036.7	1359.1	1553.1	1920.8	1979.8	2620.5	2841.2	2771.9	*2225*	*2165*	Shr. Equity ($mill)	*2475*
	57.5%	52.3%	55.9%	55.2%	55.6%	63.6%	60.7%	65.1%	58.1%	53.2%	*44%*	*37%*	Shr. Eq. to Total Assets	*31%*
	93.5%	95.2%	96.4%	94.7%	89.0%	85.6%	92.4%	89.8%	92.0%	91.7%	*90%*	*92%*	Loans to Tot Assets	*94%*
	15.9%	14.6%	13.8%	14.8%	14.7%	10.0%	12.8%	33.3%	8.6%	5.6%	*NMF*	*19.4%*	Return on Shr. Equity	*27.4%*
	1.7%	.5%	1.2%	1.5%	.5%	NMF	NMF	21.7%	NMF	NMF	*NMF*	*NMF*	Retained to Com Eq	*6%*
	98%	97%	92%	90%	97%	NMF	117%	35%	147%	248%	*NMF*	*115%*	All Div'ds to Net Prof	*78%*

BUSINESS: Allied Capital Corp. is the nation's largest business development company, primarily invests in middle-market private firms, offering long-term investment capital mainly through mezzanine debt (73% of its portfolio, 12/07) and equity financing (27%). With the sale of its commercial mortgage-backed securities business in 5/05, it ceased participation in the real estate capital markets. Allied is a regulated investment company that is not subject to corporate taxation. Holdings are concentrated in consumer, business, and financial services. Has about 170 empl. (12/07). Off./dir. own 9.0% of stock (3/08 Proxy). Chmn./CEO: William Walton. Inc.: Maryland. Address: 1919 Pennsylvania Avenue, NW Washington, D.C. 2006-3434. Tel.: 202-721-6100. Web.: www.alliedcapital.com.

Allied Capital should rebound nicely over the long term. ALD stock has sold off significantly since our May report, likely owing primarily to the sizable share loss posted in the June quarter and investor concerns that such losses will persist. This deficit was wholly attributable to an $0.86 noncash, unrealized mark-to-market adjustment against the private equity portfolio. Allied is required to adjust the valuations of its investments every quarter based on those companies' operating margins. It is our belief that the vast majority of these firms are among the leaders in their respective markets and are run by very capable management teams. Since the current operating environment is very difficult, however, it is not surprising that these companies have experienced a decline in operating profits. Because it is very possible that the U.S. economy could worsen in the coming quarters, so too could Allied post additional unrealized investment losses. For the most part, however, we expect most of the portfolio companies to recover next year and beyond.

One positive is that the current credit crisis is presenting an ample supply of potentially high-return investment opportunities. During the first half, the company cycled $600 million in assets yielding roughly 8.0% into assets that we believe will yield close to 17%.

Managed funds are generating strong income. Allied now has $5.0 billion under management. The Unitranche Fund, which accounts for more than two-thirds of this unit, is proving to be a success. We estimate that this business will enjoy an internal rate of return somewhere in the range of 15%–20%.

The dividend may hold for now. We believe that spillover income from 2007 and the current taxable income level in 2008 is sufficient to sustain the current payout through to the end of 2009, after which maintenance may be more problematic. If a cut were to occur, it would most likely be temporary, in our opinion.

Although this stock remains untimely for the six to 12 months ahead, Allied stock has noteworthy 3- to 5-year appeal. Indeed, we think these shares have very good recovery potential for the patient long-term investor.

Warren Thorpe *August 22, 2008*

(A) Diluted earnings per share. Includes net realized and unrealized gains (losses): '98, 45¢; '99, 46¢; '00, 41¢; '01, 23¢; '02, 42¢; '03, (3¢); '04, (18¢). Next earnings report due early November. (B) Dividend historically paid late March, June, Sept., Dec. A portion (est'd '08: 70%) of dividends are usually taxed at the capital gains rate. Special dividends: $0.02, paid 1/26/05; $0.03, 1/27/06; $0.07, 12/27/07 (declared). =Dividend reinvestment plan available. (C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	40
Earnings Predictability	30

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APT. INV. & MGMT. NYSE-AIV

RECENT PRICE 35.65 | P/E RATIO NMF | NMF NMF | RELATIVE P/E RATIO NMF | DIV'D YLD 6.7% | VALUE LINE

TIMELINESS 3 Raised 4/11/08
SAFETY 3 New 10/24/03
TECHNICAL 2 Raised 7/4/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+70%)	18%
Low	40	(+10%)	9%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	1	0	1	0	0	0	0	0
Options	0	1	0	0	0	0	0	2	0
to Sell	1	1	0	1	0	0	4	3	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	117	112	159
to Sell	131	137	113
Hld'g(000)	96341	94780	89540

	High:	38.0	41.0	44.1	50.1	50.1	51.5	42.1	39.3	44.1	59.2	65.8	41.2	28.9
	Low:	25.5	30.0	34.1	36.3	39.3	33.9	33.0	26.5	34.2	37.8	34.0	28.9	

LEGENDS
0.60 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-26.1	-18.0
3 yr.	-1.8	11.3
5 yr.	34.5	63.2

Percent shares traded 18 12 6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	14.85	13.80	14.56	22.42	22.91	24.27	23.32	21.37	23.66	21.36	20.73	17.82	16.59	10.68	8.80	7.05	Book Value per sh	6.25
--	--	.87	2.21	2.35	2.78	3.42	4.08	4.81	5.21	4.84	3.23	2.80	2.48	3.07	3.17	3.25	3.50	Funds from Ops per sh D	4.40
--	--	.42	.86	1.04	.97	.70	.40	.14	d.01	.94	d.25	d.36	d1.23	d1.29	d1.14	d1.20	d1.00	Earnings per sh A	.50
--	--	.29	1.66	1.70	1.85	2.25	2.50	2.80	3.12	3.28	3.06	2.40	2.40	2.40	2.40	2.40	2.60	Div'ds Decl'd per sh Bm	2.90
--	--	40.75	36.07	46.87	37.04	39.14	51.26	84.23	91.22	95.17	60.17	92.62	91.40	93.79	97.25	102.10	102.60	Loans & Real Est per sh	101.85
--	--	9.59	12.43	15.31	40.60	53.12	66.80	71.34	74.50	93.77	93.89	94.85	95.73	96.82	96.13	94.00	96.00	Common Shs Outst'g C	108.00
--	--	21%	41%	46%	38%	61%	61%	82%	112%	83%	73%	58%	115%	193%	364%			Premium Over Book	NMF
--	--	42.1	22.3	20.4	31.8	NMF	NMF	NMF	NMF	45.9	NMF	NMF	NMF	NMF	NMF	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	NMF
--	--	20.3	8.7	9.0	11.1	10.8	15.6	8.9	8.7	9.5	11.4	11.9	15.5	15.8	15.6			Avg Ann'l P/FFO Ratio	11.5
--	--	1.6%	8.7%	8.0%	6.0%	6.1%	6.4%	6.6%	6.9%	7.6%	8.3%	7.2%	6.2%	4.9%	4.8%			Avg Ann'l Div'd Yield	5.8%
						377.1	533.9	1051.0	1297.8	1405.7	1445.8	1401.7	1521.5	1691.0	1721.2	1780	1900	Revenues ($mill)	2500
						7.1	18.0	5.5	27.6	18.3	13.2	67.3	--	--	--	10.0	12.0	Other Income ($mill)	20.0
						54.1%	54.4%	57.5%	59.5%	58.6%	53.6%	45.0%	46.8%	47.8%	48.5%	48.0%	48.0%	Operating Margin	50.0%
						59.8	82.7	72.8	90.0	175.2	70.7	55.7	d27.9	d42.7	d48.1	d70.0	d50.0	Net Profit ($mill)	130
						15.9%	15.5%	6.9%	6.9%	12.5%	4.8%	3.9%	NMF	NMF	NMF	NMF	NMF	Net Profit Margin	5.2%
						4.7	d1.8	26.3	17.5	27.9	105.0	46.6	105.4	263.0	109.7	Nil	Nil	Capital Gains($mill)	Nil
						2573.7	4092.0	6009.2	6795.9	8924.1	8753.3	8785.0	8751.7	9081.2	9348.7	9600	9850	Loans & Real Est ($mill)	11000
						1242.4	2375.1	4031.4	4547.3	5827.7	5648.9	5804.7	6284.2	6872.8	7531.8	7850	7950	Long-Term Debt ($mill)	8600
						1902.5	2262.8	2501.6	2716.4	3163.4	2860.7	3008.2	2716.1	2339.9	1749.7	1550	1450	Shr. Equity ($mill)	1400
						65.8%	61.3%	58.2%	59.9%	69.0%	94.7%	85.7%	96.8%	78.2%	75.7%	74.0%	74.5%	Div'ds Decl'd to FFO	66.0%
						6.7%	5.9%	7.5%	7.7%	6.5%	7.7%	8.8%	9.2%	9.7%	9.5%	10.0%	10.0%	Expenses to Assets	10.5%
						3.3%	3.3%	3.2%	3.4%	3.8%	3.0%	4.3%	1.7%	1.8%	2.1%	1.5%	2.0%	Return on Total Cap'l	4.0%
						3.1%	3.7%	2.9%	3.3%	3.8%	2.5%	1.9%	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	5.0%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $7781.0 mill. Due in Five Yrs $2610 mill
Total Interest $450 mill. (83% of Cap'l)
No Defined Benefit Pension Plan
Pfd. Stock $723.5 mill Pfd. Div. $65.4 mill. (8% of Cap'l)
Common Stock 91,399,622 shs.

MARKET CAP: $3.3 billion (Mid Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus			
Noncash charges	355.5	532.3	465.5
Investments Repaid	814.5	1079.7	920.5
Net New Debt	679.5	588.6	749.5
New Equity	-292.1	-376.2	-590.2
Investments Funded	244.0	153.4	201.4
Dividends Declared	226.8	231.7	230.8

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	1543.8	1491.6
Subordinated Debt	5329.0	6040.2
Sr Debt/Cap'l Funds	.57:1	.65:1
Total Debt/Equity	2.94:1	4.30:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	N/A	N/A
Real Estate Acq.	N/A	N/A
Develop. Inv.	N/A	N/A

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	361.6	372.3	386.7	400.9	1521.5
2006	408.5	420.0	423.9	438.6	1691.0
2007	413.0	426.5	426.7	455.0	1721.2
2008	432.6	*440*	*450*	*457.4*	*1780*
2009	*470*	*470*	*480*	*480*	*1900*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	d.27	d.24	d.31	d.41	d1.23
2006	d.19	d.24	d.60	d.26	d1.29
2007	d.24	d.18	d.37	d.35	d1.14
2008	d.44	*d.30*	*d.25*	*d.21*	*d1.20*
2009	*d.30*	*d.25*	*d.25*	*d.20*	*d1.00*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.60	.60	.60	.60	2.40
2005	.60	.60	.60	.60	2.40
2006	.60	.60	.60	.60	2.40
2007	.60	.60	.60	.60	2.40
2008	.60	.60			

BUSINESS: Apartment Investment & Management Company (AIMCO) is a real estate investment trust (REIT) that acquires, owns, and operates apartment properties. As of December 2007 the company owned or managed about 1,256 properties containing about 203,040 apartment units located in 46 states, including District of Columbia and Puerto Rico. Primary markets: DC, CA, MA, IL, FL, PA, TX, AZ. Officers and Directors own about 9% of common stock, proxy (3/08). Chairman and Chief executive officer: Terry Considine. Vice President: Thomas M. Herzog. Address: AIMCO Stanford Place 3, 4582 South Ulster Street Parkway, Suite 1100, Denver, Colorado 80237. Telephone 303-757-8101. Internet Address: www.aimco.com.

Apartment Investment & Management Co.'s results remain mixed. Revenue advanced about 5% during the first quarter of 2008, helped by improved rental rates. Also, occupancy rose to about 95% during the period, helping to lift the top line. Although administrative costs declined, total expenses rose about 9%, owing to higher depreciation and interest expense. As a result, GAAP earnings per share remained weak during the quarter. Funds from operations (FFO) which excludes these noncash expenses, advanced modestly. We are reducing our FFO estimate for 2008 by $0.05 per share, and by $0.10 per share for 2009 at this time.

Elsewhere, the redevelopment pipeline is progressing well. At the end of March, AIMCO had 61 properties under renovation, including 15 affordable properties that provide tax credits. The total investment required to complete these projects will likely be about $896 million. AIMCO has invested $522 million in its renovation pipeline so far, including $86 million during the most recent quarter.

AIMCO did not make any acquisitions during the first quarter. However, it sold four properties for proceeds of $8 million, after the repayment of debt and property transaction costs. The REIT will likely be making some acquisitions in 2008, mostly in Seattle, San Francisco, and New York.

The debt level has risen a bit further. Total debt-to-capital was about 83% at the end of March, which is higher than for other REITs. AIMCO also has a moderate amount of debt due this year. However, we expect there will probably be some refinancing. Further, AIMCO has made some small share repurchases. It bought back about 5.1 million shares during the March quarter. But we don't expect significant repurchases, given the REIT's high debt level.

These neutrally ranked shares have declined slightly in price since our April report. The issue offers investors a healthy dividend yield. Nonetheless, we don't expect any distribution increases this year. Moreover, our current projections indicate that AIMCO stock offers below-average appreciation potential for the 3- to 5-year horizon.

Adam Rosner July 18, 2008

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	25
Earnings Predictability	20

(A) Diluted earnings per share. Excludes gains (losses) from property sales. '03, 95¢; '01, 23¢; '00, 38¢; '99, (3¢); '98, 10¢; '97, 11¢. Excl. Disc Ops.'07, $0.76; '06, $2.29; '05, $1.05; '04, $2.28. Excl. non recurring loss. '04, 4¢. Next earnings report due early Aug. (B) Dividends historically paid in mid-Feb, May, Aug, Nov. ■ Dividend reinvestment plan available. Special dividend of $1.91 declared 12/21/07. (C) In millions. (D) FFO: '08, Q1, $0.72. '07, Q4, $0.83. '06, Q4, $0.91, Q3, $0.74, Q2, $0.74, Q1, $0.66.

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AMER. GREETI GS NYSE-AM

RECENT PRICE 18.30 | P/E RATIO 11.2 (Trailing: 12.0 Median: 16.0) | RELATIVE P/E RATIO 0.72 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 4 Lowered 7/04/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 6/27/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+120%)	24%
Low	25	(+35%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	1	0	0	0	0
Options	0	1	1	0	1	0	0	0	0
to Sell	0	0	1	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	73	81	64
to Sell	109	91	100
Hld(000)	59963	58627	52754

High:	40.1	53.8	44.3	24.1	15.4	23.8	22.6	28.2	28.0	28.0	29.1	21.8			Target Price Range			
Low:	27.4	35.0	22.0	8.2	9.5	12.0	12.4	19.1	21.2	20.3	19.8	17.0			2011	2012	2013	
1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.
22.93	23.88	25.15	26.81	28.82	30.89	31.92	33.71	39.67	36.95	30.29	29.78	27.57	30.52	31.65	35.49	38.60	42.10	Sales per sh A
2.20	2.57	2.92	3.02	3.09	3.41	3.70	2.84	2.86	d.60	2.62	2.50	2.39	2.34	1.35	2.70	3.05	3.45	"Cash Flow" per sh
1.55	1.77	2.00	2.01	2.23	2.37	2.62	1.81	1.31	d1.92	1.63	1.40	1.40	1.23	.42	1.53	1.65	1.85	Earnings per sh AB
.42	.48	.55	.62	.67	.71	.74	.78	.82	.40	--	--	.12	.32	.32	.40	.48	.48	Div'ds Decl'd per sh C
1.06	1.39	1.31	1.23	1.24	.95	.88	.79	1.17	.45	.48	.53	.69	.75	.76	1.16	1.10	1.05	Cap'l Spending per sh
13.07	14.21	15.61	16.53	18.16	18.80	19.49	19.41	18.49	14.15	16.35	18.79	20.09	19.75	18.37	19.34	21.90	24.95	Book Value per sh D
72.90	74.12	74.30	74.71	74.98	71.18	69.09	64.52	63.49	63.76	65.90	67.47	69.03	61.79	55.12	48.77	46.00	43.20	Common Shs Outst'g F
14.3	16.4	14.2	14.4	12.4	15.1	16.6	14.2	12.4	--	10.0	13.3	17.1	19.9	55.2	15.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio
.87	.97	.93	.96	.76	.87	.86	.81	.81	--	.55	.76	.90	1.06	2.98	.84			Relative P/E Ratio
1.9%	1.7%	1.9%	2.1%	2.4%	2.0%	1.7%	3.0%	5.1%	3.1%	--	--	.5%	1.3%	1.4%	1.7%			Avg Ann'l Div'd Yield
2205.7	2175.2	2518.8	2355.7	1995.9	2008.9	1902.7	1885.7	1744.6	1730.8	1775	1820	Sales ($mill) A
17.8%	13.0%	10.7%	3.2%	15.9%	13.0%	7.8%	11.0%	5.1%	7.6%	10.5%	11.0%	Operating Margin
67.0	64.3	98.1	84.3	64.8	64.1	57.0	54.2	49.4	48.5	55.0	55.0	Depreciation ($mill)
188.6	119.1	83.5	d122.3	121.1	104.7	107.6	90.1	25.3	83.3	85.0	90.0	Net Profit ($mill)
36.2%	33.6%	15.3%	--	39.7%	38.7%	15.4%	35.1%	63.6%	32.85	35.0%	35.0%	Income Tax Rate
8.5%	5.5%	3.3%	NMF	6.1%	5.2%	5.7%	4.8%	1.4%	4.8%	4.8%	5.0%	Net Profit Margin
728.1	518.2	94.4	350.2	535.1	754.0	783.9	578.1	426.3	217.0	250	325	Working Cap'l ($mill)
463.2	442.1	380.1	853.1	726.5	665.9	486.1	300.5	223.9	200.5	200	200	Long-Term Debt ($mill)
1346.6	1252.4	1047.2	902.4	1077.5	1267.5	1386.8	1220.0	1012.6	943.4	1005	1080	Shr. Equity ($mill)
11.2%	8.0%	6.3%	NMF	8.6%	7.6%	7.8%	7.0%	3.5%	8.2%	9.0%	9.0%	Return on Total Cap'l
14.0%	9.5%	8.0%	NMF	11.2%	8.3%	7.8%	7.4%	2.5%	8.8%	8.5%	8.5%	Return on Shr. Equity
10.1%	5.4%	2.9%	NMF	11.2%	8.3%	7.2%	5.7%	.7%	6.5%	6.5%	6.5%	Retained to Com Eq
28%	43%	63%	NMF	--	--	8%	24%	72%	26%	22%	21%	All Div'ds to Net Prof

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.4	-9.7
3 yr.	-24.7	27.3
5 yr.	11.3	85.8

CAPITAL STRUCTURE as of 2/29/08
Total Debt $243.3 mill. Due in 5 Yrs $66.0 mill.
LT Debt $200.5 mill. LT Interest $48.0 mill.
Includes $175 mill. 7.0% conv. sub. notes (due 7/06), each conv. into 12.60 common shares at $13.90.
(Total interest coverage: 7.2x) (18% of Cap'l)
Leases, Uncapitalized Annual rentals $31.0 mill.
Pension Assets-2/08 None. Oblig. $152.6 mill.

Pfd Stock None
Common Stock 48,774,254 shs.
Includes 3,432,619. Class B shs.E
MARKET CAP: $1.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	2/29/08
Cash Assets	422.4	144.7	123.5
Receivables	142.1	104.0	61.9
Inventory (LIFO)	217.3	182.6	216.7
Other	380.3	368.0	267.3
Current Assets	1162.1	799.3	669.4
Accts Payable	126.1	118.2	123.7
Debt Due	174.8	--	42.8
Other	283.1	254.8	285.9
Current Liab.	584.0	373.0	452.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	1.0%	-2.0%	10.0%
"Cash Flow"	-4.0%	4.5%	17.5%
Earnings	-7.0%	25.5%	19.0%
Dividends	-6.5%	-3.0%	9.5%
Book Value	0.5%	4.0%	12.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A May 31	Aug.31	Nov.30	Feb.Per.	Full Fiscal Year
2005	439.4	385.0	552.0	509.3	1885.7
2006	406.6	360.1	512.2	465.7	1744.6
2007	418.0	365.9	475.0	471.9	1730.8
2008	410	370	505	490	1775
2009	425	380	515	500	1820

Fiscal Year Begins	EARNINGS PER SHARE A B May 31	Aug.31	Nov.30	Feb.Per.	Full Fiscal Year
2005	.35	.05	.14	.69	1.23
2006	.24	0.23	.55	d.14	.42
2007	.55	.15	.52	.31	1.53
2008	.60	.12	.60	.33	1.65
2009	.65	.15	.65	.40	1.85

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	.06	.06	.12
2005	.08	.08	.08	.08	.32
2006	.08	.08	.08	.08	.32
2007	.08	.10	.10	.10	.38
2008	.12	.12			

BUSINESS: American Greetings Corporation is the second-largest U.S. producer of greeting cards (63% of 2007 sales). Also markets giftwraps and accessories (15%), and other items (22% including candles, giftware items, party goods, calendars). Licensing characters (Strawberry Shortcake, Care Bears). Acquired: Gibson Greetings, 3/00; Collage Designs, 2/05. Sold Acme Frame, 8/97; Wilhold, 6/97; M & D Balloons, 2/02.; Magnivision, 9/04. Fgn sales 15.6% of '05 total; adv. costs, 2.7%. Has 18,800 employees. Officers & Directors own 3.6% of common; Three funds own 28.8% of class A shrs. (5/08 proxy). CEO Zev Weiss. Pres. Jeffrey Weiss. Inc.: OH. Address: 1 American Rd., Cleveland, OH 44144. Tel.: 216-252-7300. Internet: www.americangreetings.com.

American Greetings' "investment in cards" strategy in now complete. Two years ago, management initiated a program to generate growth by improving the company's core greetings cards business and converting retail partners to scan-based trading (SBT). Since then, the social expression marketer has spent more than $100 million to improve the design, production, display, and promotions of its products. Specifically, costs were incurred for new fixtures and the removal of old products at retail outlets. In addition, there were expenses associated with information system improvements and installation services. Although the program hurt sales and operating margins over the last two years, the restructuring leaves the company leaner and better positioned to generate margin and earnings expansion in the years ahead.

We look for top- and bottom-line growth in fiscal year 2008 (ends February 28th). Revenue should get a boost from positive momentum in the company's international operations and from the acquisition of Web Shots and PhotoWorks. However, we note that uncertain economic conditions in the U.S. may well pose challenges. Operating margins should get a boost from the conclusion of the aforementioned "investment in cards" initiative. Earnings will also likely be supported by a lower share count. Management has $52 million remaining under the current share-repurchase authorization. Overall, we look for a high single-digit share-earnings expansion.

American Greetings' balance sheet is healthy. The company had almost $125 million in cash and cash equivalents at the end of fiscal 2007. Also, the debt level has been reduced over the last two years. Currently, the debt-to-total capital ratio stands at 21%, compared to 28% two years ago.

Shares of American Greetings are ranked below average for relative price movement for the next year. The recent restructuring should return operating efficiency to levels not seen for years. Also the aforementioned acquisitions hold considerable potential. However, investors seem to have discounted much of this in the share price.

Dominic B. Silva *July 4, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	20
Earnings Predictability	15

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(A) Fiscal yr. ends last day in Feb. of following cal. yr. (B) Primary egs. through '96, dil. thereafter. Excludes nonrecurring gain (losses): '04, (28¢); '03, (13¢); '01, ($2.89); '00, (15¢); '99, (44¢); '98, (14¢); '97, 18¢; '93, (24¢); SFAS 121 charge: '95, 47¢. Next egs. rpt. due mid-September. (C) Dividends suspended 2/02, resumed 10/04. Historically paid early Jan., April, July, and October. (D) Incl. intangibles. In '07: $285.1 mill., $5.85/sh. (E) Class B: 10 votes per share. (F) In millions.

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AMGEN NDQ-AMGN

RECENT PRICE 43.82 | P/E RATIO 11.0 (Trailing: 12.9 Median: 31.0) | RELATIVE P/E RATIO 0.68 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/25/07
SAFETY 2 Lowered 3/21/08
TECHNICAL 3 Raised 6/26/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+130%)	23%
Low	70	(+60%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	1	0	0	0
Options	0	0	0	0	0	1	1	0	0
to Sell	0	0	0	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	376	364	377
to Sell	877	854	542
Hld's(000)	791276	816423	824983

	High:	17.3	27.3	66.4	80.4	75.1	62.9	72.4	66.9	86.9	81.2	76.9	48.9
	Low:	11.2	11.7	25.6	50.0	45.4	30.6	48.1	52.0	56.2	63.5	46.2	39.2

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/05
2-for-1 split 3/99
2-for-1 split 11/99
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-22.0	-9.7
3 yr.	-28.8	27.3
5 yr.	-32.0	85.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	1.00	1.28	1.56	1.83	2.10	2.30	2.67	3.28	3.50	3.84	4.28	6.53	8.37	10.16	12.24	13.59	13.50	14.30	Sales per sh A	17.00
	.31	.38	.48	.59	.73	.82	.99	1.22	1.30	1.48	1.59	2.30	2.87	3.72	4.41	4.57	5.10	5.35	"Cash Flow" per sh	7.00
	.26	.31	.39	.48	.60	.69	.82	.99	1.05	1.18	1.39	1.69	2.19	2.95	3.51	3.31	4.00	4.30	Earnings per sh B	5.15
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.20	.20	.12	.15	.25	.38	.40	.30	.42	.42	.51	1.06	1.06	.71	1.04	1.17	.65	.70	Cap'l Spending per sh	.85
	.86	1.09	1.20	1.57	1.80	2.07	2.52	2.97	4.16	4.99	14.19	15.15	15.84	16.71	16.26	16.44	19.85	23.50	Book Value per sh C	47.60
	1090.6	1073.7	1058.6	1062.8	1058.8	1033.2	1018.4	1017.9	1037.4	1045.8	1289.1	1280.1	1260.0	1224.0	1166.0	1087.0	1070.0	1050.0	Common Shs Outst'g D	1030.0
	31.1	17.1	15.5	21.2	24.4	20.4	20.8	37.3	62.5	52.9	35.7	36.4	27.0	23.7	20.2	17.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.5
	1.89	1.01	1.02	1.42	1.53	1.18	1.07	2.13	4.06	2.71	1.95	2.08	1.43	1.26	1.09	.92			Relative P/E Ratio	1.10
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
							2716.2	3340.1	3629.4	4015.7	5523.0	8356.0	10550	12430	14268	14771	14500	15000	Sales ($mill) A	17500
							49.2%	49.0%	48.5%	49.9%	47.6%	45.3%	43.9%	45.8%	42.3%	39.1%	47.0%	47.0%	Operating Margin	47.0%
							143.8	176.8	211.8	265.9	447.3	686.5	734	841	963	1202	1175	1200	Depreciation ($mill)	1450
							863.2	1062.1	1138.5	1262.4	1599.9	2258.5	2885	3710	4181	3761	4300	4415	Net Profit ($mill)	5150
							29.5%	30.0%	32.0%	33.6%	30.7%	28.8%	26.9%	23.5%	20.4%	17.4%	20.0%	20.0%	Income Tax Rate E	20.0%
							31.8%	31.8%	31.4%	31.9%	29.0%	27.0%	27.3%	29.8%	29.3%	25.5%	28.7%	29.4%	Net Profit Margin	27.9%
							976.3	1234.2	2075.0	2855.7	4874.3	5155.9	5013	5640	4690	6852	7600	7900	Working Cap'l ($mill)	9500
							223.0	223.0	223.0	223.0	3047.7	3079.5	3937	3957	7134	9657	11300	11300	Long-Term Debt ($mill)	11300
							2562.2	3023.5	4314.5	5217.2	18286	19389	19705	20451	18964	17869	21270	24685	Shr. Equity ($mill)	49035
							31.4%	33.0%	25.3%	23.7%	7.6%	10.1%	12.3%	15.4%	18.3%	14.2%	13.5%	13.0%	Return on Total Cap'l	11.0%
							33.7%	35.1%	26.4%	24.6%	8.7%	11.7%	14.6%	18.1%	22.0%	21.0%	20.0%	18.0%	Return on Shr. Equity	13.5%
							33.7%	35.1%	26.4%	24.6%	8.7%	11.7%	14.6%	18.1%	22.0%	21.0%	20.0%	18.0%	Retained to Com Eq	13.5%
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $11177 mill. Due in 5 Yrs $5580 mill.
LT Debt $9177 mill. LT Interest $330.0 mill.
Incl. $2.5 bill. 0.125% conv. notes ('11) and $2.5 bill. 0.375% conv. notes ('13), conv. into 62.76 mill. shs. at $79.84 and $79.48 per share respectively. (40% of Cap'l)
Leases, uncapitalized Annual rentals $96.0 mill.
No Defined Benefit Pension Plan

Common Stock 1,088,000,000 shares

MARKET CAP: $47.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	6277	7151	6647
Receivables	2124	2101	2224
Inventory (FIFO)	1903	2091	2091
Other	1408	1698	1565
Current Assets	11712	13041	14527
Accts Payable	555	378	522
Debt Due	1878	2000	2000
Other	4589	3801	3432
Current Liab.	7022	6179	5954

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	19.0%	25.5%	8.5%
"Cash Flow"	19.5%	24.0%	8.5%
Earnings	18.5%	22.0%	9.0%
Dividends	--	--	Nil
Book Value	24.5%	16.0%	13.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2833	3172	3154	3271	12430
2006	3217	3604	3612	3835	14268
2007	3687	3728	3611	3745	14771
2008	3613	3630	3600	3657	14500
2009	3700	3720	3760	3820	15000

Calendar	EARNINGS PER SHARE A B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.67	.81	.77	.70	2.95
2006	.82	.94	.94	.81	3.51
2007	.94	.90	.71	.76	3.31
2008	1.04	.98	.98	1.00	4.00
2009	1.00	1.05	1.10	1.15	4.30

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Amgen Inc. uses biotechnology to develop and manufacture human therapeutic agents in the areas of hematology, oncology, and inflammation. Important products: *Aranesp/Epogen* (25%/16% of 2007 sales) for anemia related to cancer chemotherapy and chronic kidney failure; *Neulasta/Neupogen* (29%), a stimulator of the immune system, and *Enbrel* (22%) for rheumatoid arthritis; other (8%). Int'l business: 19% of 2007 sales. 2007 deprec. rate: 12.7%; R&D, 22% of sales. Acq'd Immunex 7/02, Tularik 8/04. Has 17,500 employees. Officers & directors own less than 1% of stock (3/08 Proxy). Chairman & CEO: K.W. Sharer. Inc.: Delaware. Address: One Amgen Center Drive, Thousand Oaks, CA 91320. Telephone: 805-447-1000. Internet: www.amgen.com

Top-line growth at Amgen has sputtered of late. The company has felt the effects of the FDA's decision to limit use of some of its products as well as reduced pricing leverage. Most notably, sales of *Aranesp* fell by 25% during the first quarter as much of the oncology sector has reduced dosage for the product. Also, sales of *EPOGEN*, prescribed for anemia due to kidney problems, declined 11%.

And there may be some more problems on the horizon. The FDA has launched an investigation looking into the possible link between TNF-inhibitor-based drugs, such as Amgen's *Enbrel*, and cancer in children. *Enbrel*, a rheumatoid arthritis combatant, makes up almost a quarter of Amgen's top line. We are not too concerned at this time, however, given that rheumatoid arthritis typically occurs in adults rather than children and the prospects of a new therapy (see below).

That said, we've lifted our bottom-line estimate to account for moderating costs. Research and development expenses declined by almost 20% year-over-year during the first quarter, reflecting lower staffing and trial costs. Production expenses also fell modestly. We believe these expenses should moderate even further moving forward. For the full year, we target earnings of $4.00 a share, which would be 20% advance above 2007's tally.

Amgen's pipeline remains healthy, despite the aforementioned red flag. It has made significant progress with a new drug that treats rheumatoid arthritis. Results from a Phase II trial showed a noticeable decrease in symptoms. Too, the company remains on track with Phase III of its denosumab program. This drug may be useful in treating oesteoporosis and other cancer related skeletal problems. Amgen also started Phase III trials for *Vectibix* in treatment for 1st and 2nd line colorectal cancer.

These shares hold above average appreciation potential out to 2011–2013, following a price decline of 45% since early 2007. Despite recent setbacks at the top line, and potential complications with *Enbrel*, Amgen ought to post solid profit advances over the next 3 to 5 years, given the prospects of its arthritis and cancer related therapies.

Andre J. Costanza June 20, 2008

(A) FY end March 31 of following year through 1990; thereafter, calendar-year basis.
(B) Primary EPS through 1996; diluted thereafter. Excludes nonrecurring gains/(losses): '94, (10¢); '96, 1¢; '97, (9¢); '99, 3¢; '01, (15¢); '02, ($2.60); '04, (40¢); '05, (2¢); '06, ($1.03); '07, (53¢). Next earnings report due late July.
(C) Includes intangibles. In 2007, $14.6 billion, $13.43/share. (D) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	40
Earnings Predictability	90

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HEARING EXHIBIT 00000278

AON CORP. NYSE-AOC

RECENT PRICE 47.07 | P/E RATIO 20.9 (Trailing: 20.6 / Median: 18.0) | RELATIVE P/E RATIO 1.30 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 3 Lowered 2/22/08
SAFETY 3 Lowered 6/2/00
TECHNICAL 3 Raised 7/18/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+25%)	6%
Low	40	(-15%)	-2%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	1	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	183	225	177
to Sell	168	162	207
Hld's(000)	258474	262662	258294

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	25.34	27.57	28.22	28.28	28.43	31.31	32.13	30.63	29.89	24.53	27.20	30.35	Revenues per sh [A]	40.40
	3.15	3.41	3.29	2.48	2.34	3.11	2.79	2.86	2.91	2.85	3.15	3.50	"Cash Flow" per sh	4.40
	2.07	2.07	2.01	1.23	1.64	2.08	1.72	1.92	1.86	2.09	2.25	2.55	Earnings per sh [B]	3.20
	.73	.82	.87	.90	.83	.60	.60	.60	.60	.60	.60	.60	Div'ds Decl'd per sh [C] [a]	.80
	1.17	1.06	.69	1.04	.90	.59	.25	.39	.51	.56	.60	.65	Cap'l Spending per sh	.75
	11.78	11.90	13.16	12.97	12.55	14.34	16.12	16.51	17.42	20.42	22.35	24.55	Book Value per sh [D]	30.75
	256.19	256.45	261.34	271.43	310.30	313.60	316.60	321.20	299.60	304.60	295.00	285.00	Common Shs Outst'g [E]	260.00
	20.1	18.5	15.9	29.1	16.6	10.6	14.9	14.5	19.5	20.2	*Bold figures are*		Avg Ann'l P/E Ratio	16.0
	1.05	1.05	1.03	1.49	.91	.60	.79	.77	1.05	1.07	*Value Line*		Relative P/E Ratio	1.00
	1.9%	2.1%	2.7%	2.5%	3.0%	2.7%	2.3%	2.2%	1.7%	1.4%	*estimates*		Avg Ann'l Div'd Yield	1.7%
	6493.0	7070.0	7375.0	7676.0	8822.0	9818.0	10172	9837.0	8954.0	7471.0	8030	8650	Revenues ($mill) [A]	10500
	19.8%	19.6%	18.7%	14.6%	13.0%	15.4%	14.8%	13.9%	14.4%	18.2%	15.8%	15.5%	Operating Margin	14.5%
	268.0	330.0	333.0	339.0	263.0	314.0	309.0	277.0	237.0	194.0	200	215	Depreciation ($mill)	250
	541.0	547.0	531.0	336.0	466.0	663.0	577.0	642.0	636.3	675.1	720	780	Net Profit ($mill)	900
	37.5%	38.1%	36.8%	35.6%	36.9%	37.0%	34.4%	33.5%	30.8%	34.1%	34.0%	35.0%	Income Tax Rate	35.0%
	8.3%	7.7%	7.2%	4.4%	5.3%	6.6%	5.7%	6.5%	7.1%	9.0%	9.0%	9.0%	Net Profit Margin	8.5%
	6699.0	6745.0	7980.0	7212.0	9074.0	10442	11180	10959	12014	3420.0	3500	3750	Working Cap'l ($mill) [F]	4500
	580.0	1011.0	787.0	1340.0	1961.0	1830.0	2078.0	1993.0	1893.0	2000	1800	1500	Long-Term Debt ($mill)	1500
	3867.0	3901.0	4288.0	4371.0	4647.0	4548.0	5153.0	5303.0	5218.0	6221.0	6600	7000	Shr. Equity ($mill) [D]	8000
	12.7%	12.0%	11.4%	6.8%	8.6%	10.8%	9.2%	9.5%	9.7%	9.1%	9.0%	9.5%	Return on Total Cap'l	10.0%
	14.0%	14.0%	12.4%	7.7%	10.0%	14.6%	11.2%	12.1%	12.2%	10.9%	10.5%	11.0%	Return on Shr. Equity	11.5%
	11.5%	11.0%	8.9%	2.7%	6.0%	10.5%	7.5%	8.5%	8.6%	8.0%	8.0%	8.5%	Retained to Com Eq	8.5%
	36%	38%	43%	72%	50%	29%	33%	30%	30%	26%	25%	22%	All Div'ds to Net Prof	23%

Combined Insurance of America, founded in 1919, incorporated as Combined International (CI) in 1979. Three years later, CI merged with Ryan Insurance Group, a company founded in 1964 by Patrick G. Ryan. In 1987, the company changed its name to Aon Corporation. Its acquisition of Netherlands-based Hudig Langeveldt in 1991 marked the beginning of the company's evolution into what is now the world's second-largest insurance broker.

CAPITAL STRUCTURE as of 6/30/08 [A]
Total Debt $2022 mill. Due in 5 Yrs $1300 mill.
LT Debt $2022 mill. LT Interest $130.0 mill. (24% of Capital)

Leases, Uncapitalized Annual rentals $317.0 mill.
Pension Assets $5992 mill. Oblig. $6975 mill.

Pfd Stock None
Common Stock 298,726,078 shares as of 3/31/08

MARKET CAP: $14.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006 [F]	2007	6/30/08
Cash Assets	--	4915	3032
Receivables	--	8378	2012
Inventory (LIFO)	--	--	--
Other	--	4680	11587
Current Assets	--	17973	18631
Accts Payable	--	1418	1207
Debt Due	--	252	--
Other	--	12883	12052
Current Liab.	--	14553	13259

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	4.0%	--	6.0%
"Cash Flow"	3.0%	1.0%	7.5%
Earnings	4.0%	4.0%	8.5%
Dividends	-1.0%	-7.0%	5.0%
Book Value	5.0%	7.0%	9.0%

Calendar	QUARTERLY REVENUES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2464	2456	2387	2530	9837.0
2006	2165	2208	2168	2413	8954.0
2007	1798	1866	1775	2032	7471.0
2008	1932	1980	2000	2118	8030
2009	2050	2150	2200	2250	8650

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.58	.57	.35	.42	1.92
2006	.50	.52	.27	.57	1.86
2007	.51	.57	.42	.59	2.09
2008	.56	.55	.50	.64	2.25
2009	.60	.70	.55	.70	2.55

Calendar	QUARTERLY DIVIDENDS PAID [C] [a] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.15	.15	.60
2005	.15	.15	.15	.15	.60
2006	.15	.15	.15	.15	.60
2007	.15	.15	.15	.15	.60
2008	.15	.15	.15		

BUSINESS: *Aon Corporation is a holding company whose subsidiaries operate in two segments: Risk and Insurance Brokerage Services and Consulting. Clients include corporations, professional organizations, and governments. Acq'd Gil y Carvajal, 2/98; Le Blanc de Nicolay, 5/98; A.L.S., 8/98. Sold Combined Insurance Company of America, 4/08; Sterling Life, 4/08. Has about 42,500 employees.* Chmn: Patrick G. Ryan. President and Chief Executive Officer: Gregory C. Case. Off. & dir. own 8.2% of comm. (incl. Ryan's 7.1%); Southeastern Asset Mgmt., 10.2%; State Street Bank and Trust Company, 5.9%; Lord, Abbett & Co., 5.4% (4/08 Proxy). Inc.: DE. Addr.: 200 E. Randolph St., Chicago, IL 60601. Telephone: (312) 381-1000. Internet: www.aon.com.

Aon Corporation's second-quarter results were below our expectations. Earnings from continuing operations came in at $0.55 a share, a dime below our forecast. However, there is considerable noise in this number, as a result of a lower-than-expected tax rate, restructuring charges, and currency translation adjustments in the interim.

Nonetheless, the company's core businesses are performing relatively well, overall. Internal revenue growth within the insurance brokerage segment increased 2% in the June period, besting most of Aon's peers. We expect this trend to continue, and even ramp up at a brisker pace sometime in 2009, once the broader economy begins to rebound and the company's recent restructuring efforts start to bear fruit. Margins should expand going forward, as well, owing to expense management and cost-cutting spurred by the restructuring efforts.

However, Aon does face a number of headwinds. Growth is being crimped by increased competition, which has led to pricing pressure on commercial property casualty insurance. Additionally, sluggish economic growth is taking a toll, and leading to slower insured exposure growth. Too, the consulting business was a relative underperformer in the recently completed quarter, mainly because difficult economic conditions are reducing demand for the group's services.

Aon completed the sale of two businesses in the June interim. Indeed, Combined Insurance Company of America and Sterling Life Insurance were both divested in the period. We like the moves, as they should allow management to focus its attention on the company's core operations.

Investors may find better selections elsewhere. Although we expect the company to deliver solid earnings growth over the pull to 2011-2013, the issue's current price appears to discount much of the upside, leaving it with little share-price appreciation potential three to five years hence. Indeed, the stock already trades within our Target Price Range. In the year ahead, these shares are pegged to perform in tandem with the broader market averages (Timeliness: 3).

Matthew E. Spencer *August 22, 2008*

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	15
Earnings Predictability	75

(A) Incl. insurance ops. (B) Diluted earnings. Incl. 9/11-related items: '01, d16¢; '02, 6¢; '03, 3¢. Excl. nonrec. items: '99, 52¢; '00, d23¢; '01, d49¢; '03, d11¢; '04, d10¢; '05, 25¢; '06, 27¢; '07, 60¢; '08, $3.21. Next egs. rpt. due late Oct./early Nov. (C) Dividends historically paid in mid-Feb., mid-May, mid-Aug., and mid-Nov. ■ Dividend reinvestment plan avail. (D) Incl. intangibles. In 2007: $5,139 mill., $16.87/sh. (E) In mill., adj. for splits. (F) Balance sheet format changed in 2007. Data from prior years not directly comparable.

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APACHE CORP. NYSE-APA

RECENT PRICE 106.88 | P/E RATIO 7.5 (Trailing: 8.7 Median: 9.5) | RELATIVE P/E RATIO 0.48 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 1 Raised 3/14/08
SAFETY 3 Raised 9/7/90
TECHNICAL 2 Raised 8/15/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	275	(+155%)	27%
Low	180	(+70%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	0	0	1	0	2	0	0
Options	6	4	0	1	0	1	3	0	5
to Sell	9	5	3	6	1	2	4	2	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	361	421	385
to Sell	402	402	495
Hld's(000)	283905	279985	284556

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
High:	19.5	16.8	21.6	32.1	31.5	28.9	41.7	55.2	78.1	76.2	109.3	149.2							Target Price Range 2011 2012 2013
Low:	13.0	9.1	7.6	13.9	16.6	21.1	26.3	36.8	47.4	56.5	63.0	84.5							
3.79	3.28	3.79	4.20	4.70	5.40	3.88	4.94	8.02	9.69	8.46	13.32	16.25	22.96	25.06	29.96	*44.20*	*48.95*		Revenues per sh	*63.05*
1.78	1.54	1.92	1.81	2.10	2.49	1.83	2.41	4.50	5.44	4.63	7.36	8.80	12.21	13.19	15.48	*22.45*	*25.20*		"Cash Flow" per sh	*33.20*
.27	.33	.28	.17	.61	.71	.12	.74	2.48	2.50	1.84	3.74	5.03	7.84	7.64	8.39	*14.25*	*15.50*		Earnings per sh A	*19.00*
.12	.12	.12	.12	.12	.12	.12	.12	.09	.17	.19	.22	.26	.36	.50	.60	*.70*	*.78*		Div'ds Decl'd per sh B ■	*1.02*
1.79	1.55	2.21	6.34	2.37	3.14	2.93	2.25	3.54	5.30	3.43	5.07	7.49	11.25	11.77	12.98	*15.90*	*17.40*		Cap'l Spending per sh	*21.90*
4.26	5.57	5.75	6.11	7.30	7.92	7.54	8.96	12.07	14.28	15.95	20.46	24.71	31.62	39.59	45.89	*59.80*	*74.65*		Book Value per sh	*126.10*
111.56	141.10	141.92	178.74	208.03	218.24	225.84	263.33	285.59	287.92	302.51	314.50	326.10	330.31	330.74	332.99	*333.00*	*333.00*		Common Shs Outst'g C	*334.00*
27.0	33.4	39.8	NMF	21.4	21.9	NMF	19.8	9.2	9.4	14.0	8.7	9.0	8.1	8.8	9.8	Bold figures are Value Line estimates			Avg Ann'l P/E Ratio	*12.0*
1.64	1.97	2.61	NMF	1.34	1.26	NMF	1.13	.60	.48	.76	.50	.48	.43	.48	.51				Relative P/E Ratio	*.80*
1.6%	1.1%	1.1%	1.1%	.9%	.8%	.9%	.8%	.4%	.7%	.7%	.7%	.6%	.6%	.7%	.7%				Avg Ann'l Div'd Yield	*1.2%*
877.3	1300.4	2280.8	2790.7	2559.7	4190.3	5332.6	7584.2	8288.8	9977.9	*14710*	*16310*		Revenues ($mill)	*21000*
58.2%	*66.9%*	*82.5%*	*82.2%*	*78.4%*	*78.6%*	*79.0%*	*82.3%*	*79.8%*	*72.6%*	*72.0%*	*72.0%*		Operating Margin	*72.0%*
387.3	447.7	583.5	820.8	843.9	1073.3	1222.2	1415.7	1816.4	2347.8	*2700*	*3200*		Depreciation ($mill)	*4700*
28.6	200.9	720.6	764.4	566.3	1246.2	1670.1	2623.7	2552.5	2812.4	*4775*	*5190*		Net Profit ($mill)	*6410*
48.6%	41.7%	40.1%	39.5%	38.3%	39.9%	37.3%	37.6%	36.3%	39.8%	*37.5%*	*37.5%*		Income Tax Rate	*37.5%*
3.3%	15.4%	31.5%	27.4%	22.1%	29.7%	31.3%	34.6%	30.8%	28.2%	*32.5%*	*32.0%*		Net Profit Margin	*30.4%*
d78.8	6.3	96.8	175.3	234.8	78.7	65.9	d24.5	d1321.3	87.3	*615*	*1150*		Working Cap'l ($mill)	*3545*
1343.3	1879.7	2193.3	2244.4	2158.8	2327.0	2588.4	2192.0	2019.8	4011.6	*4200*	*4000*		Long-Term Debt ($mill)	*2500*
1801.8	2669.4	3754.6	4418.5	4924.3	6532.8	8204.4	10541	13191	15378	*19920*	*24850*		Shr. Equity ($mill)	*42000*
2.7%	5.8%	12.6%	12.8%	9.1%	14.9%	16.0%	21.1%	17.2%	14.9%	*20.0%*	*16.0%*		Return on Total Cap'l	*14.5%*
1.6%	7.5%	19.2%	17.3%	11.5%	19.1%	20.4%	24.9%	19.3%	18.3%	*24.0%*	*21.0%*		Return on Shr. Equity	*15.5%*
NMF	6.7%	19.4%	17.3%	10.3%	18.2%	19.5%	23.9%	18.3%	17.1%	*23.0%*	*19.0%*		Retained to Com Eq	*14.5%*
99%	21%	7%	7%	12%	6%	5%	5%	6%	7%	*5%*	*5%*		All Div'ds to Net Prof	*5%*

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	39.5	-12.2
3 yr.	87.2	7.2
5 yr.	273.5	58.6

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CAPITAL STRUCTURE as of 3/31/08
Total Debt $4226.7 mil. Due in 5 Yrs $715 mill.
LT Debt $4011.6 mill. LT Interest $150 mill.
(Total int. cov.: 16.1x; LT int. cov.: over 25x)
(13% of Cap'l)
Leases, Uncapitalized Annual rentals $31 mill.
No Defined Pension Benefit Plan

Pfd Stock $98.4 mill. Pfd Div'd $5.7 mill.

Common Stock 333,588,922 shs.

MARKET CAP: $35.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	140.5	125.8	383.0
Receivables	1651.7	1937.0	1972.3
Inventory (LIFO)	320.4	461.2	490.4
Other	377.7	228.2	207.4
Current Assets	2490.3	2752.2	3053.1
Accts Payable	644.9	617.9	683.6
Debt Due	1802.1	215.1	227.6
Other	1364.6	1832.0	2089.3
Current Liab.	3811.6	2665.0	3000.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.5%	24.5%	*16.0%*
"Cash Flow"	20.5%	23.0%	*16.0%*
Earnings	32.0%	28.5%	*15.5%*
Dividends	15.0%	26.5%	*13.0%*
Book Value	18.5%	22.5%	*20.5%*

Calendar	QUARTERLY REVENUES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1662	1759	2061	2100	7584
2006	1999	2061	2262	1967	8289
2007	2023	2442	2499	3014	9978
2008	3188	3904	*3855*	*3763*	*14710*
2009	*4070*	*4030*	*4230*	*3980*	*16310*

Calendar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.67	1.76	2.05	2.36	7.84
2006	1.97	2.17	1.94	1.56	7.64
2007	1.48	1.89	1.83	3.19	8.39
2008	3.03	4.28	*3.50*	*3.44*	*14.25*
2009	*3.75*	*3.85*	*3.90*	*4.00*	*15.50*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.06	.06	.06	.06	.26
2005	.08	.08	.10	.10	.36
2006	.10	.10	.15	.15	.50
2007	.15	.15	.15	.15	.60
2008	.15	.15			

BUSINESS: Apache Corp. explores and produces natural gas, crude oil, and natural gas liquids in the United States, Canada, Australia, Argentina, Egypt, and the North Sea. 2007 production: 86 million barrels of oil and natural gas liquids; natural gas, 560,000 million cubic feet (Mmcf). Revenues by commodity in 2007: natural gas, 46%; oil, 52%; natural gas liquids (NGL), 2%. Proved reserves at 12/31/2007: oil and NGL, 1,061 million barrels; natural gas, 7.5 Tcf. '07 depr. rate was 5.6%. Has about 3,520 employees. Officers & directors own 1.1% of common stock (3/08 proxy). President, CEO & COO: G. Steven Farris. Chairman: Raymond Plank. Inc.: DE. Address: 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4400. Telephone: 713-296-6000. Internet: www.apachecorp.com.

Apache's second-quarter earnings were boosted by higher oil prices. Greater worldwide demand for energy has vastly improved the pricing environment for the company. Despite little change in production rates sequentially, revenues advanced over 20%. The oil price run-up helped boost earnings per share to a record high of $4.28. But a recent dip may well cause quarterly share net to fall sequentially through the end of the year. Even with the falling valuation of oil, the bottom line will still likely advance over 70%, year-to-year, during 2008.

Disruptions to activity in the field have restrained capacity of late. In western Australia, Apache's main petroleum pipeline burst, which led to a production shutdown within the region. The rupture is likely to keep production in a dormant state until late August, when output should return to around 60% of capacity, slowly building up until early December, when Apache expects it to return to full functionality. This shock to the supply chain has led many energy customers in this region to seek out alternative sources for fuel and energy. This shift away will likely have long-term ramifications with regard to demand in the region. Closer to home, Hurricane Dolly moved through the Gulf of Mexico, leading the company to shut in roughly 56 million cubic feet of natural gas daily. Production within the Gulf was up and running in full by the end of July. By 2009, a probable 10%–15% gain in production levels should offset a moderate further price dip for crude oil.

Investors looking for a play on renewed strength in oil prices may want to look at Apache. Recent earnings gains, bolstered by more-efficient production methods throughout most of the company's fields, have led to its attaining our Highest (1) rank for Timeliness. Moreover, its level of undeveloped holdings should allow it to boost output to meet rising worldwide demand for fuel.

Apache seems well positioned to increase its earnings by double digits annually over the next 3 to 5 years. With its growing presence in emerging energy markets in Egypt and South America, longer-term prospects appear promising for this oil and gas producer.

Christopher T. Wells *August 15, 2008*

(A) Diluted earnings. Primary egs until '96. Excl. nonrec. gains/(losses): '92, 34¢; '93, (6¢); '94, 4¢; '95, (10¢); '98, ($1.40); '00, (5¢); '01, (27¢); '02, (8¢); '03, 39¢; '04, (8¢). Next earnings report due late October.
(B) Div'd historically paid in late Feb., May, Aug., and Nov. 5% stock dividend paid Mar. '03. ■ Dividend reinvestment plan avail.
(C) In mill., adjusted for stock div'd. and split.
(D) Quarterly revenues and EPS may not sum to total due to rounding.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	100
Earnings Predictability	55

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ANADARKO PETRO. NYSE-APC

RECENT PRICE 54.06 | P/E RATIO 16.4 (Trailing: 24.2 / Median: 10.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 3 Raised 4/11/08
SAFETY 2 Raised 11/17/06
TECHNICAL 3 Lowered 7/4/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

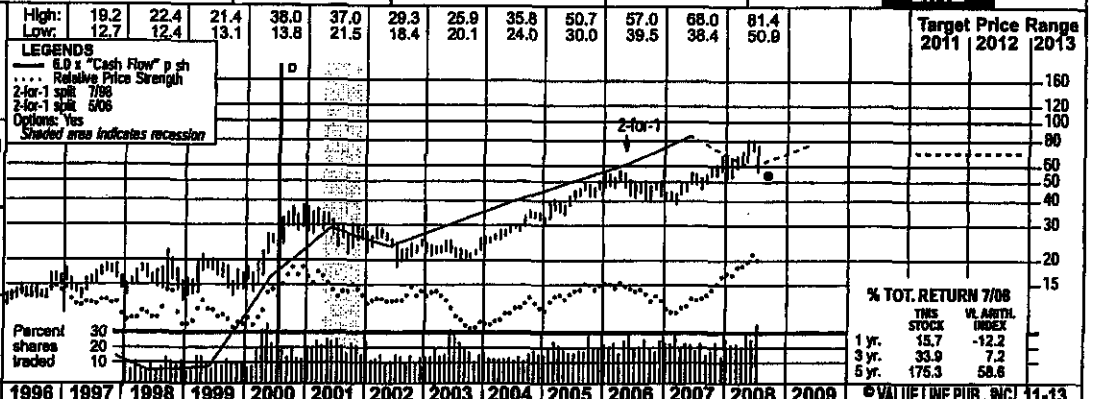
	Price	Gain	Ann'l Total Return
High	100	(+85%)	17%
Low	70	(+30%)	8%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	2	0	0	0	1	0	0
to Sell	2	0	2	0	0	0	2	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	275	316	297
to Sell	328	334	391
Hld's(000)	392678	403535	393947



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.70	2.03	2.05	1.84	2.39	2.76	2.29	2.70	11.22	16.47	7.75	10.19	12.92	15.25	21.79	33.93	25.10	28.25	Sales per sh	37.10
.79	.93	.94	.79	1.07	1.26	.92	.96	2.74	4.84	3.91	5.05	6.49	8.18	10.21	14.12	9.85	12.95	"Cash Flow" per sh	15.90
.19	.23	.20	.08	.37	.45	.08	.13	2.08	2.61	1.61	2.46	3.18	5.20	6.02	8.08	3.30	5.80	Earnings per sh A	7.40
.06	.06	.08	.08	.08	.08	.10	.10	.10	.12	.17	.22	.28	.36	.36	.36	.36	.40	Div'ds Decl'd per sh B	.54
1.64	1.11	1.80	1.40	1.79	2.82	3.74	2.62	3.37	6.52	4.80	5.51	6.53	7.32	9.77	9.07	10.75	9.80	Cap'l Spending per sh	10.95
2.97	3.68	3.82	3.85	4.26	4.59	5.14	5.92	13.40	12.52	14.00	17.10	19.78	23.73	31.90	34.84	36.65	40.20	Book Value per sh	49.90
221.25	234.67	235.43	236.06	238.10	243.54	244.87	259.24	506.61	508.21	497.85	502.80	469.41	465.66	467.49	468.39	465.00	460.00	Common Shs Outst'g C	450.00
34.5	44.4	59.0	NMF	38.1	38.2	NMF	NMF	12.1	11.1	15.1	9.2	9.2	7.9	8.0	6.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.5
2.09	2.62	3.87	NMF	2.39	2.09	NMF	NMF	.79	.57	.82	.52	.49	.42	.43	.33			Relative P/E Ratio	.75
1.2%	.8%	.6%	.7%	.5%	.5%	.6%	.6%	.4%	.4%	.7%	1.0%	1.0%	.9%	.8%	.7%			Avg Ann'l Div'd Yield	.7%
560.3	701.1	5686.0	8369.0	3860.0	5122.0	6067.0	7100.0	10187	15892	11665	13000							Sales ($mill)	16700
47.7%	54.6%	37.5%	38.0%	72.5%	77.0%	72.5%	77.4%	66.3%	67.2%	39.0%	49.0%							Operating Margin	49.0%
204.5	218.1	593.0	1154.0	1121.0	1297.0	1447.0	1343.0	1976.0	2840.0	3035	3280							Depreciation ($mill)	3630
20.7	42.6	796.0	1305.0	825.0	1240.0	1601.0	2466.0	2796.0	3778.0	1535	2670							Net Profit ($mill)	3330
--	59.4%	44.2%	30.3%	31.6%	37.2%	35.4%	36.7%	34.0%	40.3%	38.5%	38.0%							Income Tax Rate	39.0%
3.7%	6.1%	14.0%	15.6%	21.4%	24.2%	26.4%	34.7%	27.4%	23.8%	13.2%	20.5%							Net Profit Margin	19.9%
d58.8	d31.3	218.0	d600.0	d581.0	d391.0	509.0	513.0	d12224	d741.0	d335	d360							Working Cap'l ($mill)	d400
1425.4	1443.3	3984.0	4638.0	5171.0	5058.0	3671.0	3555.0	11520	11151	11110	11000							Long-Term Debt ($mill)	11000
1259.5	1534.6	6786.0	6365.0	6972.0	8599.0	9285.0	11051	14913	16364	17040	18500							Shr. Equity ($mill)	22450
2.3%	2.8%	8.9%	13.5%	8.3%	10.3%	13.7%	17.5%	11.8%	15.5%	5.0%	9.0%							Return on Total Cap'l	10.0%
1.6%	2.8%	11.7%	20.5%	11.8%	14.4%	17.2%	22.3%	18.7%	23.1%	9.0%	14.5%							Return on Shr. Equity	15.0%
NMF	4%	11.0%	19.5%	10.7%	13.1%	15.7%	20.7%	17.6%	22.1%	8.0%	13.5%							Retained to Com Eq	14.0%
NMF	85%	6%	5%	10%	9%	9%	7%	6%	5%	11%	7%							All Div'ds to Net Prof	7%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $11165 mill. Due in 5 Yrs $52 mill.
LT Debt $11113 mill. LT Interest $704 mill.
(Total interest coverage: 2.2x) (40% of Cap'l)

Leases, Uncapitalized Annual rentals $65.3 mill.
Pension Assets-12/07 $442 mill. Oblig. $509 mill.
Preferred Stock None.
Common Stock 466,127,095 shs.
as of 8/4/08

MARKET CAP: $25.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	491	1268	652
Receivables	3109	1465	1687
Inventory (Avg Cst)	378	412	428
Other	357	1371	1742
Current Assets	4335	4516	4509
Accts Payable	3247	2778	3516
Debt Due	11471	1396	52
Other	1841	1083	1276
Current Liab.	16559	5257	4844

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	26.0%	15.0%	8.0%
"Cash Flow"	26.5%	23.0%	6.5%
Earnings	36.0%	25.0%	2.5%
Dividends	17.0%	23.0%	7.0%
Book Value	21.5%	18.0%	9.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1530	1590	1756	2224	7100
2006	1684	1826	3498	3179	10187
2007	5250	4585	2995	3062	15892
2008	2978	2786	2850	3051	11665
2008	3170	3180	3280	3370	13000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.02	1.06	1.26	1.86	5.20
2006	1.92	1.86	1.84	.40	6.02
2007	3.70	2.81	1.03	.54	8.08
2008	.61	.05	1.40	1.24	3.30
2009	1.35	1.50	1.60	1.35	5.80

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.07	.07	.07	.07	.28
2005	.09	.09	.09	.09	.36
2006	.09	.09	.09	.09	.36
2007	.09	.09	.09	.09	.36
2008	.09	.09			

BUSINESS: Anadarko Petroleum Corp. explores for and produces oil & natural gas in the U.S. Also has an active int'l exploration & development program. Operations include gas gathering and processing. Proved reserves 12/31/07: liquids, 2.39 billion bls.; gas, 8.79 Tcf. 5-year avg. worldwide finding cost: $8.13/bbl. versus industry average: $7.95/bbl. 5-year average reserve replacement ratio: 627%. '07 daily prod.: liquids, 114.3 mbbls.; gas, 1.311 bcf. Employs about 3,870. Stock owners: Off. & Dirs., less than 1.0%; Clearbridge Advisors, 8.8%; Barclays Global, 4.8%; Neuberger Berman, 5.8% (4/08 proxy). Chairman: R.J. Allison Jr. Pres. & CEO: Jim Hackett. Inc.: DE. Addr.: 1201 Lake Robbins Dr., The Woodlands, TX 77380. Tel.: 832-636-1000. Web: anadarko.com.

We look for Anadarko's production tally to be slightly higher in 2008. Increasing demand for domestic off- and onshore drilling activity should enable APC to produce 209.5 million barrels of oil equivalent (mmboe) this year, about 1% higher than last year. Reserves are liable to be up 10%, to 225 mmboe, since the company is garnering a great deal of success from its high-density drilling program in its Uinta Basin properties (Utah).

The top and bottom lines will probably sink, though. Sales are liable to fall due to a reduction in volume from the divestiture of assets, as well as lower gathering, processing, and marketing revenue. Gas sales are likely to be up 20%, but oil & condensate volume is liable to fall about 75%. Meantime, the rising cost of finding and developing oil in tight-bed methane and other unconventional sites is likely to keep a lid on margin expansion. Additionally, taxes, depreciation and amortization expenses associated with the Kerr-McGee and Western Resources acquisitions continue to pressure profits.

Anadarko has gained access to a more promising field. The petroleum company's exploration efforts have met with little success outside of Algeria and the Gulf of Mexico in the last few years. This has led to higher F&D costs. Recently, however, Anadarko appears to be involved in a field with far more possibilities. This is the Jubilee territory in Ghana, which could hold 800 million to 1.45 billion barrels of oil, of which APC has a 26% stake. An extension of this area into Sierra Leone also exhibits great promise.

Profits should recover to near 2007 levels over the next few years, spearheaded by increased domestic drilling, realization of the Kerr and Western assets potential, and the aforementioned Jubilee stake. We are targeting production volume of 224 mmboe and 233 mmboe in 2009 and 2010, respectively. Although dry hole and F&D costs will probably continue to rise, interest expense should diminish, as debt is paid down with robust cash flow.

This good-quality issue looks more attractive than it did three months ago, thanks to the price pullback. However, the lack of a meaningful dividend limits its 3- to 5-year total return potential.

Jeremy J. Butler *August 15, 2008*

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	50

(A) Primary egs. thru 1996, diluted thereafter. Excl. nonrec. items: '96, 5¢. Excl. extra. Item: '93, 34¢ (FAS 106 & 109); '01, d$3.13. Incl. extra. Item: '00, d5¢. EPS in '04 don't add due to change in shares outstanding. Next earnings report due late October.
(B) Dividends historically paid late March, June, September, and December. ■ Dividend reinvestment plan available.
(C) In millions, adjusted for stock splits.
(D) Acquired Union Pacific Resources in July 2000.

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ARBITRON INC. NYSE-ARB

RECENT PRICE 49.68 | P/E RATIO 34.3 (Trailing: 35.9 / Median: NMF) | RELATIVE P/E RATIO 2.09 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Raised 5/2/08
SAFETY 3 New 9/12/03
TECHNICAL 4 Lowered 5/30/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+60%)	13%
Low	55	(+10%)	4%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	0	0
Options	1	1	1	6	3	0	0	0	0
to Sell	1	1	3	6	3	1	0	0	3

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	91	66	72
to Sell	58	89	79
Hld's(000)	31792	30596	33305

LEGENDS
---- 15.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.1	-8.4
3 yr.	16.3	30.2
5 yr.	44.9	98.8

The company was formed in 1957 under the name Ceridian Corporation. Previously, it was a publicly traded company with two core businesses: the Comdata business, which was a human resource service business, and the radio audience measurement business. On March 2001, Ceridian completed a spin-off of the Comdata business. Ceridian became a separately traded company and changed its name to Arbitron Inc. (Comdata eventually changed its name back to Ceridian, and trades as CEN.)

CAPITAL STRUCTURE as of 3/31/08
Total Debt None Due in 5 Yrs None
LT Debt None LT Interest None
(Total interest coverage: 13.0x)

Leases, Uncapitalized: Annual rentals $8.78 mill.
Pension Assets-12/07 $32.3 mill. *Oblig.* $34.9 mill.

Pfd Stock None
Common Stock 27,275,426 shs.
as of 4/30/08

MARKET CAP: $1.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	61.3	21.1	25.3
Receivables	33.3	34.2	32.2
Inventory	--	--	--
Other	10.9	13.3	11.6
Current Assets	105.5	68.6	69.1
Accts Payable	10.0	10.3	7.2
Debt Due	--	5.0	--
Other	100.1	99.2	92.5
Current Liab.	110.1	114.5	99.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	7.0%	12.0%
"Cash Flow"	--	5.0%	12.0%
Earnings	--	3.5%	12.0%
Dividends	--	--	13.0%
Book Value	--	--	29.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	79.3	69.8	85.6	75.3	310.0
2006	85.1	74.2	90.7	79.3	329.3
2007	89.2	75.9	93.3	80.1	338.5
2008	94.1	80.0	100	90.9	365
2009	105	90.0	110	110	415

Calendar	EARNINGS PER SHARE A Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.63	.34	.66	.36	1.99
2006	.58	.24	.69	.17	1.68
2007	.51	.13	.58	.13	1.35
2008	.57	.02	.54	.32	1.45
2009	.45	.30	.80	.55	2.10

Calendar	QUARTERLY DIVIDENDS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	.10	.10	.10	.30
2006	.10	.10	.10	.10	.40
2007	.10	.10	.10	.10	.40
2008	.10				

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	--	--	7.09	7.79	8.43	8.91	9.56	9.98	11.09	11.95	13.50	15.65	Revenues per sh	21.60
	--	--	1.70	1.42	1.59	1.78	2.01	2.20	1.97	1.84	1.90	2.50	"Cash Flow" per sh	4.00
	--	--	1.54	1.24	1.42	1.63	1.79	1.99	1.68	1.35	1.45	2.10	Earnings per sh A	3.30
	--	--	--	--	--	--	--	.30	.40	.40	.40	.48	Div'ds Decl'd per sh D	.76
	--	--	.07	.22	.23	.17	.33	.50	.66	.89	.80	.85	Cap'l Spending per sh	1.00
	--	--	1.14	d5.78	d3.40	d.59	1.47	2.98	3.01	1.70	2.85	4.60	Book Value per sh C	12.10
	--	--	29.16	29.20	29.61	30.71	30.96	31.04	29.69	28.31	27.00	28.50	Common Shs Outst'g B	25.00
	--	--	--	21.4	23.1	21.9	21.7	20.4	22.9	35.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
	--	--	--	1.10	1.26	1.25	1.15	1.09	1.24	1.88			Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	.7%	1.0%	.8%			Avg Ann'l Div'd Yield	1.0%
	--	--	206.8	227.5	249.8	273.6	296.6	310.0	329.3	338.5	365	415	Revenues ($mill)	540
	--	--	36.6%	33.5%	33.8%	33.2%	32.6%	32.1%	23.2%	21.2%	21.0%	24.0%	Operating Margin	29.0%
	--	--	4.3	5.0	4.4	4.8	5.7	5.8	7.8	11.8	11.0	11.0	Depreciation ($mill)	15.0
	--	--	45.3	36.5	42.8	49.9	56.4	62.6	50.7	40.2	40.0	55.0	Net Profit ($mill)	90.0
	--	--	39.5%	39.5%	38.5%	38.5%	38.5%	37.7%	30.8%	38.0%	37.5%	37.5%	Income Tax Rate	37.5%
	--	--	21.9%	16.0%	17.1%	18.2%	19.0%	20.2%	15.4%	11.9%	10.9%	13.3%	Net Profit Margin	16.7%
	--	--	d11.8	d16.8	2.5	25.1	24.2	58.7	d4.6	d45.9	d45.0	d25.0	Working Cap'l ($mill)	45.0
	--	--	--	205.0	165.0	105.0	50.0	50.0	50.0	--	Nil	Nil	Long-Term Debt ($mill)	Nil
	--	--	33.2	d168.1	d100.6	d18.1	45.4	92.4	89.3	46.2	75.0	120	Shr. Equity ($mill)	300
	--	--	NMF	124.0%	79.4%	64.5%	63.2%	45.4%	56.8%	83.4%	53.5%	46.0%	Return on Total Cap'l	30.0%
	--	--	NMF	--	--	--	NMF	67.8%	56.8%	83.4%	53.5%	46.0%	Return on Shr. Equity	30.0%
	--	--	NMF	--	--	--	NMF	57.7%	43.2%	58.6%	37.5%	36.0%	Retained to Com Eq	21.5%
	--	--	--	--	--	--	--	15%	24%	30%	27%	23%	All Div'ds to Net Prof	23%

BUSINESS: Arbitron, Inc. is a media and marketing research firm that serves radio, broadcast television, cable companies, advertising agencies, and advertisers in the US, Mexico, and Europe. Arbitron's core businesses are measuring network and local market radio audiences; surveying the retail, media and product patterns; and providing application software used for analyzing media audience and marketing information data. Has 1,620 employees. '07 depreciation rate: 13.6%. Neuberger Berman Inc., 15.2%; Abrams Capital, LP. owns 13.2% of common stock; officers and directors, 4.1% (4/08 proxy). CEO and Pres.: Stephen B. Morris. Inc.: DE. Address: 142 W. 57th St., New York, NY 10019-3300. Telephone: 212-887-1300. Internet: www.arbitron.com.

Investor sentiment towards Arbitron has improved markedly since our last report. Indeed, these shares are up almost 14% since February, 2008. This is partially attributable to a surprisingly strong first quarter. As expected, revenue expanded approximately 6%, to $94 million, over the year-ago period. Cost containment was the major reason for the stellar performance in which earnings advanced more than 10%, to $0.57 a share. Also, Wall Street has reacted favorably to comments about the resumption of work toward the commercialization of the Portable People Meter (PPM). The introduction of the device (used to measure radio, television, and cable audience usage) into new markets was delayed after certain customers voiced concerns about the accuracy of the product.

In spite of the solid first quarter, management did not raise the company's 2008 earnings-per-share guidance of $1.30-$1.44. This was due to an elevated level of costs that the company has taken into account, particularly in the second quarter. Additionally, we expect earnings to be hampered by additional expenses to recruit panelists associated with the rollout of PPM into more geographical markets. We look for considerable share-net advances, beginning in the fourth quarter of the current year, assuming PPM gains traction.

The company should continue to repurchase shares. Late last year, Arbitron's board of directors authorized a buyback initiative of up to $200 million. As of March 31, 2008, the company had purchased more than one million shares for roughly $46 million. Inasmuch as we expect the company to generate cash flows in excess of its operating needs, this trend should continue in the years ahead, albeit at a more moderate pace.

These shares are ranked to track the broader market over the next six to 12 months. By the end of this decade, we expect Arbitron's PPM technology to become the most widely used multimedia measurement source. This should lead to considerable annual earnings-per-share gains out to 2011-2013. However, investors seem to have discounted much of these advances.

Dominic B. Silva *June 6, 2008*

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	80

(A) Diluted earnings. Excludes nonrecurring gain: '04, 13¢; '05, 15¢. Next earnings report due in late July.
(B) In millions.
(C) Includes intangibles. At 12/31/07, $39.8 million, $1.41/share.
(D) Prmts. typically made in early-Apr., Jul., Oct., and Jan. Initial quarterly dividend declared 2/28/05.

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ARCH CHEMICALS NYSE-ARJ

RECENT PRICE 37.88 | P/E RATIO 14.9 (Trailing: 16.8 Median: NMF) | RELATIVE P/E RATIO 0.91 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 3 Lowered 1/11/08
SAFETY 3 New 6/23/00
TECHNICAL 4 Lowered 5/30/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+70%)	16%
Low	45	(+20%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	1	0
Options	0	2	0	0	1	0	1	1	0
to Sell	0	2	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	92	61	60
to Sell	72	64	84
Hld's(000)	23260	23663	24196

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	25.3	22.2	24.7	25.7	25.6	30.6	31.1	37.2	48.0	40.8		
Low:	13.9	15.6	17.4	15.7	15.1	23.4	22.0	24.9	29.3	30.3		

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	10.4	-9.7
3 yr.	74.0	27.3
5 yr.	114.5	85.8

Arch Chemicals, Incorporated was formed on February 8, 1999 via a spin-off of Olin's specialty chemicals business. Holders of Olin common stock as of February 1, 1999 received one Arch Chemicals common share for every two shares of Olin common stock held in a tax-free transaction. Approximately 22,960,000 shares were distributed as a result of the spin-off. Chase Manhattan Bank served as the underwriter for the transaction.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $240.4 mill. Due in 5 Yrs $208.2 mill.
LT Debt $135.0 mill. LT Interest $2.1 mill.
(LT interest earned: 7.6x; total int. covered: 6.7x) (27% of Cap'l)

Leases, Uncapitalized: Annual rentals $9.5 mill.

Pension Assets-12/07 $232 mill. Oblig. $268 mill.

Common Stock 24,858,686 shs. as of 4/30/08

MARKET CAP: $950.0 million (Sm Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	82.4	73.7	50.3
Receivables	143.9	182.7	202.1
Inventory (Avg Cst)	182.4	207.1	252.4
Other	102.4	95.7	86.1
Current Assets	511.1	559.2	590.9
Accts Payable	183.6	199.5	224.8
Debt Due	155.5	29.4	105.4
Other	91.5	108.0	79.8
Current Liab.	430.6	336.9	410.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	6.5%	4.5%
"Cash Flow"	--	2.0%	7.0%
Earnings	--	19.0%	11.0%
Dividends	--	2.0%	2.0%
Book Value	--	-0.5%	8.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	301.3	411.3	314.2	278.3	1305.1
2006	317.8	446.1	354.9	315.9	1434.7
2007	317.4	448.5	378.5	344.2	1487.6
2008	347.1	467.9	390	370	1575
2009	360	495	420	390	1665

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.15	1.03	.28	.21	1.67
2006	.25	1.22	.30	d.19	1.58
2007	.26	1.41	.45	.16	2.30
2008	.23	1.40	.55	.37	2.55
2009	.20	1.60	.65	.40	2.85

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.20	.80
2005	.20	.20	.20	.20	.80
2006	.20	.20	.20	.20	.80
2007	.20	.20	.20	.20	.80
2008	.20	.20			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	37.54	38.93	42.59	41.48	41.94	44.85	47.51	54.56	59.53	59.89	63.25	66.75	Revenues per sh	78.30
	3.62	3.98	4.24	2.84	3.09	3.01	2.72	3.62	3.43	4.05	4.45	4.85	"Cash Flow" per sh	5.60
	1.55	1.76	1.70	.08	.55	.67	.74	1.67	1.58	2.30	2.55	2.85	Earnings per sh A	3.45
	--	.60	.80	.80	.80	.80	.80	.80	.80	.80	.80	.80	Div'ds Decl'd per sh B	.90
	3.67	2.61	2.81	2.02	1.55	.90	.78	.77	1.11	1.67	2.00	2.20	Cap'l Spending per sh	2.20
	21.95	19.99	19.00	17.46	14.73	15.01	15.25	15.26	15.20	19.10	17.50	19.65	Book Value per sh C	28.70
	22.98	22.60	22.10	22.20	22.40	22.50	23.50	23.92	24.10	24.84	24.90	24.95	Common Shs Outst'g D	25.10
	--	11.1	11.0	NMF	38.6	30.3	37.3	15.5	19.8	16.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
	--	.63	.72	NMF	2.11	1.73	1.97	.83	1.07	.65			Relative P/E Ratio	1.05
	--	3.1%	4.3%	3.9%	3.8%	3.9%	2.9%	3.1%	2.6%	2.2%			Avg Ann'l Div'd Yield	1.6%
	862.8	879.8	941.2	920.8	939.4	1009.1	1120.9	1305.1	1434.7	1487.6	1575	1665	Revenues ($mill)	1915
	11.6%	12.5%	11.7%	8.9%	9.1%	7.6%	8.2%	8.4%	8.3%	9.9%	10.5%	10.8%	Operating Margin	10.8%
	43.1	49.3	55.7	61.3	56.7	52.7	45.9	46.7	44.3	45.0	48.0	50.0	Depreciation ($mill)	55.0
	40.0	40.7	36.0	1.8	12.5	15.1	17.3	39.8	38.4	55.7	63.0	70.0	Net Profit ($mill)	85.0
	34.2%	33.8%	34.0%	55.0%	33.9%	33.2%	28.8%	33.2%	33.4%	42.4%	35.0%	35.0%	Income Tax Rate	35.0%
	4.6%	4.6%	4.0%	.2%	1.3%	1.5%	1.5%	3.0%	2.7%	3.8%	4.0%	4.3%	Net Profit Margin	4.5%
	147.1	168.5	172.3	141.7	161.9	173.4	168.8	180.1	80.5	222.3	270	320	Working Cap'l ($mill)	490
	--	76.8	247.6	265.1	220.8	218.5	215.2	217.8	62.4	176.8	185	185	Long-Term Debt ($mill)	180
	504.5	451.8	419.8	387.5	330.0	337.7	359.8	365.9	366.2	474.4	435	490	Shr. Equity ($mill)	670
	7.9%	8.2%	6.7%	1.7%	3.7%	4.2%	4.7%	8.6%	9.0%	8.5%	10.0%	10.5%	Return on Total Cap'l	10.0%
	7.9%	9.0%	9.0%	.5%	3.6%	4.5%	4.9%	10.9%	10.5%	11.8%	14.5%	14.5%	Return on Shr. Equity	13.0%
	7.9%	6.0%	4.8%	NMF	NMF	NMF	NMF	5.7%	5.2%	7.6%	10.0%	10.5%	Retained to Com Eq	9.5%
	--	34%	47%	NMF	NMF	NMF	107%	47%	50%	35%	32%	28%	All Div'ds to Net Prof	26.0%

BUSINESS: Arch Chemicals is a specialty chemicals manufacturer. The company's principal businesses are in water treatment chemicals and performance products chemicals. In addition to the range of products offered, the company also provides semiconductor manufacturers with chemical management services, including inventory management and distribution. Research & Development equals 1.4% of 2007 revenues. Has about 2,670 empls. Officers & directors own 2.0% of common stock; T. Rowe Price Associates, 12.0%; Synder Capital, 5.9%; Barclays Global Investors, 5.6%; Michael W. Cook Asset Management, 5.3% (3/08 Proxy). Chrm & CEO: Michael Campbell, Inc.: DE. Address: 501 Merritt 7, Norwalk, CT 06851. Tel.: 203-229-2900. Internet: www.archchemicals.com.

Arch Chemicals is off to a good start this year. The company has been performing well despite the continued weakness in the U.S. housing and construction markets. Top- and bottom-line gains in the first quarter stemmed from solid results at the company's industrial biocides and water products businesses. Those units experienced increased volumes and widening margins. Meanwhile, ARJ's wood protection business has been doing well as positive contributions come from the recent buyout of the Australian-based Koppers-Arch joint venture. However, declining domestic demand has offset the bulk of those gains. And the performance products segment posted lackluster results, as well. Record oil-based raw material costs have been the main detractor from this division's profits. ARJ has been in the process of raising prices to offset the heightened costs, but market conditions have been limiting the company's ability to recover their full impact.

We have reduced our second-quarter earnings estimate by a dime. The decreased expectations for the June interim ought to stem from the continued slowdown in the domestic economy and rising raw material costs. However, the company has many efficiency initiatives in the works, which may offset those negatives as the year progresses. Treatment products will likely remain the dominant contributor to revenues and earnings. Meanwhile, performance products probably lagged in the second quarter, as this unit's margins were likely hurt by rising propylene costs. However, decent gains in the second half of 2008 may result in the estimated 11% share-net advance.

In 2009, the top and bottom lines ought to increase 6% and 12%, respectively. Revenue benefits should stem from this year's solid momentum, product pricing hikes, and product introductions. Meanwhile, efficiency initiatives, such as the new manufacturing facility in China and the European margin improvement plan will probably lead the way for margin expansion. But, at present,

These shares offer below-average appreciation potential for the pull to 2011-2013. And they are ranked 3 (Average) for year-ahead price performance.

Bryan Fong *June 13, 2008*

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	70
Earnings Predictability	20

(A) Diluted earnings. Excludes nonrecurring gains/(losses) & discont. items: '01, ($0.14); '02, ($0.41); '03: $0.56; '04, $0.10; '05, $0.05; '06, ($1.03); '07, ($0.67). Next earnings report due in early August.
(B) Dividends historically paid early March, June, September, and December.
(C) Includes intangibles. In 2007: $356.4 mill.; $14.37/share.
(D) In millions.

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ARROW ELEC. NYSE-ARW

RECENT PRICE 30.72 | P/E RATIO 9.8 (9.2 / 13.0) | RELATIVE P/E RATIO 0.64 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 Raised 10/29/93
TECHNICAL 5 Lowered 7/4/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

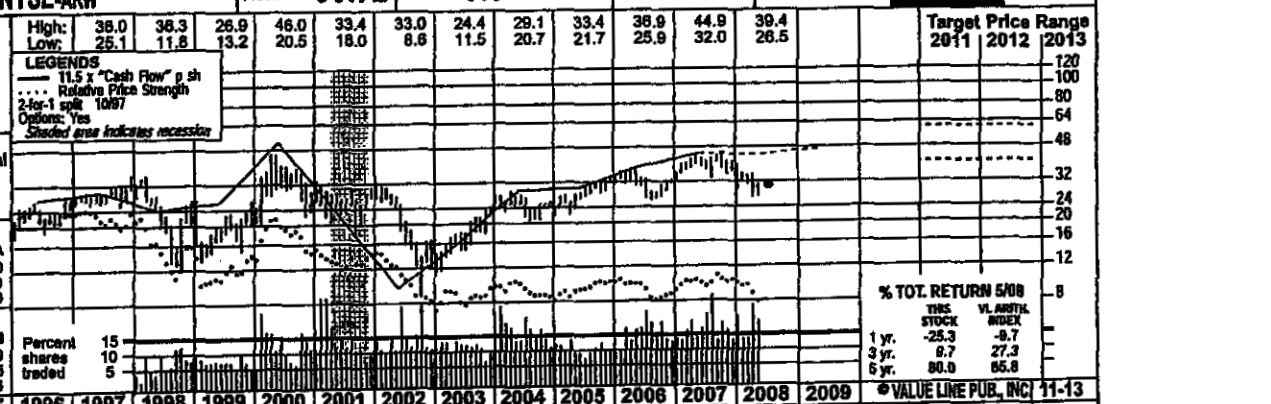
	Price	Gain	Ann'l Total Return
High	60	(+95%)	18%
Low	40	(+30%)	7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	1	1	0	0	1	0	0
to Sell	0	1	1	1	0	0	2	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	134	155	139
to Sell	139	119	155
Hld's(000)	115288	115948	114856



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
27.69	40.52	50.35	58.44	63.82	80.09	87.26	96.94	131.69	101.42	73.57	85.67	91.54	92.81	110.72	130.14	134.75	141.00	Sales per sh	151.00
1.03	1.61	1.82	2.35	2.37	2.59	2.10	2.28	4.55	1.96	.83	1.40	2.54	2.61	3.32	3.86	3.80	4.10	"Cash Flow" per sh	4.85
.91	1.31	1.51	2.02	1.98	2.05	1.50	1.46	3.62	.77	.17	.74	1.97	2.19	2.93	3.28	3.15	3.40	Earnings per sh A	4.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.06	.27	.25	.42	.28	.30	.62	.88	.81	.64	.52	.32	.20	.28	.54	1.13	1.15	1.25	Cap'l Spending per sh	1.45
5.71	7.30	9.07	11.81	13.27	14.04	15.55	16.14	19.45	17.69	12.30	14.89	18.67	19.73	24.44	28.92	32.00	35.40	Book Value per sh B	47.00
58.56	62.58	82.34	101.30	102.39	96.94	95.63	96.07	96.41	99.86	100.45	101.08	116.30	120.29	122.63	122.83	122.00	121.50	Common Shs Outst'g C	120.00
11.4	13.4	12.7	11.6	11.7	14.2	15.9	12.8	6.7	34.0	NMF	23.6	12.5	12.7	10.7	12.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
.69	.79	.83	.78	.73	.82	.83	.73	.57	1.74	NMF	1.35	.66	.68	.58	.63			Relative P/E Ratio	.80
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						8344.7	9312.6	12959	10128	7390.2	8679.3	10646	11164	13577	15985	16440	17150	Sales ($mill)	18200
						4.9%	4.7%	6.7%	4.5%	3.2%	3.6%	4.8%	4.8%	4.9%	4.7%	4.5%	4.6%	Operating Margin	5.0%
						55.1	78.6	90.3	118.3	66.1	66.8	60.9	47.5	46.9	66.7	75.0	80.0	Depreciation ($mill)	95.0
						145.8	140.6	357.9	77.0	17.2	74.6	235.0	266.5	360.5	407.8	390	415	Net Profit ($mill)	485
						42.2%	43.0%	40.7%	40.7%	28.1%	32.9%	32.5%	34.0%	32.6%	30.5%	31.0%	32.0%	Income Tax Rate	32.0%
						1.7%	1.5%	2.8%	.8%	.2%	.9%	2.2%	2.4%	2.7%	2.6%	2.3%	2.4%	Net Profit Margin	2.6%
						1695.7	1833.2	3193.3	2424.4	1871.3	2129.1	2361.1	2185.6	2391.5	2602.0	2900	3250	Working Cap'l ($mill)	2850
						1040.2	1533.4	3027.7	2442.0	1807.1	2016.6	1465.9	1139.0	976.8	1223.3	1275	1280	Long-Term Debt ($mill)	1300
						1487.3	1550.5	1913.7	1766.5	1235.2	1505.3	2184.2	2372.8	2996.6	3551.9	3900	4300	Shr. Equity ($mill)	5650
						7.2%	6.3%	8.8%	4.1%	3.0%	4.0%	8.1%	8.6%	10.0%	9.4%	8.5%	8.0%	Return on Total Cap'l	8.0%
						9.8%	9.1%	18.7%	4.4%	1.4%	5.0%	10.7%	11.2%	12.0%	11.5%	10.0%	9.5%	Return on Shr. Equity	8.5%
						9.8%	9.1%	18.7%	4.4%	1.4%	5.0%	10.7%	11.2%	12.0%	11.5%	10.0%	9.5%	Retained to Com Eq	8.5%
						--	--	--	--	--	--	--	--	--	--	NII	NII	All Div'ds to Net Prof	NII

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1275.9 mill. Due in 5 Yrs $212.9 mill.
LT Debt $1263.5 mill. LT Interest $69.5 mill.
(LT int. earnings: 4.8x; Total Int. coverage 4.5x)
(25% of Cap'l)
Leases, Uncapitalized Annual rentals $60.2 mill.

Pension Assets-12/07 $81.4 mill
Oblig. $101.5 mill.

Pfd Stock None
Common Stock 122,712,492 shs.
as of 4/18/08
MARKET CAP: $3.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	337.7	447.7	391.8
Receivables	2710.3	3281.2	3074.8
Inventory (FIFO)	1691.5	1679.8	1805.6
Other	156.1	180.6	184.1
Current Assets	4895.6	5589.3	5456.3
Accts Payable	1795.1	2535.5	2280.0
Debt Due	446.2	12.9	12.4
Other	262.8	438.9	472.8
Current Liab.	2504.1	2987.3	2765.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.0%	1.5%	5.0%
"Cash Flow"	3.0%	8.0%	7.0%
Earnings	3.5%	13.0%	6.0%
Dividends	--	--	Nil
Book Value	6.5%	8.0%	11.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	2727	2768	2710	2959	11164
2006	3192	3437	3454	3494	13577
2007	3498	4038	4030	4419	15985
2008	4028	4050	4130	4232	16440
2009	4075	4200	4275	4600	17150

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.50	.54	.52	.63	2.19
2006	.69	.78	.72	.74	2.93
2007	.74	.81	.76	.97	3.28
2008	.72	.80	.82	.81	3.15
2009	.80	.85	.87	.88	3.40

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Arrow Electronics, Inc. is a global distributor of electronic components and computer products to industrial and commercial customers. Has over 225 selling locations and 15 distr. centers in 53 countries and territories. Semiconductor and computer products account for 68% and 32%, resp., of sales. Geographic sales: Americas, 54%; Europe, 31%; Asia/Pacific, 15%. Acquired: Richey Elec. & Bell Inds., '99; Wyle Electronics, '00; IED, '03; Diswaay, '04; DNS, '05. '07 depr. rate: 7.9%. Has about 12,800 empls. Off./dir. own 2.8% of stock; FMR Corp., 12.6%; Mutuelles AXA, 10.5%; Wellington Mgmt., 9.6% (4/08 proxy). Chmn.: Daniel Duval. COO & Pres.: Michael J. Long. Inc.: NY. Addr.: 25 Hub Dr., Melville, NY 11747. Tel.: 516-391-1300. Internet: www.arrow.com.

Arrow Electronics is currently navigating through a difficult operating environment, which will likely hurt its 2008 earnings. In fact, first-quarter share net declined slightly year to year, and we expect further shortfalls for the rest of 2008. This is due in part to economic weakness, leading to subdued spending by Arrow customers. The top line increased about 15% during the quarter, partially because of strong business segments, such as global components, offsetting weaker ones like the server segment, and growth in some foreign regions. Too, a recent acquisition contributed to the gain. But our full-year sales estimate is for a meager advance of some 2.5%, because we do not expect these favorable contributions to be as significant. Management is anticipating sales weakness in the remainder of 2008 and further difficulty in 2009. But we forecast an earnings rebound because of cost-cutting initiatives.

Acquisitions continue to be on the agenda for the company. Even though management is adjusting its cost structure in order to spend more prudently, it is still making strategic takeover investments for long-term growth. In fact, its buyout of Logix, a French-based technology company, was completed recently. Arrow also has three other acquisitions in the works, aimed at complementing its components business, which grew as a percentage of sales by 8% in 2007. Such moves would allow geographic expansion in underexplored markets, such as India, and would likely be accretive to earnings further out, once integration costs subside.

Synergistic efforts will likely bolster earnings too. The company recently extended its distribution contract with Red Rocket, a manufacturer of ultraminiature high-efficiency power supplies, which are in high demand in many technological products. Too, the company has expanded its relationship with ARM. Arrow will incorporate more of ARM's technological systems and intellectual property.

This untimely issue has limited 3- to 5-year appreciation potential. We expect only modest earnings gains for the 2011-2013, haul and therefore we do not find this stock particularly appealing at this juncture.

Nira Maharaj *July 11, 2008*

(A) Based on diluted shares. Excludes nonrecurring gain/(losses): '92, (11¢), '94, (19¢); '97, (41¢); '99 (17¢); '01, ($1.52); '02, ($6.21); '03, (49¢); '04 (22¢), '05 (7¢). Excl. income (loss) from discontinued operations: '02, (6¢). Next eqs. report due late July.
(B) Includes intangibles. In 2007: $1.779 billion, $14.48/sh.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	55
Price Growth Persistence	45
Earnings Predictability	30

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AVALONBAY COMM. NYSE-AVB

RECENT PRICE 91.81 | P/E RATIO 37.5 (39.7 NMF) | RELATIVE P/E RATIO 2.47 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 3 Raised 5/9/08
SAFETY 3 Lowered 10/19/07
TECHNICAL 2 Raised 7/11/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

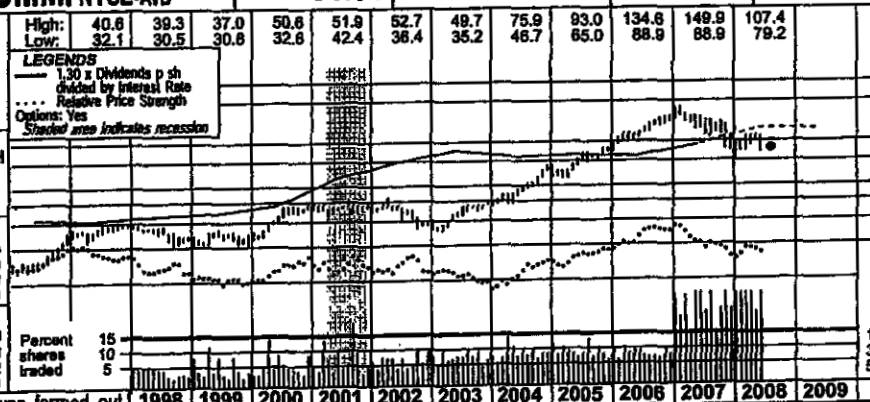
	Price	Gain	Ann'l Total Return
High	155	(+70%)	17%
Low	100	(+10%)	6%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	0
Options	1	0	0	1	0	0	1	0	0
to Sell	1	0	0	0	0	0	1	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	137	153	146
to Sell	134	147	142
Hld's(000)	81311	87618	90679



AvalonBay Communities was formed out of a merger between Avalon Properties Inc. and Bay Apartment Communities in June 1998. The merger was accounted for under the purchase method of accounting, with Bay as the legal surviving entity. At the time of the merger, 950,064 shares of series A Preferred Stock and 405,022 shares of series B Preferred stock were converted into 1.355 mill. shares of common stock.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3678.5 mill. Due in 5 Yrs $1350.5 mill.
Lt. Interest $220.0 mill.
(Total interest coverage: 2.9x) (55% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock $100.0 mill. Pfd. Div'd $8.7 mill.
Pfd. stated at liqu. value (2% of Cap'l)

Common Stock 76,971,919 shs.

MARKET CAP: $7.1 bill. (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus			
Noncash charges	306.6	351.9	455.8
Investments Repaid	41.9	6.6	27.3
Net New Debt	-75.7	459.0	-108.3
New Equity	156.4	89.7	453.5
Investments Funded	382.9	735.2	1112.6
Dividends Declared	215.4	235.0	269.0

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	2153.1	1893.0
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.45:1	.30:1
Total Debt/Equity	1.07:1	1.06:1

PORTFOLIO CONDITION	Year Ago	Latest
Non-Earn Assets—%/Invests.	--	--

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	161.2	165.6	170.8	173.1	670.7
2006	175.1	180.7	187.7	193.8	737.3
2007	192.7	199.5	208.1	212.4	812.7
2008	211.8	220	220	228.2	880
2009	230	240	240	250	960

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.35	.32	.33	.34	1.34
2006	.51	.47	.57	.62	2.27
2007	.54	.59	.60	.52	2.25
2008	.58	.60	.64	.63	2.45
2009	.65	.65	.70	.70	2.70

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.70	.70	.70	.70	2.80
2005	.70	.71	.71	.71	2.83
2006	.71	.78	.78	.78	3.05
2007	.78	.85	.85	.85	3.33
2008	.85	.893	.893		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	36.22	36.35	29.54	30.21	29.53	31.17	31.49	33.15	33.90	37.85	37.50	38.10	Book Value per sh	42.05
	2.87	3.22	3.70	4.06	3.65	3.27	3.36	3.77	4.38	4.51	5.00	5.40	Funds from Ops per sh E	7.00
	1.35	1.55	1.93	2.22	1.62	1.10	1.16	1.34	2.27	2.25	2.45	2.70	Earnings per sh A	3.75
	2.00	2.06	2.24	2.56	2.80	2.80	2.80	2.84	3.12	3.40	3.57	3.80	Div'ds Decl'd per sh Bm	4.70
	60.55	61.44	61.17	63.89	70.17	66.77	67.21	67.14	73.36	81.40	85.00	85.70	Real Est per sh	97.75
	63.89	65.77	67.19	68.71	68.20	70.94	72.58	73.65	74.87	77.32	80.00	84.00	Common Shs Outst'g C	88.00
	NMF	NMF	41%	56%	50%	38%	84%	137%	235%	219%			Premium Over Book	205%
	28.4	21.7	21.8	21.2	27.4	39.2	50.0	NMF	50.0	52.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	34.0
	12.4	10.4	11.3	11.6	12.1	13.2	17.3	20.9	25.9	21.9			Avg Ann'l P/FFO Ratio	18.0
	5.7%	6.1%	5.3%	5.4%	6.3%	6.5%	4.8%	3.6%	2.7%	2.8%			Avg Ann'l Div'd Yield	3.7%
	371.3	504.3	572.9	638.7	631.9	609.7	648.5	670.7	737.3	812.7	880	960	Revenues($mill)	1350
	.1	.2	.4	3.0	7.1	--	--	--	--	--	6.0	8.0	Other Income($mill)	10.0
	60.9%	63.0%	64.7%	64.1%	60.9%	59.1%	58.4%	57.8%	58.8%	57.4%	59.0%	60.0%	Operating Margin	62.0%
	98.5	142.0	169.8	186.1	131.5	67.7	86.3	167.7	179.8	188.5	210	240	Net Profit($mill) D	360
	26.5%	28.2%	29.6%	29.1%	20.8%	14.4%	13.3%	16.1%	24.4%	23.2%	23.9%	25.0%	Net Profit Margin	26.7%
	25.3	47.1	40.7	62.9	48.9	161.0	122.4	199.8	291.9	166.4	50.0	55.0	Capital Gains(mill)	55.0
	3869.1	4041.3	4110.0	4390.8	4785.4	4736.4	4877.8	4945.8	5478.1	6297.2	6800	7200	Real Est($mill)	8600
	1155.4	1415.1	1729.9	2082.8	2471.2	2337.8	2442.3	2366.6	2625.6	2593.7	2950	3200	Long-Term Debt ($mill)	3700
	2314.4	2370.3	2442.5	2314.6	2194.5	2311.3	2385.3	2541.7	2631.4	3026.7	3100	3300	Shr. Equity ($mill)	3800
	69.7%	64.0%	60.5%	63.1%	76.7%	85.6%	77.8%	75.3%	71.2%	73.8%	71.5%	70.5%	Div'ds Decl'd to FFO	67.0%
	6.9%	9.3%	9.3%	9.9%	10.5%	10.9%	11.5%	11.5%	10.5%	9.9%	10.0%	10.0%	Expenses to Assets	11.5%
	2.9%	3.8%	5.0%	5.4%	4.1%	3.3%	4.0%	3.5%	4.3%	4.1%	4.5%	4.5%	Return on Total Cap'l	6.0%
	4.2%	5.9%	7.0%	8.0%	6.0%	3.8%	3.6%	4.0%	6.8%	6.3%	7.0%	7.5%	Return on Shs. Equity	9.5%

BUSINESS: AvalonBay Communities, Inc. is a real estate investment trust (REIT) focusing on the management and development of high-end residential apartment complexes. The majority of communities and luxury properties are located in Northern and Southern California, as well as the Northeastern and Mid Atlantic United States. As of December 2007, AvalonBay had a direct or indirect interest in 184 communities with a total of 52,746 units. AvalonBay is the surviving entity from the merger of Avalon properties, Inc. with and into Bay Apartments Communities, Inc. *Chairman and Principal Executive Officer:* Bryce Blair. Address: 2900 Eisenhower Avenue, Suite 300 Alexandria, Virginia 22314. Telephone: (703) 329-6300. Internet: www.avalonbay.com.

AvalonBay began 2008 with healthy results. Funds from operations (FFO) rose about 12% during the March quarter, helped by contributions from the property portfolio and newly completed development projects. Revenue increased about 10% during the period, thanks to higher rental rates and a slight improvement in the occupancy level. Occupancy was about 96.5% during the March quarter, which is relatively healthy. Much of the improvement largely reflects strengthening demand in northern California and Seattle.

The development pipeline should make positive contributions. At the end of March, AvalonBay had about $2.2 billion in new development in progress. This represents about 22 projects, containing about 7,000 new apartment units. The company also reported that its development costs are close to budget. Although raw material costs will probably remain high, this should be offset by more-attractive labor rates. AvalonBay is also currently spending about $80 million to redevelop about eight apartment communities.

AvalonBay will likely make some property sales, as well. We expect proceeds from the sale of about $900 million in real estate this year to provide some of the capital needed for development efforts. The REIT also has a healthy debt-to-capital level, and access to partnership financing, if necessary.

Nonetheless, the business environment remains mixed. Results will probably be hurt by a weaker economy and higher unemployment levels. However, rising mortgage rates and declining home purchases should help lift demand for apartment rentals. Consequently, we are leaving our FFO estimates unchanged for 2008 and 2009.

***These shares* are ranked 3 (Average) for Timeliness.** Nonetheless, the issue still trades at a price-to-FFO multiple that is higher than that of other REITs. The issue also offers a relatively low dividend yield, despite recent distribution increases. Moreover, our current projections indicate this stock holds somewhat below-average appreciation potential for the next 3 to 5 years.

Adam Rosner *July 18, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	65

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(A) Diluted eqs. Excl. cap. gains: '06, $1.30; '05, $2.87; '04, $1.76; '03, $2.30; '02, 71¢; '01, 90¢; '00, 60¢; '99, 71¢. Excl. nonrecurring gains (loss): '03, 33¢. '02, (10¢). '99, (25¢). Next earnings report late July. (B) Dividends historically paid in mid-Jan., April, July, and Oct. ■ Dividend reinvestment plan available. (C) In millions. (D) Excludes cap. gains. (E) FFO: '08, $1.24, '07: Q4, $1.14, Q3, $1.19, Q2, $1.17, Q1, $1.11. '06: Q4, 1.09, $Q3, $1.11, Q2, $1.03, Q1, $1.15. Financial data for '98 reflects merger.

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AVON PRODUCTS NYSE-AVP

RECENT PRICE 36.65 | P/E RATIO 17.0 (Trailing: 28.0 Median: 23.0) | RELATIVE P/E RATIO 1.04 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 3 Raised 11/9/07
SAFETY 3 Lowered 3/28/07
TECHNICAL 3 Lowered 5/16/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+90%)	19%
Low	45	(+25%)	7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	4	0	0	0	0	0
to Sell	0	0	0	4	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	170	238	249
to Sell	258	187	208
Hld's(000)	377258	383787	393673

High: 19.5 23.1 29.6 24.9 25.1 26.5 34.9 46.7 45.7 34.3 42.5 41.9
Low: 12.7 12.5 11.7 12.6 17.8 21.7 24.5 30.8 24.3 26.2 32.0 34.0

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/98
2-for-1 split 5/99
2-for-1 split 6/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.8	-9.7
3 yr.	4.9	27.3
5 yr.	40.7	85.8

Percent shares traded 18 12 6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
6.62	6.95	7.72	8.30	9.06	9.63	9.93	11.12	11.91	12.57	13.11	14.46	16.24	17.86	19.66	23.02	26.95	27.90	Sales per sh	34.30
.52	.53	.58	.64	.72	.75	.89	1.07	1.15	1.28	1.40	1.68	2.08	2.19	1.44	1.64	2.65	3.05	"Cash Flow" per sh	4.00
.42	.42	.47	.52	.60	.61	.74	.82	.92	1.05	1.11	1.39	1.77	1.81	1.06	1.21	2.15	2.50	Earnings per sh A	3.30
.19	.21	.24	.26	.29	.32	.34	.36	.37	.38	.40	.42	.56	.66	.70	.74	.80	.85	Div'ds Decl'd per sh B ■	1.10
.11	.10	.18	.13	.20	.32	.36	.43	.41	.33	.27	.35	.53	.46	.40	.65	.90	.65	Cap'l Spending per sh	.70
.54	.54	.34	.36	.46	.54	.54	d.85	d.45	d.16	d.27	.79	2.02	1.76	1.79	1.66	1.40	2.45	Book Value per sh C	5.20
575.73	576.79	552.59	540.94	531.28	527.25	525.04	475.79	476.32	473.36	470.52	470.60	471.53	451.46	441.30	427.7	415.00	405.00	Common Shs Outst'g D	385.00
15.5	16.4	15.6	15.9	19.6	26.0	25.3	25.6	28.9	21.3	22.8	21.9	22.7	19.5	28.8	31.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
.84	.97	1.02	1.06	1.23	1.50	1.32	1.47	1.38	1.09	1.25	1.25	1.20	1.04	1.55	1.63			Relative P/E Ratio	1.20
2.9%	3.1%	3.2%	3.2%	2.5%	2.0%	1.8%	1.7%	1.9%	1.7%	1.8%	1.4%	1.4%	1.9%	2.3%	2.0%			Avg Ann'l Div'd Yield	1.9%
5212.7	5289.1	5673.7	5952.0	6170.6	6804.6	7656.2	8065.2	8677.3	9845.2	10770	11300							Sales ($mill)	13200
13.5%	14.8%	14.9%	15.3%	15.7%	16.0%	16.6%	14.9%	9.6%	9.7%	14.3%	14.7%							Operating Margin	16.5%
72.0	83.0	97.1	109.1	124.8	123.5	133.7	139.6	159.6	172.1	185	200							Depreciation ($mill)	240
392.8	424.3	451.1	497.4	534.6	664.8	846.1	847.6	477.6	530.7	910	1040							Net Profit ($mill)	1300
36.4%	35.5%	30.9%	34.1%	35.0%	32.1%	27.8%	24.0%	31.8%	33.0%	33.0%	32.5%							Income Tax Rate	32.5%
7.5%	8.0%	8.0%	8.4%	8.7%	9.8%	11.1%	10.5%	5.5%	5.4%	8.4%	9.2%							Net Profit Margin	9.8%
11.9	d375.0	186.4	428.1	72.7	638.4	980.9	419.3	784.3	462.0	700	750							Working Cap'l ($mill)	1000
201.0	701.4	1108.2	1236.3	767.0	877.7	866.3	786.5	1170.7	1167.9	1750	1750							Long-Term Debt ($mill)	1500
285.1	d406.1	d215.8	d74.6	d127.7	371.3	950.2	794.2	790.4	711.6	580	800							Shr. Equity ($mill)	2000
82.1%	147.1%	54.7%	45.7%	87.0%	54.6%	47.4%	55.3%	25.3%	30.0%	41.0%	43.5%							Return on Total Cap'l	39.0%
137.8%	--	--	--	--	NMF	89.0%	NMF	60.4%	74.6%	NMF	NMF							Return on Shr. Equity	65.0%
74.4%	--	--	--	--	NMF	60.7%	67.2%	20.2%	28.8%	61.0%	73.5%							Retained to Com Eq	43.0%
46%	44%	40%	37%	36%	30%	32%	37%	66%	61%	37%	34%							All Div'ds to Net Prof	33%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2242.7 mill. Due in 5 Yrs $1759.4 mill.
LT Debt $1680.3 mill. LT Interest $75.0 mill.
(Total interest coverage: 9.2x)
(66% of Cap'l)
Leases, Uncapitalized Annual rentals $91.6 mill.
Pension Assets-12/07 $1.38 bill. Oblig. $1.56 bill.
Pfd Stock None

Common Stock 426,759,353 shs.

MARKET CAP: $15.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1198.9	963.4	892.6
Receivables	700.4	840.4	779.9
Inventory (LIFO)	900.3	1041.8	1172.4
Other	534.8	669.8	732.0
Current Assets	3334.4	3515.4	3576.9
Accts Payable	655.8	800.3	735.2
Debt Due	615.6	929.5	562.4
Other	1278.7	1323.6	1235.6
Current Liab.	2550.1	3053.4	2533.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	10.0%	9.0%
"Cash Flow"	9.5%	6.5%	14.5%
Earnings	9.0%	6.0%	16.0%
Dividends	9.0%	13.0%	8.0%
Book Value	14.5%	--	22.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1860.9	1963.9	1865.7	2374.7	8065.2
2006	1982.4	2058.9	2038.1	2597.9	8677.3
2007	2163.3	2306.4	2326.1	3049.4	9845.2
2008	2477.9	2552.1	2530	3210	10770
2009	2600	2650	2650	3400	11300

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.36	.69	.35	.40	1.81
2006	.12	.34	.19	.41	1.06
2007	.34	.26	.32	.30	1.21
2008	.43	.47	.50	.75	2.15
2009	.50	.60	.60	.80	2.50

Calendar	QUARTERLY DIVIDENDS PAID Bs Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.14	.14	.14	.14	.56
2005	.165	.165	.165	.165	.66
2006	.175	.175	.175	.175	.70
2007	.185	.185	.185	.185	.74
2008	.20	.20			

BUSINESS: Avon Products, Inc. is one of the world's leading manufacturers and marketers of cosmetics, fragrances, skin care, toiletries, fashion jewelry, apparel, lingerie and accessories, home, gift and decorative items. These items are sold in 114 countries. Marketing is conducted by 5.4 million sales representatives worldwide. Foreign operations account for roughly 78% of sales and 80% of earnings. Has 42,000 employees(6,100 in the U.S.). '07 depreciation rate: 7.3%. Capital Research and Management controls 14.4% of com. stock; Fidelity, 9.2%; officers & directors 1.5% (3/08 Proxy). Chairman and CEO: Andrea Jung. Inc.: New York. Address: 1345 Ave. of the Americas, New York, NY 10105. Tel.: 212-282-5000. Internet: www.avon.com.

Avon's 14% first-quarter revenue increase is not likely to be duplicated again this year. More than half of the increase came from currency benefits, the rest from internal growth. Most of the gain occurred in Latin America with an exceptional 30% improvement in Brazil, and a 9% gain in Mexico, where a turnaround is in progress. However, we don't expect surging Latin American gains to continue as comparisons get tougher and regional strategic spending moderates. The company also saw strength in most of its other developing and emerging markets.

We're maintaining our share-earnings estimates for this year and next. Greater emphasis on higher-margined skin care lines, substantial cost savings from restructuring, product-line simplification (PLS), and strategic sourcing (SSI) should bolster profits. Good momentum in most markets will help offset softness in the North American market (25% of sales). **Restructuring, PLS, and SSI savings could total $390 million pretax during the 2008-2009 period.** That includes $70 million from restructuring efforts, and $160 million apiece from PLS and SSI. PLS' initial $40 million benefit will come in 2008's second half as the company's new brochures eliminate marginal items (in terms of sales and profitability). SSI will help Avon control rising input costs.

Fragrances are sweetening Avon's sales. The company aims to continue benefiting from celebrity and designer alliances catering to the mass prestige market. Its Christian La Croix franchise is now contributing $100 million to sales. It hopes to duplicate the La Croix success by partnering with Emanuel Ungaro. On the celebrity front, the company will launch a fragrance endorsed by actor Patrick Dempsey that it hopes will emulate Yankee Derek Jeter's success in the men's arena. Another tie-in is Bond Girl 007. The new fragrances will debut in 2008's final quarter.

This stock has good 3-to 5-year total return potential. Its appeal derives from a combination of restructuring savings and emerging/developing market exposure. A nearly two-billion-dollar share-buyback program and an increasing dividend stream are other pluses.

Jerome H. Kaplan June 27, 2008

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	60
Earnings Predictability	65

(A) Primary egs. before 1998 (fully diluted thereafter). Excl. nonrecur. gains (losses)/sh.: '92, (12¢); '93, (20¢); '94, (13¢); '95, (6¢); '97, 4¢; '98 (23¢); '99, (24¢); '00, 7¢; '01, (15¢), '02, (5¢). Incl. nonrecur gains '04, 5¢; '05, 20¢. Next egs. rpt. due late July. Earnings may not sum due to change in shares outstanding. (B) Dividends historically paid in early March, June, September, and December. ■Div'd reinv. plan avail. (C) Incl. accum. curr. loss: 12/07, $417.0 mill., $0.97/sh. (D) In mill., adj. for stk. splits.

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AUTOZONE INC. NYSE-AZO

RECENT PRICE 131.03 | P/E RATIO 12.6 (Trailing: 13.9 Median: 14.9) | RELATIVE P/E RATIO 0.81 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 3 New 2/19/93
TECHNICAL 3 Lowered 8/1/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	230	(+75%)	15%
Low	155	(+20%)	5%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	1	1	1	0
to Sell	0	0	0	0	0	0	0	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	154	148	142
to Sell	173	172	187
Hld's(000)	64008	62436	62149

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	32.8	38.0	37.3	31.6	80.0	89.3	103.5	92.4	103.9	120.4	140.3	133.6
Low:	19.5	20.5	22.6	21.0	24.4	59.2	58.2	70.4	77.8	83.8	103.4	103.1

Target Price Range 2011 2012 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.4	-16.0
3 yr.	30.9	11.3
5 yr.	59.3	63.2

AutoZone was founded in 1979 under the name AutoShack. In 1984, Kohlberg, Kravis, and Roberts (KKR) bought out the company for $596 million. It changed its name to AutoZone, Inc. In 1988. In Jan., 1991, Goldman Sachs led an offering of 14,950,000 shares of common stock to the public at $5.75 per share (adjusted for stock splits). As a result of various secondary offerings, KKR's stake fell to 44% in December, 1993. In December, 1991, the company changed its incorporation from Delaware to Nevada.

CAPITAL STRUCTURE as of 5/3/08
Total Debt $1932.0 mill. Due in 5 Yrs $523.8 mill.
LT Debt $1932.0 mill. LT Interest $130.0 mill.
Includes $55.1 million in capitalized leases. (81% of Cap'l)
Leases, Uncapitalized Annual rentals $147.8 mill.
Pension Assets-8/07 $161.2 mill.
Oblig.$161.1 mill.
Pfd Stock None
Common Stock 63,296,475 shs.
as of 6/6/08
MARKET CAP: $8.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	91.6	66.7	81.7
Receivables	80.4	59.9	75.0
Inventory (LIFO)	1846.7	2007.4	2106.5
Other	100.2	116.5	123.7
Current Assets	2118.9	2270.5	2386.9
Accts Payable	1698.7	1870.7	1873.7
Debt Due	--	--	--
Other	354.9	415.2	510.3
Current Liab.	2054.6	2285.9	2384.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	19.0%	13.5%	11.0%
"Cash Flow"	21.0%	20.0%	12.0%
Earnings	21.5%	22.5%	11.5%
Dividends	--	--	Nil
Book Value	--	-5.0%	29.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Nov.Per	Feb.Per	May Per	Aug.Per	Full Fiscal Year
2005	1286.2	1204.1	1338.4	1882.2	5710.9
2006	1338.1	1253.8	1417.5	1939.0	5948.4
2007	1393.1	1300.3	1473.7	2002.7	6169.8
2008	1455.7	1339.2	1517.3	2202.8	6515
2009	1500	1400	1590	2160	6650

Fiscal Year Ends	EARNINGS PER SHARE AB Nov.Per	Feb.Per	May Per	Aug.Per	Full Fiscal Year
2005	1.52	1.29	1.86	2.59	7.23
2006	1.48	1.25	1.69	2.92	7.50
2007	1.73	1.45	2.17	3.23	8.53
2008	2.02	1.67	2.49	3.97	10.15
2009	2.28	1.85	2.80	4.12	11.05

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

VALUE LINE PUB., INC.	11-13
Sales per sh A	155.10
"Cash Flow"per sh	20.30
Earnings per sh B	14.85
Div'ds Decl'd per sh	Nil
Book Value per sh C	27.80
Common Shs Outst'g D	49.00
Avg Ann'l P/E Ratio	13.0
Relative P/E Ratio	.85
Avg Ann'l Div'd Yield	Nil
Sales ($mill) A	7600
Gross Margin E	54.5%
Operating Margin E	21.0%
Number of Stores	5100
Net Profit ($mill)	745
Income Tax Rate	37.0%
Net Profit Margin	9.8%
Working Cap'l ($mill)	d10.0
Long-Term Debt ($mill)	2450
Shr. Equity ($mill)	1365
Return on Total Cap'l	21.5%
Return on Shr. Equity	54.5%
Retained to Com Eq	54.5%
All Div'ds to Net Prof	Nil

Bold figures are Value Line estimates

BUSINESS: AutoZone Inc. is the largest auto parts and accessories retailer in the U.S. Operates 4,162 stores in the U.S. and Mexico (as of 5/3/08). About 64% are owned, 46% leased. Most popular store sizes are 5,400 and 6,600 sq. ft. Offers commercial delivery to repair shops, and diagnostic and repair software through ALLDATA. Acq'd. Auto Palace, 2/98; Chief Auto Parts, 6/98; 100 Pep Boys Express stores, 10/98. Sold TruckPro, 12/01. Has sbt. 55,000 emplys. '07 depr. rate: 4.7%. ESL Partners, L.P. own 33.9% of common shs.; State Street Bank and Trust, 5.4%; D.E. Shaw & Co., 5.2%; off. & dir., 2.3% (10/07 Proxy). Chmn., Pres. & CEO: William C. Rhodes III. Inc: NV. Address: 123 S. Front St., Memphis, TN 38103. Tel.: (901) 495-6500. Internet: www.autozone.com.

AutoZone's same-store sales are under pressure from high prices at the pump. *Note that the fiscal 2008 fourth-quarter (year ends August 30th) sales comparison will be helped by an extra week.* Despite the benefits of sales and marketing initiatives, that measure has been running about flat. Elevated gas costs hinder miles driven, and thus vehicle breakdowns, as well as cutting into discretionary purchases. However, our belief is that the economic slump will assist sales as do-it-yourselfers repair autos, rather than purchasing new ones or flying. Also, store openings should support low single-digit percentage revenue growth. Still, based on weaker sales, we have lowered our fiscal 2009 share-net estimate to $11.05.

Product margin improvements are likely to persist. The pace of gross profit expansion may well slow though. Gains are arising from the optimization of its good/better/best product lines, supply chain efficiencies, more direct importing, and increased sales of proprietary brands. However, the impact of these factors may be offset somewhat by higher costs for oil-based offerings and other commodities. Meantime, SG&A expenses will likely still trend upward as a proportion of sales, partly because of a recent minimum wage hike. Rent costs are rising, due to an increased number of leased, versus owned, stores. We look for a modest widening of the operating margin next fiscal year.

A reorganization of the commercial operation is under way. Management is targeting improved efficiency in its commercial sales organization. Same-store sales to professional mechanics have been on the upswing, thanks to added parts availability and improved customer service. We like the long-term profit growth potential for this business, given that AutoZone only has about 1.5% of the market at this time.

AutoZone shares are timely for year-ahead performance. Out to 2011-2013, we anticipate ongoing store expansion in the 4%-5% range annually. A return of same-store sales gains, along with share repurchases, ought to buoy healthy earnings advances. At the current quote, the stock's long-term appreciation potential is below the *Value Line* norm, though.

Damon Churchwell August 8, 2008

(A) Fiscal year ends last Saturday in August. Fourth quarter is sixteen weeks. Fiscal years 2002 and 2008 include 53 weeks. (B) Primary earnings through 1997, diluted thereafter. Fiscal earnings do not sum due to changes in diluted shares. Excl. nonrecurring losses: '01, $0.84; '05, $0.05. Next earnings report due mid-September (C) Includes intangible assets: Fiscal 2007, $302.7 mill.; $4.59 per share. (D) In millions, adj. for stock split. (E) Gross and operating margins for fiscal 2003 and beyond reflect the adoption of EITF Issue 02-16.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	65
Earnings Predictability	85

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BED BATH & BEYOND NDQ-BBBY

RECENT PRICE 28.13 | P/E RATIO 15.0 (Trailing: 14.8 / Median: 33.0) | RELATIVE P/E RATIO .97 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 8/10/07
SAFETY 2 Raised 11/12/04
TECHNICAL 3 Lowered 8/1/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

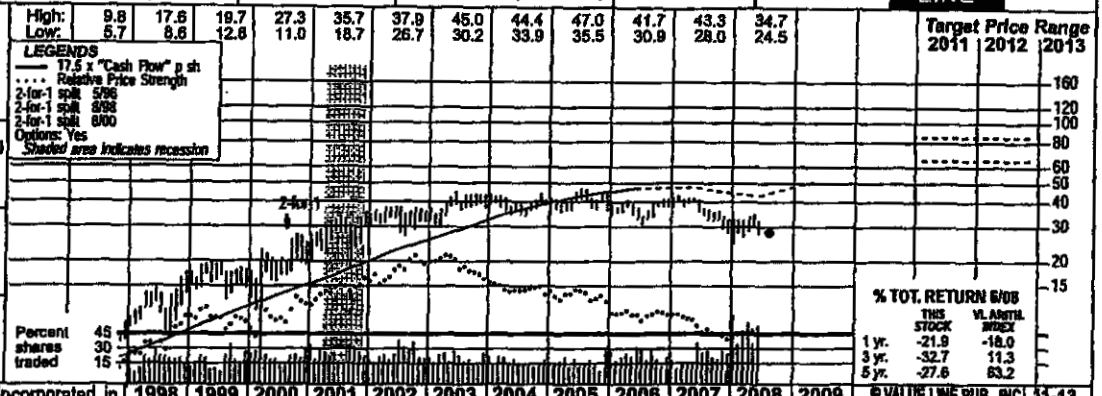
	Price	Gain	Ann'l Total Return
High	85	(+200%)	32%
Low	65	(+130%)	23%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	0	0	2	0	0	1
to Sell	0	0	1	0	0	2	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	157	163	173
to Sell	288	250	230
Hld's(000)	243880	250624	265004



Bed Bath & Beyond was incorporated in New York in 1971, following the opening of its first two stores under the name "bed n bath." It adopted the larger "superstore" format in 1985, and chose the name "Bed Bath & Beyond" in 1987. On June 11, 1992, BBBY sold 37.0 million shares in an initial public offering through a syndicate led by Goldman Sachs, for $1.07. Shareholders sold an additional 64 million shares in a secondary offering on August 16, 1993. All data adjusted for subsequent splits.

CAPITAL STRUCTURE as of 5/31/08
Total Debt None

Leases, Uncapitalized Annual rentals $372.2 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 260,412,000 shs.

MARKET CAP: $7.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2005	2006	5/31/08
Cash Assets	851.5	988.3	255.3
Inventory (Retail)	1152.0	1505.8	1726.1
Other	93.5	204.5	259.9
Current Assets	2097.0	2698.6	2241.3
Accts Payable	450.5	534.9	597.0
Debt Due	--	--	--
Other	423.1	454.6	462.1
Current Liab.	873.6	989.5	1059.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	24.5%	20.0%	10.5%
"Cash Flow"	29.0%	25.5%	11.0%
Earnings	29.0%	26.0%	11.0%
Dividends	--	--	NMF
Book Value	30.5%	24.0%	13.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A May Per	Aug.Per	Nov.Per	Feb.Per	Full Fiscal Year
2005	1244.4	1431.2	1448.7	1685.3	5809.6
2006	1395.9	1607.2	1619.2	1995.1	6617.4
2007	1553.3	1767.7	1794.7	1933.2	7048.9
2008	1648.5	1860	1900	2041.5	7450
2009	1750	1950	2100	2200	8000

Fiscal Year Begins	EARNINGS PER SHARE AB May Per	Aug.Per	Nov.Per	Feb.Per	Full Fiscal Year
2005	.33	.47	.45	.67	1.92
2006	.35	.51	.50	.79	2.15
2007	.38	.55	.52	.66	2.11
2008	.30	.46	.45	.59	1.80
2009	.35	.56	.56	.73	2.20

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	5.01	6.69	8.32	10.05	12.53	14.90	17.51	20.68	23.88	27.22	29.00	31.35	Sales per sh A	43.15
	.43	.58	.76	.97	1.29	1.61	2.05	2.43	2.68	2.78	2.45	3.00	"Cash Flow" per sh	5.05
	.34	.46	.59	.74	1.00	1.31	1.65	1.92	2.15	2.11	1.80	2.20	Earnings per sh B	4.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	1.47	1.99	2.84	3.76	4.96	6.63	7.49	8.05	9.56	9.89	10.25	11.10	Book Value per sh	20.40
	278.84	280.81	287.89	281.44	282.60	300.48	294.06	280.99	277.07	256.92	257.00	255.00	Common Shs Outst'g C	255.00
	38.1	36.3	34.8	40.0	33.8	30.5	23.5	20.7	17.5	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
	1.98	2.07	2.26	2.05	1.85	1.74	1.24	1.10	.94	.86			Relative P/E Ratio	1.25
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	.6%
	1397.2	1878.0	2396.7	2928.0	3665.2	4478.0	5147.7	5809.6	6617.4	7048.9	7450	8000	Sales ($mill) A	11000
	42.9%	42.5%	43.1%	43.4%	43.5%	43.8%	44.4%	44.7%	45.1%	43.7%	43.0%	45.0%	Gross Margin	45.0%
	13.0%	12.8%	13.3%	14.0%	15.1%	16.2%	17.3%	17.0%	15.7%	15.5%	12.5%	14.0%	Operating Margin	17.5%
	186	241	316	396	526	629	721	809	888	971	1025	1070	Number of Stores D	1290
	97.3	131.2	171.9	219.6	302.2	399.5	505.0	572.9	610.9	562.8	475	590	Net Profit ($mill)	1070
	39.7%	39.0%	39.0%	38.5%	38.5%	38.5%	37.8%	37.4%	35.7%	34.9%	37.5%	37.5%	Income Tax Rate	37.5%
	7.0%	7.0%	7.2%	7.5%	8.2%	8.9%	9.8%	9.9%	9.2%	8.0%	6.4%	7.4%	Net Profit Margin	9.7%
	249.6	360.6	532.5	715.4	914.2	1199.8	1223.4	1709.1	1553.5	1065.6	1375	1470	Working Cap'l ($mill)	3600
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
	411.1	559.0	817.0	1094.4	1451.9	1990.8	2203.8	2262.5	2649.2	2561.8	2640	2830	Shr. Equity ($mill)	5205
	23.7%	23.5%	21.0%	20.1%	20.8%	20.1%	22.9%	25.3%	23.1%	22.0%	18.0%	21.0%	Return on Total Cap'l	20.5%
	23.7%	23.5%	21.0%	20.1%	20.8%	20.1%	22.9%	25.3%	23.1%	22.0%	18.0%	21.0%	Return on Shr. Equity	20.5%
	23.7%	23.5%	21.0%	20.1%	20.8%	20.1%	22.9%	25.3%	23.1%	22.0%	18.0%	21.0%	Retained to Com Eq	20.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Bed Bath & Beyond Inc. sells a broad range of competitively priced name brand domestics (47% of sales) and home furnishings (53%), incl. bed linens, towels, cookware, and housewares. Has about 881 stores nationwide (a/o 3/1/08). Most new units are averaging just under 35,000 sq. feet in size; several are 60,000 and above. Comparable store sales increased .8% for the three months ended 5/31/08 versus a 1.6% rise for same period last year. Has about 35,000 empls., incl. part-timers. Off./dir. own 6.6% of shares; T. Rowe, 13.6%; FMR, 8.8% (6/08 proxy). Co-Chair: Warren Eisenberg & Leonard Feinstein. Pres. & CEO: Steven Temares. Inc.: NY. Address: 650 Liberty Avenue, Union, NJ 07083. Tel.: 908-688-0888. Internet: www.bedbathandbeyond.com.

Bed Bath & Beyond had a rough start to fiscal 2008 (year ends February 28, 2009). On the bright side, sales increased 6% in the May interim thanks to a larger store base this year. However, economic and housing woes have caught up to the home improvement chain. Indeed, the company reported earnings of only $0.30 a share versus $0.38 a year earlier, reflecting weak customer traffic and higher operating costs.

Margins have been narrowing. The gross margin and operating margin for Bed Bath & Beyond declined during the first quarter. Higher markdowns and inflated energy costs have contributed to the pinch. Also, consumers have been purchasing lower-end merchandise, which has hurt the product mix. Difficult operating conditions are likely to persist for the remainder of this year, leading to a likely 15% dip in the bottom line from fiscal 2007. The housing market may continue to deteriorate, which would present some problems for BBBY beyond this fiscal year, as well.

The company will likely continue to increase its store base at a healthy pace. In fiscal 2008, Bed Bath & Beyond plans to open 50 units to 55 units in the U.S. and Canada. The company has a long-term goal of roughly 1,300 units within the U.S. It has also explored other international regions recently, such as Mexico. These opportunities will become critical to growth as the chain approaches saturation domestically.

Management will likely accelerate growth of newer concepts. It plans to open 12 Christmas Tree Shops this year. This concept has shown significant progress in its early stages. Similarly, the company will likely increase expansion for its recently acquired buybuyBABY chain, which is having success in the Northeast despite its relatively small store base.

We believe Bed Bath & Beyond will fare better down the road. Greater market share should lead to wider profits over the 3- to 5-year time frame. We think that the recently deflated quotation provides a good entry point for long-term accounts. In the meantime, the stock is positioned to mirror the broader market in the coming six to 12 months.

Garrett Sussman *August 8, 2008*

(A) Fiscal year ends on Saturday nearest February 28th of the following calendar year. (B) Diluted shares. Next earnings release due late September. (C) In millions, adjusted for stock splits. (D) Store count includes Harmon Stores and Christmas Tree Shop Stores; acquisitions made in 2002 and 2003, respectively. In 2007: Harmon Stores, 40; Christmas Tree Shop, 41.

Company's Financial Strength	A++
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	85

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THE BRINK'S CO. NYSE-BCO

RECENT PRICE 71.51 | P/E RATIO 19.6 (Trailing: 28.3 Median: 22.0) | RELATIVE P/E RATIO 1.20 | DIV'D YLD 0.6% | VALUE LINE

TIMELINESS 2 Raised 2/8/08
SAFETY 3 New 3/1/86
TECHNICAL 3 Lowered 6/6/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

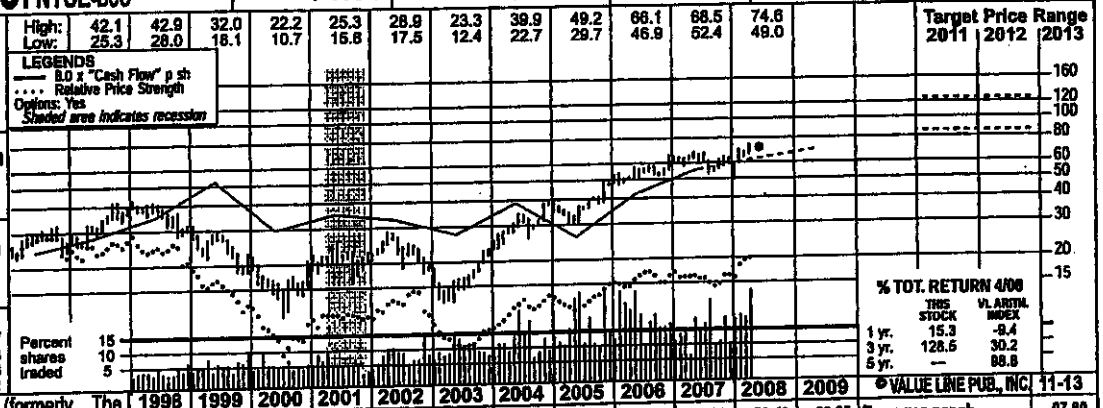
	Price	Gain	Ann'l Total Return
High	125	(+75%)	15%
Low	85	(+20%)	5%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	1	0	1	1
to Sell	0	0	0	0	1	1	0	1	1

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	114	85	123
to Sell	76	109	78
Hld's(000)	43498	44328	43662



The Brink's Company (formerly The Pittston Company) consists of Pittston BAX (formerly Pittston Burlington Group), and Pittston Brink's (armored car and home security). The Services (PZS) Group was created in July 1993. In January of 1996, shareholders of the Services Group voted to divide its shares into two separately traded stocks; Pittston Brink's Group (PZB) and Pittston Burlington Group (PZX). In January of 2000, all the group's shares were exchanged to form one stock; Pittston Co. (PZB). On May 5, 2003, the company changed its name to The Brink's Co. (BCO).

CAPITAL STRUCTURE as of 3/31/08
Total Debt $179.6 mill. Due in 5 Yrs $53.5 mill.
LT Debt $151.4 mill. LT Interest $9.3 mill. (12% of Cap'l)
Leases, Uncapitalized Annual rentals $98.5 mill.
Pension Assets-12/06 $905 mill. Oblig. $964 mill.
Pfd Stock None
Common Stock 47,397,320 shares as of 4/25/08
MARKET CAP: $3.4 billion (Mid-Cap.)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	137.2	196.4	207.2
Receivables	469.4	491.9	527.0
Inventory (FIFO)	--	--	--
Other	144.2	157.4	172.7
Current Assets	750.8	845.7	906.9
Accts Payable	142.8	171.9	170.7
Debt Due	43.9	23.4	28.2
Other	420.0	444.6	452.5
Current Liab.	608.7	639.9	651.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	11.5%	-5.5%	7.5%
"Cash Flow"	6.0%	-1.5%	14.0%
Earnings	1.5%	8.5%	18.5%
Dividends	2.5%	5.0%	21.5%
Book Value	7.5%	3.0%	15.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	625.7	614.9	645.3	663.1	2549.0
2006	663.6	697.5	720.6	755.9	2837.6
2007	740.5	778.7	817.0	882.8	3219.0
2008	920.6	875	885	909.4	3590
2009	910	940	970	1010	3830

Calendar	EARNINGS PER SHARE[A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.28	.21	.14	.06	.69
2006	.42	.36	.56	.73	2.07
2007	.66	.70	.64	1.16	3.16
2008	1.02	.75	.80	1.08	3.65
2009	.95	.90	.95	1.20	4.00

Calendar	QUARTERLY DIVIDENDS PAID[B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.025	.025	.025	.025	.10
2005	.025	.025	.025	.025	.10
2006	.025	.025	.063	.063	.18
2007	.063	.10	.10	.10	.36
2008	.10	.10			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	39.34	100.07	74.05	66.72	69.48	73.60	83.17	43.41	56.51	66.51	76.40	83.25	Revenues per sh	97.80
	4.38	6.55	3.70	4.42	4.12	3.43	4.66	3.26	5.33	6.95	7.85	8.80	"Cash Flow" per sh	10.90
	2.02	2.15	.05	.88	1.30	.34	1.82	.69	2.07	3.16	3.65	4.00	Earnings per sh [A]	5.00
	.10	.10	.10	.10	.10	.10	.10	.10	.18	.36	.40	.40	Div'ds Decl'd per sh [B]	.50
	4.24	6.66	4.14	3.55	3.76	3.73	3.88	4.63	4.57	6.60	7.50	7.50	Cap'l Spending per sh	9.00
	12.51	18.35	9.19	8.76	7.01	9.12	11.88	14.26	16.42	21.62	23.30	25.65	Book Value per sh	36.65
	38.89	40.66	51.76	54.32	54.35	54.33	56.73	58.72	50.21	48.40	47.00	48.00	Common Shs Outst'g [C]	45.00
	17.8	11.4	NMF	23.8	17.6	48.7	16.7	51.0	26.1	19.4	Bold figures are		Avg Ann'l P/E Ratio	21.0
	.93	.65	NMF	1.22	.96	2.78	.88	2.72	1.41	1.00	Value Line		Relative P/E Ratio	1.40
	.3%	.4%	.6%	.5%	.4%	.6%	.3%	.3%	.3%	.6%	estimates		Avg Ann'l Div'd Yield	.5%
	1451.3	4089.2	3834.1	3624.2	3776.7	3998.6	4718.1	2549.0	2837.6	3219.0	3590	3830	Revenues ($mill)	4400
	15.3%	9.0%	6.0%	8.0%	8.0%	6.5%	7.5%	9.9%	13.7%	14.3%	13.0%	13.0%	Operating Margin	13.5%
	82.6	180.3	189.0	194.4	154.8	168.0	175.0	148.3	164.3	187.7	200	215	Depreciation ($mill)	260
	79.1	87.2	2.7	45.8	69.0	18.2	100.6	42.3	103.3	148.5	170	190	Net Profit ($mill)	230
	37.0%	40.8%	42.0%	37.4%	37.4%	NMF	37.7%	53.9%	49.4%	37.4%	38.0%	38.0%	Income Tax Rate	42.0%
	5.5%	2.1%	.1%	1.3%	1.8%	.5%	2.1%	1.7%	3.6%	4.6%	4.7%	5.0%	Net Profit Margin	5.2%
	40.3	68.8	d84.7	d84.4	d11.3	16.4	60.5	576.0	144.1	205.8	205	245	Working Cap'l ($mill)	400
	93.3	395.1	311.4	262.9	304.2	221.5	181.6	251.9	126.3	89.2	150	150	Long-Term Debt ($mill)	150
	461.4	749.6	475.8	476.1	381.2	485.6	674.0	837.5	824.7	1046.3	1095	1175	Shr. Equity ($mill)	1650
	14.7%	9.0%	1.9%	7.6%	11.6%	3.7%	13.1%	4.8%	11.3%	13.5%	14.0%	14.5%	Return on Total Cap'l	13.0%
	17.1%	11.6%	.6%	9.6%	18.1%	3.7%	14.9%	5.1%	12.5%	14.2%	15.5%	16.0%	Return on Shr. Equity	14.0%
	16.3%	11.1%	NMF	8.5%	16.7%	2.6%	14.1%	4.4%	11.4%	12.6%	14.0%	14.5%	Retained to Com Eq	12.5%
	5%	5%	NMF	12%	8%	29%	5%	13%	9%	11%	11%	10%	All Div'ds to Net Prof	10%

BUSINESS: The Brink's Company (formerly the Pittston Company) consists of armored car and money processing operations (Brink's Inc.), and home security services (Brink's Home Security). The company was formed through the amalgamation of its BAX (PZX), Brink's (PZB) and Minerals (PZM) groups in 1/00. International revenues and operating profits were 62% and 68% of the 2007 total, respectively. Has about 57,600 employees. Nominees, officers and directors own 6.2% of stock; FMR, 15.0%; MMI Investments, 8.4%; Steel Partners, 8.0%; employee benefit trust, 6.8%; BlackRock, Inc., 5.0% (3/08 proxy). Pres., Chairman & CEO: Michael T. Dan. Inc.: VA. Address: 1801 Bayberry Court, P.O. Box 18100, Richmond, VA 23226. Tel.: 804-289-9708. Internet: www.brinks.com.

The Brink's Company's first-quarter 2008 results were inflated by currency conversion activity. Management was rather vague about the details of the currency conversion operations in Venezuela, simply noting that there were $35 million in one-time revenues recognized in the first quarter. These activities are expected to generate some additional revenues in the second and third quarters as well. Management notes that that the boost is the result of a specific currency conversion effort that is exclusive to Venezuela. Although we do not typically include nonrecurring items in our actual results, we believe that this activity is related to a regular part of Brink's business that proved extraordinarily profitable because of a currency change that is being implemented by the Venezuelan government. On an apples-to-apples basis (ex. the currency conversion gain), we believe share net was about $0.85 for the quarter.

Strong showings from international operations have improved performance. The company's Latin American business has benefited from robust demand of late. Indeed, a broader and more balanced revenue base has developed, thanks to greater business being generated from countries Brazil, Argentina, Chile and Colombia. This, coupled with the ongoing strength from Venezuelan operations, augurs well for profit growth over the long term. Meanwhile, global services in the Asia/Pacific region also boosted the top line. We believe the international cash handling business will likely continue to be enhanced by investments in information technology, which have improved results from products such as *CompuSafe* and *Virtual Vault*. Too, management remains focused on increasing margins by culling nonprofitable businesses.

The Brink's Home Security spinoff should unlock additional value for stockholders. The division boasts higher margins than the larger holding company. It is plausible that once the two entities are separated, BHS will command a higher multiple because of its consistent revenue growth and lighter cost structure.

This timely stock is decent choice for momentum investors.

Simon R. Shoucair *June 6, 2008*

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	60
Earnings Predictability	30

(A) Based on diluted shares. Excludes nonrecurring gain (losses): In '99, $0.11, ($1.08); '00, ($5.17); '01, ($0.57). Next earnings report due late July.

(B) Dividends historically paid the first of March, June, September and December.

(C) In millions.

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BLACK & DECKER NYSE-BDK

RECENT PRICE 52.91 | P/E RATIO 9.9 (9.6 / 13.9) | RELATIVE P/E RATIO 0.67 | DIV'D YLD 3.5% | VALUE LINE

TIMELINESS 4 Raised 4/11/08
SAFETY 3 Raised 3/15/96
TECHNICAL 3 Raised 7/4/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+135%)	26%
Low	80	(+50%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	2	1	0	0	2	1	0	0
to Sell	2	2	1	0	0	2	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	123	162	122
to Sell	201	180	200
Hld's(000)	59996	63934	62521

	High:	43.4	65.5	64.6	50.2	46.9	50.5	49.9	89.6	93.7	94.9	97.0	74.2	51.6
	Low:	28.6	37.9	41.0	27.6	28.3	35.0	33.2	48.1	75.7	66.0	69.1	51.6	

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-33.3	-18.0
3 yr.	-32.2	11.3
5 yr.	44.5	63.2

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	57.29	58.23	61.97	55.13	52.14	52.09	52.11	51.85	56.48	54.28	55.90	57.14	65.75	84.30	98.28	107.73	*108.45*	*107.90*	Sales per sh	*119.30*
	3.04	3.39	3.89	4.76	3.87	4.66	4.59	5.28	5.70	4.23	4.95	5.84	7.11	8.98	9.77	8.89	*8.30*	*8.85*	"Cash Flow" per sh	*10.90*
	.65	1.00	1.37	1.97	1.64	2.35	2.63	3.40	3.51	2.20	3.23	3.95	5.40	6.88	6.55	6.03	*5.35*	*5.65*	Earnings per sh [A]	*7.35*
	.40	.40	.40	.40	.48	.48	.48	.48	.48	.48	.48	.57	.84	1.12	1.52	1.68	*1.68*	*1.84*	Div'ds Decl'd per sh [B] ■	*1.84*
	2.21	2.50	2.34	2.35	2.08	2.14	1.67	1.96	2.46	1.69	1.23	1.31	1.43	1.44	1.59	1.91	*2.00*	*2.00*	Cap'l Spending per sh	*2.20*
	11.08	10.72	12.04	14.73	17.32	18.89	8.56	9.19	8.58	9.40	7.63	10.79	18.98	19.69	17.74	23.94	*22.40*	*24.90*	Book Value per sh [C]	*33.65*
	83.43	83.65	84.69	86.45	94.25	94.84	87.50	87.19	80.74	79.86	78.60	78.45	82.11	77.38	65.50	60.92	*58.00*	*57.00*	Common Shs Outst'g [D]	*57.00*
	32.6	19.7	15.3	15.7	22.7	15.5	18.9	15.5	10.7	17.7	13.8	10.5	12.2	12.6	12.7	14.2	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
	1.98	1.16	1.00	1.05	1.42	.89	1.03	.88	.70	.91	.75	.60	.64	.67	.69	.75	*Value Line*		Relative P/E Ratio	*.95*
	1.9%	2.0%	1.9%	1.3%	1.3%	1.3%	.9%	.9%	1.3%	1.2%	1.1%	1.4%	1.3%	1.3%	1.8%	2.0%	*estimates*		Avg Ann'l Div'd Yield	*1.7%*
	4559.9	4520.5	4560.8	4333.1	4394.0	4482.7	5398.4	6523.7	6447.3	6563.2	*6290*	*6150*	Sales ($mill)	*6800*
	14.0%	15.4%	15.0%	11.7%	12.5%	13.2%	14.3%	14.8%	13.9%	11.8%	*10.9%*	*11.5%*	Operating Margin	*12.5%*
	155.2	160.0	163.4	159.4	127.8	133.4	142.5	150.6	154.9	143.4	*145*	*155*	Depreciation ($mill)	*185*
	246.0	300.3	296.5	178.8	261.3	309.3	441.1	544.0	486.1	396.1	*335*	*360*	Net Profit ($mill)	*455*
	32.0%	32.0%	30.0%	30.0%	27.0%	26.8%	27.0%	33.6%	26.8%	27.4%	*28.0%*	*28.0%*	Income Tax Rate	*28.0%*
	5.4%	6.6%	6.5%	4.1%	5.9%	6.9%	8.2%	8.3%	7.5%	6.1%	*5.4%*	*5.7%*	Net Profit Margin	*6.7%*
	377.1	338.7	329.7	821.7	740.5	890.9	1134.6	1083.4	923.6	958.7	*995*	*1015*	Working Cap'l ($mill)	*1025*
	1148.9	847.1	798.5	1191.4	927.6	915.6	1280.6	1030.3	1170.3	1179.1	*970*	*920*	Long-Term Debt ($mill)	*670*
	574.0	801.1	682.4	751.0	599.6	846.5	1558.7	1523.6	1163.6	1458.7	*1300*	*1420*	Shr. Equity ($mill) [C]	*1910*
	18.6%	21.3%	22.6%	10.9%	18.7%	18.5%	16.3%	22.1%	22.3%	16.6%	*16.5%*	*16.5%*	Return on Total Cap'l	*18.5%*
	42.9%	37.5%	42.8%	23.8%	43.6%	36.5%	28.3%	35.7%	41.8%	27.3%	*26.0%*	*28.0%*	Return on Shr. Equity	*24.0%*
	35.2%	32.3%	37.1%	18.6%	37.1%	31.3%	24.0%	29.9%	32.4%	18.8%	*18.5%*	*18.5%*	Retained to Com Eq	*18.5%*
	18%	14%	13%	22%	15%	14%	15%	16%	22%	27%	*29%*	*30%*	All Div'ds to Net Prof	*23%*

CAPITAL STRUCTURE as of 3/30/08
Total Debt $1746.2 mill. Due in 5 Yrs $400.3 mill.
LT Debt $1289.5 mill. LT Interest $65.0 mill.
(Total interest coverage: 10.0x) (45% of Cap'l)

Leases, Uncapitalized Annual rentals $70.3 mill.
Pension Assets-12/07 $1631.4 mill.
Oblig. $1893.2 million

Pfd Stock None

Common Stock 61,130,829 shs.
MARKET CAP: $3.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	233.3	254.7	255.4
Receivables	1149.6	1109.4	1184.3
Inventory (LIFO)	1063.5	1145.8	1182.5
Other	257.0	329.6	352.4
Current Assets	2703.4	2839.5	2974.6
Accts Payable	458.5	504.6	551.1
Debt Due	409.1	329.9	456.7
Other	912.0	1046.3	986.7
Current Liab.	1779.6	1880.8	1994.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.0%	11.5%	4.0%
"Cash Flow"	7.5%	13.0%	4.0%
Earnings	12.5%	16.5%	2.0%
Dividends	12.5%	24.5%	4.0%
Book Value	2.0%	19.0%	9.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1520	1698	1575	1730	6523.7
2006	1528	1697	1610	1611	6447.3
2007	1577	1700	1634	1652	6563.2
2008	*1495*	*1840*	*1585*	*1570*	*6290*
2009	*1480*	*1575*	*1540*	*1555*	*6150*

Calendar	EARNINGS PER SHARE [A] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1.36	1.88	1.73	1.93	6.88[E]
2006	1.45	1.98	1.74	1.38	6.55
2007	1.61	1.75	1.59	1.06	6.03[E]
2008	1.29	*1.41*	*1.45*	*1.20*	*5.35*
2009	*1.30*	*1.56*	*1.54*	*1.25*	*5.65*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.21	.21	.21	.21	.84
2005	.28	.28	.28	.28	1.12
2006	.38	.38	.38	.38	1.52
2007	.42	.42	.42	.42	1.68
2008	.42	.42			

BUSINESS: Black & Decker manufactures and services power tools and accessories (73% of 2007 sales) for the prof'l and do-it-yourself markets. Also sells building products (16%), fastening and assembly systems (11%). Brand names: *Black & Decker, DeWalt, Dustbuster, Toast-R-Oven, Emhart, Kwikset,* and *Price Pfister.* Sold PRC, 1995. Divested household appliance and recreational products divisions, 6/98. International sales: 35% of 2007 total. Has approximately 25,500 employees. *Officers & directors* own 6.5% of common stock (3/08 proxy). Chairman, President, and Chief Executive Officer: Nolan D. Archibald. Incorporated: Maryland. Address: 701 East Joppa Road, Towson, Maryland 21204. Telephone: 410-716-3900. Internet: www.blackanddecker.com.

Black & Decker's recent performance is nothing to write home about. The company's top and bottom lines continue to feel the effects of a rather difficult business environment, as demand for tools and home improvement products has dropped significantly in North America, while commodity costs continue to increase. Thankfully, Black & Decker's developing markets have offered a much-needed counterbalance of late, with Latin America and Asia responsible for a lion's share of the good news. BDK is set to release second-quarter results immediately after we go to press with this issue. Nevertheless, we expect Black & Decker to report earnings of about $1.41 a share for the June interim, on roughly a 4% year-over-year drop in sales. As a result, we have pared our year-end share-net estimate by $0.35, to $5.35 a share, on a 4% top-line decline.

Prospects for the coming year are a bit brighter. During the last few months, the company has taken a number of steps to cut costs, including reducing its headcount, decreasing manufacturing overhead, and reorganizing the management structure of its Power Tools and Accessories segment. And going forward, management is poised to roll out more aggressive cost-reduction plans, especially in the power tools segment, given current demand for its products. Although this is good news for BDK's margins, such moves are not likely to be able to completely offset the challenging economic climate that we envision over at least the next couple of quarters. Therefore, we look for the company to post earnings of about $5.65 a share in 2009, down from our earlier call of $6.10, on roughly a 2% dip in sales.

Despite the tough times, Black & Decker's balance sheet is in great shape. Indeed, the company finished off the first quarter with $255.4 million in cash, after having spent $133.6 million to repurchase just over 2.0 million shares of its outstanding stock.

Black & Decker stock offers worthwhile appreciation potential through the early years of the next decade. However, the issue currently carries a Timeliness rank of 4 (Below Average), thereby making it an unappealing choice for momentum-driven investors.

Kenneth A. Nugent *July 25, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	65
Earnings Predictability	70

(A) Dltd egs. Excl. n/r. items: '92, ($2.06); '93, 26¢; '96, (67¢); '98, ($10.85); '00, (17¢); '01, (87¢); '02, (39¢); '03, (20¢); '04, 43¢; '05, 19¢; '07, $1.82. Excl. chg. for acctg. change: '92, $3.11; '93, 35¢; '98, $9.45. Excl. gains from disc. opers.: '95, 45¢; '98, 77¢. Next earnings report due late July. (B) Dividend historically paid in mid-March, June, September, and December. ■ Div'd reinvest. plan avail. (C) Incl. intang. In '07, $1212.9 mill., $19.91/sh. (D) In mill. (E) EPS does not tally due to rounding.

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BECKMAN COULTER NYSE-BEC

RECENT PRICE 75.42 | P/E RATIO 20.6 (Trailing: 22.1 / Median: 18.0) | RELATIVE P/E RATIO 1.34 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Raised 11/10/06
SAFETY 2 Raised 2/29/08
TECHNICAL 3 Raised 6/20/08
BETA .70 (1.00 = Market)

2011-13 PROJECTIONS

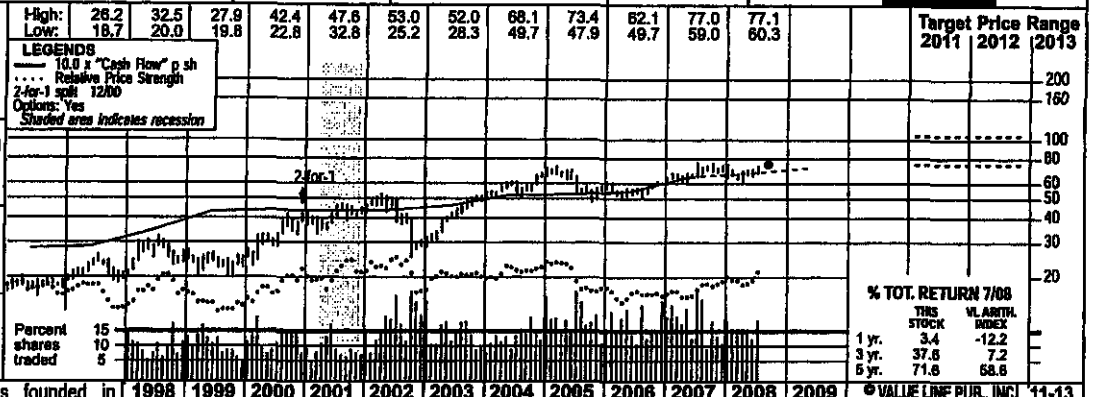
	Price	Gain	Ann'l Total Return
High	105	(+40%)	10%
Low	75	(Nil)	1%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	1	0
Options	1	0	0	0	0	2	0	3	0
to Sell	2	2	0	6	0	0	0	4	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	127	134	136
to Sell	138	134	137
Hld's(000)	55290	55359	53289



Beckman Instruments was founded in 1934 by Dr. Arnold Beckman and became a publicly traded company in 1952. It merged with SmithKline Corp. in March 1982 to form SmithKline Beckman. On November 4, 1988, 16% of Beckman stock was sold in a public offering. In July 1989, the remaining closely held Beckman shares were distributed to holders of SmithKline Beckman as part of a transaction involving the merger of SmithKline Beckman with Beecham Group to form SmithKline Beecham. Beckman Coulter is now an independent company.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1039.8 mill. Due in 5 Yrs $355.0 mill.
LT Debt $922.0 mill. LT Interest $50.6 mill.
(LT Interest earned: 11.2x; total interest coverage: 6.8x) (37% of Cap'l)
Leases, Uncapitalized Annual rentals $60.9 mill.
Pension Assets-12/07 $897.9 mill.
Oblig. $935.3 mill.
Pfd Stock None
Common Stock 62,207,082 shs. as of 7/31/08
MARKET CAP: $4.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	75.2	83.0	69.5
Receivables	671.5	726.5	764.6
Inventory (FIFO)	455.8	523.9	586.7
Other	135.6	154.7	151.0
Current Assets	1338.1	1488.1	1561.8
Accts Payable	180.3	224.8	231.3
Debt Due	82.5	102.2	117.8
Other	448.8	470.2	410.2
Current Liab.	711.6	797.2	759.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	5.0%	7.5%
"Cash Flow"	7.5%	5.5%	8.0%
Earnings	10.0%	6.0%	9.0%
Dividends	8.5%	12.0%	4.0%
Book Value	15.5%	20.5%	13.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	576.1	618.8	593.4	655.5	2443.8
2006	569.0	616.3	631.2	712.0	2528.5
2007	613.6	689.7	669.0	789.0	2761.3
2008	730.5	798.3	741.2	855	3125
2009	785	835	900	930	3350

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.62	.85	.74	.73	2.94
2006	.50	.69	.66	1.03	2.88
2007	.59	.75	.77	1.08	3.19
2008	.67	.89	.82	1.21	3.60
2009	.75	.93	.92	1.30	3.90

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.11	.11	.13	.13	.48
2005	.14	.14	.14	.14	.56
2006	.15	.15	.15	.15	.60
2007	.16	.16	.16	.16	.64
2008	.17	.17			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	30.00	31.10	31.57	32.35	33.59	35.19	38.83	38.71	41.00	44.04	49.60	53.15	Sales per sh	64.45
	3.44	4.29	4.38	4.37	4.39	4.62	5.24	5.28	5.46	6.50	7.65	8.00	"Cash Flow" per sh	9.05
	.76	1.79	2.13	2.21	2.45	2.82	3.21	2.94	2.88	3.19	3.60	3.90	Earnings per sh A	5.05
	.31	.32	.33	.34	.35	.40	.48	.56	.60	.64	.68	.68	Div'ds Decl'd per sh B	.76
	2.88	2.32	2.36	2.85	2.38	2.13	2.56	3.86	5.13	4.38	4.75	5.10	Cap'l Spending per sh	5.15
	2.22	3.92	5.75	8.45	9.66	14.41	17.64	18.93	18.72	22.99	26.20	29.85	Book Value per sh	42.35
	57.27	58.16	59.77	61.33	61.31	62.31	62.03	63.13	61.67	62.70	63.00	63.00	Common Shs Outst'g C	64.00
	34.9	13.4	15.2	18.5	16.9	14.6	17.9	21.2	19.5	21.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.82	.76	.99	.95	.92	.83	.95	1.13	1.05	1.13			Relative P/E Ratio	1.20
	1.2%	1.3%	1.0%	.8%	.8%	1.0%	.8%	.9%	1.1%	.9%			Avg Ann'l Div'd Yield	.8%
	1718.2	1808.7	1886.9	1984.0	2059.4	2162.5	2408.3	2443.8	2528.5	2761.3	3125	3350	Sales ($mill)	4125
	16.7%	19.9%	19.5%	18.4%	18.1%	18.4%	18.6%	16.9%	17.0%	17.0%	19.0%	18.5%	Operating Margin	19.0%
	152.4	143.7	136.1	126.4	109.8	105.9	114.0	145.0	181.5	203.3	250	250	Depreciation ($mill)	250
	44.7	106.0	125.5	141.5	159.6	181.9	210.9	188.5	155.5	204.6	230	255	Net Profit ($mill)	330
	32.0%	31.5%	31.0%	31.0%	26.9%	24.6%	24.2%	17.4%	25.4%	28.4%	29.0%	29.0%	Income Tax Rate	31.0%
	2.6%	5.9%	6.7%	7.1%	7.7%	8.3%	8.8%	7.7%	6.1%	7.4%	7.4%	7.6%	Net Profit Margin	8.0%
	237.3	390.5	426.7	525.7	444.6	583.0	666.3	475.1	626.5	690.9	800	955	Working Cap'l ($mill)	1530
	962.2	980.7	862.8	760.3	626.6	625.6	611.7	589.1	952.0	888.6	815	785	Long-Term Debt ($mill)	695
	126.9	227.9	343.9	518.2	592.1	897.7	1094.3	1194.8	1154.3	1441.7	1650	1880	Shr. Equity ($mill)	2710
	6.9%	11.3%	12.8%	12.9%	14.6%	13.0%	12.9%	11.3%	8.0%	9.4%	10.0%	10.0%	Return on Total Cap'l	10.0%
	35.2%	46.5%	36.5%	27.3%	26.9%	20.3%	19.3%	15.8%	13.5%	14.2%	14.0%	13.5%	Return on Shr. Equity	12.0%
	21.7%	38.4%	30.9%	23.3%	23.2%	17.5%	16.5%	12.8%	10.2%	11.4%	11.5%	11.0%	Retained to Com Eq	10.5%
	38%	17%	15%	15%	14%	14%	14%	19%	24%	20%	18%	17%	All Div'ds to Net Prof	15%

BUSINESS: Beckman Coulter, Inc. makes laboratory instruments and related products. Divisions include clinical diagnostics (83% of 2007 sales) and biomedical research (17%). Products include centrifuges, chromatographs, spectrophotometers, nuclear counters, systems that detect and quantify various substances in blood, urine, and other fluids, and reagent supplies. Acquired Coulter Corp. on 10/97. R&D: 9.9% of '07 sales; Int'l sales, 48%. '07 depr. rate: 12.2%. Off./dir. own 2.0% of stock; Wellington Mngmnt., 13.5% (3/08 Proxy). Has approximately 10,500 employees. Chairman: John P. Wareham; Pres. & CEO: Scott Garrett. Inc.: Delaware. Address: 2500 Harbor Blvd., Fullerton, CA 92634. Telephone: 714-871-4848. Internet: www.beckmancoulter.com.

We look for Beckman Coulter to post a solid double-digit earnings advance in 2008. Throughout the year, the company's fortunes ought to benefit from impressive demand for its clinical diagnostic offerings. Indeed, during the most recent interim, this division's recurring revenue, which is comprised of supplies, test kits, service, royalty revenue, and operating-type lease payments, was up 14.1% year over year, while instrument sales increased by 25%. And we expect more good news over the balance of the year, as new product introductions, such as the Auto-Mate 600 Sample Processor and three additional work cells, help lift the top and bottom lines. Separately, the company's ongoing lean six sigma program, combined with recent restructuring activities, should help margins. All told, BEC ought to report earnings of about $3.60 a share in 2008, on approximately a 13% top-line improvement.

The company recently inked an agreement to buy out its U.S. royalty obligation to Nephromics LLC. The licence is for tests related to the detection, monitoring, and risk assessment of preeclampsia, a leading cause of maternal death. What's more, BEC obtained rights to acquire the worldwide diagnostics assets of Nephromics. The new tests, which should be useful in diagnosing preeclampsia, are being developed for use on the company's UniCel DxI and Access immunoassay systems and its UniCel DxCi chemistry-immunoassay work cells, and should be set for production by the end of next year.

Beckman Coulter's ongoing share-repurchase program ought to help boost earnings. During the second quarter, Beckman Coulter bought back approximately 1 million shares of its outstanding stock for about $68.7 million, leaving roughly 1.5 million shares available for repurchase under the current authorization.

Neutrally ranked Beckman Coulter stock offers rather uninspiring appreciation potential through 2011-2013. Much of the strong top- and bottom-line growth we envision over that period seems to be discounted by the issue's current quotation.

Kenneth A. Nugent *August 29, 2008*

(A) Based on average shares through 1996, then diluted. Excludes non-recurring gain/(losses): '97, ($11.53); '98, ($0.38); '02, ($0.37); '03, $0.39; '04, $0.14; '05, ($0.70); '06, $0.04. Includes the effects of the Coulter merger from 10/97 onward. Next earnings report due late Oct. (B) Dividend historically paid in early March, June, September, and December. (C) In millions, adj. for stock split.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	70
Earnings Predictability	90

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BAKER HUGHES NYSE-BHI

RECENT PRICE 79.50 | P/E RATIO 14.6 (Trailing: 15.7 Median: 28.0) | RELATIVE P/E RATIO 0.94 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 2 Raised 6/6/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 8/8/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

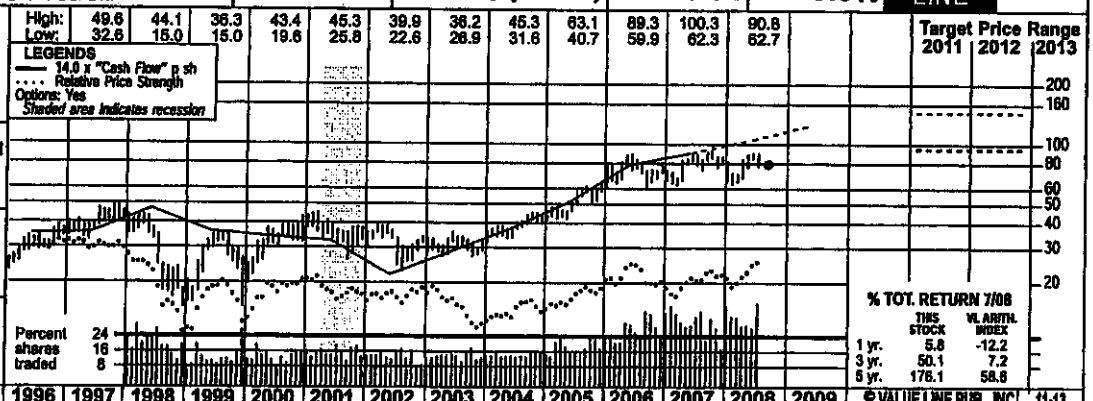
	Price	Gain	Ann'l Total Return
High	145	(+80%)	17%
Low	95	(+20%)	5%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	3	2	2	1	0	0	1	1	4
to Sell	3	0	2	0	0	0	1	1	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	211	292	237
to Sell	301	225	286
Hld's(000)	290672	287226	275421



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
18.31	19.24	17.78	18.54	20.95	21.79	19.30	13.79	15.88	16.02	14.95	15.94	18.13	21.04	28.22	33.06	*39.10*	*44.25*	Revenues per sh	*58.35*
1.75	2.24	1.76	1.87	2.50	2.55	3.36	2.58	2.43	2.33	1.56	2.05	2.67	3.68	5.82	6.45	*7.55*	*8.55*	"Cash Flow" per sh	*10.25*
.56	.64	.56	.67	1.23	1.73	1.05	.22	.60	1.30	.66	.97	1.57	2.56	4.11	4.73	*5.45*	*6.25*	Earnings per sh A	*7.50*
.46	.46	.46	.46	.46	.46	.46	.46	.46	.46	.46	.46	.46	.48	.52	.52	*.56*	*.60*	Div'ds Decl'd per sh B■	*.75*
.99	.90	.77	.98	1.26	2.03	4.03	1.92	1.80	.95	.94	1.22	1.03	1.40	2.88	3.57	*4.25*	*4.00*	Cap'l Spending per sh	*2.50*
11.84	10.04	10.21	10.64	11.69	15.40	9.78	9.31	9.13	9.90	10.12	10.09	11.57	13.76	16.39	19.99	*22.80*	*28.70*	Book Value per sh C	*45.00*
138.62	140.44	140.89	142.24	144.55	169.10	327.10	329.80	333.70	336.00	335.80	332.00	336.60	341.50	319.90	315.40	*307.00*	*305.00*	Common Shs Outst'g D	*300.00*
37.8	37.1	35.9	30.1	22.2	22.0	26.8	NMF	54.5	27.8	49.2	31.8	24.6	20.0	17.9	16.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.0*
2.29	2.19	2.35	2.01	1.39	1.27	1.50	NMF	3.54	1.43	2.69	1.81	1.30	1.06	.97	.88			Relative P/E Ratio	*1.05*
2.2%	1.9%	2.3%	2.3%	1.7%	1.2%	1.5%	1.7%	1.4%	1.3%	1.4%	1.5%	1.2%	.9%	.7%	.7%			Avg Ann'l Div'd Yield	*.5%*
6311.9	4546.7	5233.8	5382.2	5020.4	5292.8	6103.8	7185.5	9027.4	10428.2	*12000*	*13500*	Revenues ($mill)	*17500*
22.7%	23.0%	20.6%	20.0%	17.1%	18.1%	19.5%	22.5%	26.2%	26.8%	*26.5%*	*26.5%*	Operating Margin	*24.5%*
758.3	778.4	611.5	344.7	301.6	348.2	371.8	382.4	433.7	521.2	*640*	*700*	Depreciation ($mill)	*825*
340.6	73.0	200.2	438.0	223.7	330.2	528.2	874.4	1363.4	1513.9	*1685*	*1930*	Net Profit ($mill)	*2250*
35.5%	34.7%	31.3%	33.8%	41.2%	35.0%	32.3%	31.6%	31.6%	32.9%	*32.0%*	*32.0%*	Income Tax Rate	*35.0%*
5.4%	1.6%	3.8%	8.1%	4.5%	6.2%	8.7%	12.2%	15.1%	14.5%	*14.0%*	*14.3%*	Net Profit Margin	*13.1%*
1414.6	1329.6	1498.8	1484.8	1475.4	1222.0	1731.1	2479.4	3345.9	3837.7	*3800*	*4000*	Working Cap'l ($mill)	*5000*
2726.3	2706.0	2049.6	1682.4	1424.3	1133.0	1086.3	1078.0	1073.8	1069.4	*550*	*550*	Long-Term Debt ($mill)	*550*
3199.4	3071.1	3046.7	3327.8	3397.2	3350.4	3895.4	4697.8	5242.9	6305.6	*7000*	*8750*	Shr. Equity ($mill)	*13500*
6.6%	2.6%	5.6%	10.0%	5.8%	8.5%	11.4%	15.8%	22.1%	21.0%	*23.0%*	*21.0%*	Return on Total Cap'l	*15.5%*
10.6%	2.4%	6.6%	13.2%	6.6%	9.9%	13.6%	18.6%	26.0%	24.0%	*24.0%*	*22.0%*	Return on Shr. Equity	*16.5%*
7.6%	NMF	1.6%	6.5%	2.0%	5.3%	9.6%	15.2%	22.7%	21.4%	*21.5%*	*20.0%*	Retained to Com Eq	*15.0%*
28%	NMF	76%	35%	69%	47%	29%	18%	13%	11%	*10%*	*10%*	All Div'ds to Net Prof	*10%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1621.2 mill. Due in 5 Yrs $545.2 mill.
LT Debt $1039.6 mill. LT Interest $63.0 mill.
(Total int. coverage and LT int. earned: over 25x) (14% of Cap'l)
Leases, Uncapitalized Annual rentals $95.0 mill.

Pension Assets 12/07 $765.5 mill. Oblig. $599.0 mill.

Pfd Stock None
Common Stock 308,234,395 shares
7/24/08
MARKET CAP: $24.5 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1103.7	1054.4	1071.7
Receivables	2055.1	2382.9	2710.9
Inventory (LCM)	1528.8	1714.4	1906.6
Other	280.2	303.9	372.8
Current Assets	4967.8	5455.6	6062.0
Accts Payable	648.8	704.2	855.5
Debt Due	1.3	15.4	581.4
Other	971.8	898.3	847.4
Current Liab.	1621.9	1617.9	2284.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.0%	12.0%	*13.5%*
"Cash Flow"	6.5%	20.0%	*12.0%*
Earnings	12.0%	36.0%	*12.0%*
Dividends	1.0%	2.0%	*7.0%*
Book Value	3.0%	11.5%	*18.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1642.9	1768.4	1784.8	1989.4	7185.5
2006	2062.0	2203.3	2309.4	2452.7	9027.4
2007	2472.8	2537.5	2677.6	2740.3	10428.2
2008	2670.4	2997.5	*3050*	*3282.1*	*12000*
2009	*3100*	*3275*	*3425*	*3700*	*13500*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.53	.64	.64	.75	2.56
2006	.93	1.07	1.09	1.02	4.11
2007	1.17	1.09	1.22	1.26	4.73
2008	1.21	1.36	*1.40*	*1.48*	*5.45*
2009	*1.40*	*1.55*	*1.60*	*1.70*	*6.25*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.115	.115	.115	.115	.46
2005	.115	.115	.115	.13	.48
2006	.13	.13	.13	.13	.52
2007	.13	.13	.13	.13	.52
2008	.13	.13	.15		

BUSINESS: Baker Hughes Inc. provides products and services for the drilling, evaluation, completion, and production of oil and gas wells. Has eight divisions: Hughes Christensen (drill bits); INTEQ (drilling systems); Baker Atlas (well logging); Baker Oil Tools (completions systems); Centrilift (pumps); Baker Petrolite (specialty products); Baker Hughes Drilling Fluids; and ProductionQuest (recovery maximization). In 2007, foreign revs. were 64% of total; R&D was 2.2% of revs. Employs 35,800. AXA Assurances owns 10.2% of stock; Capital Research, 6.9%; Dodge & Cox, 6.2%; Cap. World, 5.4%; T. Rowe Price, 5.3% (4/08 Proxy). Chairman & CEO: Chad Dealon. Inc.: DE. Addr.: 2925 Allen Parkway, Ste. 1200, Houston, TX 77027. Tel.: 713-439-8600. www.bakerhughes.com.

Baker Hughes is chugging along at a pretty good pace. Second-quarter earnings rose 25% on an 18% revenue advance. Margins held steady in the drilling and evaluation segment, but declined, as expected, in the production and completion sector, due to seasonal factors. Comparisons were helped by stock repurchases. The company is now authorized to buy back $1.25 billion worth of stock.

The pickup in business should accelerate in the second half of 2008. The year started slowly, with weak conditions in Canada and a balanced domestic market. But the big earlier advance in oil and natural gas prices has encouraged producers to spend more. Horizontal drilling at new shale fields has provided a surge in orders, too. Moreover, some of the rigs that drilling customers have been building should start hitting the water by the fourth quarter. We estimate a 15% share earnings advance in 2008, with good momentum heading into 2009.

Profits should set another record next year. Customers will be taking delivery in 2009 of more of the drilling rigs they have been having built. That means extra equipment available to service. In addition, one area that has gained special promise is Mexico, where the company has agreed to provide the support for 15 offshore wells. In all, we figure share earnings will advance 14%-15% in 2009.

Expansion plans are coming to fruition. New or expanded facilities continue to be opened near where large-scale drilling is taking place around the globe. Capital spending remains elevated as a result, but the payoff stands to be increased earning power down the road. One challenge to the boom is retaining trained personnel, given that some staff members have been recruited by customers. But that's a side effect that the company can live with, provided it brings along new personnel.

The stock is now ranked 2 (Above Average) for Timeliness. Good earnings growth in the coming months should provide support for the shares. But the stock could be held back if the feeling becomes that global economic progress is slowing, thus crimping oil demand. The issue's inability to break out of its trading range in 2008 may partly reflect this.

Robert Mitkowski, Jr. *August 15, 2008*

(A) Based on diluted shares. Excludes net nonrecurring gains (losses): '92, (56¢); '93, (30¢); '94, (34¢); '95, (10¢); '97, ($1.08); '98, ($1.97); '99, (9¢); '00, (29¢); '02, (18¢); '03, (59¢); '04, 1¢; '05, 1¢; '06, $3.17; '08, (7¢). Quarterlies may not sum to full-year total due to rounding. Next earnings report due late October.
(B) Dividends historically paid mid- to late February, May, August, and November. ■Dividend reinvestment plan available.
(C) Intangibles of $1.5 bill. at 12/31/07, or $4.85 a share. (D) In millions.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	90
Earnings Predictability	65

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BIO-RAD LABS 'A' ASE-BIO [C]

RECENT PRICE 104.80 | P/E RATIO 21.1 (Trailing: 24.0 / Median: 18.0) | RELATIVE P/E RATIO 1.37 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/15/08
SAFETY 3 Raised 3/18/94
TECHNICAL 3 Raised 8/8/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	155	(+50%)	10%
Low	105	(Nil)	Nil

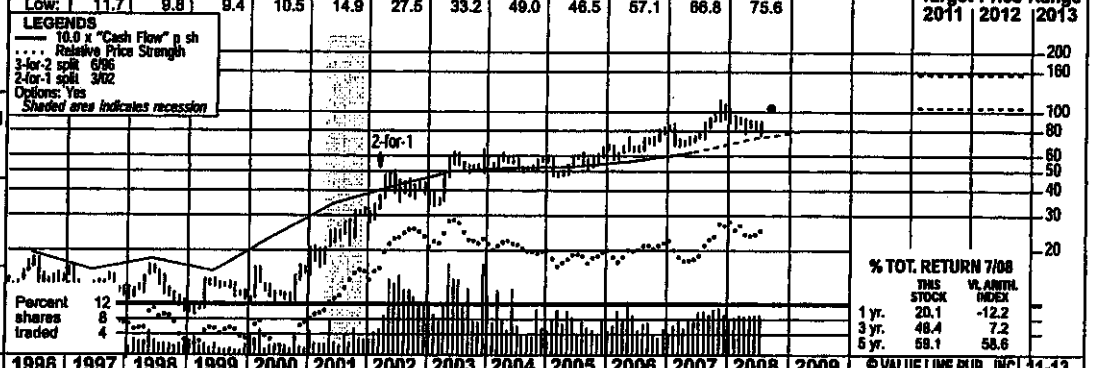
Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	0	0	1	0
to Sell	0	1	0	0	0	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	84	102	85
to Sell	59	60	88
Hld's(000)	17261	17231	17000

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	16.8	17.1	14.5	17.0	33.0	51.0	65.0	62.5	66.9	84.3	115.2	109.5								
Low:	11.7	9.8	9.4	10.5	14.9	27.5	33.2	49.0	46.5	57.1	86.8	75.6								
	13.85	13.84	14.61	16.20	16.88	17.19	17.73	22.02	29.09	32.92	35.36	39.28	42.19	45.03	47.62	54.35	67.20	71.35	Sales per sh	88.95
	.83	.81	1.33	1.76	1.95	1.60	1.82	1.57	2.36	3.44	4.19	5.01	5.20	5.25	5.63	6.25	8.30	9.10	"Cash Flow" per sh	11.85
	.25	.12	.54	1.08	1.26	.82	.99	.49	.65	1.79	2.70	3.38	3.01	2.94	3.56	3.78	4.70	5.30	Earnings per sh [A]	7.20
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.66	.60	.40	.50	.61	.95	.85	1.09	1.26	1.74	1.67	2.70	2.34	1.37	2.00	2.25	2.65	2.05	Cap'l Spending per sh	2.70
	4.49	4.58	5.34	6.42	7.40	7.92	8.60	8.82	9.80	11.43	15.17	19.41	23.10	25.09	30.92	36.14	40.80	46.00	Book Value per sh	54.85
	23.85	24.09	24.32	24.48	24.80	24.84	24.93	24.96	24.96	24.83	25.25	25.54	25.83	26.23	26.50	26.88	26.90	27.00	Common Shs Outst'g [B]	26.00
	25.0	40.9	10.0	10.5	11.7	16.5	13.2	25.2	20.1	13.3	14.6	14.2	18.4	18.9	19.5	22.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.52	2.42	.66	.70	.73	.95	.69	1.44	1.31	.68	.80	.81	.97	1.01	1.05	1.19			Relative P/E Ratio	1.20
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
							441.9	549.5	725.9	817.5	892.7	1003.4	1090.0	1181.0	1262.2	1461.1	1805	1925	Sales ($mill)	2315
							11.8%	11.0%	15.2%	18.8%	19.6%	18.7%	16.5%	14.9%	15.2%	14.4%	16.5%	17.0%	Operating Margin	17.5%
							21.0	27.5	43.3	41.3	38.0	42.0	56.2	61.0	55.4	67.3	97.0	100	Depreciation ($mill)	120
							24.3	11.7	15.7	44.2	67.9	86.0	78.1	76.8	93.7	100.7	125	145	Net Profit ($mill)	185
							29.0%	28.5%	33.8%	32.0%	35.0%	33.0%	31.7%	24.7%	28.6%	28.7%	24.0%	26.0%	Income Tax Rate	27.0%
							5.5%	2.1%	2.2%	5.4%	7.6%	8.6%	7.2%	6.5%	7.4%	6.9%	7.0%	7.4%	Net Profit Margin	8.1%
							138.2	176.2	180.4	231.7	243.8	436.6	595.8	689.0	810.3	614.8	710	825	Working Cap'l ($mill)	1045
							42.3	239.2	203.4	188.4	105.8	225.8	426.0	425.7	425.8	441.8	400	375	Long-Term Debt ($mill)	275
							214.3	220.1	244.6	283.9	383.1	495.8	596.9	658.0	819.5	971.7	1100	1240	Shr. Equity ($mill)	1430
							9.7%	2.8%	4.1%	11.8%	16.6%	13.0%	8.6%	8.6%	8.8%	8.2%	9.5%	10.0%	Return on Total Cap'l	12.0%
							11.3%	5.3%	6.4%	15.6%	17.7%	17.3%	13.1%	11.7%	11.4%	10.4%	11.5%	11.5%	Return on Shr. Equity	13.0%
							11.3%	5.3%	6.4%	15.6%	17.7%	17.3%	13.1%	11.7%	11.4%	10.4%	11.5%	11.5%	Retained to Com Eq	13.0%
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	20.1	-12.2
3 yr.	48.4	7.2
5 yr.	59.1	58.6

CAPITAL STRUCTURE as of 6/30/08
Total Debt $455.4 mill. Due in 5 Yrs $27.8 mill.
LT Debt $440.7 mill. LT Interest $17.0 mill.
(Total interest coverage: 1.8x) (36% of Cap'l)

Leases, Uncapitalized Annual rentals $27.7 mil.

No Defined Benefit Pension Plan.

Common Stock 27,141,130 shs.
Including 5.07 million super-voting class 'B' shares. as of 7/29/08
MARKET CAP: $2.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	488.1	223.7	227.2
Receivables	293.0	356.1	377.0
Inventory (Avg Cst)	254.0	321.0	382.7
Other	94.7	126.2	132.9
Current Assets	1129.8	1029.0	1119.8
Accts Payable	83.4	98.5	102.3
Debt Due	3.0	15.6	14.7
Other	233.1	302.1	291.1
Current Liab.	319.5	414.2	408.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	8.5%	8.5%
"Cash Flow"	12.5%	11.5%	15.5%
Earnings	12.5%	14.5%	25.5%
Dividends	--	--	NM
Book Value	15.5%	20.5%	20.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	299.2	291.3	283.2	307.3	1181.0
2006	308.3	306.0	304.8	343.1	1262.2
2007	322.6	338.1	339.7	459.7	1461.1
2008	422.2	452.4	430	500.4	1805
2009	450	470	460	545	1925

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.14	.71	.62	.47	2.94
2006	1.19	.97	.77	.63	3.56
2007	1.02	.96	1.05	.74	3.78[D]
2008	.99	1.61	1.09	1.01	4.70
2009	1.26	1.65	1.25	1.14	5.30

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Bio-Rad Laboratories manufactures and sells products used in two major business segments: Clinical Diagnostics produces test kits and equipment used in diagnosing and monitoring diseases (57% of '07 sales); Life Sciences products are used to separate and analyze complex chemicals (43%). Is the world's leading producer of BSE (mad-cow disease) tests. Non-U.S. sales, 66% of '07 total. Has approximately 6,400 employees. Officers & directors own 16.6% of A shares, 90.6% of B shares; Ariel Capital Management, 12.4% of A; TimesSquare Capital, 5.4% of A (3/08 proxy). President & Chief Executive Officer: Norman Schwartz. Incorporated: DE. Address: 1000 Alfred Nobel Drive, Hercules, CA 94547. Telephone: 510-724-7000. Internet: www.bio-rad.com.

Bio-Rad Laboratories appears to be firing on nearly all cylinders these days. Share earnings at the marketer of life-science research and clinical diagnostic products jumped 68%, to $1.61 a share, in the June quarter, on 33% higher revenues of $452.4 million. The strong top-line performance reflects the addition of DiaMed (acquired 10/07), as well as favorable currency effects. Notwithstanding BSE (mad-cow disease) test kits, the company's legacy products also appear to be selling well. The revenue strength, coupled with good cost control and a surprisingly low tax rate, resulted in sharply higher-than-expected bottom-line results. Indeed, we were looking for share net of just $0.99, based largely on the assumption that DiaMed-related integration and intangible amortization costs would severely limit earnings progress.

We've raised our 2008 share-net estimate by $0.85, to $4.70, to reflect Bio-Rad's strong June quarter as well as a more positive stance toward the back half of the year. The $4.70 call represents a 24% increase over the $3.78 that the company earned in 2007. Importantly, Bio-Rad should continue to have good success, holding the line on certain expenses and leveraging key costs. In the June quarter, for example, selling, general & administrative costs rose 23% ($146.6 million), sharply below the 33% rise in overall revenue.

We look for share earnings to increase 13% or so, to $5.30, next year. Major new products should continue to gain market traction. The prospect of a larger BioPlex 2000 installed base is particularly encouraging, as it should drive sales of high-margined BioPlex-related consummables. To that end, the company recently introduced Epstein Barr Virus test panels for use on BioPlex, and has more than 15 other multiplex reagent kits in development for the system. Meanwhile, Bio-Rad's reliance on a BSE business characterized by weak pricing and declining sales ought to lessen, as well.

Bio-Rad shares are ranked 2 (Above Average) for year-ahead price performance. Nimble investors may want to ride this issue's strong share-price and earnings momentum. Buy-and-hold accounts should look elsewhere for now.

Nils C. Van Liew *August 29, 2008*

(A) Primary earnings through 1996, basic thereafter. Excludes nonrecurring gains/(losses): '99, ($0.90); '00, $1.26; '03, ($0.38); '04, ($0.43); '05 2Q, $0.25; '06 3Q, ($0.12). Next earnings report due late Oct.
(B) In millions, adjusted for stock splits.
(C) Share price data for Bio-Rad Class A shares only. Class B shares have 10x voting power of Class A, Class B shareholders elect 75% of board of directors.
(D) Quarterlies don't sum to total due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	80
Earnings Predictability	75

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BELO CORP. NYSE-BLC

RECENT PRICE 7.37 | P/E RATIO 8.2 (Trailing: 8.4 Median: 21.0) | RELATIVE P/E RATIO 0.53 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS — Suspended 2/1/08
SAFETY 3 New 5/16/08
TECHNICAL — Suspended 2/1/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

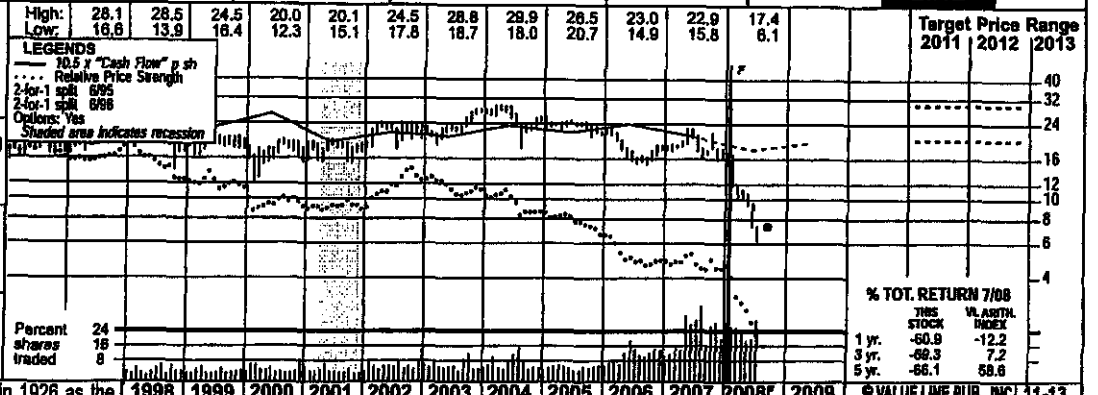
	Price	Gain	Ann'l Total Return
High	30	(+305%)	44%
Low	20	(+170%)	30%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	0	3
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	7	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	68	80	85
to Sell	120	96	98
Hld's(000)	81533	87352	84316



Belo Corp. was organized in 1926 as the successor to a newspaper publishing business that began operations in 1842. The company went public in December 1981 with an offering of 15,662,680 shares at $2.88 each. On 11/15/83, Belo sold 17.6 million shares of common stock at $4.52 a share to help finance its acquisition of Corinthian Broadcasting Corp. Both offerings are split-adjusted.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1186.5 mill. Due in 5 yrs $470.0 mill.
LT Debt $1186.5 mill. LT Interest $95.0 mill.
(LT Interest earned: 2.8x; total interest coverage: 2.8x) (48% of Cap'l)
Leases Uncapitalized Annual rentals $5.5 mill.
Pension Assets-12/07 $453.6 mill. Oblig. $451.1 mill.

Pfd Stock None
Common Stock 102,199,481 shs.
as of 4/30/08
87,966,921 shs. Series A; 14,232,560 shs. Series B, which have 10 votes each and receive the same dividend.
MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MIL.)	2006	2007	3/31/08
Cash Assets	46.3	19.0	6.5
Receivables	276.8	272.3	155.9
Inventory (Avg Cst)	26.9	11.4	--
Other	40.2	41.7	24.6
Current Assets	392.2	344.4	187.0
Accts Payable	79.6	59.6	17.7
Debt Due	--	--	--
Other	179.3	189.9	113.1
Current Liab.	258.9	249.5	130.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.5%	2.5%	-9.0%
"Cash Flow"	1.5%	-0.5%	2.0%
Earnings	2.5%	9.5%	4.0%
Dividends	8.5%	8.5%	-4.5%
Book Value	7.0%	2.5%	Nil

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	348.0	390.2	372.3	410.7	1521.2
2006	371.7	403.6	376.4	436.6	1588.3
2007	354.1	390.5	364.3	406.7	1515.6
2008	174.8	189.0	190	221.2	775
2009	175	190	185	220	770

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.20	.36	.20	.36	1.12
2006	.16	.33	.22	.48	1.19
2007	.15	.35	.18	.33	1.02
2008	.10	.26	.24	.35	.95
2009	.08	.23	.22	.32	.85

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.095	.095	.095	.095	.38
2005	.10	.10	.10	.10	.40
2006	.10	.10	.125	.125	.45
2007	.125	.125	.125	.125	.50
2008	.125	.075			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008F	2009	© VALUE LINE PUB., INC.	11-13
	11.83	12.09	14.46	12.36	12.66	12.48	13.21	14.12	15.53	14.82	7.60	7.60	Revenues per sh	8.50
	2.00	2.16	2.56	1.85	2.05	1.98	2.24	2.68	2.28	2.00	1.60	1.55	"Cash Flow" per sh	2.40
	.63	.73	.82	.19	1.11	1.10	1.35	1.12	1.19	1.02	.95	.85	Earnings per sh A	1.40
	.24	.26	.28	.30	.30	.34	.38	.40	.48	.45	.35	.30	Div'ds Decl'd per sh B	.34
	.87	.78	.95	.57	.53	.67	.70	.81	1.12	.71	.75	.75	Cap'l Spending per sh	.75
	10.49	11.71	12.28	11.97	12.53	13.60	14.25	14.23	14.93	12.24	12.55	12.70	Book Value per sh C	13.75
	118.93	118.66	109.85	110.38	112.76	115.02	114.33	107.73	102.30	102.26	102.00	101.50	Common Shs Outst'g D	100.00
	36.5	26.8	20.6	94.8	19.8	21.3	19.2	20.9	15.3	18.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.5
	1.90	1.52	1.34	4.86	1.06	1.21	1.01	1.11	.83	.96			Relative P/E Ratio	1.25
	1.0%	1.3%	1.7%	1.7%	1.4%	1.4%	1.5%	1.7%	2.6%	2.4%			Avg Ann'l Div'd Yield	2.3%
	1407.4	1434.0	1588.8	1364.6	1427.8	1436.0	1510.2	1521.2	1588.3	1515.6	775	770	Revenues ($mill)	850
	29.8%	30.2%	30.7%	26.0%	29.2%	28.6%	29.9%	25.8%	24.6%	23.0%	38.0%	38.0%	Operating Margin	40.0%
	159.4	169.0	185.0	183.0	105.3	100.2	98.2	95.9	95.7	101.2	45.0	50.0	Depreciation ($mill)	70.0
	77.9	87.0	96.1	21.5	125.6	127.4	157.9	127.7	137.8	103.7	95.0	85.0	Net Profit ($mill)	140
	50.3%	45.2%	43.9%	63.6%	38.5%	38.6%	38.4%	36.3%	34.7%	37.2%	38.0%	38.0%	Income Tax Rate	38.0%
	5.5%	6.1%	6.0%	1.6%	8.8%	8.9%	10.5%	8.4%	8.7%	6.8%	12.5%	11.0%	Net Profit Margin	16.4%
	95.0	92.2	118.3	146.8	104.3	114.2	103.9	106.9	133.3	94.9	90.0	80.0	Working Cap'l ($mill)	60.0
	1634.0	1849.5	1789.6	1696.9	1441.2	1270.9	1170.2	1244.9	1283.4	1168.1	1150	1100	Long-Term Debt ($mill)	950
	1248.1	1389.8	1349.4	1320.7	1413.2	1563.8	1629.7	1533.5	1527.1	1251.7	1280	1290	Shr. Equity ($mill)	1375
	4.6%	4.4%	5.2%	2.6%	6.2%	6.1%	7.3%	6.2%	6.6%	6.2%	6.0%	5.5%	Return on Total Cap'l	7.5%
	6.2%	6.3%	7.1%	1.6%	8.9%	8.1%	9.7%	8.3%	9.0%	8.3%	7.5%	6.5%	Return on Shr. Equity	10.0%
	3.9%	4.0%	4.7%	NMF	6.5%	5.7%	7.0%	5.4%	6.0%	4.2%	3.5%	3.0%	Retained to Com Eq	6.0%
	38%	35%	34%	NMF	27%	30%	28%	35%	34%	49%	32%	35%	All Div'ds to Net Prof	24%

BUSINESS: Belo Corp., a television broadcasting company, owns and/or operates 20 stations, and 12 websites associated with these stations. It also owns three cable news channels and has ownership interests in another seven. TV stations reach about 14% of the U.S. population and include affiliates of all five major networks. 2007 revs. (operating profits, before spin off): Television Group, 49% (84%); Newspaper Group, 51% (42%); other, less than 1% (d26%). Has about 7,800 employees. Officers and directors hold about 88% of 'B' shares (4/08 proxy). Chairman, President, and Chief Executive Officer: Robert W. Decherd. Incorporated: Delaware. Addr.: 400 South Record Street, Dallas, TX 75202. Tel.: 214-977-6606. Internet: www.belo.com.

Belo Corp.'s bottom line for the second quarter improved slightly on an *adjusted* year-over-year basis. Investors should note that share net in 2007 for the second quarter and six-month period, respectively, were $0.23 and $0.38 (excluding contributions for the recently spun off A.H. Belo). Lackluster revenues were a result of lower advertising revenues during the June interim. Notably, contributions from the automotive industry declined 10% from last year. Total spot revenues pulled back over 6%, due to weakness in both local and national advertising markets. Offsetting these losses were a rise in political advertising and gains from the Internet division (representing 4% of total revenues). The retransmission segment showed rapid growth, and should add about $30 million to the top line this year. Looking ahead,

The company should close out the year on a strong note. Cost-cutting efforts, including a hiring freeze and staff reductions, should benefit margins in the latter half of the year. Another factor that may bolster the top and bottom lines is the probable bump in cyclical advertising, as the upcoming elections should boost political advertising revenues, and the Olympic Games in August are likely to add approximately $50 million to revenues this year, from four of the company's NBC-affiliated stations.

Belo Corp is investing in its Internet division to boost earnings growth. In an effort to strengthen its growing Web advertising division, the company has made a multi year agreement with Response Logix Inc., a producer of Internet-based automotive advertising management systems. This should help the bottom line over the next few years.

The 25% decline in share price since our May review may make this stock interesting for patient investors. The company is positioning itself to take advantage of any upturn in the weakened economy. With the earnings growth we project over the 2011–2013 horizon, Belo Corporation has appealing appreciation potential.

This issue's Timeliness rank remains suspended due to Belo's short history as an independent entity.

John D. Burke *August 15, 2008*

(A) Diluted earnings. Excl. nonrec. gain (loss): '98, (11¢); '99, 77¢; '00, 47¢; '01, (21¢), '02, 5¢; '03, 1¢; '04, (22¢); '06, 5¢; 2Q '07, 3¢. Next earnings report due late November.
(B) Dividends historically paid in early March, June, September, and December.
(C) Includes intangibles; in 2007: $2.25 billion, $21.57/sh.
(D) In mill., adjusted for stock splits.
(E) Timeliness and Technical ranks have been suspended.
(F) Newspaper division spun off 2/08. Historical results from consolidated entity.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	25
Earnings Predictability	50

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BMC SOFTWARE NYSE-BMC

RECENT PRICE 34.68 | P/E RATIO 21.8 (Trailing: 22.1 Median: 44.0) | RELATIVE P/E RATIO 1.35 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 8/8/08
SAFETY 3 New 2/12/93
TECHNICAL 3 Lowered 6/6/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+75%)	14%
Low	40	(+15%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	3	4	6	4	3	1	4	5
to Sell	2	4	5	6	4	3	1	4	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	150	169	195
to Sell	170	183	163
Hld's(000)	178121	180041	186544

High:	35.6	60.3	64.1	85.1	33.0	23.0	19.8	21.9	21.7	33.7	37.1	40.9
Low:	19.8	29.3	30.0	13.0	11.5	10.9	13.2	13.7	14.4	19.9	24.8	29.0

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/05
2-for-1 split 11/96
2-for-1 split 5/98
Options: Yes
Shaded area indicates recession

Percent shares traded: 60, 40, 20

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	14.5	-12.2
3 yr.	72.3	7.2
5 yr.	133.3	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.14	1.37	1.71	2.15	2.82	3.54	5.51	7.03	6.08	5.35	5.74	6.35	6.63	7.16	7.85	9.09	10.30	11.10	Sales per sh A	13.70
.36	.47	.60	.78	1.02	1.41	1.98	2.38	1.54	1.29	1.34	1.36	1.38	1.85	1.87	2.44	2.55	2.80	"Cash Flow" per sh	3.45
.31	.41	.51	.62	.80	1.07	1.57	1.37	.26	d.27	.26	.27	.37	.83	1.03	1.57	1.55	1.80	Earnings per sh B	2.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.19	.16	.10	.11	.13	.32	.49	.61	.74	.27	.10	.23	.26	.12	.17	.20	.20	.20	Cap'l Spending per sh	.25
1.06	1.19	1.52	1.92	2.73	3.68	5.64	7.28	7.34	6.25	5.99	5.44	5.72	5.25	5.21	5.22	6.50	7.85	Book Value per sh	12.55
209.90	210.08	202.00	199.89	199.89	206.33	236.57	244.66	247.30	241.00	231.10	223.30	220.70	209.30	201.20	190.60	188.00	185.00	Common Shs Outst'g C	175.00
22.9	16.9	12.9	16.7	23.9	28.8	29.7	39.6	NMF	--	NMF	NMF	45.4	23.8	26.6	26.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
1.39	1.00	.85	1.12	1.50	1.66	1.54	2.26	NMF	--	NMF	NMF	2.40	1.27	1.45	1.08			Relative P/E Ratio	1.45
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
1303.9	1719.2	1504.0	1288.9	1326.7	1418.7	1463.0	1498.4	1580.4	1731.6	1940	2050	Sales ($mill) A	2400
42.0%	38.2%	22.4%	17.1%	21.3%	17.0%	17.8%	22.3%	23.3%	29.4%	31.0%	32.0%	Operating Margin	32.0%
76.8	235.6	314.9	376.6	248.3	242.8	221.7	205.1	160.8	152.1	180	180	Depreciation ($mill)	180
391.1	347.1	65.9	d65.4	61.5	60.6	82.3	181.5	215.9	313.6	300	340	Net Profit ($mill)	425
26.7%	24.8%	21.6%	--	30.0%	9.8%	27.2%	10.9%	28.2%	27.8%	30.0%	30.0%	Income Tax Rate	30.0%
30.0%	20.2%	4.4%	NMF	4.6%	4.3%	5.6%	12.1%	13.7%	18.1%	15.5%	16.6%	Net Profit Margin	17.7%
222.5	12.3	73.7	316.2	259.4	449.5	355.3	304.0	556.8	514.0	125	300	Working Cap'l ($mill)	500
--	--	--	--	--	--	--	--	--	--	300	300	Long-Term Debt ($mill)	300
1334.4	1760.9	1815.3	1506.6	1383.4	1215.2	1261.8	1098.8	1049.1	994.5	1225	1450	Shr. Equity ($mill)	2200
29.3%	19.5%	3.6%	NMF	4.4%	5.0%	6.5%	16.5%	20.6%	31.5%	20.5%	20.0%	Return on Total Cap'l	17.5%
29.3%	19.5%	3.6%	NMF	4.4%	5.0%	6.5%	16.5%	20.6%	31.5%	24.5%	23.5%	Return on Shr. Equity	19.5%
29.3%	19.5%	3.6%	NMF	4.4%	5.0%	6.5%	16.5%	20.6%	31.5%	24.5%	23.5%	Retained to Com Eq	19.5%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/30/08
Total Debt $298.2 mill. Due In 5 Yrs None
LT Debt $298.2 mill. LT Interest $21.8 mill.
Incl. $300 mill. 7.25s due 2016.
Leases, Uncapitalized Annual rentals $56.1 mill.

No Defined Benefit Pension plan
Pfd Stock None

Common Stock 190,029,000 shs.
as of 7/21/08
(Options exercisable, 9.1%)

MARKET CAP: $6.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets D	1296.0	1350.5	986.5
Receivables	315.9	296.8	245.3
Other	177.6	155.3	181.1
Current Assets	1789.5	1802.6	1412.9
Accts Payable	42.4	43.8	45.1
Debt Due	--	--	--
Deferred Revenue	867.7	926.8	975.0
Other	322.8	318.0	256.2
Current Liab.	1232.9	1288.6	1276.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.0%	7.0%	9.5%
"Cash Flow"	6.5%	8.0%	9.0%
Earnings	3.5%	69.0%	13.0%
Dividends	--	--	NMF
Book Value	6.5%	-4.5%	15.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	348.3	361.8	380.4	407.9	1498.4
2006	361.4	386.7	412.9	419.4	1580.4
2007	385.0	420.7	459.0	466.9	1731.6
2008	437.5	470	515	517.5	1940
2009	465	495	545	545	2050

Fiscal Year Begins	EARNINGS PER SHARE AB Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.12	.19	.21	.31	.83
2006	.15	.28	.30	.30	1.03
2007	.27	.38	.42	.50	1.57
2008	.27	.37	.45	.46	1.55
2009	.31	.43	.53	.53	1.80

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: BMC Software, Inc. develops, markets, and supports data and application management software targeted at IBM's database and data communication systems (mainframes) and the open-systems computing environment. Company growth has historically been supplemented with strategic acquisitions. FY 2008 (ended 3/31/08) license revenue mix: Mainframe Serv. Mgmt., 31.9%; Enterprise Serv. Mgmt., 68.1%. License fees: 37.4%; Services and Maintenance: 62.6%. R&D: 12% of sales. Empl.: 5,800 at 3/31/08. Stock owners: Five fin'l inst., 39.0%; Off. & dir., 2.7% (5/08 Proxy). Chrmn.: Garland Cupp. President & CEO: Robert E. Beauchamp. Inc.: DE. Address: 2101 CityWest Boulevard., Houston, TX 77042-2827. Tel.: 713-918-8800. Internet: www.bmc.com.

BMC Software's revenues should advance nicely in the fiscal year ending March 31, 2009. Most of the increase seems set to arise from the Enterprise Service Management segment (ESM), since Mainframe Service Management (MSM) will likely track even to modestly forward versus the performance recorded in the previous 12-month period. The progress at ESM in the last couple of years has been a function of the customer acceptance of BMC's Business Services Management (BSM) strategy. Although our sense is that BSM will continue on its successful path, the sharp increase in revenue growth envisioned this year will most likely be due to the recent acquisition of BladeLogic.

Despite the expansion at ESM, BMC's mainframe business remains the larger contributor to operating earnings and cash flow. True, overall revenues are greater at ESM, but the profit margin at MSM is much wider (even after excluding purchase-related intangibles from ESM). From a shareholder perspective, then, one needs to balance the potential for growth at ESM against the mature, but much more profitable, MSM. At this juncture, things appear to be going BMC's way. However, we note that BladeLogic was only recently folded into the company's operating structure, and the relative strength of the global business environment remains an open question. Still, BMC is managing its operating expenses well, and should be able to cope with a decline in business activity should the sluggish macroeconomic environment begin to take a toll on the software industry.

BMC shares are favorably ranked for Timeliness. Our earnings presentation (GAAP) suggests a flattish performance this year, with growth returning in the next 12-month period. Meanwhile, we estimate that the company's operating margin is likely to expand this year, but the growth rate associated with cash flow is likely to be lower than associated with revenues. Accordingly, new commitments to the stock are probably best made after careful consideration and by those with a near-term horizon. And, despite the recent pullback in price, the shares are not a bargain and long-term investors can probably find better opportunities.

Charles Clark *August 22, 2008*

(A) Fiscal yr. ends Mar. 31 of the following yr.
(B) Primary egs. thru FY'97, dil. after. Excl. nonrec. items: FY'94: d14¢; '95, d13¢; '96, d11¢; '97, d4¢; '98, d31¢; '99, d11¢; '00, d48¢; '01, d10¢; '02, d48¢; '03, d16¢; '04, d39¢; '05, 9¢; '06, d30¢; '07, d9¢; '08, d26¢. Next egs. rpt. due late Oct.
(C) In millions, adjusted for stock splits.
(D) Excl. LT mkt. sec. $211.1 mill., $124.7 mill. and $87.0 mill. at 3/31/07, 3/31/08 & 6/30/08.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	10
Earnings Predictability	30

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BOB EVANS FARMS NDQ-BOBE

RECENT PRICE 28.92 | P/E RATIO 15.7 (Trailing: 16.2 Median: 15.8) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 1.9% | VALUE LINE

TIMELINESS 3 Raised 11/23/07
SAFETY 3 Lowered 6/8/06
TECHNICAL 3 Lowered 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+90%)	19%
Low	35	(+20%)	7%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	0	0	1	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	82	78	86
to Sell	69	81	81
Hld's(000)	31317	30405	29676

	High:	22.5	26.9	26.4	21.7	25.8	33.3	33.3	34.4	26.5	34.9	39.8	31.6
	Low:	12.9	16.0	12.8	12.0	15.0	21.7	21.2	22.5	19.9	22.7	24.6	23.9

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-22.2	-9.4
3 yr.	45.2	30.2
5 yr.	21.0	98.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	15.59	16.82	18.12	19.08	19.77	21.28	24.04	27.20	29.42	30.09	31.64	33.99	41.24	43.98	47.08	51.95	56.15	60.30	Sales per sh A	75.00
	1.54	1.69	1.87	1.87	1.55	1.86	2.28	2.49	2.60	3.04	3.46	3.47	2.93	3.35	3.75	4.20	4.55	4.90	"Cash Flow" per sh	6.25
	1.03	1.15	1.27	1.02	.86	1.09	1.39	1.38	1.44	1.84	2.10	2.03	1.04	1.34	1.58	1.75	2.00	2.15	Earnings per sh B	3.15
	.25	.27	.29	.32	.32	.32	.35	.36	.36	.38	.43	.47	.48	.48	.56	.58	.58	.60	Div'ds Decl'd per sh Cm	.95
	1.24	1.73	2.24	1.92	1.44	1.15	1.70	2.73	2.87	2.75	3.08	4.00	3.94	3.13	2.40	3.00	2.75	3.00	Cap'l Spending per sh	3.75
	7.38	8.29	9.31	9.68	10.17	10.97	11.67	12.09	13.13	14.77	16.26	17.88	18.44	19.55	20.07	20.05	20.55	21.25	Book Value per sh	25.40
	41.90	42.06	42.33	42.26	41.56	41.67	40.28	35.46	34.80	35.29	34.49	35.24	35.40	36.03	35.14	33.50	32.50	31.50	Common Shs Outst'g D	30.00
	18.0	17.2	16.3	17.8	16.1	17.3	15.2	12.2	12.2	12.1	12.2	14.6	24.3	18.5	20.3	18.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
	1.09	1.02	1.07	1.19	1.01	1.00	.79	.70	.79	.62	.67	.63	1.28	.99	1.10	.95			Relative P/E Ratio	.95
	1.3%	1.4%	1.4%	1.6%	2.3%	1.7%	1.7%	2.1%	2.1%	1.7%	1.7%	1.6%	1.9%	1.9%	1.7%	1.8%			Avg Ann'l Div'd Yield	2.1%
							968.5	964.6	1023.8	1061.8	1091.3	1198.0	1460.2	1584.8	1654.5	1740	1825	1900	Sales ($mill) A	2250
							13.0%	12.5%	12.0%	13.6%	14.8%	13.6%	9.2%	9.8%	10.2%	10.5%	10.5%	10.5%	Operating Margin	11.0%
							34.2	35.4	39.8	42.0	44.2	50.1	66.8	72.6	74.2	79.0	82.0	85.0	Depreciation ($mill)	93.0
							57.6	52.9	50.8	65.3	75.1	72.0	37.0	48.1	57.5	60.0	65.0	70.0	Net Profit ($mill)	95.0
							37.0%	37.0%	35.5%	34.0%	35.0%	35.7%	35.9%	31.9%	32.3%	33.5%	34.0%	35.0%	Income Tax Rate	35.0%
							5.9%	5.5%	5.0%	6.2%	6.9%	6.0%	2.5%	3.0%	3.5%	3.5%	3.8%	3.7%	Net Profit Margin	4.3%
							d35.4	d129.4	d114.4	d85.8	d93.7	d98.4	d131.4	d77.1	d98.7	d150	d150	d175	Working Cap'l ($mill)	d125
							.8	.4	36.0	32.3	28.3	24.3	210.3	206.3	172.3	170	170	170	Long-Term Debt ($mill)	170
							470.1	428.8	457.1	521.4	560.9	630.2	652.8	704.5	705.2	670	670	670	Shr. Equity ($mill)	765
							12.2%	12.3%	10.4%	12.0%	12.9%	11.1%	4.8%	5.9%	7.1%	7.5%	8.5%	9.0%	Return on Total Cap'l	11.0%
							12.2%	12.3%	11.1%	12.5%	13.4%	11.4%	5.7%	6.8%	8.2%	9.0%	10.0%	10.5%	Return on Shr. Equity	12.5%
							9.3%	9.1%	8.3%	10.0%	10.7%	8.6%	3.1%	4.4%	5.4%	6.0%	7.0%	7.5%	Retained to Com Eq	9.0%
							24%	26%	25%	20%	20%	23%	46%	36%	34%	32%	28%	28%	All Div'ds to Net Prof	30%

Percent shares traded: 18, 12, 6

CAPITAL STRUCTURE as of 1/25/08
Total Debt $294.3 mill. Due in 5 Yrs $225.0 mill.
LT Debt $133.1 mill. LT Interest $10.0 mill.
(Total interest earned: 10.1x) (32% of Cap'l)E

Leases, Uncapitalized Annual Rentals $20.9 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 31,173,277 shs.

MARKET CAP: $900 million (Small Cap)

CURRENT POSITION ($MILL.)	2005	2006	1/25/08
Cash Assets	16.7	29.3	6.1
Receivables	16.1	20.5	22.1
Inventory (FIFO)	28.1	28.7	29.0
Other	21.5	24.0	15.0
Current Assets	82.4	102.5	72.2
Accts Payable	25.5	27.7	28.6
Debt Due	4.0	34.0	161.2
Other	130.0	139.5	144.9
Current Liab.	159.5	201.2	334.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	9.0%	9.0%	8.0%
"Cash Flow"	7.0%	4.5%	9.5%
Earnings	2.5%	-3.0%	13.0%
Dividends	5.0%	6.5%	9.5%
Book Value	7.0%	7.5%	4.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	395.6	392.4	399.5	397.3	1584.8
2006	403.4	412.7	420.0	418.4	1654.5
2007	424.6	426.3	449.7	439.4	1740
2008	440	450	455	480	1825
2009	465	475	480	480	1900

Fiscal Year Begins	EARNINGS PER SHARE A B Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	.20	.30	.37	.47	1.34
2006	.31	.36	.49	.42	1.58
2007	.36	.43	.57	.39	1.75
2008	.42	.48	.55	.55	2.00
2009	.50	.55	.60	.50	2.15

Calendar	QUARTERLY DIVIDENDS PAID C m Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.12	.12	.12	.12	.48
2005	.12	.12	.12	.12	.48
2006	.12	.12	.14	.14	.52
2007	.14	.14	.14	.14	.56
2008	.14				

BUSINESS: Bob Evans Farms, Inc. operates, as of 4/27/07, 579 family-style restaurants in the East, Midwest, and Southwest. Operates 115 Mimi's restaurants (acq'd 7/04) primarily in western states. Also manufactures and distributes sausage and other food products under the Bob Evans Farms and Owens Farms brand names. Has plants in OH (3), MI, IL, and TX (2). Rests. accounted for 84% of '06 sales; 80% of op. profits; food products: 16%; 20%. Owns all plants and most restaurants. 2006 depr. rate: 5.1%. Has about 51,000 employees. Offs. & dirs. control 2.7% of common; Ariel Cap'l, 8.7%; Dimensional Fund, 7.7% (8/07 Proxy). Chmn. & CEO: Steven A. Davis, Inc.: DE. Address: 3776 S. High St., Columbus, OH 43207. Tel.: 614-491-2225. Internet: www.bobevans.com.

Bob Evans Farms continues to generate decent same-store sales at its flagship chain. "Comps" at *Bob Evans* have risen for seven consecutive quarters, including a gain of 1.5% in the April quarter. (Earnings for the period weren't scheduled to be released until after we went to press.) The growth has been driven by pricing, rather than traffic, but, with customers facing a cloudy economic backdrop, it still represents a solid achievement.

The company is having a tougher time at *Mimi's*. Same-store sales here declined over 5% in the April quarter, the casual-dining concept's worst performance since it was acquired in 2004. A new management team is working on several initiatives to boost sales, including adding new items to the menu and upgrading product development efforts. Some factors, though, such as the weak economy in markets (California, Florida, Arizona, and Nevada) where the chain has a large presence, are beyond management's control.

The food products division has been the key profit driver of late. Powered by solid sales gains and wider operating margins, segment earnings rose 68% over the first three quarters of fiscal 2007. (The fiscal year ended April 25th.) Meanwhile, weak sales trends at the *Mimi's* chain, combined with higher commodity costs, have kept restaurant earnings in neutral. More-balanced division contributions seem likely in fiscal 2008, when we look for share net to advance 13%-15%, to $2.00. Our estimates assume that efforts to improve results at *Mimi's* begin to gain traction. On the other hand, the food products segment seems unlikely to get the same boost from declining hog costs, especially relative to pricing trends for many other food commodities.

Current store development plans lean heavily on *Mimi's*, which accounted for all but two of 19 units opened in fiscal 2007. The chain's struggles could force a reevaluation of this strategy. Management will likely provide details on its 2008 capital-spending plans shortly.

These shares are an unexciting selection at the moment. The stock is ranked to perform in line with the year-ahead market, and appreciation potential to 2011-2013 is below average.

Robert M. Greene, CFA *June 6, 2008*

(A) Fiscal year ends last Friday in April of following calendar year.
(B) Based on average shares out. through 1996, diluted thereafter. Excludes nonrecurring gains/(loss): '95, (33¢); '01, 7¢; '05, 18¢, '06, 8¢; '07 Q1-Q3, 8¢. Next earnings report due mid-August.
(C) Div'd payment dates are in early March, June, September, December.
m Div'd reinvestment plan available.
(D) In millions.
(E) Includes short-term debt.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	50
Earnings Predictability	65

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POPULAR, INC. NDQ-BPOP

RECENT PRICE 7.65 | P/E RATIO 15.3 (Trailing: NMF Median: 14.0) | RELATIVE P/E RATIO 0.95 | DIV'D YLD 8.4% | VALUE LINE

TIMELINESS 4 Lowered 7/18/08
SAFETY 3 Lowered 5/25/07
TECHNICAL 5 Lowered 8/22/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	15	(+95%)	23%
Low	10	(+30%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	88	83	93
to Sell	74	91	78
Hld's(000)	103276	115844	125807

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	14.3	18.8	18.9	14.4	18.3	18.0	24.0	29.0	28.7	22.0	19.0	14.2	4.9					
Low:	8.2	11.5	12.5	9.1	12.6	13.7	15.9	20.0	19.8	16.9	8.4	4.9						

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-44.6	-12.2
3 yr.	-69.8	7.2
5 yr.	-56.3	58.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.35	.40	.46	.52	.67	.75	.83	.92	.99	1.09	1.31	1.74	1.79	1.96	1.24	d.27	.50	.55	Earnings per sh A	.85
.10	.11	.13	.14	.17	.20	.25	.30	.32	.38	.40	.51	.62	.64	.64	.64	.64	.64	Div'ds Decl'd per sh B=	.68
2.88	3.19	3.44	3.95	4.40	5.18	5.93	5.75	6.41	7.97	9.10	9.66	10.95	11.82	12.32	12.12	11.00	11.30	Book Value per sh	12.45
261.24	261.86	262.71	263.59	264.35	270.73	271.27	271.31	272.00	272.72	264.88	265.78	266.58	275.96	278.74	280.03	282.00	284.00	Common Shs Outst'g C	290.00
9.1	9.1	8.6	8.3	9.3	13.9	18.6	16.6	11.6	13.6	12.0	11.1	13.1	12.5	15.6	15.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.55	.54	.56	.56	.58	.80	.97	.95	.75	.71	.66	.63	.69	.67	.84	.84			Relative P/E Ratio	1.00
3.2%	3.1%	3.2%	3.2%	2.8%	1.9%	1.6%	2.0%	2.8%	2.5%	2.5%	2.6%	2.6%	2.6%	3.3%	4.4%			Avg Ann'l Div'd Yield	5.3%
23160	25461	28057	30745	33660	36435	44402	48624	47404	44411	43000	45000	Total Assets ($mill)	56000
12167	13996	14943	16892	18116	21922	27554	30549	31495	27473	27000	29000	Loans ($mill)	39000
873.0	953.7	982.8	1077.0	1180.3	1284.7	1375.5	1424.2	1427.9	1449.4	1350	1400	Net Interest Inc ($mill)	1740
137.2	149.0	194.6	213.3	205.6	195.9	178.7	195.3	267.8	562.7	750	700	Loan Loss Prov'n ($mill)	590
282.3	372.9	465.1	465.5	523.7	626.0	608.8	785.3	809.5	694.3	1000	1100	Noninterest Inc ($mill)	1440
710.8	837.5	877.5	920.1	1029.0	1113.1	1171.0	1328.2	1485.1	1704.6	1400	1550	Noninterest Exp ($mill)	2200
232.4	257.6	276.1	304.5	351.9	470.9	489.9	537.1	357.7	d64.5	160	190	Net Profit ($mill)	290
24.3%	25.0%	26.8%	25.7%	25.0%	21.7%	22.8%	21.7%	23.0%	23.0%	20.0%	25.0%	Income Tax Rate	25.0%
1.00%	1.01%	.98%	.99%	1.05%	1.29%	1.10%	1.10%	.75%	NMF	.37%	.42%	Return on Total Assets	.52%
1432.2	1977.6	1451.9	4009.2	4567.9	7117.0	10306	9893.6	8737.2	4621.4	8000	10000	Long-Term Debt ($mill)	12000
1859.1	1811.0	1993.6	2272.8	2410.9	2754.4	3104.6	3449.2	3620.3	3581.9	3700	3800	Shr. Equity ($mill)	4200
8.0%	7.1%	7.1%	7.4%	7.2%	7.6%	7.0%	7.1%	7.6%	8.1%	8.5%	8.5%	Shr. Eq. to Total Assets	7.5%
52.5%	55.0%	53.3%	54.9%	53.8%	60.2%	62.1%	62.8%	66.4%	61.9%	63.0%	64.5%	Loans to Tot Assets	69.5%
12.5%	14.2%	13.8%	13.4%	14.6%	17.1%	15.8%	15.6%	9.9%	NMF	4.5%	5.0%	Return on Shr. Equity	7.0%
10.0%	10.9%	10.4%	9.1%	10.1%	13.1%	11.0%	10.9%	4.9%	NMF	NMF	NMF	Retained to Com Eq	3.0%
31%	34%	35%	35%	31%	29%	34%	34%	53%	53%	128%	116%	All Div'ds to Net Prof	68%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $9828.6 mill. Due in 5 Yrs $3446.8 mill.
LT Debt $3750.6 mill. LT Interest $250.0 mill.

Leases, Uncapitalized: None.
Pension Assets-12/07 $546.5 mill. Pension Oblig. $584.4 mill.

Pfd Stock $586.9 mill. Pfd. Div'd $45.0 mill.

Common Stock 281,738,612 shs.
As of 8/5/08
MARKET CAP: $2.2 billion (Large Cap)

ASSETS($MILL.)	2006	2007	6/31/08
Loans	31494.8	27472.6	25796.5
Funds Sold	266.5	883.7	880.5
Securities	11341.8	11873.7	9857.5
Other Earning	15.2	123.0	17.3
Other	4265.7	4058.4	5126.8
LIABILITIES($MILL.)			
Deposits	24438.3	28334.5	27115.7
Funds Borrowed	9796.6	6939.2	6075.9
Long-Term Debt	8737.2	4621.4	3750.6
Net Worth	3620.3	3581.9	3706.0
Other	811.8	934.4	1030.4
Total	47404.0	44411.4	41678.6
Loan Loss Reserv.	522.2	548.8	652.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	11.5%	11.5%	5.0%
Earnings	4.0%	-3.0%	-2.5%
Dividends	14.0%	12.0%	1.0%
Book Value	10.5%	9.0%	.5%
Total Assets	10.0%	8.0%	3.0%

Calendar	LOANS ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	27753	28203	29224	30549	
2006	30426	31126	30822	31495	
2007	31290	31581	32297	27473	
2008	25978	25770	26200	27000	
2009	28000	29000	29500	29000	

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.59	.48	.42	.47	1.96
2006	.42	.34	.28	.20	1.24
2007	.41	.28	.12	d1.06	d.27
2008	.36	.06	.04	.04	.50
2009	.12	.12	.15	.16	.55

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.135	.135	.160	.160	.59
2005	.160	.160	.160	.160	.64
2006	.160	.160	.160	.160	.64
2007	.160	.160	.160	.160	.64
2008	.160	.160	.160		

BUSINESS: Popular, Inc. is a bank-holding co., which offers financial services. Its principal subsidiary is Banco Popular, which operates primarily in Puerto Rico, with over 300 branches and 478 ATMs. Banco Popular North America has nearly 135 branches throughout The U.S. Banco Popular and its subsidiaries offer auto leasing, mortgages, personal loans, and information processing. Acquired GM Group, Inc., 6/99; Centro Finance, 5/00.; E-Loan, 11/05. Net loan losses, 1.31% of avg. loans in '07. As of 6/30/08 loan loss reserve 2.47% of loans. Non-perf. loans, 3.49% of tot. loans. Chrmn, Pres & CEO: Richard L. Carrion. Inc.: Puerto Rico. Addr.: Popular Center Building, 209 Munoz Rivera Ave. Hato Rey, Puerto Rico 00918 Phone: 787-765-9800. Internet: www.bpop.com.

Popular, Inc.'s results have weakened further. Net interest income declined about 9% during the second quarter of 2008, largely due to the sale of low-margined loans and assets. Average loans slipped about 15% during the quarter, as a result of these sales. Some of the reduction in loans was offset by a wider net interest margin. Improved profitability largely reflects a lower interest-rate environment, as well as an improved asset mix.

Credit quality continues to hurt profits. Net chargeoffs rose to 1.76% of loans during the second quarter, compared with 1.16% a year ago. Much of the increase was due to rising defaults at the commercial, construction, and consumer lending segments. Consequently, Popular has boosted its provision for loan losses to 163% of net chargeoffs, compared with 125% in the year-ago period. We expect the bank's credit quality to remain weak for a while, given the challenging economy and declining real estate market.

Meanwhile, Popular continues to restructure its business. In an effort to devote more of its resources to the Puerto Rican banking market, Popular will probably sell additional assets in the United States. The bank has raised capital by issuing $400 million of 8.25% preferred stock. Proceeds will be used to improve liquidity and to expand some divisions.

Some additional cost-cutting measures should also help the bottom line. Operating expense declined about 4% during the second quarter. The recent discontinuation of the North American mortgage and E-LOAN businesses has lowered professional fees and promotional expenses. Nonetheless, there will probably still have to be further cost reductions. We have reduced our earnings estimates by $0.40 per diluted share for 2008, and by $0.45 for 2009, at this time.

These shares have declined in rank to 4 (Below Average) in Timeliness. This reflects the weak earnings performance in the most recent quarter. Our projections indicate the stock offers good total return potential for the 3- to 5-year horizon. However, the issue's current dividend yield is considerably higher than usual, and the payout may be reduced if profits do not improve.

Adam Rosner *August 22, 2008*

(A) Diluted earnings. Next earnings report due late Oct.
(B) Dividends historically paid in early Jan., April, July, Oct. ■ Dividend reinvestment plan available.
(C) In millions, adjusted for splits.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	40
Earnings Predictability	25

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BRE PROPERTIES NYSE-BRE

RECENT PRICE 44.39 | P/E RATIO 38.6 (42.7 NMF) | RELATIVE P/E RATIO 2.54 | DIV'D YLD 5.2% | VALUE LINE

TIMELINESS 3 Raised 4/18/08
SAFETY 3 Lowered 4/18/08
TECHNICAL 2 Raised 7/11/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	10%
Low	40	(-10%)	3%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	1	1	0	2	0	0
to Sell	0	0	0	0	0	0	2	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	78	112	102
to Sell	84	61	81
Hld(000)	52172	52312	53302

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	8.99	9.12	8.99	10.89	14.13	16.85	17.30	17.27	16.28	15.94	15.75	16.64	15.76	15.12	19.18	18.20	18.15	18.45	Book Value ps [A B]	25.00
	1.22	1.32	1.22	1.26	1.66	1.61	2.10	2.34	2.39	2.61	2.59	2.29	2.10	2.37	2.67	2.59	2.75	2.90	Funds from Ops ps [E]	4.00
	1.28	1.51	1.02	1.08	1.21	1.37	1.41	1.55	1.60	1.69	1.60	.99	1.21	.92	1.06	.93	1.15	1.20	Earnings ps [B]	1.75
	1.20	1.20	1.20	1.26	1.31	1.38	1.44	1.56	1.70	1.86	1.95	1.95	1.95	2.00	2.05	2.15	2.25	2.35	Div'ds Decl'd ps [C]	2.65
	12.31	11.51	16.34	15.09	23.35	31.21	36.29	37.38	36.42	39.69	45.98	43.60	46.64	51.46	54.04	58.79	59.80	63.10	Loans & Real Est ps [A]	81.15
	15.84	21.84	21.84	21.84	32.84	41.74	44.22	44.68	45.90	45.81	45.87	49.99	50.42	51.31	50.93	50.74	51.00	51.50	Common Shs Outst'g [D]	53.00
	65%	65%	65%	58%	59%	54%	45%	50%	70%	83%	92%	78%	130%	171%	269%	315%			Premium Over Book	255%
	11.5	11.5	11.5	11.9	16.4	19.0	17.3	18.7	17.4	17.2	18.9	31.7	29.8	44.5	48.7	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	27.0
	.72	.70	.70	.72	1.02	.83	1.02	.95	.97	.96	1.05	1.40	1.57	2.35	2.62	NMF			Relative P/E Ratio	1.80
	6.7%	8.1%	8.1%	6.7%	6.6%	5.3%	5.7%	6.2%	6.1%	6.4%	6.8%	6.2%	5.4%	4.9%	3.7%	3.7%			Avg Ann'l Div'd Yield	5.6%
							203.2	234.3	235.7	263.7	271.8	275.1	280.6	298.1	318.6	345.2	350	370	Revenues ($mill)	500
							60.6	73.2	77.0	83.7	80.6	57.6	73.5	80.9	73.0	67.2	60.0	62.0	Net Profit ($mill) [B]	100
							29.8%	31.2%	32.7%	31.7%	29.7%	20.9%	26.2%	27.1%	22.9%	19.5%	17.0%	17.0%	Net Profit Margin	20.0%
							1604.9	1670.4	1671.9	1818.0	2061.7	2160.9	2460.4	2639.4	2752.3	2881.6	3050	3250	Loans & RE ($mill) [A]	4300
							.3	2.0	2.0	--	--	--	--	--	--	--	Nil	Nil	Loss Reserve ($mill)	Nil
							7.5%	4.9%	7.5%	6.5%	5.1%	4.5%	4.9%	6.0%	5.8%	5.7%	6.0%	6.0%	Avg Interest Paid	5.5%
							264.0	315.0	368.0	315.0	181.0	196.1	140.0	376.0	190.0	22.6	225	200	Short-Term Debt ($mill)	300
							517.1	464.4	457.3	723.0	992.8	936.3	1238.6	1184.6	1478.9	1896.5	1975	2500	Long-Term Debt ($mill)	3000
							765.0	825.2	801.1	784.0	851.2	960.5	1046.6	1026.1	976.8	923.2	925	850	Shr Equity ($mill)	1325
							55.9%	54.2%	51.3%	52.0%	46.2%	49.1%	45.8%	46.5%	36.9%	32.5%	30.0%	32.5%	Cap Funds to Tot Cap	35.0%
							4.3%	4.5%	4.7%	4.5%	4.1%	4.5%	4.2%	4.9%	4.2%	4.1%	4.5%	4.5%	Expenses to Assets	4.0%
							6.1%	7.1%	7.4%	8.8%	7.4%	6.0%	6.0%	7.0%	4.3%	3.8%	3.5%	3.5%	Return on Total Cap'l	4.5%
							7.9%	8.9%	8.6%	10.7%	9.5%	6.0%	7.0%	8.0%	7.4%	7.3%	6.5%	6.5%	Return on Shr Equity	7.5%

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.5	-18.0
3 yr.	17.0	11.3
5 yr.	84.2	63.2

CAPITAL STRUCTURE as of 3/31/08
ST Debt $77.0 mill. Due in 5 Yrs $1130.0 mill.
LT Debt $1890.3 mill. LT Interest $85.0 mill.
(Total interest coverage: 1.8x) (67% of Cap'l)

Pfd Stock $250.0 mill. Pfd.Div'd $16.1 mill.
7 mill. shs. Series B, C, and D. All cum. and stated at liquid. value $25 a sh. (9% of Cap'l)

Common Stock 51,008,274 shares as of 4/29/08
No Defined Benefit Pension Plan
MARKET CAP: $2.3 billion (Mid Cap)

FUNDS FLOW($mill.)	2006	2007	3/31/08
Net Profit Plus			
Noncash charges	194.5	146.2	146.2
Investments Repaid	237.5	103.4	103.4
Net New Debt	110.0	247.3	247.3
New Equity	129.5	-53.7	-53.7
Investments Funded	297.1	216.4	216.4
Dividends Declared	122.7	125.9	125.9

FINANCIAL POSITION	3/31/07	3/31/08
Senior Debt (mill.)	1590.0	1540.0
Subordinated Debt (mill.)	--	--
Sr Debt/Cap'l Funds	.62:1	.63:1
Total Debt/Equity	1.91:1	2.16:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter (mill.)	--	--
Loss Reserve—%/Invests.	--	--

Calendar	LOANS & REAL ESTATE ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	2531.0	2583.4	2591.0	2639.4
2006	2718.6	2569.6	2598.7	2752.3
2007	2799.8	2852.3	2878.5	2881.6
2008	2910.8	2950	3000	3050
2009	3100	3150	3200	3250

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.14	.16	.13	.49	.92
2006	.06	.57	.20	.23	1.06
2007	.21	.26	.21	.25	.93
2008	.23	.34	.27	.31	1.15
2009	.24	.35	.28	.33	1.20

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sept.30	Dec.31	Full Year
2004	.488	.488	.488	.488	1.95
2005	.50	.50	.50	.50	2.00
2006	.513	.513	.513	.513	2.05
2007	.538	.538	.538	.538	2.15
2008	.563	.563			

BUSINESS: BRE Properties, Inc., formerly BankAmerica Realty, is a real estate investment trust specializing in income-producing multifamily properties. Owns 21,808 units in California, Arizona, Washington, and Colorado. Portfolio at 12/31/07: real property, 99%; mortgages and other, 1%. Major sources of 2007 Net Operating Income by market: Los Angeles/Orange County, 25%; San Diego, 20%; San Francisco, 18%; Seattle, 14%; other, 23%. Officers and directors own 3.5% of outstanding stock; Deutsche Bank AG, 10.3%; Cohen & Steers, 8.7%; LaSalle Investment Mgmt., 8.4% (3/08 Proxy). Org.: DE. Pres. & CEO: Constance B. Moore. Address: 525 Market Street, San Francisco, CA 94105. Telephone: 415-445-6530. Internet: www.breproperties.com.

BRE Properties is holding its own despite the economic crunch. Net operating income (NOI) will likely increase 4%–5% this year, buoyed by newly developed properties coming on line, and continued occupancy stabilization efforts. Indeed, occupancy levels averaged 94.3% in the March quarter—versus 93.3% in the year-ago period—and should hold steady at 94%–95% for the remainder of 2008. Further, we expect same-store market rents to advance 4%–5% this year, which should give revenues a slight boost.

The company's portfolio is still a mixed bag. BRE's holdings in San Diego, San Francisco, and Seattle are doing well, thanks to solid local fundamentals and the lack of oversupply evident in more hard-hit markets. Indeed, the rash of overbuilding that helped cripple the economy is on display in Phoenix and several California markets, including Orange County, Sacramento, and the Inland Empire region. And, as demand for single-family homes vanished, many of the troubled properties have been converted into rentals, pushing first-quarter rent concessions (throw-ins to lure renters) to 3.7 days rent, up from 3.0 days in the prior year.

Funds from operations (FFO) ought to make solid progress this year, and next. In all, revenues will likely edge up 1%–2% in 2008, before possibly increasing 5%–6% in 2009. And, FFO may advance 5%–7% in each of the next two years.

BRE has several developments in the pipeline. The company is increasingly developing its own projects from the ground up, as opposed to buying existing properties. Although ground-up development typically provides higher returns than acquisitions, revenues and costs may be difficult to pinpoint in advance, which introduces an additional element of risk. BRE currently has seven properties in various stages of development, representing over 2,000 units at a projected cost of nearly $850 million. The parcels, located in Seattle, and in northern and southern California, should bear fruit in the 2010–2013 time frame.

The main attraction for neutrally ranked BRE stock is a solid dividend yield, making this a good selection for income-minded accounts.

Sharif Abdou July 18, 2008

(A) Fiscal year ends July 31st before 1996; calendar year thereafter.
(B) Starting in '06, net profit represents income from continuing operations, earnings per share represent net income available to common shareholders. Next egs. report due late July.
(C) Div'd paid late Mar., Jun., Sep., Dec.
(D) In millions, adjusted for stock split.
(E) FFO: '08: Q1, $0.68; '07: Q4, $0.69; Q3, $0.62; Q2, $0.68; Q1, $0.61.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	80
Earnings Predictability	65

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HEARING EXHIBIT 00000298

BROWN & BROWN NYSE-BRO

RECENT PRICE 18.57 | P/E RATIO 15.5 (Trailing: 15.2 Median: 22.6) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 4 Lowered 2/22/08
SAFETY 2 Raised 5/28/04
TECHNICAL 3 Raised 8/15/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+85%)	18%
Low	30	(+60%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	1	0	2	1	0	0
Options	0	0	0	0	0	1	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	112	105	97
to Sell	104	101	106
Hld's(000)	94981	93489	93675

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	.81	.94	.97	1.02	1.14	1.23	1.42	1.61	1.80	2.89	3.34	4.02	4.68	5.64	6.27	6.82	6.95	7.55	Revenues per sh	9.35
	.12	.15	.19	.20	.23	.26	.30	.36	.40	.60	.77	.99	1.16	1.39	1.57	1.74	1.65	1.75	"Cash Flow" per sh	2.35
	.05	.08	.13	.14	.16	.19	.22	.25	.28	.43	.61	.80	.93	1.08	1.24	1.35	1.20	1.30	Earnings per sh A	1.80
	.03	.03	.04	.04	.04	.04	.05	.08	.07	.08	.10	.12	.15	.17	.21	.25	.28	.32	Div'ds Decl'd per sh B	.36
	.02	.02	.02	.05	.04	.03	.32	.05	.04	.09	.05	.12	.07	.10	.11	.22	.20	.20	Cap'l Spending per sh	.20
	.22	.27	.43	.52	.65	.74	.78	.94	1.04	1.39	2.87	3.63	4.51	5.48	6.64	7.80	8.80	9.80	Book Value per sh D	13.55
	61.25	100.31	102.62	104.18	103.87	104.86	107.98	109.76	118.73	126.39	136.36	137.12	138.32	139.38	140.02	140.67	140.00	140.00	Common Shs Outst'g C	140.00
	25.3	19.5	12.7	13.7	13.0	15.3	20.8	17.8	21.4	26.2	25.7	20.0	22.0	22.3	24.4	18.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.53	1.15	.83	.92	.81	.88	1.08	1.01	1.39	1.34	1.40	1.14	1.16	1.19	1.32	1.04			Relative P/E Ratio	1.20
	2.9%	2.2%	2.1%	2.1%	2.0%	1.6%	1.1%	1.3%	1.1%	.7%	.6%	.8%	.7%	.7%	.7%	1.0%			Avg Ann'l Div'd Yield	1.1%
							153.8	176.4	209.7	365.0	455.7	551.0	646.9	785.8	878.0	959.7	975	1060	Revenues ($mill)	1310
							30.8%	32.1%	32.3%	32.5%	35.2%	37.3%	37.9%	38.4%	38.9%	39.4%	37.0%	37.0%	Operating Margin	40.0%
							9.4	11.8	13.2	22.4	21.3	25.7	31.1	43.3	47.8	53.2	58.0	62.0	Depreciation ($mill)	74.0
							23.1	27.2	33.2	53.9	83.1	110.3	128.8	150.6	172.4	181.0	170	185	Net Profit ($mill)	255
							38.5%	38.5%	38.5%	38.5%	36.6%	37.5%	37.7%	38.3%	38.5%	38.7%	40.0%	40.0%	Income Tax Rate	40.0%
							15.0%	15.4%	15.8%	14.8%	18.2%	20.0%	19.9%	19.2%	19.6%	19.9%	17.4%	17.5%	Net Profit Margin	19.5%
							3.1	d6.6	4.3	d50.1	34.6	42.0	174.9	37.0	57.5	31.3	30.0	20.0	Working Cap'l ($mill)	60.0
							17.2	3.9	2.7	78.2	57.6	41.1	227.1	214.2	226.3	227.7	250	250	Long-Term Debt ($mill)	220
							84.2	103.0	121.9	175.3	391.6	498.0	624.3	764.3	929.3	1097.5	1230	1370	Shr. Equity ($mill)	1900
							23.0%	25.7%	26.9%	22.4%	19.0%	20.8%	15.6%	16.1%	15.5%	14.9%	12.0%	12.0%	Return on Total Cap'l	12.5%
							27.4%	26.4%	27.2%	30.8%	21.2%	22.2%	20.6%	19.7%	18.5%	17.4%	14.0%	13.5%	Return on Shr. Equity	13.5%
							20.9%	20.3%	21.0%	25.2%	17.8%	18.8%	17.4%	16.6%	15.4%	14.2%	10.5%	10.0%	Retained to Com Eq	10.5%
							24%	23%	23%	18%	16%	15%	16%	16%	17%	18%	23%	21%	All Div'ds to Net Prof	20%

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 3/98
2-for-1 split 6/00
2-for-1 split 11/01
2-for-1 split 11/05
Options: Yes
Shaded area indicates recession

High: 3.9 5.3 5.1 9.0 15.8 18.5 18.8 23.4 31.9 35.3 29.2 23.7
Low: 2.1 3.6 3.7 3.9 7.2 12.0 13.4 16.0 21.0 27.1 23.1 16.3

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-30.8	-12.2
3 yr.	-16.5	7.2
5 yr.	18.4	58.6

CAPITAL STRUCTURE as of 6/30/08
Total Debt $260.7 mill. Due in 5 Yrs $114.2 mill.
LT Debt $253.6 mill. LT Interest $14.6 mill. (18% of Cap'l)
Leases, Uncapitalized: Annual rentals $33.4 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 140,708,698 shs. as of 8/5/08

MARKET CAP: $2.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	330.7	292.6	215.6
Receivables	282.4	240.7	264.2
Other	35.1	54.1	49.5
Current Assets	648.2	587.4	529.3
Accts Payable	486.6	454.0	477.5
Debt Due	18.1	11.5	7.1
Other	86.0	90.6	73.7
Current Liab.	590.7	556.1	558.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.5%	18.5%	10.5%
"Cash Flow"	21.0%	21.5%	11.0%
Earnings	22.5%	22.5%	12.0%
Dividends	17.5%	20.5%	11.5%
Book Value	26.5%	30.5%	16.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	202.4	195.9	190.6	196.9	785.8
2006	230.6	220.8	212.0	214.6	878.0
2007	258.5	246.7	237.3	217.2	959.7
2008	256.7	241.7	240	236.6	975
2009	275	270	265	250	1060

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.31	.27	.25	.25	1.08
2006	.36	.32	.29	.27	1.24
2007	.42	.37	.33	.23	1.35
2008	.37	.29	.28	.26	1.20
2009	.40	.32	.30	.28	1.30

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.035	.035	.035	.04	.15
2005	.04	.04	.04	.05	.17
2006	.05	.05	.05	.06	.21
2007	.06	.06	.06	.07	.25
2008	.07	.07	.07		

BUSINESS: Brown & Brown operates an insurance brokerage firm that markets property/casualty products and services to commercial, professional, and individual customers. The company's property insurance protects against physical damage to property and the resultant interruption of business caused by firestorm, windstorm, or other perils. Casualty insurance relates to legal liabilities, workers' compensation, commercial and private automobile insurance, and fidelity and surety insurance. Has about 5,050 empls. Off./ dir. own 20.5% of stock; J. Hyatt Brown, 15.3%; Ruane, Cunniff & Goldfarb, 8.0% (4/08 Proxy). Chairman and CEO: J. Hyatt Brown. Inc. Fl. Address: 220 South Ridgewood Ave., Daytona Beach, FL 32114. Telephone: 386-252-9601. Internet: www.bbinsurance.com.

Brown & Brown's June-interim results fell short of our expectations. The company posted share earnings of $0.29, which was $0.04 below our estimate and $0.08 below the prior year's tally. The effects of the softened insurance premium environment and the overall economic difficulties are being felt. Particularly, some property/casualty policies were renewed at rates 15%–30% less than expiring premiums. These reductions, along with greater competition and weakness in the retail segment, especially in Florida, led to a 2% decline in revenues. And if it not for acquisitions, Brown would have fared worse. Indeed, takeovers of small insurance companies continue to be the primary driver of top-line gains, with the insurer closing 25 deals so far this year.

We expect earnings to rebound 8% in 2009, to $1.30. Insurance rates across most segments of the industry will likely remain pressured in the year ahead, especially as competition intensifies. Thus, we anticipate minimal growth of commissions and fees. As a result, additional acquisitions will likely be pursued to boost revenues. All told, given Brown's history, we have factored in a small amount of takeovers into our estimates.

Prospects over the 3- to 5-year time frame are healthier. The top and bottom lines should advance at a low annual double-digit pace over this period, assuming synergies are realized through the insurer's consolidation strategy. There are many small indemnity businesses in the U.S. that are potential takeover targets. Furthermore, our outlook for a brighter economic picture in the years ahead augurs well for investment income.

This equity has trended downward over the past three months, and is ranked to underperform the broader market indices over the next year. Moreover, the selection's recovery potential over the 2011–2013 haul is tempered by the soft premium pricing environment and cloudy earnings visibility going forward. For now, we advise most investors to approach with caution. However, these shares may hold some appeal for conservative long-term portfolios, given their Above Average mark for Safety (2) and relatively moderate level of volatility.

Randy Shrikishun *August 22, 2008*

(A) Diluted earnings. Next earnings report due late October.
(B) Dividend historically paid in mid-February, May, August, and November.
(C) In millions, adjusted for splits.
(D) Includes intangibles. In '07: $1289.6 million, $9.17 a share.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	85
Earnings Predictability	90

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BORGWARNER INC. NYSE-BWA

RECENT PRICE 49.16 | P/E RATIO 16.4 (Trailing: 18.3 Median: 12.0) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 2 Raised 6/6/08
SAFETY 3 New 8/11/95
TECHNICAL 3 Raised 6/20/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+40%)	10%
Low	45	(-10%)	-1%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	1	1	0	0	0	0
to Sell	0	0	2	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	111	159	159
to Sell	114	105	145
Hld's(000)	108630	111097	110826

	High:	15.4	17.1	15.0	11.3	13.8	17.2	21.4	27.3	30.9	33.7	53.0	66.0	Target Price Range 2011	2012	2013
	Low:	9.6	8.3	9.2	7.4	8.5	9.6	10.8	19.2	22.4	25.2	29.0	40.2			

LEGENDS
5.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/04
2-for-1 split 12/07
Options: Yes
Shaded area indicates recession

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	23.9	-9.7
3 yr.	99.0	27.3
5 yr.	274.2	85.8

BorgWarner Inc., formerly Borg-Warner Automotive, was incorporated in Delaware on January 27, 1993, after having been a wholly owned subsidiary of Borg-Warner Security. The company's stock was distributed by B-W Security as a dividend to its stockholders. On August 13, 1993, B-W Automotive made an initial public offering of 7,320,600 shares at $12.50 (split-adjusted), led by Merrill Lynch. These shares trade on the NYSE under the ticker symbol BWA.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $729.6 mill. Due in 5 Yrs $729.6 mill.
LT Debt $448.7 mill. LT Interest $35.0 mill.
(LT Interest earned: 11.5x; total interest coverage: 11.3x) (15% of Cap'l)
Leases, Uncapitalized $26.7 mill.

Pension Assets-12/07 $526.6 mill. Oblig. $662.0 mill.
Pfd Stock None

Common Stock 116,104,528 shs.

MARKET CAP: $5.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	182.4	203.1	215.2
Receivables	744.0	802.4	955.1
Inventory (LIFO)	386.9	447.8	471.8
Other	124.2	127.2	125.0
Current Assets	1437.5	1580.3	1767.1
Accts Payable	843.4	993.0	1035.6
Debt Due	151.7	63.7	282.9
Other	39.7	27.2	17.9
Current Liab.	1034.8	1083.9	1336.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	9.5%	10.5%	14.5%
"Cash Flow"	9.5%	13.0%	16.0%
Earnings	9.5%	14.0%	18.5%
Dividends	8.0%	15.5%	18.5%
Book Value	9.5%	11.0%	17.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1083.5	1111.4	1050.9	1048.0	4293.8
2006	1155.2	1168.7	1059.8	1201.7	4585.4
2007	1277.8	1364.3	1313.6	1372.9	5328.6
2008	1498.9	*1525*	*1450*	*1501.1*	*5975*
2009	*1550*	*1650*	*1600*	*1700*	*6500*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.48	.57	.50	.60	2.15
2006	.53	.60	.39	.50	2.02
2007	.59	.65	.56	.73	2.53
2008	.75	*.75*	*.65*	*.85*	*3.00*
2009	*.80*	*.85*	*.80*	*.95*	*3.40*

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.062	.062	.063	.063	.25
2005	.07	.07	.07	.07	.28
2006	.08	.08	.08	.08	.32
2007	.085	.085	.085	.085	.34
2008	.11	.11			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	19.63	23.00	25.22	22.30	26.50	27.82	31.28	37.58	39.74	45.89	*51.05*	*55.10*	Revenues per sh	*65.85*
	1.99	2.39	2.65	2.20	2.50	3.05	3.41	4.40	4.25	4.84	*5.20*	*5.70*	"Cash Flow" per sh	*7.40*
	1.00	1.27	1.25	.81	1.40	1.60	1.83	2.15	2.02	2.53	*3.00*	*3.40*	Earnings per sh A	*4.90*
	.15	.15	.15	.15	.16	.16	.25	.28	.32	.34	*.44*	*.56*	Div'ds Decl'd per sh B=	*.80*
	1.31	1.34	1.59	1.34	1.34	1.56	1.82	2.16	2.33	2.53	*2.65*	*2.75*	Cap'l Spending per sh	*3.05*
	8.31	9.89	10.36	10.47	9.52	11.43	13.61	14.39	16.25	19.99	*20.95*	*22.45*	Book Value per sh C	*27.50*
	93.55	106.90	104.90	105.46	103.04	110.31	112.71	114.26	115.38	116.13	*117.00*	*118.00*	Common Shs Outst'g D	*120.00*
	12.8	*9.5*	7.3	14.1	10.0	10.1	12.3	12.8	14.7	16.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
	.67	.54	.47	.72	.55	.58	.65	.68	.78	.88			Relative P/E Ratio	*.80*
	1.2%	1.3%	1.6%	1.3%	1.1%	1.1%	1.1%	1.1%	1.1%	.8%			Avg Ann'l Div'd Yield	*1.1%*
	1836.8	2458.6	2645.9	2351.6	2731.1	3069.2	3525.3	4293.8	4585.4	5328.6	*5975*	*6500*	Revenues ($mill)	*7900*
	13.7%	14.9%	15.1%	13.4%	13.2%	14.0%	13.9%	14.3%	13.3%	12.8%	*13.5%*	*13.5%*	Operating Margin	*14.0%*
	91.6	*123.4*	*145.5*	*146.2*	*108.1*	*161.3*	*177.0*	*255.5*	*256.6*	*264.6*	*260*	*270*	Depreciation ($mill)	*300*
	94.7	132.3	132.7	85.4	149.9	174.9	206.9	247.1	233.6	297.9	*350*	*400*	Net Profit ($mill)	*590*
	32.7%	36.1%	37.3%	36.5%	33.0%	28.5%	30.0%	15.1%	12.4%	24.3%	*27.0%*	*27.0%*	Income Tax Rate	*27.0%*
	5.2%	5.4%	5.0%	3.6%	5.5%	5.7%	5.9%	5.8%	5.1%	5.6%	*5.9%*	*6.2%*	Net Profit Margin	*7.5%*
	d78.0	d101.5	d119.3	d13.7	115.3	354.3	410.5	46.6	402.7	496.4	*575*	*680*	Working Cap'l ($mill)	*1050*
	248.5	846.3	740.4	701.4	632.3	634.0	568.0	440.6	569.4	572.6	*550*	*550*	Long-Term Debt ($mill)	*550*
	777.3	1057.5	1087.1	1104.2	981.4	1260.4	1534.2	1644.2	1875.4	2321.2	*2450*	*2650*	Shr. Equity ($mill)	*3300*
	10.1%	8.0%	8.7%	6.0%	10.3%	10.0%	10.5%	12.7%	10.3%	10.8%	*12.5%*	*13.5%*	Return on Total Cap'l	*16.0%*
	12.2%	12.5%	12.2%	7.7%	15.3%	13.9%	13.5%	15.0%	12.5%	12.8%	*14.5%*	*15.0%*	Return on Shr. Equity	*18.0%*
	10.4%	11.0%	10.7%	6.3%	13.6%	12.3%	11.7%	12.6%	9.7%	10.4%	*11.5%*	*12.0%*	Retained to Com Eq	*15.5%*
	15%	12%	12%	19%	11%	11%	13%	16%	22%	19%	22%	20%	All Div'ds to Net Prof	*20%*

BUSINESS: BorgWarner Inc. is a supplier of highly engineered components and systems for automotive powertrain applications. Products, sold to original equipment manufacturers, include four-wheel and all-wheel drive transfer cases, manual and automatic transmissions, clutches, and torque converters. Ford accounted for *12% of 2007 sales; Volkswagen, 15%; Daimler, 6%. Operates 62* facilities in 16 countries. Foreign operations were 65% of 2007 sales. Has about 17,700 employees. UBS AG owns 11.1% of common stock; AXA Financial, 5.2%; officers & directors, 1.5% (3/08 proxy). Chairman & CEO: Timothy M. Manganello. Incorporated: DE. Address: 3850 Hamlin Road, Auburn Hills, MI 48326. Telephone: 248-754-9200. Internet: www.borgwarner.com.

BorgWarner has gotten off to a good start in 2008. During the first quarter, the company reported year-over-year sales growth of 17%, with particularly strong expansion coming from Europe and Asia. Excluding the impact of foreign currency, international sales advanced 15%, while U.S. sales declined 4%, owing to lower U.S. auto production. Despite ongoing weakness in the U.S. market, the company continues to see strong demand for its product technologies that improve fuel efficiency, lower emissions, and provide better vehicle performance. These factors allowed share net to rise 27% from the year-ago period.

We are raising our 2008 top- and bottom-line estimates by $125 million and a dime, respectively, to $5.975 billion and $3.00 per share. We expect the Engine group to continue to be the primary driver of the advance, thanks to strong global demand for its turbochargers, engine timing, ignition, and emissions products. This should more than offset the likelihood of continued weakness in the U.S. auto market. We also anticipate solid gains from the Drivetrain division, which ought to benefit from increased demand for dual-clutch transmission and torque transfer products.

BorgWarner continues to expand its global footprint. The company recently announced that it plans to invest $125 million to increase its global turbocharger capacity by more than three million units over the next several years. This ought to help support new business awards in North America, Europe, and Asia. Management believes demand for these products should grow at a 40% clip over the next five years. The company is also opening manufacturing facilities in Germany and Mexico to serve the growing market for dual-clutch technologies.

We have raised the Timeliness rank for these shares to 2 (Above Average). Robust international demand, particularly for turbochargers, should allow for strong earnings gains over the next few quarters. However, over the coming 3- to 5-year period, these shares offer below-average appreciation potential at the current quote, and are, in fact, trading within our 3- to 5-year Target Price Range.

Jason Dalavagas *June 27, 2008*

(A) Diluted earnings. Excludes nonrecurring gain/(loss): '00, ($1.47); '01, ($0.72); '02, ($10.02); '05, ($0.13); '06, ($0.38); '07, ($0.09). Next earnings report due late July.
(B) Dividends historically paid in mid-February, May, August, and November.
= Dividend reinvestment plan available.
(C) Includes intangibles. In '07, $1168.2 million, $10.06/share.
(D) In millions, adjusted for splits.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	80
Earnings Predictability	85

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BOARDWALK PIPELINE NYSE-BWP

RECENT PRICE 28.18 | P/E RATIO 16.6 (Trailing: 15.2 Median: NMF) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 6.9% | VALUE LINE

TIMELINESS — E
SAFETY 3 New 6/15/07
TECHNICAL — E
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+75%)	20%
Low	30	(+5%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	2	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	50	47	42
to Sell	35	36	46
Hld's(000)	70110	76872	78524

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 19.5 31.6 39.2 32.3
Low: 17.6 17.6 28.8 21.2

Target Price Range 2011 | 2012 | 2013

128 96 80 64 48 40 32 24 16 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-19.7	-9.7
3 yr.	—	27.3
5 yr.	—	85.8

Percent shares traded 7.5 5 2.5

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	--	--	--	--	--	--	--	--	5.53	5.61	5.20	5.20	6.15	Revenues per Unit	7.45
--	--	--	--	--	--	--	--	--	--	--	--	--	1.68	2.53	2.50	2.35	2.65	"Cash Flow" per Unit	3.45
--	--	--	--	--	--	--	--	--	--	--	--	--	.95	1.85	1.87	1.70	1.80	Earnings per Unit [A]	2.50
--	--	--	--	--	--	--	--	--	--	--	--	--	.18	1.56	1.74	1.88	2.05	Dist. Decl'd per Unit [B]	2.30
--	--	--	--	--	--	--	--	--	--	--	--	--	.82	1.85	9.78	12.00	12.50	Cap'l Spending per Unit	4.00
--	--	--	--	--	--	--	--	--	--	--	--	--	9.76	11.76	14.57	17.65	19.40	Book Value per Unit [C]	22.00
--	--	--	--	--	--	--	--	--	--	--	--	--	101.35	108.25	123.75	150.00	160.00	Units Outst'g [D]	168.00
--	--	--	--	--	--	--	--	--	--	--	--	--	19.7	13.3	18.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
--	--	--	--	--	--	--	--	--	--	--	--	--	1.05	.72	.96			Relative P/E Ratio	1.05
--	--	--	--	--	--	--	--	--	--	--	--	--	1.0%	6.3%	5.1%			Avg Ann'l Div'd Yield	5.8%
--	--	--	--	--	--	--	--	--	--	--	--	--	263.6	560.5	607.6	643.3	780	980	Revenues ($mill)	1250
--	--	--	--	--	--	--	--	--	--	--	--	--	81.7%	54.8%	57.4%	57.9%	57.0%	58.0%	Operating Margin	58.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	34.0	72.1	75.8	81.8	90.0	110	Depreciation ($mill)	140
--	--	--	--	--	--	--	--	--	--	--	--	--	48.8	95.8	197.6	227.8	260	310	Net Profit ($mill)	440
--	--	--	--	--	--	--	--	--	--	--	--	--	39.8%	37.2%	.1%	.3%	Nil	Nil	Income Tax Rate	Nil
--	--	--	--	--	--	--	--	--	--	--	--	--	18.5%	17.1%	32.5%	35.4%	33.3%	31.6%	Net Profit Margin	35.2%
--	--	--	--	--	--	--	--	--	--	--	--	--	64.2	4.0	319.8	66.4	40.0	100	Working Cap'l ($mill)	400
--	--	--	--	--	--	--	--	--	--	--	--	--	1106.1	1101.3	1350.9	1847.9	2200	3000	Long-Term Debt ($mill)	3400
--	--	--	--	--	--	--	--	--	--	--	--	--	1092.9	988.7	1272.5	1803.0	2650	3100	Partners' Capital	3700
--	--	--	--	--	--	--	--	--	--	--	--	--	2.9%	6.0%	6.8%	7.1%	7.0%	6.5%	Return on Total Cap'l	7.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	4.5%	9.7%	15.5%	12.6%	10.0%	10.0%	Return on Partners' Cap'l	12.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	1.7%	NMF	4.8%	1.3%	NMF	NMF	Retained to Part.'s Cap	1.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	61%	NMF	69%	90%	NMF	NMF	All Dist. to Net Prof	92%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2095.8 mill. Due in 5 Yrs None
LT Debt $2095.8 mill. LT Interest $115.0 mill.
(total interest coverage 4.8x)
(54% of Cap'l)

Leases, Uncapitalized: $6.7 mill.
Pension Assets-12/07 $ 91.3 mill. Oblig. $108.5 Mill.

Partners' Units 123,750,000 units.
As of 4/23/08

MARKET CAP: $3.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	399.0	317.3	36.4
Receivables	86.1	87.1	95.9
Inventory (Avg Cst)	28.1	16.6	18.9
Other	35.0	34.6	41.9
Current Assets	548.2	455.6	193.1
Accts Payable	56.6	190.6	164.7
Debt Due	--	--	--
Other	171.8	198.7	139.6
Current Liab.	228.4	369.3	324.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	--	5.5%
"Cash Flow"	--	--	7.5%
Earnings	--	--	8.0%
Dividends	--	--	12.0%
Book Value	--	--	10.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	170.9	120.9	118.3	150.4	560.5
2006	174.4	128.7	133.0	171.5	607.6
2007	188.1	150.5	134.8	169.9	643.3
2008	197.3	190	190	202.7	780
2009	240	240	250	250	980

Calendar	EARNINGS (PER UNIT) [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	--	--	--	--	--
2006	.60	.35	.35	.55	1.85
2007	.61	.35	.35	.54	1.87
2008	.60	.32	.34	.44	1.70
2009	.62	.34	.38	.46	1.80

Calendar	QUARTERLY DIST. (PER UNIT) [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	.179	.360	.380	.400	1.32
2007	.415	.430	.440	.450	1.74
2008	.460	.465			

BUSINESS: Boardwalk Pipeline Partners, LP, through its subsidiaries, engages in the interstate transportation, gathering, and storage of natural gas in the United States. Customers include local gas distribution companies, municipalities, interstate and intrastate pipelines, direct industrial users, electric power generators, marketers, and producers. The limited partnership owns and operates two natural gas pipeline systems with about 13,550 miles of pipeline, serving customers in 11 states. Boardwalk GP, LP serves as the general partner of the company. Loews Corp. owned 68% equity, as of 12/31/07. Has about 1,084 employees. CEO: Rolf A. Gafvert. Address: 3800 Frederica Street, Owensboro, KY 42301. Telephone: 270-926-8686. Internet: www.boardwalkpipelines.com.

Boardwalk Partners' top line increased moderately during the first quarter of 2008. Much of the strength was the result of a 15% advance in revenues at the mainstay Gas Transportation segment. Contributions at this segment, which account for nearly 90% of the top line, got a lift from the East Texas to Mississippi Pipeline Expansion project. This helped boost transportation volumes and improved rates considerably during the March quarter.

Meanwhile, other segments reported mixed results. Revenue at the Gas storage segment benefited from increased capabilities associated with the Western Kentucky Storage Expansion project. Elsewhere, results at the Parking and Lending segment declined considerably during the quarter, due to lower natural gas prices. Revenue at this segment, which is largely tied to natural gas prices, will probably remain weak for the remainder of 2008.

Nonetheless, the year-ahead outlook has weakend a bit. Although net income rose about 10% during the first quarter, earnings per diluted unit declined slightly, reflecting a larger number of limited partnership units outstanding. Ongoing equity issuances (see below) will probably hurt results for a while. We are dramatically reducing our earnings estimates for 2008 and 2009 at this time as a result.

Boardwalk will likely continue to expand its assets. The partnership's current expansion program represents a total investment of about $4.7 billion. Boardwalk has invested about $1.7 billion in these projects so far, and will likely complete the program by the first quarter of 2009. Boardwalk has announced that it will soon receive $700 million in equity financing from majority owner Loews Corp. sometime in the second quarter of 2008. It also has a $1 billion credit facility available. Elsewhere, Boardwalk has done a good job of managing its projects.

This relatively untested equity continues to exhibit choppy trading patterns. Still, our current projections indicate that this issue offers worthwhile total return potential for the next 3 to 5 years. The issue's dividend yield also remains attractive, and should provide some downward support, as well.

Adam Rosner *June 13, 2008*

(A) Based on average diluted units outstanding. Qtly. egs. may not sum due to rounding. Next earnings report due late July.
(B) Historically distributions paid mid-February, May, August, and November.
(C) Includes intangibles. At 12/31/07: $163.5 mill., $1.32/sh.
(D) In millions.
(E) Shares are unranked due to short trading history.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	NMF
Earnings Predictability	NMF

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HEARING EXHIBIT 00000301

CA, INC. NYSE-CA

RECENT PRICE 24.22 | P/E RATIO 20.5 (Trailing: 22.6 Median: NMF) | RELATIVE P/E RATIO 1.27 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 2 Lowered 5/23/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 6/27/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+150%)	26%
Low	40	(+65%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	124	195	147
to Sell	143	106	159
Hld's(000)	369671	364894	359455

	High:	57.5	61.9	70.6	79.4	39.0	38.7	29.3	31.7	31.3	29.5	28.5	26.7
	Low:	24.8	26.0	32.1	18.1	16.3	7.5	12.4	22.4	26.0	19.0	22.9	20.2

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 9/95
3-for-2 split 7/96
3-for-2 split 11/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-3.6	-12.2
3 yr.	-10.8	7.2
5 yr.	-3.1	58.8

Percent shares traded: 18, 12, 6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
3.25	3.90	4.85	6.43	7.44	8.64	9.81	11.48	9.67	5.14	5.41	5.62	6.01	6.64	7.51	8.33	8.45	9.40	Sales per sh[A F]	10.85
.80	1.10	1.56	2.12	2.56	2.82	3.04	3.59	1.89	d.01	.60	1.16	1.32	1.29	1.18	1.50	2.00	2.25	"Cash Flow" per sh	2.70
.43	.69	1.03	1.32	1.69	2.10	2.31	2.74	1.61	d1.91	d.46	.13	.33	.26	.21	.94	1.30	1.45	Earnings per sh[B F]	1.60
.03	.04	.06	.06	.07	.08	.08	.08	.08	.08	.08	.08	.08	.16	.16	.16	.16	.16	Div'ds Decl'd per sh[C]	.24
.39	.05	.07	.04	.10	.15	.41	.34	.15	.04	.05	.05	.12	.25	.29	.23	.25	.30	Cap'l Spending per sh	.35
1.86	2.26	2.82	2.72	2.77	4.54	5.09	11.94	10.04	8.00	7.57	8.10	8.25	8.19	7.03	7.22	8.45	8.85	Book Value per sh[D]	14.00
566.43	550.29	540.47	544.97	542.95	546.05	535.76	589.39	575.70	577.18	576.27	582.59	586.99	571.75	525.18	513.73	515.00	515.00	Common Shs Outst'g[E]	515.00
12.1	14.3	12.8	17.7	20.5	21.3	19.3	20.6	21.3	--	--	NMF	NMF	NMF	NMF	26.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
.73	.84	.84	1.18	1.28	1.23	1.00	1.17	1.38	--	--	NMF	NMF	NMF	NMF	1.42			Relative P/E Ratio	2.00
.5%	.4%	.4%	.3%	.2%	.2%	.2%	.1%	.2%	.3%	.6%	.3%	.3%	.6%	.7%	.6%			Avg Ann'l Div'd Yield	.5%
5253.0	6766.0	5566.0	2964.0	3116.0	3276.0	3530.0	3796.0	3943.0	4277.0	4445	4850	Sales ($mill)[A F]	5590
46.1%	49.8%	36.0%	NMF	13.5%	25.3%	26.3%	22.0%	22.8%	29.3%	32.5%	33.5%	Operating Margin	34.0%
325.0	594.0	137.0	1096.0	612.0	597.0	577.0	583.0	502.0	273.0	325	375	Depreciation ($mill)	525
1301.0	1523.0	951.0	d1102	d267.0	77.0	198.0	156.0	119.5	500.0	705	785	Net Profit ($mill)	865
37.5%	37.5%	37.5%	--	--	32.5%	19.2%	--	22.4%	38.1%	37.0%	37.0%	Income Tax Rate	37.0%
24.8%	22.5%	17.1%	NMF	NMF	2.4%	5.6%	4.1%	3.0%	11.7%	15.8%	16.2%	Net Profit Margin	15.5%
768.0	988.0	357.0	740.0	591.0	903.0	290.0	d729.0	d613.0	190.0	820	1550	Working Cap'l ($mill)	4420
2032.0	4527.0	3639.0	3334.0	2298.0	2298.0	1810.0	1810.0	2572.0	2221.0	2000	1800	Long-Term Debt ($mill)	1600
2729.0	7037.0	5780.0	4617.0	4363.0	4718.0	4840.0	4680.0	3690.0	3709.0	4360	5060	Shr. Equity ($mill)	7215
28.4%	14.4%	11.6%	NMF	NMF	1.9%	3.7%	2.7%	2.4%	8.8%	11.0%	11.5%	Return on Total Cap'l	10.0%
47.7%	21.6%	16.5%	NMF	NMF	1.6%	4.1%	3.3%	3.2%	13.5%	16.0%	15.5%	Return on Shr. Equity	12.0%
46.1%	21.0%	15.6%	NMF	NMF	.6%	3.1%	1.3%	.9%	11.3%	14.0%	14.0%	Retained to Com Eq	10.5%
3%	3%	5%	NMF	NMF	61%	24%	60%	74%	16%	12%	11%	All Div'ds to Net Prof	14%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2230 mill. Due in 5 Yrs $1780 mill.
LT Debt $2219 mill. LT Interest $85.0 mill.
Incl. $460 mill. 1.625% senior notes ('09), ea. convertable to 49.9002 shares $20.04.
Interest earned: 18.6x (38% of Cap'l)

Leases, Uncapitalized $133 mil.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 518,253,675 shs.
as of 7/25/08
MARKET CAP: $12.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	2280	2796	2411
Receivables	390	970	712
Other	431	702	695
Current Assets	3101	4468	3818
Accts Payable	227	152	158
Debt Due	11	361	11
Other	3476	3765	3163
Current Liab.	3714	4278	3332

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	2.0%	6.5%
"Cash Flow"	-6.0%	10.0%	12.5%
Earnings	-12.0%	--	22.5%
Dividends	8.5%	15.0%	7.0%
Book Value	8.5%	-2.5%	11.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	927	950	971	948	3796
2006	949	987	1002	1005	3943
2007	1025	1067	1100	1085	4277
2008	1087	1103	1140	1115	4445
2009	1130	1190	1270	1260	4850

Fiscal Year Begins	EARNINGS PER SHARE [A B] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.16	.08	.09	d.07	.26
2006	.06	.09	.10	d.04	.21
2007	.24	.26	.31	.13	.94
2008	.37	.33	.35	.25	1.30
2009	.35	.37	.38	.35	1.45

Cal-endar	DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.04	--	.04	--	.08
2005	.04	.04	.04	.04	.16
2006	.04	.04	.04	.04	.16
2007	.04	.04	.04	.04	.16
2008	.04	.04			

BUSINESS: CA, Inc. (formerly Computer Associates International, Inc.) develops, markets & licenses a broad array of software products for a wide range of mainframe and distributed systems. Acquired Legent Corp., August '95; Cheyenne Software, December '96; Platinum Technology, June '99; Sterling Software, March '00; Netegrity, Nov. '04. Has 13,700 employees. Officers & directors own less than 1% of stock; Walter Haefner/Carsal Holding AG, 24.3%; NWQ Investment Company, 11.1%; Hotchkis & Wiley Capital Mgmt., 9.4%; Private Capital Management, 7.1%; (8/08 Proxy). Chairman: William E. McCracken. Chief Executive Officer: John Swainson. Incorporated: DE. Address: One CA Plaza, Islandia, NY 11749. Telephone: 631-342-6000. Internet: www.ca.com.

CA, Inc. started fiscal 2008 (began April 1st) on a high note. The company's sales got a boost as it achieved solid performance at its subscription & maintenance and software divisions. However, its professional services segment posted flat results for the June period. In sum, the top line advanced approximately 6% for that interim. Meanwhile, the continued implementation of process improvements has augured well for expenses. Consequently, the company reduced costs by about 4%, and widened margins by 7%. In all, the bottom line increased 54% for the first quarter.

We look for the company to continue to do well as the year progresses. Sales ought to get a lift as total bookings increase at a mid-to-high single-digit rate. This trend should result from continual growth in the size of CA's licensing agreements. Meanwhile, the average life of its subscription & maintenance bookings will probably continue to rise. We believe efficiency initiatives will gain traction and further benefit margins. Therefore, we have raised our annual earnings estimate by a dime, to $1.30 a share.

CA's balance sheet continues to hold steady. The company has more than enough cash on hand to fund capital projects, as its working capital returned to positive territory last year, and it will likely report free cash flows of about $1.1 billion in fiscal 2008. Moreover, it has more than enough cash to service its debt obligations and will likely reduce that level in the years to come.

Next year, the New York-based software developer's bottom line ought to advance about 12%. The top line should climb at a nice clip. However, the majority of benefits bestowed on margins due to cost-cutting efforts will probably fall in fiscal year 2008. As a result, earnings advances next year may moderate a bit. But our estimates may prove conservative as new products like the recently released *Records Manager r12* gain acceptance.

These shares are indeed appealing. Our Timeliness Ranking System suggests they will outpace the broader market in the coming six to 12 months. And the issue currently offers above-average appreciation potential for the pull to 2011-2013.

Bryan Fong *August 22, 2008*

(A) Fiscal year ends March 31st of following year. (B) Primary earnings through fiscal '96, then diluted. Excludes gain (loss) from disc. ops.: '03, 10¢; '05, 1¢; '06, (1¢); nonrecurring charges: '84, 42¢; '95, $1.43; '96, $1.05; '97, 4¢; '98, $1.20; '99, $1.49; '03, 19¢; '04, 31¢. Next earnings report due late October. (C) Div'd. historically paid in March, June, Sept., and Dec. ■Div. reinvestment plan available. (D) Includes intangibles. In 2007: $5.4 billion, $10.41 a share. (E) In mill., adj. for splits. (F) Pro forma in '00.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	5
Earnings Predictability	10

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CARDINAL HEALTH NYSE-CAH

RECENT PRICE 55.68 | P/E RATIO 15.1 (Trailing: 14.7 / Median: 22.0) | RELATIVE P/E RATIO 0.98 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 4 Lowered 9/15/06
SAFETY 3 New 9/21/90
TECHNICAL 4 Lowered 3/28/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+135%)	24%
Low	85	(+55%)	12%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	1	0	0	0	0	0	0	0
Options	1	1	0	0	1	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	207	249	215
to Sell	264	263	294
Hld's(000)	296077	298966	300779

	High:	35.0	50.9	55.5	70.0	77.3	73.7	68.0	76.5	69.6	75.7	76.1	62.3
	Low:	22.9	31.0	24.7	24.7	56.7	46.6	50.0	38.1	52.8	61.2	56.4	49.2

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 12/95
3-for-2 split 11/96
3-for-2 split 4/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.5	-12.2
3 yr.	-8.1	7.2
5 yr.	0.6	58.6

1992	1993E	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
24.40	--	45.35	55.14	41.06	44.68	51.79	52.21	60.57	86.16	99.84	116.68	150.57	175.50	200.64	235.95	269.25	280.00	Sales per sh A	337.90
.48	--	.63	.75	.89	1.11	1.39	1.96	2.34	2.73	3.28	3.96	4.31	4.09	4.23	4.63	5.05	5.20	"Cash Flow" per sh	7.15
.36	--	.47	.60	.73	.90	1.13	1.37	1.71	2.07	2.64	3.19	3.56	3.06	3.10	3.42	3.81	3.85	Earnings per sh A B	5.45
.02	--	.03	.04	.04	.04	.05	.06	.07	.09	.10	.11	.12	.15	.36	.42	.52	.60	Div'ds Decl'd per sh C	1.00
.07	--	.09	.30	.34	.31	.44	.78	.74	.76	.84	.98	.95	1.34	1.09	.97	1.05	1.10	Cap'l Spending per sh	1.35
3.17	--	2.89	3.87	4.31	5.43	6.51	8.42	9.55	12.12	14.38	17.94	18.46	20.13	20.94	20.04	20.95	23.40	Book Value per sh	31.65
80.60	--	127.69	141.57	215.86	245.49	249.58	411.45	416.85	448.70	444.64	432.53	432.04	426.84	405.52	368.10	350.00	345.00	Common Shs Outst'g D	330.00
18.4	--	21.4	22.1	23.3	27.4	30.4	32.2	21.3	30.0	25.9	18.9	17.9	17.1	21.2	20.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.12	--	1.40	1.48	1.46	1.58	1.59	1.84	1.38	1.54	1.41	1.08	.95	.91	1.14	1.06			Relative P/E Ratio	1.45
.3%	--	.3%	.3%	.2%	.2%	.1%	.1%	.2%	.1%	.1%	.2%	.2%	.3%	.5%	.5%			Avg Ann'l Div'd Yield	.8%
12927	21481	25247	38680	44394	50467	65054	74911	81364	86852	91091	96600	Sales ($mill) A	111500
4.2%	5.9%	6.0%	4.9%	5.0%	5.0%	4.1%	3.4%	3.0%	2.9%	2.9%	3.0%	Operating Margin	3.0%
64.3	233.5	245.9	280.6	243.5	265.8	299.2	409.7	392.7	322.1	381	410	Depreciation ($mill)	450
282.9	573.9	729.5	942.7	1213.4	1445.1	1563.8	1333.9	1322.8	1380.4	1385	1385	Net Profit ($mill)	1910
38.5%	36.6%	36.1%	35.3%	34.1%	33.3%	31.9%	33.7%	32.2%	32.4%	32.3%	33.0%	Income Tax Rate	33.0%
2.2%	2.7%	2.9%	2.4%	2.7%	2.9%	2.4%	1.8%	1.6%	1.6%	1.5%	1.4%	Net Profit Margin	1.7%
1384.6	2187.6	2609.1	4141.5	5096.2	5835.2	3688.5	3337.7	3403.9	3084.8	3322	4190	Working Cap'l ($mill)	6350
272.6	1223.9	1485.8	1871.0	2207.0	2471.9	2834.7	2319.9	2599.7	3457.3	3687.4	3685	Long-Term Debt ($mill)	3190
1625.2	3463.0	3981.2	5437.1	6393.0	7758.1	7978.3	8593.0	8490.7	7376.9	7756.1	8455	Shr. Equity ($mill)	11100
15.3%	13.3%	14.4%	14.0%	14.9%	14.7%	14.9%	12.8%	12.5%	13.3%	13.0%	12.0%	Return on Total Cap'l	14.0%
17.4%	16.6%	18.3%	17.3%	19.0%	18.6%	19.6%	15.5%	15.6%	18.7%	18.0%	16.5%	Return on Shr. Equity	17.5%
16.7%	14.9%	17.6%	16.7%	18.3%	18.0%	18.9%	14.9%	14.4%	16.8%	16.0%	14.0%	Retained to Com Eq	14.5%
4%	10%	4%	4%	4%	3%	3%	4%	8%	10%	13%	15%	All Div'ds to Net Prof	17%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $3846.4 mill. Due in 5 Yrs $1350.0 mill
LT Debt $3687.4 mill. LT Interest $165.0 mill.
(LT Int. earned: 15.6x) (32% of Cap'l)

Leases, Uncapitalized $117.1 million
Pension Assets-6/07 $156.9 mill. Oblig. $255.7 mill.

Pfd Stock None

Common Stock 356,862,946 shs.
as of 4/30/08.

MARKET CAP: $19.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1819.3	1440.8	1291.3
Receivables	4111.6	4714.4	5006.9
Inventory (LIFO)	7714.2	7383.2	6768.8
Other	1131.6	1006.1	1117.2
Current Assets	14776.7	14544.5	14184.2
Accts Payable	9009.3	9162.2	8311.8
Debt Due	229.2	16.0	159.0
Other	2134.3	2281.5	1896.5
Current Liab.	11372.8	11459.7	10367.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	16.0%	20.0%	9.0%
"Cash Flow"	16.5%	9.0%	10.0%
Earnings	15.5%	8.5%	9.5%
Dividends	22.5%	27.5%	16.0%
Book Value	16.0%	11.0%	7.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	17796	18555	19103	19457	74911
2006	19237	19781	20638	21708	81364
2007	20937	21785	21867	22263	86852
2008	21973	23282	22910	22926	91091
2009	23100	24580	24200	24720	96600

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.61	.73	.94	.78	3.06
2006	.63	.75	.85	.87	3.10
2007	.74	.83	.96	.89	3.42
2008	.86	.90	1.06	.97	3.81
2009	.72	.90	1.10	1.13	3.85

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.03	.03	.03	.12
2005	.03	.03	.03	.06	.15
2006	.06	.06	.09	.09	.30
2007	.09	.09	.12	.12	.42
2008	.12	.12	.14		

BUSINESS: Cardinal Health, Inc. is a leading provider of products and services for the healthcare ind. Sales (op. profit) in '07: Pharma Distr. 87% (59%); Med. Prods.& Svcs, 9% (14%); Clinical Tech. & Svcs. 2% (17%); Med. Prods. & Tech., 2% (10%). Operates distrib. ctrs. serving the cont'l U.S. Acq'd Whitmire Distrib., 2/94; Humiston-Keeling & Behrens, 7/94; Medicine Shoppes, 11/95; Pyxis, 5/96; Owen Health, 3/97; R.P. Scherer, 8/98; Allegiance Corp., 2/99; Bergen Bruns., 8/00; Bindley Western, 2/01. '07 depr. rate: 9.1%. Has 43,500 empl. Dodge & Cox, 11.8%; Capital Research & Management, 9.1%; Off. & dir., 2.9% (9/07 Proxy). President & CEO: R. Kerry Clark. Inc.: OH. Addr: 7000 Cardinal Place, Dublin, OH 43017. Tel: 614-757-5000. Internet: www.cardinal-health.com.

Cardinal Health is in the midst of restructuring its various business segments. It recently announced plans to consolidate its businesses into two primary operating segments. The pharmaceutical, and medical product distribution segments will be grouped together, while the clinical, and medical products and technologies units will become one division. The distribution business accounts for the bulk of CAH's revenue at over $80 billion. However, this segment continues to face challenges, and is more of a mature, slow-growth business. Meanwhile, Medical Products and Technologies is rapidly expanding, and now accounts for around $5 billion in annual revenue. As part of the consolidation, the company will eliminate 600 jobs at an estimated cost of $63 million, but the restructuring should provide annual savings of around $90 million.

Management has decided to explore a spinoff of the Clinical and Medical Products unit following the recent consolidation. This would further the original goal of the restructuring effort to have two separate operating businesses with the ability to focus on each one individually. The plan was announced as the company reported earnings for the final period of fiscal 2008 (ended June 30th). Performance at the distribution division continued to decline in the period, as operating profit slid 15% due to continued losses from lower contract repricings, the ongoing DEA drug-diversion issue, and a further loss of small pharmacy business.

Recently issued fiscal 2009 share-net guidance of $3.80-$3.95, essentially flat with last year, was much lower than we had expected. The guidance reflects diminished profitability at Cardinal's core business, and a reduction in the pace of stock buybacks. Management expects problems to persist at the distribution division in the year ahead. The company plans to increase expenditures in fiscal 2009, with an additional $100 million planned for the products division.

These shares offer attractive long-term appreciation potential, assuming a turnaround at the distribution unit. However, earnings visibility is limited at present. Thus, investors may want to wait for some signs of improvement.

Joel Schwed *August 29, 2008*

(A) Fiscal year ends June 30th. Sales excl. pharmacy dist. ops. ($6.7 bill. in fiscal '02). (B) Dil. eps. Excl. nonrecur. losses: '94, 33¢; '95, 33¢; '96, 8¢; '97, 25¢; '98, 25¢; '99, 28¢; '00, 12¢; '01, 19¢; '02, 19¢; '03, 7¢; '04, 23¢; '05, 39¢; '06, 38¢; '07, $1.35. Next egs. rpt. due late October. (C) Div'd paid in mid-Jan., Apr., July & Oct. (D) In mill., adj. for splits and div'ds. (E) FY '93 in '92 column due to change in fisc. yr. Stub period from 4/93-6/93 (sales, $550.0 mill., EPS, 20¢).

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	30
Earnings Predictability	90

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CHEESECAKE FACTORY NDQ-CAKE

RECENT PRICE 19.90 | P/E RATIO 17.3 (Trailing: 19.5 Median: 32.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 4/4/08
SAFETY 3 New 3/20/98
TECHNICAL 3 Lowered 6/6/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+225%)	34%
Low	40	(+100%)	19%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	1	0	
Options	0	1	0	0	1	0	0	0	0
to Sell	0	1	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	3Q2007	4Q2007
to Buy	111	111	108
to Sell	135	129	133
Hld's(000)	73094	63547	59152

High:	6.7	9.0	10.5	21.5	24.2	29.0	30.0	33.5	38.5	39.3	29.8	23.3
Low:	3.5	4.2	5.6	8.2	13.3	16.6	18.2	25.0	29.3	21.7	21.2	17.2

LEGENDS
19.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 4/98
3-for-2 split 6/00
3-for-2 split 6/01
3-for-2 split 12/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.0	-8.4
3 yr.	-26.3	30.2
5 yr.	7.5	98.8

1992[E]	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
4.72	4.82	5.38	7.20	2.89	3.11	3.95	5.12	6.18	7.53	8.70	10.11	12.44	14.94	16.81	21.86	25.70	28.15	Sales per sh [AB]	35.95
.51	.50	.68	.89	.30	.35	.34	.48	.65	.79	.96	1.12	1.36	1.68	1.72	2.03	2.30	2.55	"Cash Flow" per sh	3.40
.39	.34	.46	.52	.10	.18	.20	.32	.43	.53	.64	.75	.88	1.09	1.02	1.04	1.15	1.30	Earnings per sh [C]	2.10
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.24	.54	.82	1.81	.42	.32	.42	.57	.55	1.04	1.16	1.38	2.08	2.16	2.37	3.05	2.55	2.75	Cap'l Spending per sh	2.75
2.10	2.05	4.04	4.68	1.51	2.27	2.39	2.73	3.40	4.04	5.07	5.98	6.97	8.22	9.09	8.14	9.20	10.45	Book Value per sh	15.90
11.01	13.90	15.92	16.28	55.38	67.14	67.15	67.89	70.92	71.64	74.92	76.57	77.93	78.83	78.26	68.15	65.00	64.00	Common Shs Outst'g [D]	64.00
31.2	38.5	26.4	28.9	44.3	27.1	31.4	25.2	32.7	34.6	38.2	31.5	33.0	31.1	29.0	24.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
1.89	2.16	1.73	1.93	2.77	1.56	1.63	1.44	2.13	1.77	1.98	1.80	1.74	1.66	1.57	1.29			Relative P/E Ratio	1.65
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						265.2	347.5	438.3	539.1	652.0	773.8	969.2	1177.6	1315.3	1511.6	1670	1800	Sales ($mill) [AB]	2300
						9.9%	12.0%	13.6%	13.5%	14.3%	14.3%	14.4%	14.8%	12.2%	11.5%	11.8%	12.0%	Operating Margin	13.3%
						8.5	10.9	13.7	17.5	22.9	28.0	35.9	45.1	53.1	64.2	70.0	75.0	Depreciation ($mill)	85.0
						14.0	21.7	32.1	39.3	49.1	57.8	69.7	87.5	81.3	75.9	80.5	90.0	Net Profit ($mill)	145
						33.5%	36.5%	36.3%	36.0%	35.7%	35.1%	34.6%	34.5%	28.2%	28.2%	31.0%	31.0%	Income Tax Rate	31.0%
						5.3%	6.3%	7.3%	7.3%	7.5%	7.5%	7.2%	7.4%	6.2%	5.0%	4.8%	5.0%	Net Profit Margin	6.3%
						30.3	35.6	39.5	1.0	11.3	33.9	4.7	42.4	39.7	d35.9	20.0	25.0	Working Cap'l ($mill)	50.0
						--	--	--	--	--	--	--	--	--	175.0	275	250	Long-Term Debt ($mill)	200
						160.3	185.6	240.8	289.5	379.6	457.9	542.9	647.7	711.5	562.9	600	670	Shr. Equity ($mill)	1020
						8.8%	11.7%	13.3%	13.6%	12.9%	12.6%	12.8%	13.5%	11.4%	11.0%	9.0%	10.0%	Return on Total Cap'l	12.0%
						8.8%	11.7%	13.3%	13.6%	12.9%	12.6%	12.8%	13.5%	11.4%	13.5%	13.5%	13.5%	Return on Shr. Equity	14.0%
						8.8%	11.7%	13.3%	13.6%	12.9%	12.6%	12.8%	13.5%	11.4%	13.5%	13.5%	13.5%	Retained to Com Eq	14.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 4/1/08
Total Debt $275.0 mill. Due in 5 Yrs $20 mill.
LT Debt $275.0 mill. LT Interest $19 mill
(Total interest coverage: 11x) (34% of Cap'l)
Leases, Uncapitalized Annual rentals $54.8 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 67,066,333 shs.
as of 4/21/08
MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/1/08
Cash Assets	101.1	41.9	129.8
Receivables	11.6	11.3	7.8
Inventory (FIFO)	20.8	24.1	27.2
Other	69.0	103.9	69.5
Current Assets	202.5	181.2	234.3
Accts Payable	45.6	57.9	37.9
Debt Due	--	--	--
Other	117.2	159.2	149.7
Current Liab.	162.6	217.1	187.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	21.0%	19.0%	12.5%
"Cash Flow"	19.5%	17.5%	12.0%
Earnings	22.0%	14.5%	12.0%
Dividends	--	--	Nil
Book Value	17.5%	15.5%	11.0%

Calendar	QUARTERLY SALES ($ mill.) [AB] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	268.2	288.3	292.8	328.3	1177.6
2006	306.7	322.6	325.3	360.7	1315.3
2007	356.6	373.2	375.5	406.3	1511.6
2008	393.8	421.2	425	430	1670
2009	425	450	455	470	1800

Calendar	EARNINGS PER SHARE [AC] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.24	.29	.27	.29	1.09
2006	.24	.30	.23	.25	1.02
2007	.24	.33	.26	.22	1.04
2008	.21	.30	.33	.31	1.15
2009	.23	.37	.35	.35	1.30

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: The Cheesecake Factory, Inc. operates 154 upscale casual dining restaurants (including 13 larger *Grand Lux Cafes*), featuring broad (about 200 items) menus. Open for lunch, dinner, and late night. Also runs limited-menu sites. Bakery (5.0% of sales to 3rd parties) produces 50 varieties of cheesecake and other baked goods for its own restaurants and other distributors. 2007 depreciation rate: 7.4%. Has about 32,300 employees. Officers/directors own 6.9% of common shares; Baron Capital Group, Inc., 10.6%; T. Rowe Price Associates, Inc., 6.8% (4/08 proxy). Chairman & CEO: David Overton. Incorporated: Delaware. Address: 26901 Malibu Hills Road, Calabasas Hills, California 91301. Telephone: 818-871-3000. Internet: www.cheesecakefactory.com.

Cheesecake Factory's first-quarter results were in line with our estimates. Share earnings fell about 13% on a year-over-year basis, while revenues increased approximately 10%. Overall, comparable-store sales declined 1.8% in the March interim.

The company is facing numerous headwinds. The current dining environment is rather difficult. Consumers are being squeezed by the likes of elevated energy prices, the slumping housing market, and weakening employment figures, causing them to rein in discretionary spending. Further, Cheesecake Factory's operating costs are rising, putting pressure on margins. Recently, food prices have been on an upward trajectory, owing to an increase in global demand. Additionally, minimum wage hikes have increased payroll costs.

Nonetheless, we project a moderate gain in share earnings this year. We are maintaining our 2008 forecast of $1.15. This represents an 11% increase over the year-earlier tally. Menu price increases, scaled-back expansion plans, and share repurchases should help support results this year.

Investors may want to wait before committing funds. The company is facing a difficult operating environment, and we see few signs of a near-term catalyst that would propel earnings growth beyond our current expectations. These shares are pegged to perform roughly in line with the broader market averages over the coming six to 12 months (Timeliness: 3). Earnings will probably grow at a moderate pace both this year and next, owing to challenging business conditions in the United States.

We think that the company will get a significant shot in the arm once the broader domestic economy rebounds. With only 154 stores open to date, Cheesecake Factory has ample room to expand its operations. Additionally, the company has a very strong brand name and a solid balance sheet. It has nearly $130 million in cash and equivalents in the bank and a modest debt-to-total capital ratio. Given the issue's recent quotation, it offers impressive share-price appreciation potential over the pull to 2011-2013, in our opinion.

Matthew E. Spencer *June 6, 2008*

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	65
Earnings Predictability	90

(A) Fiscal year ends on the Tuesday nearest to December 31st.
(B) Includes bakery sales to third-party customers, incl. warehouse clubs and other food distributors.
(C) Based on fully-diluted shares. Excludes nonrecurring loss: '98, 9¢; '04, 4¢; '07, 3¢. Quarterly earnings may not sum due to rounding. Next earnings report due late July.
(D) In millions, adjusted for stock splits.
(E) Pro forma results.

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CAMERON INT'L NYSE-CAM

RECENT PRICE 46.96 | P/E RATIO 17.7 (Trailing: 20.6 Median: 27.0) | RELATIVE P/E RATIO 1.13 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 1 Raised 6/13/08
SAFETY 3 New 8/25/00
TECHNICAL 3 Raised 8/15/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+80%)	16%
Low	55	(+15%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	4	0	5	4	1	3	2	1	6
to Sell	4	0	4	6	1	3	1	2	8

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	216	209	236
to Sell	192	230	238
Hld's(000)	206282	207316	212971

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:					20.4	17.8	12.5	21.0	18.3	14.9	13.9	14.2	21.5	28.9	53.6	58.5				
Low:					7.6	5.0	5.6	10.6	7.2	9.0	10.2	10.0	12.8	19.0	24.3	37.0				
	--	--	--	5.69	6.77	8.61	8.83	7.24	6.42	7.16	7.05	7.59	9.85	10.86	16.67	21.40	24.85	26.15	Revenues per sh	30.70
	--	--	--	.29	.64	.98	1.05	.68	.74	.90	.74	.89	.83	1.08	1.79	2.65	3.15	3.35	"Cash Flow" per sh	3.90
	--	--	--	d.07	.32	.68	.69	.25	.39	.50	.37	.29	.44	.76	1.44	2.03	2.65	2.80	Earnings per sh A	3.30
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'd Decl'd per sh	Nil
	--	--	--	.20	.17	.32	.51	.28	.31	.57	.38	.30	.25	.33	.82	1.13	1.40	1.15	Cap'l Spending per sh	1.15
	--	--	--	2.11	2.52	3.06	3.66	3.53	3.90	4.23	4.77	5.28	5.78	6.88	7.75	9.61	9.95	11.20	Book Value per sh B	15.35
	--	--	--	201.17	204.94	209.86	213.04	202.27	216.05	218.26	218.26	215.21	212.55	231.91	224.58	218.01	217.50	218.00	Common Shs Outst'g C	220.00
	--	--	--	--	16.8	16.7	15.9	35.9	42.0	26.1	31.8	41.2	27.7	21.5	16.7	16.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	21.0
	--	--	--	--	1.18	1.08	.83	2.05	2.73	1.34	1.74	2.35	1.46	1.14	.90	.98			Relative P/E Ratio	1.40
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
					1882.1	1464.8	1386.7	1563.7	1538.1	1634.3	2092.8	2517.8	3742.9	4666.4	5400	5700			Revenues ($mill)	6750
					17.2%	13.2%	15.5%	16.1%	12.7%	10.9%	11.1%	13.5%	15.1%	18.1%	20.0%	20.0%			Operating Margin	20.0%
					72.5	83.7	75.3	83.1	77.9	83.6	82.8	78.4	101.4	109.8	125	130			Depreciation ($mill)	145
					151.8	54.6	85.2	112.2	84.1	84.4	94.4	171.1	300.2	468.5	595	635			Net Profit ($mill)	750
					30.4%	33.0%	29.7%	31.0%	29.0%	30.1%	29.0%	34.9%	36.0%	30.9%	35.0%	35.0%			Income Tax Rate	35.0%
					8.1%	3.7%	6.1%	7.2%	5.5%	3.9%	4.5%	6.8%	8.0%	10.0%	11.1%	11.1%			Net Profit Margin	11.1%
					438.5	282.8	342.0	587.2	643.1	467.8	677.0	806.2	1279.5	1379.0	2245	2380			Working Cap'l ($mill)	2840
					364.4	195.9	188.1	459.1	462.9	204.1	458.4	444.4	745.4	745.1	1250	1200			Total Debt ($mill)	1000
					780.3	714.1	842.3	923.3	1041.3	1136.7	1228.2	1594.8	1741.4	2095.0	2160	2445			Shr. Equity ($mill)	3375
					14.7%	7.5%	9.1%	8.3%	5.9%	5.1%	5.9%	8.6%	12.5%	16.8%	18.0%	17.5%			Return on Total Cap'l	17.5%
					19.4%	7.8%	10.1%	12.2%	8.1%	5.7%	7.7%	10.7%	17.2%	22.4%	27.5%	26.0%			Return on Shr. Equity	22.5%
					19.4%	7.6%	10.1%	12.2%	8.1%	5.7%	7.7%	10.7%	17.2%	22.4%	27.5%	26.0%			Retained to Com Eq	22.5%
					--	--	--	--	--	--	--	--	--	--	Nil	Nil			All Div'ds to Net Prof	Nil

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/97
2-for-1 split 12/05
2-for-1 split 12/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.5	-12.2
3 yr.	169.1	7.2
5 yr.	299.6	58.6

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1583.4 mill. Due in 5 Yrs $750.4 mill.
LT Debt $1255.7 mill. LT Interest $70.0 mill. (26% of Cap'l)

Leases, Uncapitalized: $108.0 mill.
Pension Assets-12/07 $368.4 mill. Oblig. $389.8 mill.

Pfd Stock None

Common Stock 217,662,711 shs. as of 7/23/08

MARKET CAP: $10.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1033.5	739.9	1534.1
Receivables	696.1	797.5	950.9
Inventory (Avg Cst)	1009.4	1413.4	1467.2
Other	168.6	121.1	141.5
Current Assets	2907.6	3071.9	4093.7
Accts Payable	1364.7	1677.1	1713.0
Debt Due	207.3	8.8	327.7
Other	56.2	7.0	44.1
Current Liab.	1628.2	1692.9	2084.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.0%	19.0%	11.0%
"Cash Flow"	11.0%	18.5%	13.5%
Earnings	16.5%	27.5%	15.0%
Dividends	--	--	Nil
Book Value	12.0%	13.5%	11.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	547.9	594.8	636.6	738.5	2517.8
2006	829.7	857.8	978.8	1076	3742.9
2007	997.0	1139	1186	1344	4666.4
2008	1339.3	1480.6	1200	1380.1	5400
2009	1400	1500	1300	1500	5700

Calendar	EARNINGS PER SHARE AD Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.14	.18	.22	.24	.76
2006	.26	.32	.40	.46	1.44
2007	.44	.51	.57	.51	2.03
2008	.55	.65	.75	.70	2.65
2009	.58	.71	.78	.73	2.80

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Cameron International Corporation manufactures pressure control equipment for oil and gas drilling, production, and transmission used in onshore, offshore, and subsea applications. Also manufactures gas turbines, centrifugal air compressors, integral and separable reciprocating engines, compressors and turbochargers. Customers include major and independent E&P's, drilling contractors, and chemical and petrochemical companies. 2007 depr. rate: 6.8%. Has about 15,400 empl. AXA Financial Inc. owns 11.3% of comm. stock; T. Rowe Price, 5.0%; officers & dir., 2.3% (3/08 proxy). Chrmn., Pres. & CEO: Sheldon R. Erikson. Inc.: DE. Addr.: 1333 West Loop South, Suite 1700, Houston, TX 77027. Tel.: 713-513-3300. Web: www.c-a-m.com.

Cameron International Corp. is performing very well. In the second quarter, earnings grew by over 27%, year over year, with revenues rising 30%. These gains reflected a 40% increase in top-line contributions from the Drilling Production Systems (DPS) segment, with sales of both the Valves and Measurement (V&M) and Surface Systems divisions rising 17%. Also, the volume of orders booked has continued to rise, notably in the D&P segment, which had its highest number of orders in the company's history this year. Subsea Systems order were also up 50%, bringing the year-to-date sum of subsea trees (an assembly of valves spools and fittings for oil wells, to prevent direct and control fluids from being released from the well) booked to 94. At this pace, tree orders should outpace last year's total of 111 by the end of the third quarter. As a result, we have raised our share-net estimates for 2008 and 2009 by a dime each, to $2.65 and $2.80 respectively.

New customers and the steadily increasing backlog should help continue this momentum over the next few years. In June, Petrobras made an agreement for the company to build 25 subsea trees, and this order should be completed by the end of 2009. This contract should add approximately $100 million to revenues over the next couple of years. Also, total backlog has grown sequentially, reaching $5.2 billion, a 30% increase from the prior year's period. This expansion will likely continue to boost this figure over the next few quarters, and should bolster both top- and bottom-line growth over the coming 3 to 5 years.

The company has continued to expand upon its production capabilities. An additional $70 million in capital expenditures was approved to be used to increase the overall capacity of the Malaysia subsea production facility. This would enable the plant to produce more than 200 subsea trees annually.

This stock holds our highest (1) rank for Timeliness. It should be noted, however, that the earnings growth that we project over the 2011–2013 horizon seems to have been discounted by the current quotation, giving these shares below-average appreciation potential.

John D. Burke *August 15, 2008*

(A) Diluted earnings. Excludes nonrecurring gains/losses: '95, ($9.67); '98, (10¢); '98, (28¢); '99,(22¢); '00, (92¢); '01, (24¢); '02, (39¢); '03, (13¢); '04, (9¢); '06, (15¢); '07, 14¢.
Next earnings report late November.
(B) Includes intangibles. In 2007: $647.8 million, $2.80 a share.
(C) In millions. Adjusted for stock split.
(D) Earnings may not add due to rounding.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	55
Earnings Predictability	60

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CASEY'S GEN'L STRS NDQ-CASY

RECENT PRICE 25.15 | P/E RATIO 17.0 (Trailing: 15.1 / Median: 19.0) | RELATIVE P/E RATIO 1.10 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 New 7/27/90
TECHNICAL 4 Raised 7/25/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+100%)	20%
Low	35	(+40%)	10%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	0	
Options	1	0	0	0	0	0	1	1	0
to Sell	3	1	1	2	2	1	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	104	106	97
to Sell	76	82	100
Hld's(000)	45883	46879	48537

High:	12.8	18.3	16.8	15.0	15.5	15.4	18.5	20.0	26.1	27.2	31.4	29.7
Low:	8.4	12.3	9.7	7.9	10.7	9.7	10.5	15.0	16.0	20.2	23.0	20.0

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 2/96
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

80 60 50 40 30 25 20 15 10 7.5

Percent shares traded 18 12 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.1	-18.0
3 yr.	20.1	11.3
5 yr.	71.7	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
15.19	14.10	16.34	18.21	21.13	22.56	23.73	31.75	38.87	41.39	43.40	47.33	56.00	69.79	79.79	95.15	112.00	122.1	Sales per sh [A]	135.85
.66	.68	.87	.98	1.03	1.21	1.41	1.50	1.55	1.54	1.75	1.72	1.89	2.39	2.48	3.01	3.00	3.20	"Cash Flow" per sh	4.55
.30	.37	.44	.51	.52	.63	.76	.76	.71	.65	.80	.73	.85	1.24	1.19	1.67	1.50	1.55	Earnings per sh [A B]	2.55
.03	.03	.04	.05	.05	.06	.06	.06	.07	.08	.10	.13	.20	.18	.20	.20	.27	.30	Div'ds Decl'd per sh [C]	.40
2.43	3.06	3.46	3.93	4.42	5.01	5.73	5.95	6.88	7.44	8.14	8.79	9.35	10.39	11.31	12.76	13.65	14.90	Book Value per sh	19.65
44.35	51.84	51.93	52.44	52.48	52.60	52.73	51.92	49.49	49.62	49.67	50.02	50.19	50.37	50.59	50.73	52.00	52.00	Common Shs Outst'g [D]	53.00
13.5	14.6	15.1	20.6	18.3	20.3	18.8	16.1	17.0	20.2	14.8	21.6	20.8	17.9	20.0	16.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.00
.82	.86	.99	1.38	1.15	1.17	.98	.92	1.11	1.04	.81	1.23	1.10	.95	1.08	.84			Relative P/E Ratio	1.05
.7%	.6%	.6%	.4%	.5%	.5%	.4%	.5%	.6%	.6%	.8%	.8%	1.1%	.8%	.8%	.7%			Avg Ann'l Div'd Yield	1.0%
1251.1	1648.2	1923.7	2053.9	2155.6	2367.5	2810.5	3515.1	4036.5	4827.1	5825	6350	Sales ($mill) [A]	7200
23.1%	19.7%	18.9%	19.1%	19.1%	17.9%	16.3%	15.0%	14.5%	14.2%	13.8%	13.5%	Gross Margin	14.3%
8.0%	6.4%	5.5%	5.1%	5.6%	4.8%	4.6%	4.7%	4.3%	4.4%	3.5%	3.5%	Operating Margin	4.5%
1022	1119	1191	1334	1229	1358	1364	1413	1448	1458	1520	1585	Number of Stores [E]	1780
40.2	39.4	35.0	31.7	39.5	36.5	42.5	62.9	60.5	85.0	77.0	80.0	Net Profit ($mill)	135
37.50%	37.20%	37.03%	37.20%	37.20%	31.09%	35.31%	35.85%	36.12%	36.6%	37.0%	37.0%	Income Tax Rate	37.0%
3.2%	2.4%	1.8%	1.5%	1.8%	1.5%	1.5%	1.8%	1.5%	1.8%	1.3%	1.3%	Net Profit Margin	1.9%
d13.6	d65.6	4.9	d14.5	d.4	1.0	d27.7	d52.3	6.5	54.2	195	350	Working Cap'l ($mill)	915
122.5	112.9	183.1	173.8	162.4	144.2	123.1	106.5	199.5	181.4	180	180	Long-Term Debt ($mill)	180
301.9	308.8	340.5	369.2	404.2	439.8	469.1	523.2	572.3	647.5	710	775	Shr. Equity ($mill)	1050
10.3%	10.4%	7.7%	6.8%	7.5%	6.7%	7.7%	10.4%	8.4%	11.0%	9.0%	9.0%	Return on Total Cap'l	11.5%
13.3%	12.8%	10.3%	8.6%	9.8%	8.3%	9.1%	12.0%	10.6%	13.1%	11.0%	10.5%	Return on Shr. Equity	13.0%
12.3%	11.8%	9.2%	7.5%	8.6%	6.8%	7.0%	10.3%	8.8%	11.6%	9.0%	8.5%	Retained to Com Eq	11.0%
8%	8%	11%	13%	13%	18%	23%	14%	17%	12%	18%	19%	All Div'ds to Net Prof	16%

CAPITAL STRUCTURE as of 4/30/08
Total Debt $215.8 mill. Due in 5 Yrs $34.4 mill.
LT Debt $181.4 mill. LT Interest $11.2 mill.
Incl. $19.4 mill. capitalized leases.
(LT interest earned: 17.3x; total interest coverage: 14.3x) (23% of Cap'l)

Leases, Uncapitalized Annual rentals $.6 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 50,769,662 shs.
As of 6/20/08

MARKET CAP: $1.3 billion (Mid-Cap)

CURRENT POSITION ($MILL.)	2005	2006	4/30/08
Cash Assets	75.4	107.1	154.5
Receivables	9.7	13.4	16.7
Inventory (LIFO)	96.3	109.7	124.5
Other	10.0	10.6	17.6
Current Assets	191.4	240.8	313.3
Accts Payable	146.1	134.4	163.3
Debt Due	51.6	47.6	34.4
Other	46.0	52.3	61.4
Current Liab.	243.7	234.3	259.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.0%	13.0%	7.5%
"Cash Flow"	9.0%	8.0%	9.0%
Earnings	8.5%	9.0%	10.0%
Dividends	15.5%	22.0%	12.0%
Book Value	10.0%	9.0%	9.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Jul.31	Oct.31	Jan.31	Apr.30	Full Fiscal Year
2005	858.6	985.9	800.6	890.0	3515.1
2006	1100.5	1010.1	923.0	1002.9	4036.5
2007	1279.3	1189.3	1154.1	1204.4	4827.1
2008	1525	1525	1400	1375	5825
2009	1700	1600	1500	1550	6350

Fiscal Year Begins	EARNINGS PER SHARE [A B] Jul.31	Oct.31	Jan.31	Apr.30	Full Fiscal Year
2005	.43	.44	.15	.22	1.24
2006	.33	.34	.22	.30	1.19
2007	.59	.54	.26	.28	1.67
2008	.49	.47	.24	.30	1.50
2009	.47	.46	.26	.36	1.55

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.04	.04	.04	.04	.16
2005	.04	.04	.045	.045	.17
2006	.045	.045	.05	.05	.19
2007	.05	.05	.05	.065	.22
2008	.065	.065			

BUSINESS: Casey's General Stores operates convenience stores in nine midwestern states, primarily in Iowa, Missouri, and Illinois. Stores sell gasoline and a broad selection of food (including freshly prepared pizza, donuts, hamburgers, etc.), beer and other beverages, and non-food items. As of 4/30/08, Casey's had 1,454 company-owned and 14 franchised locations. In fiscal 2007, gasoline accounted for 73% of net sales. Average retail sales per store were $3.3 million in 2007. Has 7,480 full time employees. Officers & Directors own 6.9% of common stock (8/07 Proxy). Chairman: Ronald Lamb. President/CEO: Robert J. Myers. Incorporated: Iowa. Address: One Convenience Boulevard., Ankeny, Iowa 50021. Telephone: 515-965-6100. Internet: www.caseys.com.

Casey's General closed out fiscal 2007 in good form (ended April 30th). Throughout the course of the fiscal year, the store chain witnessed a steady decline in the demand for gasoline (74% of sales), due to rising prices at the pump. The wholesale cost, meanwhile, climbed at a slower pace, allowing Casey a wider average margin of 13.9 cents a gallon, versus 10.4 cents in fiscal 2006.

The coming fiscal year, however, will likely be more challenging. Relative to fiscal 2007, we look for the gasoline environment to become increasingly more difficult for the store chain. While same-store sales comps will probably improve, we believe that the wholesale cost of gas will invariably rise, squeezing Casey's margin, likely in the range of 11.0 cents to 12.0 cents a gallon.

Inside sales should continue to do well. The store chain is enjoying strong demand for grocery, merchandise, and prepared food & fountain items. We think this favorable trend will continue as in-store traffic appears to be on the upswing, thanks to an increase in the number of offerings. Price hikes for fountain products and cheese items should provide additional lift to in-store receipts. Increasing margins on cigarette sales should also add to profitability measures.

Efficiency-enhancing actions should help to support margins. Measures, such as point-of-sale and scanning devices, promise to raise profitability levels. Additionally, the bottom line should benefit from bringing some credit card processing in-house.

Casey's continues to expand. We look for the company to open about 25 new stores this fiscal year. Management will also probably take advantage of acquisition opportunities as they present themselves. The deal pipeline is somewhat limited at the moment, though. Price multiples are a little steep, given the difficult gasoline selling environment.

This stock is untimely for six- to 12-month relative price performance. At the current price, CASY shares fairly reflect the good long-term profit growth that we project for the company. The capital gain potential over the pull to 2011–2013 is below average.

Warren Thorpe *August 1, 2008*

(A) Fiscal year ends April 30th of the following calendar year. Sales figures exclude royalty income and the revenues from franchised stores.
(B) Primary earnings through 1997; diluted thereafter. Excludes non-recurring loss: '04, 9¢. Next earnings report due mid-Sept.
(C) Dividends historically paid in February, May, August, and November.
(D) In millions, adjusted for stock splits.
(E) Includes only company-owned stores.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	80
Earnings Predictability	70

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CBRL GROUP NDQ-CBRL

RECENT PRICE 32.33 | P/E RATIO 10.1 (Trailing: 10.7 Median: 16.0) | RELATIVE P/E RATIO 0.62 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 3 Lowered 6/6/08
SAFETY 3 New 2/12/93
TECHNICAL 3 Lowered 5/23/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+115%)	23%
Low	50	(+55%)	14%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	1	0	0	0	4	1	3	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	0	0	1	0	0	0	0	1	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	103	75	74
to Sell	75	108	95
Hld's(000)	26602	22900	22046

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
High:	34.6	43.0	24.3	24.3	30.7	34.1	42.1	43.1	44.6	47.9	50.7	38.9								
Low:	23.8	29.1	9.1	8.1	15.7	19.5	24.9	30.0	33.1	32.0	31.8	24.0								
	7.31	8.69	10.70	13.05	15.57	18.40	21.08	26.12	31.28	35.69	41.11	45.92	48.82	55.07	85.46	99.35	110.25	126.50	Sales per sh A	150.00
	.85	1.03	1.29	1.54	1.71	2.00	2.36	2.12	2.29	2.52	3.07	3.57	3.70	4.16	6.10	5.61	5.75	6.65	"Cash Flow" per sh	8.75
	.61	.78	.94	1.09	1.19	1.41	1.65	1.16	1.11	1.30	1.64	2.08	2.31	2.45	2.50	2.52	3.05	3.40	Earnings per sh A B F	5.00
	.01	.02	.02	.02	.02	.02	.02	.02	.01	.02	.02	.02	.44	.48	.52	.56	.72	.72	Div'ds Decl'd per sh C ■	.88
	1.31	1.43	1.70	2.02	2.27	2.43	2.92	2.81	2.44	1.86	1.92	2.53	2.97	3.68	4.73	4.08	4.45	4.65	Cap'l Spending per sh	4.90
	4.05	6.16	7.18	8.27	9.34	10.82	12.86	13.49	14.63	15.38	15.58	16.60	18.05	18.66	9.77	4.40	4.30	6.75	Book Value per sh	17.50
	54.78	59.57	59.90	59.99	60.59	61.07	62.48	58.63	56.67	55.03	50.27	47.87	48.77	46.62	30.93	23.67	22.00	20.00	Common Shs Outst'g D	20.00
	31.6	35.3	26.0	19.9	17.6	18.2	20.2	18.3	11.1	13.5	16.6	14.0	15.9	15.9	15.3	17.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
	1.92	2.09	1.84	1.33	1.10	1.05	1.05	1.04	.72	.69	.91	.80	.84	.85	.83	.90			Relative P/E Ratio	.80
	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	1.2%	1.2%	1.4%	1.3%			Avg Ann'l Div'd Yield	1.5%
							1317.1	1531.6	1772.7	1963.7	2066.9	2198.2	2380.9	2567.5	2643.0	2351.6	2425	2530	Sales ($mill) A	3000
							15.8%	11.5%	10.9%	10.1%	10.3%	10.8%	10.7%	10.5%	9.9%	9.6%	9.0%	9.0%	Operating Margin	9.5%
							43.4	53.8	65.2	64.9	62.8	64.4	63.9	67.3	72.3	56.9	60.0	65.0	Depreciation ($mill)	75.0
							104.1	70.2	64.3	73.7	91.8	106.5	116.6	126.6	116.3	76.0	67.0	68.0	Net Profit ($mill) F	100
							36.8%	37.8%	37.8%	37.3%	35.6%	35.5%	35.9%	34.6%	30.8%	34.8%	35.0%	35.0%	Income Tax Rate	35.0%
							7.9%	4.6%	3.6%	3.8%	4.4%	4.8%	4.9%	4.9%	4.4%	3.2%	2.8%	2.7%	Net Profit Margin	3.3%
							60.8	d5.8	d29.6	d42.1	d61.6	d70.6	d43.8	d104.9	d25.6	d74.4	d35.0	d25.0	Working Cap'l ($mill)	50.0
							60.6	312.9	282.0	125.0	194.5	186.7	185.1	212.2	911.5	756.3	800	775	Long-Term Debt ($mill)	750
							803.4	791.0	829.0	846.1	783.0	794.9	880.2	870.0	302.3	104.1	95.0	135	Shr. Equity ($mill)	350
							12.3%	5.9%	6.9%	8.2%	9.7%	11.3%	11.3%	12.1%	10.5%	12.3%	9.5%	9.5%	Return on Total Cap'l	11.0%
							13.0%	8.9%	7.8%	8.7%	11.7%	13.4%	13.2%	14.6%	38.5%	73.0%	70.5%	50.5%	Return on Shr. Equity	28.5%
							12.8%	8.8%	7.7%	8.6%	11.6%	13.3%	11.4%	11.9%	30.5%	60.3%	54.0%	39.5%	Retained to Com Eq	23.5%
							1%	1%	1%	2%	1%	1%	14%	18%	21%	17%	24%	21%	All Div'ds to Net Prof	18%

LEGENDS
7.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-15.4	-9.4
3 yr.	0.5	30.2
5 yr.	23.7	98.8

CAPITAL STRUCTURE as of 2/1/08
Total Debt $796.5 mill. Due in 5 Yrs $65.0 mill.
LT Debt $787.8 mill. LT Interest $40.0 mill. (93% of Cap'l)

Leases, Uncapitalized Annual rentals $29.0 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 22,138,616 shs.
as of 2/29/08
MARKET CAP: $725 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	2/1/08
Cash Assets	89.6	14.2	11.4
Receivables	14.6	11.6	11.0
Inventory (LIFO)	138.2	144.4	127.2
Other	27.7	29.9	53.8
Current Assets	270.1	200.3	203.4
Accts Payable	83.8	93.1	66.0
Debt Due	6.1	8.2	8.7
Other	203.8	173.4	166.3
Current Liab.	295.7	274.7	241.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	17.0%	15.5%	11.0%
"Cash Flow"	12.0%	15.0%	8.5%
Earnings	8.5%	15.5%	12.5%
Dividends	37.5%	86.0%	9.0%
Book Value	6.5%	1.5%	8.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	612.6	667.2	628.0	659.7	2567.5
2006	633.4	694.4	644.2	671.0	2643.0
2007	558.3	612.1	549.1	632.1	2351.6
2008	581.2	634.5	567.1	642.2	2425
2009	605	650	590	675	2530

Fiscal Year Ends	EARNINGS PER SHARE A B F Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	.57	.63	.52	.74	E2.45
2006	.51	.61	.47	1.03	E2.50
2007	.45	.60	.44	1.15	E2.52
2008	.57	.85	.46	1.17	3.05
2009	.63	.94	.55	1.28	3.40

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.11	.11	.11	.12	.45
2005	.12	.12	.12	.13	.49
2006	.13	.13	.13	.14	.53
2007	.14	.14	.14	.18	.60
2008	.18	.18			

BUSINESS: CBRL Group, Inc. operates 576 Cracker Barrel Old Country Store restaurants/gift shops in 41 states, mostly in the South and Midwest (5/28/08). Restaurants feature an old country store motif, along with adjoining/separate gift shops, which sell early American reproductions and food items. Nearly all units are company owned, and located along interstate highways. Restaurants accounted for 78.4% of '07 sales; gift shops, 21.6%. CBRL also had (now divested) 143 Logan's Roadhouse company-operated and 26 franchised units. Has about 64,000 empls. Off./dir. own 6.1% of stock (10/07 proxy). Pres. & CEO: Michael A. Woodhouse. Inc: TN. Addr.: P.O. Box 787, 305 Hartmann Drive, Lebanon, TN 37088-0787. Tel.: 615-444-5533. Internet: www.cbrlgroup.com.

CBRL Group is struggling these days. The company, operator of the family-oriented Cracker Barrel Old Country Store restaurant chain, will probably post solid share-net advances in fiscal 2008 (ends August 1st) and fiscal 2009, thanks to aggressive stock buybacks and moderate unit development. But same-store sales remain on the soft side (restaurant comps rose just 0.2% during the April interim), even with the benefit of menu pricing growth in the mid-single digits. And the company's profit margins continue to be weighed down by runaway commodity cost inflation (spot prices for everything from eggs and produce to dairy products are rising), higher minimum wage rates in a handful of key states, and increased advertising spending related to a new, national television campaign.

Management is working hard to boost customer traffic . . . The new television spots, a departure from past media efforts that combined radio ads with billboard promotions, should help CBRL to build brand awareness and reach out to a wider customer base. Additionally, we believe that restaurant-level operational improvements will be a positive for traffic trends over time. In particular, the company intends to enhance speed of service by simplifying its menu and kitchen operations and by having more of its employees work during peak dining hours.

. . . but operating metrics are unlikely to improve much in the near term. Though the new sales initiatives may pay off down the road, we expect customer counts to erode further in the coming quarters against a very difficult business backdrop. Notably, despite management's plans to target new venues, most CBRL units are still located along interstate highways. This makes the concept quite vulnerable to high gasoline prices, which have already started to have an impact on driving habits across America. Commodity cost pressures, meanwhile, will probably persist for a while, notwithstanding a more comprehensive hedging strategy recently adopted by the company.

These shares are an Average (3) year-ahead choice. We advise most investors to stay on the sidelines until the chain's operating environment begins to warm up.

Justin Hellman *June 6, 2008*

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	50
Earnings Predictability	95

(A) Fiscal year ends Friday closest to Jul. 31st. (B) Primary earnings thru '97; diluted thereafter. Excl. nonrecur. gain/(losses): '94, $0.02; '96, ($0.15); '00, ($0.09); '01, ($0.43); '04, ($0.06). Excl. gain from disc. ops.: '07, $2.41. Next earnings report due early September. (C) Quarterly dividend adopted in 9/03. Payments typically made in Nov., Feb., May, Aug. ■ Dividend reinvest. plan avail. (D) In millions. (E) Quarterly earnings do not sum due to rounding/changes in share base. (F) Incl. stock option expense starting in '06.

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HEARING EXHIBIT 00000307

CABOT CORP. NYSE-CBT

RECENT PRICE 26.90 | P/E RATIO 14.5 (Trailing: 28.2 / Median: 19.0) | RELATIVE P/E RATIO 0.92 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Raised 9/1/06
SAFETY 3 New 11/24/00
TECHNICAL 3 Lowered 7/4/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

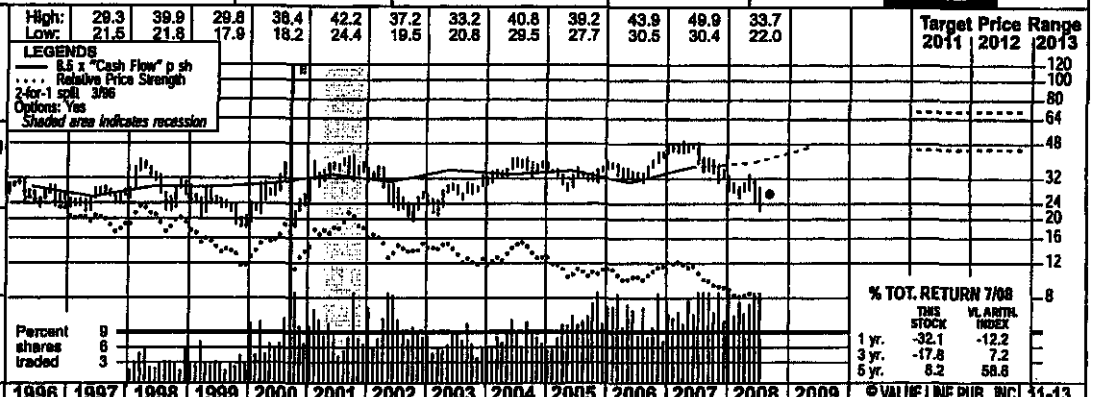
	Price	Gain	Ann'l Total Return
High	70	(+160%)	28%
Low	45	(+65%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	2	2	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	98	90	84
to Sell	112	105	100
Hld's(000)	53248	52918	56278



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
21.24	21.55	22.11	24.48	25.93	23.46	24.51	25.25	22.41	26.66	25.27	28.84	30.67	33.79	40.18	40.07	*50.00*	*53.15*	Sales per sh [A]	*61.30*
1.95	1.88	2.12	3.42	3.41	3.04	3.43	3.41	3.56	3.96	3.64	4.16	3.96	4.13	3.62	4.34	*4.55*	*5.50*	"Cash Flow" per sh	*6.90*
.74	.72	.82	1.95	1.78	1.34	1.56	1.45	1.55	1.82	1.66	1.77	1.79	1.73	1.53	1.98	*1.70*	*2.45*	Earnings per sh [B]	*3.35*
.26	.26	.27	.32	.36	.40	.42	.44	.44	.48	.52	.56	.60	.64	.64	.72	*.76*	*.80*	Div'ds Decl'd per sh [Cm]	*.92*
1.07	.87	.97	1.76	2.92	2.34	2.79	2.47	2.02	1.95	2.37	2.07	1.95	2.96	2.97	2.16	*3.55*	*2.55*	Cap'l Spending per sh	*2.80*
5.73	4.94	6.46	8.22	9.50	9.48	9.49	9.55	14.55	14.23	14.95	16.46	18.13	16.51	18.28	18.29	*20.15*	*21.90*	Book Value per sh	*27.70*
73.31	74.91	75.96	74.76	71.59	69.48	67.24	67.12	67.70	62.63	61.62	62.24	63.06	62.88	63.28	65.28	*63.00*	*63.00*	Common Shs Outst'g [D]	*62.00*
13.8	15.9	14.5	10.0	15.1	19.2	19.1	17.5	16.8	17.5	18.7	14.6	18.9	19.7	22.6	22.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
.84	.94	.95	.67	.95	1.11	.99	1.00	1.09	.90	1.02	.83	1.00	1.05	1.22	1.16			Relative P/E Ratio	*1.15*
2.5%	2.3%	2.0%	1.6%	1.3%	1.6%	1.4%	1.7%	1.7%	1.5%	1.7%	2.2%	1.8%	1.9%	1.9%	1.6%			Avg Ann'l Div'd Yield	*1.3%*
1647.8	1695.0	1517.0	1670.0	1557.0	1795.0	1934.0	2125.0	2543.0	2616.0	*3150*	*3350*	Sales ($mill) [A]	*3800*
20.0%	19.2%	21.3%	17.5%	17.4%	17.0%	17.6%	14.4%	11.2%	13.3%	*11.0%*	*13.0%*	Operating Margin	*14.0%*
115.4	125.0	129.0	115.0	109.0	135.0	134.0	142.0	131.0	149.0	*175*	*185*	Depreciation ($mill)	*210*
118.2	107.0	115.0	136.0	118.0	127.0	122.0	126.0	105.0	134.5	*110*	*160*	Net Profit ($mill)	*220*
36.0%	36.2%	35.9%	28.1%	22.5%	22.3%	23.8%	5.3%	15.3%	23.6%	*27.0%*	*27.0%*	Income Tax Rate	*27.0%*
7.2%	6.3%	7.6%	8.1%	7.6%	7.1%	6.3%	5.9%	4.1%	5.1%	*3.5%*	*4.8%*	Net Profit Margin	*5.7%*
82.6	209.0	696.0	677.0	673.0	788.0	801.0	815.0	750.0	726.0	*700*	*740*	Working Cap'l ($mill)	*850*
316.3	419.0	329.0	419.0	495.0	516.0	506.0	463.0	459.0	503.0	*450*	*400*	Long-Term Debt ($mill)	*400*
705.5	706.0	1047.0	950.0	977.0	1079.0	1191.0	1099.0	1196.0	1194.0	*1270*	*1400*	Shr. Equity ($mill)	*1700*
12.8%	10.8%	9.2%	10.8%	8.9%	8.7%	8.0%	8.9%	7.1%	8.9%	*6.5%*	*9.0%*	Return on Total Cap'l	*10.5%*
16.8%	15.2%	11.0%	14.3%	12.1%	11.8%	10.2%	11.5%	8.8%	11.3%	*9.0%*	*11.5%*	Return on Shr. Equity	*12.5%*
13.6%	11.7%	8.4%	11.4%	9.0%	8.9%	6.6%	7.2%	4.8%	7.3%	*5.0%*	*8.0%*	Retained to Com Eq	*9.5%*
27%	30%	28%	25%	30%	28%	36%	40%	48%	35%	*43%*	*31%*	All Div'ds to Net Prof	*26%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $673.0 mill. Due in 5 Yrs $344.0 mill.
LT Debt $487.0 mill. LT Interest $35.0 mill.
(LT Int. earned: 6.4x; total int. coverage: 6.0x)
(29% of Cap'l)
Leases, Uncapitalized Annual rentals $25.0 mill.
Pension Assets-9/07 $363 mill. Oblig. $376 mill.
Pfd Stock None

Common Stock 64,449,651 shares
as of 5/5/08
MARKET CAP: $1.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	190	156	112
Receivables	534	563	644
Inventory (LIFO)	420	442	513
Other	111	114	128
Current Assets	1255	1275	1397
Accts Payable	384	427	402
Debt Due	92	82	186
Other	29	38	43
Current Liab.	505	547	631

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.5%	9.0%	*8.5%*
"Cash Flow"	2.0%	1.5%	*9.5%*
Earnings	0.5%	1.0%	*11.5%*
Dividends	6.5%	7.0%	*5.5%*
Book Value	7.0%	4.0%	*8.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	495.0	527.0	545.0	558.0	2125.0
2006	587.0	627.0	686.0	663.0	2543.0
2007	655.0	637.0	649.0	675.0	2616.0
2008	711.0	786.0	840.0	*813.0*	*3150*
2009	*750*	*835*	*900*	*865*	*3350*

Fiscal Year Ends	EARNINGS PER SHARE [A B] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.51	.62	.43	.17	1.73
2006	.31	.42	.37	.43	1.53
2007	.79	.54	.31	.34	1.98
2008	.33	.23	.43	*.71*	*1.70*
2009	*.50*	*.55*	*.65*	*.75*	*2.45*

Cal-endar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.15	.16	.61
2005	.16	.16	.16	.16	.64
2006	*.16*	*.16*	*.16*	*.18*	*.66*
2007	.18	.18	.18	.18	.72
2008	.18	.18			

BUSINESS: Cabot Corp. produces carbon black (employed in the production of rubber, plastics, inks), fumed silica (applications include rubber and adhesives), tantalum (used to make electronic capacitors, semiconductors, integrated circuitry, and others), and cesium formate (drilling fluids). Divested Cabot Oil & Gas, 3/91; Cabot Safety, 7/95; TUCO, 10/96; Cabot Microelectronics, 9/00; Cabot LNG, 9/00. '07 depreciation rate: 5.3%. Has about 4,300 empls. Off. & dir. own 2.6% of stock; State Street Bank and Trust, 9.3%; SPO Advisory, 15.1%; SAC Capital Associates, 6.8% (1/08 Proxy). *Chairman: Kennett F. Burnes. Pres. & CEO: Patrick Prevost. Inc.:* DE. Address: Two Seaport Lane, Suite 1300, Boston, MA 02210. Telephone: 617-345-0100. Internet: www.cabot-corp.com.

The first half of fiscal 2008 (year ends September 30th) was a challenge for Cabot Corp. Rising raw material costs hurt profitability early this year. Moreover, the company had to deal with a lag in some of its supply contracts, which hurt CBT's performance. Given the difficult start to fiscal 2008, we believe share net will likely decline, year over year, to $1.70. However,

The company posted good results in its third quarter. Indeed, Cabot was able to post solid results in its June period despite some of the aforementioned challenges. Strong growth in emerging markets helped offset weakness in the U.S. and Western Europe. Notably, rubber black profits tripled due to effective pricing for these products. All told, Cabot registered a 29% increase in sales to $840 million, which resulted in a 39% year-over-year rebound in earnings, to $0.43 a share.

The second-half earnings momentum should continue in fiscal 2009. The company remains committed to developing opportunities in foreign markets, which should help drive growth over the coming years. In fact, CBT just signed a joint venture agreement to build facilities in Dubai and China. Management has also been reworking Cabot's business of late. Namely, the company has been looking to eliminate underperforming projects (it closed its Superior MicroPowder project in the third quarter) and has trimmed its workforce. These strategies should help the bottom line rebound from its overall disappointing performance in fiscal 2008.

The long-term picture is encouraging. Specifically, Cabot will probably continue to develop its business in low-cost regions such as Asia and South America. What's more, we believe the recent problems are behind the company. Accordingly, we are forecasting double-digit earnings advances over the 3- to 5-year pull.

These shares are ranked to track the broader market for the coming six to 12 months. The ongoing lag in some of CBT's supply contracts and the volatility of raw material prices add risk to this equity in the near term. However, venturesome investors may be interested in this stock thanks to its improved 3- to 5-year prospects.

Richard Gallagher *August 15, 2008*

(A) Fiscal year ends September 30th.
(B) Diluted earnings. Excl. nonrec. items: '93, d62¢; '95, 8¢; '96, 64¢; '97, d15¢; '98, 4¢; '99, d14¢; '00, $4.65; '01, d16¢; '02, d16¢; '03, 67¢; '04, d21¢; '05, d$2.57; '06, d26¢; '07, d11¢; Q1' 08, 23¢; Q2 '08, d6¢. Excl. inc. from disc. ops. in '07: 3¢. Next egs. rpt. due late October.
(C) Div'd historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan available. (D) In mill., adj. for splits.
(E) Divested Cabot Microelectronics, 9/00.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	65

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COCA-COLA ENT. NYSE-CCE

RECENT PRICE 17.08 | P/E RATIO 12.2 (Trailing: 12.7 Median: NMF) | RELATIVE P/E RATIO 0.79 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 4 Lowered 6/13/08
SAFETY 3 New 7/27/90
TECHNICAL 4 Lowered 6/27/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

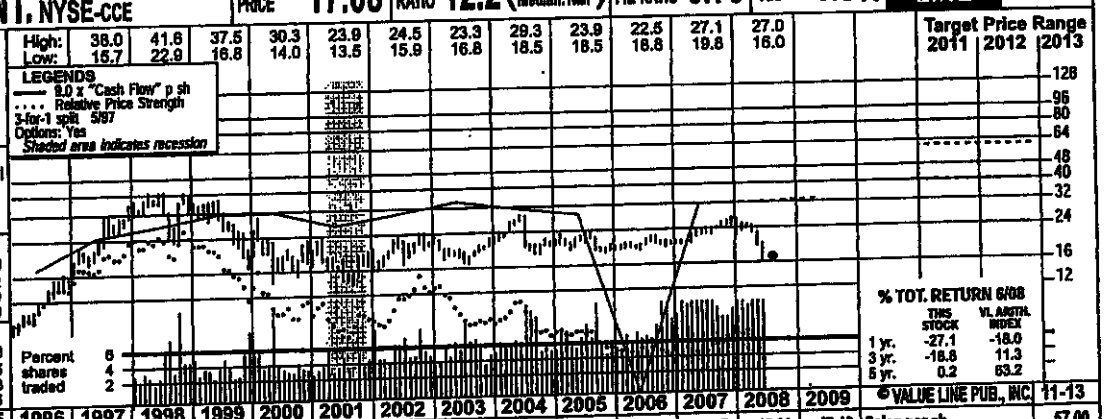
	Price	Gain	Ann'l Total Return
High	60	(+250%)	38%
Low	40	(+135%)	25%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	0	0	0	3	0	1	2
Options	0	1	0	0	0	0	0	0	0
to Sell	0	1	0	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	131	169	165
to Sell	124	119	133
Hld's(000)	255574	258266	262206



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
13.21	14.10	15.51	17.56	21.05	29.18	33.41	34.19	35.28	35.27	36.86	37.50	38.04	38.82	40.62	42.37	45.30	47.40	Sales per sh	57.00
.96	1.15	1.36	1.57	1.92	2.75	3.07	3.49	3.53	2.99	3.35	3.83	3.48	3.23	d.27	3.54	3.60	3.70	"Cash Flow" per sh	4.45
d.04	.07	.17	.19	.27	.30	.28	.29	.50	d.05	1.07	1.48	1.26	1.08	d2.41	1.40	1.40	1.50	Earnings per sh A	2.20
.02	.02	.02	.02	.03	.08	.15	.15	.16	.16	.16	.16	.16	.22	.18	.24	.28	.32	Div'ds Decl'd per sh B■	.40
.75	.91	.94	1.30	1.65	2.50	3.86	3.51	2.82	2.18	2.25	2.38	1.98	1.90	.25	.01	.05	.05	Cap'l Spending per sh	.20
3.23	3.16	3.38	3.64	3.76	4.61	5.95	6.83	8.67	6.25	7.22	9.45	11.27	11.71	9.28	11.51	12.50	13.30	Book Value per sh C	17.55
388.02	387.53	387.61	385.65	376.30	386.55	401.45	421.32	418.07	445.12	458.22	462.08	477.33	481.83	487.56	494.08	492.00	490.00	Common Shs Outst'g D	485.00
--	NMF	34.2	39.8	44.4	NMF	NMF	NMF	40.0	--	19.0	13.5	18.3	19.4	NMF	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	23.0
--	NMF	2.24	2.66	2.78	NMF	NMF	NMF	2.60	--	1.04	.77	.97	1.03	NMF	.86			Relative P/E Ratio	1.55
.4%	.4%	.3%	.2%	.2%	.3%	.4%	.5%	.8%	.9%	.8%	.8%	.7%	1.1%	.9%	1.0%			Avg Ann'l Div'd Yield	.7%
13414	14406	14750	15700	16889	17330	18158	18706	19804	20936	22100	23200	Sales ($mill)	26775
14.8%	15.9%	16.0%	12.4%	14.3%	15.4%	13.8%	13.2%	NMF	11.9%	11.7%	11.2%	Operating Margin	11.5%
1120.0	1348.0	1261.0	1353.0	1045.0	1097.0	1068.0	1044.0	1012.0	1067.0	1070	1075	Depreciation ($mill)	1080
113.0	127.0	218.0	d19.0	494.0	676.0	586.0	514.0	d1143	681.7	675	725	Net Profit ($mill)	1035
33.1%	33.5%	29.9%	--	29.9%	30.5%	27.1%	34.9%	34.9%	15.0%	25.0%	25.0%	Income Tax Rate	30.0%
.8%	.9%	1.5%	NMF	2.9%	3.9%	3.3%	2.7%	NMF	3.2%	3.0%	3.0%	Net Profit Margin	4.0%
d1112	d1033	d463.0	d1646	d611.0	d941.0	d167.0	d451.0	d127.0	d1251	50.0	1150	Working Cap'l ($mill)	3500
9605.0	10153	10348	10365	11236	10552	10523	9165.0	9218.0	7391.0	7200	7100	Long-Term Debt ($mill)	6500
2438.0	2924.0	2834.0	2820.0	3347.0	4365.0	5378.0	5643.0	4526.0	5689.0	6100	6500	Shr. Equity ($mill)	8250
3.8%	3.6%	4.3%	2.1%	5.3%	6.2%	5.3%	5.5%	NMF	7.0%	7.0%	7.0%	Return on Total Cap'l	8.5%
4.6%	4.3%	7.7%	NMF	14.8%	15.5%	11.1%	9.1%	NMF	12.0%	11.0%	11.0%	Return on Shr. Equity	12.5%
2.3%	2.0%	5.3%	NMF	12.7%	13.8%	9.7%	7.8%	NMF	10.0%	9.0%	9.0%	Retained to Com Eq	10.0%
51%	55%	32%	NMF	15%	11%	13%	15%	NMF	17%	20%	21%	All Div'ds to Net Prof	19%

CAPITAL STRUCTURE as of 6/27/08
Total Debt $9.6 bill. Due in 5 Yrs $5.0 bill.
LT Debt $7.2 bill. LT Interest $480 mill.
(Total interest coverage: 1.1x) (56% of Cap'l)

Leases, Uncapitalized None

Benefit Assets-12/07 $3.2 bill. Oblig. $3.4 bill.

Pfd Stock None.
Common Stock 487,364,504 shs.
as of 1/25/08
MARKET CAP: $8.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/27/08
Cash Assets	184	170	135
Receivables	2089	2361	3090
Inventory (LIFO)	792	924	1256
Other	626	637	661
Current Assets	3691	4092	5142
Accts Payable	2850	3293	3836
Debt Due	804	2002	2427
Other	64	48	44
Current Liab.	3818	5343	6309

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.0%	2.5%	6.0%
"Cash Flow"	3.0%	-8.5%	13.0%
Earnings	--	--	NMF
Dividends	25.0%	4.0%	11.0%
Book Value	11.5%	10.5%	8.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	4196	5128	4895	4487	18706
2006	4333	5467	5218	4786	19804
2007	4567	5665	5405	5299	20936
2008	4892	5935	5723	5550	22100
2009	5050	6200	6100	5850	23200

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.10	.70	.40	d.12	1.08
2006	.03	.71	.44	d3.59	d2.41
2007	.07	.56	.49	.28	1.40
2008	.02	.56	.47	.35	1.40
2009	.03	.60	.50	.37	1.50

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.04	.04	.08	.16
2005	--	.04	.04	.08	.16
2006	.06	.06	.06	.06	.24
2007	.06	.06	.06	.06	.24
2008	.07	.07			

BUSINESS: Coca-Cola Enterprises Inc. is the world's largest soft drink bottler. Accounts for about 75% of all bottled & canned Coke products sold in U.S. and Canada. Ops. in 46 states; Washington D.C., Belgium, Canada, France, Luxembourg, the Netherlands, and the U.K. Acq'd ABGB, 2/97; Coke Canada, 9/97; Coke New York, 1/98. Product mix: Coca-Cola and other Coke soft drinks (63%), flavored soft drinks (24%), bottled water, isotonics, and juices (13%). '07 depr. rate: 6.8%. Has about 73,000 emps., Coca-Cola Co. owns 34.7% of com.; Lord Abbett & Co. 10.5%; Barclay Global Investors 7% (4/08 proxy). CEO and President: John Brock. Inc.: Delaware. Addr.: 2500 Windy Ridge Parkway, Atlanta, GA 30339. Telephone: 770-989-3000. Internet: www.cokecce.com.

Coca-Cola Enterprises suffered a large $5.3 billion noncash impairment charge during the second quarter. Excluding the loss of $6.52 a share, earnings were the same as the prior-year period. The charge occured as CCE had to make its yearly assessment of its North American franchise license intangibles. Although the decline in the bottler's intangible assets was big, it will not directly affect the company's ability to generate cash at this time. At this juncture, we do not expect a repeat of such expenses for the rest of the year. Nonetheless, CCE's short-term prospects seem less than bright for the next few quarters.

Problems will continue to challenge the company. Although revenues increased 4.7% in comparison to the year-ago period, the performance was partially due to favorable currency gains. Volume growth, both here and abroad, was uninspiring, especially in CCE's 20-ounce sparkling beverages and water segments. Also, operating margins were, and will likely remain, burdened by escalating commodity costs. Although Coca-Cola Enterprises' oil and sugar hedges have somewhat softened the blow, aluminum costs continue to be challenging. Accordingly, rising input costs, coupled with tightened consumer spending, will likely temper earnings growth for the foreseeable future. **CCE will seek to counter its problems in several ways.** In order to offset rising raw material costs, prices should increase after Labor Day. This will not likely be good for consumers, as incomes are dwindling. Also, restructuring efforts are set to continue. While we believe such moves will somewhat lessen margin erosion, pressures will not likely abate soon.

Investors may want to wait and see the outcome of the company's 120-day assessment. Indeed, the 30% decline in share price since our May report indicates that confidence is waning, a situation not likely being helped by CCE's decision to suspend its share-buyback plans for now. **This untimely issue offers wide capital appreciation potential for the 3- to 5-year timeframe.** Nonetheless, the current challenges and the uncertainties regarding their effective solution suggests caution is warranted.

Nira Maharaj August 1, 2008

(A) Dil. egs., primary through '96. Excl. nonrecurr. Items: '93, (31¢); '95, 4¢; '96, 5¢; '97, 14¢; '98, 7¢; '99, (16¢); '00, 2¢; '01, (70¢), '02, 1¢, '07, 6¢ '08 ($6.52). Next egs. report due early August.
(B) Dividend historically paid in late March, June, September, & December. ■ Div'd reinvestment plan avail.
(C) Incl. intang. In '07: $12.4 bill., $25.05/sh.
(D) In millions, adjusted for splits.

Company's Financial Strength	B
Stock's Price Stability	85
Price Growth Persistence	10
Earnings Predictability	5

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CROWN HOLDINGS NYSE-CCK

RECENT PRICE 27.23 | P/E RATIO 17.0 (Trailing: 19.7 / Median: 18.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 4/25/08
SAFETY 3 Raised 1/4/08
TECHNICAL 3 Lowered 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

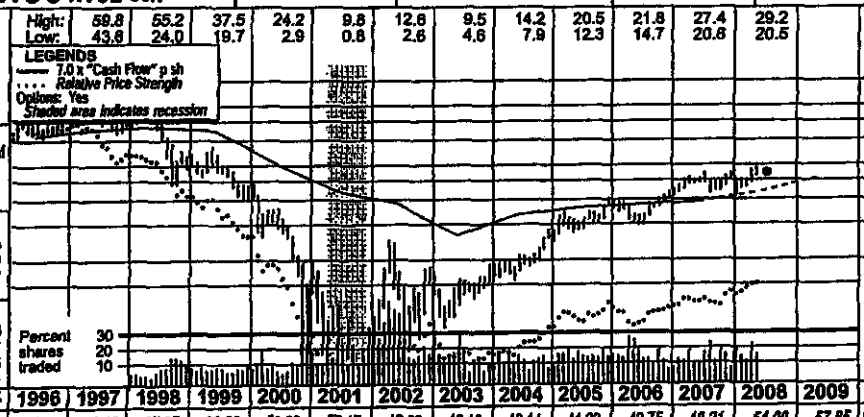
	Price	Gain	Ann'l Total Return
High	55	(+100%)	19%
Low	35	(+30%)	7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	1	1	0	0	0	0	0
to Sell	1	1	1	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	121	127	97
to Sell	126	124	125
Hld's(000)	137982	138432	138894



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
43.78	46.87	49.82	55.75	64.88	66.16	67.85	63.86	58.02	57.17	42.60	40.18	43.14	41.23	42.75	48.21	*54.00*	*57.85*	Sales per sh [A]	*67.65*
3.45	4.20	4.73	4.39	6.05	6.51	6.73	6.43	4.41	3.20	2.73	1.89	2.41	2.59	2.69	2.77	*3.10*	*3.70*	"Cash Flow" per sh	*4.90*
1.79	2.08	2.29	1.57	2.29	2.27	2.33	2.15	.72	d.77	.49	d.08	.56	.89	1.17	1.31	*1.60*	*2.05*	Earnings per sh [AB]	*3.00*
--	--	--	--	1.00	1.00	1.00	1.00	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
1.74	3.05	4.92	4.78	4.92	4.01	3.98	2.31	2.09	1.34	.72	.73	.63	1.15	1.17	.97	*.95*	*1.05*	Cap'l Spending per sh	*1.25*
13.24	14.09	15.28	16.12	23.69	23.43	*21.45*	*20.99*	*18.79*	*6.40*	d.55	.85	1.66	d1.41	d3.34	1.40	*2.50*	*3.95*	Book Value per sh [D]	*11.10*
86.35	86.61	89.36	90.65	126.41	126.40	122.34	121.08	125.62	125.70	159.43	165.02	166.87	167.53	163.33	160.28	*157.00*	*153.00*	Common Shs Outst'g [C]	*145.00*
18.5	18.2	16.4	27.1	20.5	23.0	18.3	12.9	19.3	--	14.0	--	18.1	17.9	15.5	16.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
1.12	1.08	1.08	1.81	1.28	1.33	.95	.74	1.25	--	.78	--	.96	.95	.84	.97			Relative P/E Ratio	*1.00*
--	--	--	--	2.1%	1.9%	2.3%	3.6%	7.2%	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
8300.0	7732.0	7289.0	7187.0	6792.0	6630.0	7199.0	8908.0	6982.0	7727.0	*8475*	*8850*	Sales ($mill) [A]	*9810*
16.8%	17.1%	13.6%	11.3%	12.4%	13.9%	11.8%	12.1%	9.1%	*6.8%*	*11.5%*	*12.0%*	Operating Margin	*13.0%*
533.0	522.0	495.0	499.0	375.0	326.0	308.0	282.0	227.0	229.0	*232*	*240*	Depreciation ($mill)	*260*
307.0	272.0	61.0	d97.0	61.0	d14.0	94.0	152.0	213.0	215.0	*260*	*325*	Net Profit ($mill) [A]	*450*
36.4%	34.0%	35.0%	--	30.6%	69.3%	40.2%	--	--	--	*28.0%*	*28.0%*	Income Tax Rate	*28.0%*
3.7%	3.5%	.8%	NMF	.9%	NMF	1.3%	2.2%	3.1%	2.8%	*3.0%*	*3.6%*	Net Profit Margin	*4.6%*
d1542	d573.0	652.0	d84.0	d246.0	86.0	263.0	d98.0	105.0	172.0	*570*	*365*	Working Cap'l ($mill)	*590*
3188.0	3573.0	5049.0	4475.0	3388.0	3709.0	3796.0	3192.0	3420.0	3354.0	*3500*	*3000*	Long-Term Debt ($mill)	*2000*
2975.0	2891.0	2109.0	804.0	d87.0	140.0	277.0	d236.0	d545.0	225.0	*395*	*605*	Shr. Equity ($mill)	*1610*
7.4%	6.5%	3.2%	2.1%	6.2%	3.8%	6.4%	8.1%	12.3%	10.4%	*9.5%*	*11.5%*	Return on Total Cap'l	*14.0%*
10.3%	9.4%	2.9%	NMF	--	NMF	33.9%	--	--	95.6%	*65.5%*	*53.5%*	Return on Shr. Equity	*28.0%*
6.3%	5.3%	NMF	NMF	--	NMF	33.9%	--	--	95.6%	*65.5%*	*53.5%*	Retained to Com Eq	*28.0%*
47%	51%	NMF	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3819 mill. Due in 5 Yrs $1595 mill.
LT Debt $3726 mill. LT Interest $228 mill. (98% of Cap'l)
(LT interest earned: .6x; total interest coverage: .6x)

Pension Assets $4.9 bill. Oblig. $4.7 bill.
Pfd Stock None

Common Stock 160,610,324 shs. as of 5/5/08
MARKET CAP: $4.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	407	457	282
Receivables	689	673	937
Inventory (Avg Cst)	906	1030	1220
Other	60	72	115
Current Assets	2062	2232	2554
Accts Payable	1796	1951	1909
Debt Due	121	83	83
Other	39	26	--
Current Liab.	1956	2060	2002

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-3.5%	-3.5%	7.5%
"Cash Flow"	-7.0%	-6.0%	*11.0%*
Earnings	-6.0%	50.5%	*18.0%*
Dividends	--	--	*Nil*
Book Value	--	--	*NMF*

Calendar	QUARTERLY SALES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1529	1822	1928	1629	6908
2006	1524	1781	2001	1676	6982
2007	1713	1990	2153	1871	7727
2008	*1863*	*2175*	*2395*	*2042*	*8475*
2009	*1945*	*2270*	*2500*	*2135*	*8850*

Calendar	EARNINGS PER SHARE [AB] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.04	.37	.46	.02	.89
2006	.08	.42	.51	.16	1.17
2007	.10	.51	.59	.12	1.31
2008	*.18*	*.54*	*.64*	*.24*	*1.60*
2009	*.23*	*.69*	*.80*	*.33*	*2.05*

Calendar	QUARTERLY DIVIDENDS PAID Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Crown Holdings, Inc., formerly Crown Cork & Seal, is the leading supplier of packaging products, such as: metal food, beverage, aerosol, and plastic or polyethylene (PET) containers, to consumer marketing companies around the world. 2007 sales breakdown: metal beverage, food, and other packaging, 98%; plastic containers and closures, 1%; other products, 1%. Foreign business: 66% of '07 sales. Operates 141 plants located in 41 countries. Has about 21,800 employees. Officers & directors own about 3.0% of stock (3/08 Proxy). Chairman, President & CEO: John W. Conway. Incorporated: Pennsylvania. Address: One Crown Way, Philadelphia, PA 19154-4599. Telephone: 215-698-5100. Internet: www.crowncork.com.

Crown Holdings continues to benefit from an improving global climate. Sales climbed around 9% in the first quarter, with about 75% being generated outside the U.S. The company has built up a formidable international network in recent years, and is now starting to cash in. The global beverage can markets are holding strong, with Asia and the Middle East experiencing significant surges. Crown should prosper further once the Beijing Olympics begin and beverage advertising kicks into high gear.

Strong pricing persists. Elevated raw material costs are being passed through aggressively, limiting their impact on the bottom line. Meanwhile, a favorable global supply/demand environment augurs well for Crown to successfully initiate further increases in the latter half of the year.

The company is spending for growth. Crown already allocated $500 million for share repurchases. Capacity expansion also remains a priority, such as a new beverage can plant under construction in Morocco. Although the proactive approach to creating shareholder value is a plus, Crown continues to maintain a highly leveraged balance sheet. Some debt reduction seems necessary for the company to add strength and stability to its capital structure.

Momentum-driven investors may find the stock of interest. Indeed, the issue has been on a slow and steady rise since mid-January, as strong first-quarter results only reinforced investor confidence. All told, in the three months since our last review, CCK's share price is up over 9%. The stock is ranked 2 (Above Average) for year-ahead price performance.

Out to 2011-2013, these shares offer below average appreciation potential. We have raised our 3- to 5-year projections to coincide with the elevated level of growth we believe will begin in 2009. That said, Crown does face a number of challenges, including its debt-laden balance sheet. Too, the stock holds a low score for Earnings Predictability.

Jason A. Smith *July 4, 2008*

CASH POSITION	5-Year Av'g	3/31/08
Current Assets to Current Liabilities:	116%	128%
Cash & Equiv's to Current Liabilities:	16%	14%
Working Capital to Sales:	4%	7%

(A) Divested: U.S. fragrance pumps (01/02); 15% (02/02), then 85% (07/02) shareholding in Crown Nampak; Pharmaceutical Packaging Business (03/02). (B) Diluted egs., basic prior to '97. Excl. non-rec. items: '95, (74¢); '96, 16¢; '97, 22¢; '98, ($1.62); '01, ($6.97); '02, ($8.87); '03, 11¢; '04, (26¢); '05, ($3.10); '06, 84¢; '07, $1.88; '08 Q1, (1¢). Next egs. rpt. due early Aug. Total may not sum due to rounding. (C) In millions. (D) Includes intang. '07: $2,199.0 mill., $13.72/share.

Company's Financial Strength	C++
Stock's Price Stability	60
Price Growth Persistence	35
Earnings Predictability	20

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CLEAR CHANNEL COM. NYSE-CCU

RECENT PRICE 29.95 | P/E RATIO 19.3 (Trailing: 19.2 Median: NMF) | RELATIVE P/E RATIO 1.14 | DIV'D YLD Nil | VALUE LINE

TIMELINESS — Suspended 11/24/06
SAFETY 3 New 2/28/97
TECHNICAL — Suspended 11/24/06
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+100%)	19%
Low	40	(+35%)	8%

Insider Decisions

	J	J	A	S	O	N	D	J	F
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	164	162	209
to Sell	216	189	149
Hld's(000)	401137	408071	388756

	High:	39.9	62.3	91.5	95.5	68.1	54.9	47.5	47.8	35.1	35.9	38.6	38.6
	Low:	16.8	31.0	52.0	43.9	35.2	20.0	31.0	30.0	28.8	27.2	32.0	25.9

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/05
2-for-1 split 12/06
2-for-1 split 7/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

128 96 80 64 48 40 32 24 16 12

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-13.6	-9.4
3 yr.	0.5	30.2
5 yr.	-16.9	88.8

Percent shares traded 15 10 5

Clear Channel Communications was founded in 1972 by then President and Chief Executive Officer, Lowry Mays. In 1984, the company went public via an IPO headed by Paine Webber. The company acquired Broad Street Communications, a broadcasting firm with radio stations in three mid-size markets, in 1984. Currently, Clear Channel owns and/or programs both radio and television stations in markets throughout the United States.

CAPITAL STRUCTURE as of 12/31/07
Total Debt $6575.2 mill. Due in 5 Yrs $4349 mill.
LT Debt $5215.0 mill. LT Interest $325.0 mill.
(Total Interest coverage: 4.5x) (37% of Cap'l)

Leases, Uncapitalized Annual rentals $372.5 mill.

No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 497,917,673 shs.

MARKET CAP: $14.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2005	2006	12/31/07
Cash Assets	82.8	114.0	145.1
Receivables	1505.6	1695.4	1693.2
Other	660.0	396.3	456.3
Current Assets	2248.4	2205.7	2294.6
Accts Payable	250.6	156.9	165.5
Debt Due	891.2	336.4	1360.2
Other	965.5	1170.6	1267.6
Current Liab.	2107.3	1663.9	2813.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.0%	2.0%	5.5%
"Cash Flow"	15.0%	3.5%	8.0%
Earnings	17.5%	--	11.5%
Dividends	--	--	Nil
Book Value	14.0%	-16.5%	8.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1447.8	1722.7	1683.3	1756.6	6610.4
2006	1497.4	1841.8	1786.6	1941.2	7067.0
2007	1481.6	1774.2	1724.2	1836.9	6816.9
2008	1480	1780	1740	1870	6870
2009	1540	1840	1790	1910	7080

Calendar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.12	.39	.32	.34	G1.16
2006	.19	.39	.38	.43	G1.38
2007	.19	.42	.50	.45	G1.57
2008	.20	.44	.46	.50	1.60
2009	.21	.45	.47	.52	1.65

Calendar	QUARTERLY DIVIDENDS PAID E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.125	.43
2005	.125	.125	.188	.188	.63
2006	.188	.188	.188	.188	.75
2007	.188	.188	.188	.188	.75
2008	.188				

© VALUE LINE PUB., INC.	1998	1999	2000	2001	2002 D	2003	2004	2005 F	2006	2007	2008	2009	11-13
Revenues per sh	5.12	8.19	9.13	13.32	13.74	14.50	16.60	12.28	14.31	13.69	14.00	14.75	18.35
"Cash Flow" per sh	1.36	2.21	2.02	2.37	2.15	2.26	2.58	2.35	2.69	2.69	2.75	2.85	4.05
Earnings per sh A D	.22	d.01	d.50	d1.93	1.13	1.17	1.38	1.16	1.36	1.57	1.60	1.65	2.65
Div'ds Decl'd per sh E	--	--	--	--	--	.10	.45	.69	.75	.75	.19	Nil	Nil
Cap'l Spending per sh	.54	.73	.85	1.00	.89	.61	.63	.61	.71	.73	.75	.65	1.05
Book Value per sh B	17.00	30.84	51.82	49.70	23.18	25.25	16.73	16.40	16.28	17.67	19.05	20.70	27.15
Common Shs Outst'g C	263.70	327.00	585.65	598.27	613.10	615.89	567.26	538.17	493.87	497.92	490.00	480.00	425.00
Avg Ann'l P/E Ratio	NMF	--	--	--	36.8	34.5	27.5	27.8	22.2	23.3	Bold figures are Value Line estimates		19.0
Relative P/E Ratio	NMF	--	--	--	2.01	1.97	1.45	1.48	1.20	1.22			1.25
Avg Ann'l Div'd Yield	--	--	--	--	--	.2%	1.2%	2.1%	2.4%	2.1%			Nil
Revenues ($mill)	1350.9	2678.2	5345.3	7970.0	8421.1	8930.9	9418.5	6610.4	7067.0	6816.9	6870	7080	7800
Operating Margin	40.4%	36.4%	32.2%	24.0%	26.5%	23.4%	25.1%	31.1%	31.8%	32.4%	32.5%	32.0%	34.0%
Depreciation ($mill)	305.0	722.2	1401.1	2562.5	620.8	671.3	694.0	630.4	633.8	564.9	560	570	600
Net Profit ($mill)	54.0	d.3	d220.6	d1144	694.9	720.8	824.5	635.1	693.3	776.6	785	795	1125
Income Tax Rate	61.4%	NMF	--	--	45.2%	40.6%	37.9%	39.5%	46.2%	41.9%	41.0%	40.0%	41.0%
Net Profit Margin	4.0%	NMF	NMF	NMF	8.3%	8.1%	8.8%	9.6%	9.8%	11.4%	11.4%	11.2%	14.4%
Working Cap'l ($mill)	151.9	239.6	214.8	d1019	d887.1	293.0	85.3	141.1	541.8	d518.7	d175	190	720
Long-Term Debt ($mill)	2323.6	4584.4	10597	7967.7	7382.1	6921.4	6962.6	6155.4	7326.7	5215.0	5200	5300	5500
Shr. Equity ($mill)	4483.4	10084	30347	29738	14210	15554	9488.1	8826.5	8042.3	8797.5	9340	9935	11535
Return on Total Cap'l	1.7%	.6%	NMF	NMF	4.1%	4.1%	6.1%	5.5%	5.9%	6.8%	6.5%	6.5%	7.5%
Return on Shr. Equity	1.2%	.0%	NMF	NMF	4.9%	4.6%	8.7%	7.2%	8.6%	8.6%	8.5%	8.0%	10.0%
Retained to Com Eq	1.2%	.0%	NMF	NMF	4.9%	4.2%	6.0%	3.3%	3.9%	4.6%	7.5%	8.0%	10.0%
All Div'ds to Net Prof	--	--	--	--	--	9%	31%	54%	55%	48%	12%	Nil	Nil

BUSINESS: Clear Channel Communications, Inc. owns and/or programs more than 717 radio stations (50% of 2007 revs.) and 896,000 billboards (47%). Also owns a media representation firm, and other support businesses (3%). Acq. More Group Plc, 6/98; Jacor Comm., 5/99; SFX Entertainment (concert promotion) and AMFM, 8/00; Spun off 10% of outdoor ad operations, 11/05; and live entertainment business, 12/05. Sold Television Station Group, 3/08. Has 28,900 employees. Off. & dir. own 8.4% of common stock; Highfields Capital Management LP, 7.7%; UBS, 5.8% (4/08 proxy). President: Randall Mays. CEO: Mark P. Mays. Inc.: TX. Address: 200 East Basse Road, San Antonio, TX, 78209. Telephone: 210-822-2828. Internet: www.clearchannel.com.

Clear Channel's pending sale to private investors will likely fall through. It appears that the buyout group led by Thomas H. Lee Partners has failed to reach terms with the banks that have agreed to finance the deal. Clear Channel was to be sold for $39.20 per share in cash. However, given the recent weakness in the radio business and declining prices of media stocks, this valuation looks inflated. In addition, the tight credit market has caused many banks to incur losses, reducing their willingness to take on additional risk. As such, financing for leveraged buyouts is now more difficult to obtain. Clear Channel is filing suit against six banks claiming that they are purposely causing the deal to break down.

As a result, the company is deferring its April dividend payment. The deferment was initiated in response to a request by the buyout group, due to the delayed closing of the transaction. Historically, the company has declared a dividend on the last day of each quarter, with payment occurring on or before the 15th of the subsequent month. We think Clear Channel would reinstate the dividend in the event of a backout of the deal.

The radio operating environment is challenging. Local and national-based advertising sales are running lower, likely because of spending shifts to other mediums and the growing array of media outlets available to consumers. The average rate per minute is also under pressure, despite increased levels of shorter spots. These declines are being partially offset by increases in network, traffic, syndicated and online revenues.

Station sales are under way. Through February 13th, the company had sold 217 non core radio stations of a planned 448. It has also completed the sale of its Television Group, for $1.1 billion.

Revenues from Outdoor Advertising should continue to grow, albeit more slowly. As of early February, segment revenues were pacing up less than 4% year over year for 2008, compared with the 13% rise achieved in 2007. We look for gains both in the U.S. and internationally.

Clear Channel stock holds little appeal without a merger agreement. We recommend a wait-and-see approach.

Damon Churchwell *May 16, 2008*

(A) Primary egs. through '97; dil. thereafter. Excl. non-recurring / extraord. gains/(losses): '99, $0.23; '00, $1.07; '02, $0.05; '03, $0.68; '04, ($8.16); '06, ($0.01); '07, ($0.01). Excl. Inc. from disc. ops.: '05, $0.55; '06, $0.01; '07, $0.33. Next egs. rpt. due late July. (B) Incl. intang.: 2007, $12.00 bill. ($24.04/sh.). (C) In mill., adj. for spl. (D) Egs. after 2001 excl. goodwill amort. chgs. (E) Div'd suspended due to agreement to sell company. (F) 2005 fig. adj. for spinoffs of 10% of outdoor ad. and 100% of live ent. (G) Does not sum due to rounding.

Company's Financial Strength	B
Stock's Price Stability	85
Price Growth Persistence	5
Earnings Predictability	15

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CADENCE DESIGN NDQ-CDNS

RECENT PRICE 7.17 | P/E RATIO NMF (Trailing: 11.9 / Median: 26.0) | RELATIVE P/E RATIO NMF | DIV'D YLD Nil | VALUE LINE

TIMELINESS 5 Lowered 9/1/06
SAFETY 3 New 6/2/00
TECHNICAL 3 Raised 8/22/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+250%)	37%
Low	18	(+150%)	26%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	2	0	0	0
Options	4	2	1	0	0	1	0	0	0
to Sell	6	2	1	0	0	2	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	114	127	119
to Sell	158	138	142
Hld's(000)	263186	254200	230626

	High:	29.1	39.0	34.1	28.9	32.7	24.4	18.3	19.5	18.7	19.7	24.9	17.1	
	Low:	13.1	19.1	9.2	13.0	14.1	8.6	8.7	11.5	12.9	14.9	16.0	6.9	

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 10/85
3-for-2 split 6/96
2-for-1 split 11/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

64 48 40 32 24 20 16 12 8 6

Percent shares traded 21 14 7

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-85.5	-12.2
3 yr.	—	7.2
5 yr.	—	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
2.20	1.99	2.52	3.49	4.28	4.41	5.67	4.49	5.25	5.72	4.78	4.17	4.41	4.73	5.40	5.88	4.55	5.25	Revenues per sh [A]	7.80
.47	.23	.47	.91	.84	1.29	1.68	.74	.98	1.34	1.06	.84	1.02	1.20	1.05	1.55	.10	.30	"Cash Flow" per sh	1.75
.27	.00	.19	.52	.52	.96	1.18	.32	.47	.84	.61	.51	.66	.83	.46	1.01	d.50	d.35	Earnings per sh [A B]	1.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.16	.10	.09	.18	.36	.45	.53	.45	.49	.62	.46	.31	.23	.26	.25	.30	.35	.45	Cap'l Spending per sh	.55
1.26	1.11	1.03	.85	2.47	3.50	4.00	4.05	3.73	4.49	6.10	5.66	6.26	6.57	6.18	7.57	7.60	7.25	Book Value per sh [D]	8.80
197.80	185.32	170.58	157.13	173.22	207.67	214.44	243.33	243.66	249.90	269.69	268.44	271.56	280.96	274.91	274.69	250.00	248.00	Common Shs Outst'g [E]	256.00
18.1	--	18.6	15.2	32.1	22.0	25.0	56.5	45.6	26.4	27.1	25.4	21.4	18.1	36.0	20.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
1.10	--	1.22	1.02	2.01	1.27	1.30	3.22	2.86	1.35	1.48	1.45	1.13	.96	2.05	1.07			Relative P/E Ratio	1.45
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
1216.1	1093.3	1279.6	1430.4	1287.9	1119.5	1197.5	1329.2	1483.9	1615.0	1140	1300	Revenues ($mill) [A]	2000
38.7%	19.2%	21.7%	28.8%	26.4%	25.2%	27.3%	27.1%	25.0%	27.8%	2.0%	3.0%	Operating Margin	25.0%
85.0	102.1	114.9	120.2	122.1	85.5	75.2	79.0	147.1	130.6	135	155	Depreciation ($mill)	210
275.7	77.9	123.5	215.7	163.7	139.8	200.8	258.2	142.6	296.3	d115	d85.0	Net Profit ($mill)	240
30.0%	29.0%	22.8%	26.5%	26.0%	26.0%	26.0%	26.0%	41.2%	18.6%	NMF	NMF	Income Tax Rate	28.0%
22.7%	7.1%	9.8%	15.1%	12.7%	12.5%	16.8%	19.4%	9.6%	18.3%	NMF	NMF	Net Profit Margin	12.0%
251.8	58.3	65.3	162.5	254.3	360.3	520.9	670.4	763.9	744.1	520	600	Working Cap'l ($mill)	990
136.4	25.0	3.3	1.5	52.7	420.1	420.0	548.0	730.4	500.0	550	650	Long-Term Debt ($mill)	850
857.5	986.1	909.5	1121.3	1644.0	1572.3	1700.0	1844.7	1699.3	2080.1	1900	1800	Shr. Equity ($mill) [D]	2250
27.7%	7.8%	13.6%	19.3%	9.7%	7.1%	9.6%	10.9%	5.9%	11.7%	NMF	NMF	Return on Total Cap'l	8.0%
32.2%	7.9%	13.6%	19.2%	10.0%	8.9%	11.8%	14.0%	8.4%	14.2%	NMF	NMF	Return on Shr. Equity	10.5%
32.2%	7.9%	13.6%	19.2%	10.0%	8.9%	11.8%	14.0%	8.4%	14.2%	NMF	NMF	Retained to Com Eq	10.5%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/28/08
Total Debt $730.4 mill. Due in 5 Yrs 480.9 mill.
LT Debt $500.0 mill. LT Interest $3.0 mill.
($250 mill. 1.375% convertible notes due 2011. $250 mill. 1.5% convertible notes due 2013.)
(21% of Cap'l)
Leases, Uncapitalized: Annual rentals $42.2 mill.

No Defined Benefit Pension Plan

Common Stock 260,258,338 shs.

MARKET CAP: $1.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/28/08
Cash Assets	934.3	1062.9	836.5
Receivables	238.4	326.2	315.7
Inventory (Avg Cst)	37.2	31.0	23.7
Other	102.1	109.5	151.9
Current Assets	1312.0	1529.6	1327.8
Accts Payable	259.8	289.9	247.0
Debt Due	28.0	230.4	230.4
Other	260.3	265.2	247.7
Current Liab.	548.1	785.5	725.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.0%	0.5%	6.5%
"Cash Flow"	2.5%	2.5%	5.5%
Earnings	1.5%	3.5%	4.5%
Dividends	--	--	Nil
Book Value	11.5%	7.5%	4.5%

Calendar	QUARTERLY REVENUES ($ mill.) [A] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	292.5	320.9	337.4	378.4	1329.2
2006	328.2	358.5	366.2	431.0	1483.9
2007	365.2	391.0	400.9	457.9	1615.0
2008	287.2	329.5	240	283.3	1140
2009	320	320	330	330	1300

Calendar	EARNINGS PER SHARE [A B C] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.15	.17	.21	.29	.83
2006	.07	.10	.14	.16	.46
2007	.15	.20	.24	.41	1.01
2008	d.07	.02	d.25	d.20	d.50
2009	d.20	d.10	d.10	.05	d.35

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS				
2006	BEING PAID				
2007					
2008					

BUSINESS: Cadence Design Systems, Inc. is a leading worldwide supplier of electronic design automation (EDA) software for integrated circuit and systems design and verification, principally in the semiconductor industry. The company's software tools enable engineers to design, analyze, place and route, and test IC's, circuit boards, multichip modules, and other electronic systems. R&D: 31% of 2007 revenue. Has approximately 5,300 employees. Officers & directors own about 4.3% of common stock. Franklin Resources, 10.3%; Lord, Abbett & Co. 6.7%. (3/08 Proxy). Chairman.: John B. Shoven. President & CEO: Michael J. Fister. Inc.: DE. Address: 2655 Seely Road, San Jose, CA 95134. Telephone: (408) 943-1234. Internet: www.cadence.com.

Cadence Design Systems made an offer to acquire Mentor Graphics. After failing to reach a private agreement, Cadence offered to pay $16 per share for Mentor Graphics in a transaction valued at about $1.4 billion. Mentor Graphics rejected the offer, and has retained advisers to consider its options. The acquisition, if finalized, would provide Cadence with advanced lithographic technology. Given the capital requirements, the company would likely have to increase its debt level to finance the purchase.

Meanwhile, Cadence reported weak results for the second quarter of 2008. The top line declined about 16%, due to a challenging environment for semiconductor manufacturers. Product sales, which account for about 59% of revenue, slipped 26% during the period, partly offset by modestly better results at the Service and Maintenance segments. We expect the company's top line to weaken further in the second half of 2008.

Moreover, certain expenses remain high. Despite lower sales, product costs rose dramatically during the recent quarter. Service costs also increased, offsetting top-line contributions. Elsewhere, research and development spending, which was about $120 million during the quarter, remains high. This probably reflects some upcoming product launches and software upgrades.

The profit outlook has weakened considerably. Cadence's bottom line declined dramatically in the second quarter. Moreover, we expect the company to post a loss of $0.25 per diluted share in the third period, followed by another considerable loss in the fourth quarter. As a result, we are now projecting a loss of $0.50 per diluted share for full-year 2008, and a loss of $0.35 for 2009.

These untimely shares have fallen dramatically in price since our May report. This probably reflects Cadence's disappointing second-quarter results and a challenging business outlook for both this year and next. Our current projections indicate that these shares offer good recovery potential for the next three to five years. However, this assumes that the semiconductor industry starts to pick up considerably.

Adam Rosner *August 22, 2008*

(A) Fiscal year ends Sat. closest to Dec. 31st. (B) Primary earnings through 1997; diluted thereafter. Excl. non-recurring gains/(losses): '96, (71¢); '97, (19¢); '98, ($1.04); '99, (38¢); '00, (28¢); '01, (29¢); '02, (36¢); '03, (57¢); '04, (41¢); '05, (67¢). Excl. disc. ops.: '93, 28¢. Next egs. report due late Oct. (C) Qtly. figs. do not sum due to rounding and changes in shares outstanding. (D) Includes intangibles. At 12/31/07: $1.4 billion, $5.23 a share. (E) In millions, adjusted for splits.

Company's Financial Strength	B
Stock's Price Stability	55
Price Growth Persistence	5
Earnings Predictability	50

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C.H. ROBINSON NDQ-CHRW

RECENT PRICE 63.29 | P/E RATIO 30.1 (Trailing: 32.6 Median: 27.0) | RELATIVE P/E RATIO 1.84 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 1 Raised 5/23/08
SAFETY 3 Lowered 6/8/07
TECHNICAL 2 Raised 5/16/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+40%)	11%
Low	60	(-5%)	1%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	5	1	0	1	0	4	0
to Sell	0	0	5	0	0	2	0	5	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	150	147	179
to Sell	146	145	116
Hld's(000)	130669	131035	133861

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	--	--	10.85	12.35	13.40	17.03	18.41	19.49	21.18	25.47	32.88	37.97	42.83	49.90	56.90	Revenues per sh	72.10
	--	--	--	--	--	.22	.31	.38	.52	.61	.65	.73	.87	1.28	1.88	2.06	2.40	2.80	"Cash Flow" per sh	3.60
	--	--	--	--	--	.17	.26	.32	.42	.49	.56	.67	.80	1.16	1.53	1.86	2.10	2.45	Earnings per sh A	3.20
	--	--	--	--	--	--	.06	.07	.09	.11	.12	.16	.26	.37	.57	.72	.88	.96	Div'ds Decl'd per sh B	1.16
	--	--	--	--	--	.04	.03	.06	.09	.10	.04	.05	.20	.13	.25	.26	.27	.30	Cap'l Spending per sh	.35
	--	--	--	--	--	.84	1.03	1.46	1.76	2.12	2.52	3.03	3.84	4.51	5.47	6.10	6.90	8.10	Book Value per sh	13.20
	--	--	--	--	--	165.06	165.06	168.73	169.24	167.81	169.01	170.61	170.48	173.03	172.66	170.82	168.00	167.00	Common Shs Outst'g C	163.00
	--	--	--	--	--	33.2	21.9	24.5	30.5	29.1	27.4	27.0	28.1	26.0	29.2	27.22	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	23.5
	--	--	--	--	--	1.91	1.14	1.40	1.98	1.49	1.50	1.54	1.48	1.38	1.58	1.44			Relative P/E Ratio	1.55
	--	--	--	--	--	--	1.1%	.9%	.7%	.7%	.8%	.9%	1.1%	1.2%	1.3%	1.4%			Avg Ann'l Div'd Yield	1.6%
							2038.1	2261.0	2682.2	3090.1	3294.5	3613.6	4341.5	5688.9	6556.2	7316.2	8385	9500	Revenues ($mill)	11750
							3.8%	4.2%	4.7%	5.0%	5.2%	5.4%	5.4%	6.1%	6.7%	7.3%	7.1%	7.2%	Operating Margin	7.5%
							8.5	10.1	17.3	19.1	14.0	11.0	11.6	18.5	23.9	27.4	25.0	26.5	Depreciation ($mill)	32.5
							43.0	53.4	71.2	84.0	96.3	114.1	137.3	203.4	266.9	324.3	365	415	Net Profit ($mill)	530
							39.7%	39.7%	39.5%	39.3%	39.0%	38.7%	39.3%	39.6%	37.9%	38.1%	38.0%	38.0%	Income Tax Rate	38.0%
							2.1%	2.4%	2.5%	2.7%	2.9%	3.2%	3.2%	3.6%	4.1%	4.4%	4.3%	4.4%	Net Profit Margin	4.5%
							135.2	87.2	113.9	179.7	245.1	336.1	393.2	472.3	569.2	631.6	670	775	Working Cap'l ($mill)	1270
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
							169.5	246.8	297.0	355.8	425.8	517.0	620.9	780.0	943.7	1042.2	1160	1355	Shr. Equity ($mill)	2155
							25.4%	21.6%	24.0%	23.6%	22.6%	22.1%	22.1%	26.1%	28.3%	31.1%	31.0%	30.5%	Return on Total Cap'l	24.5%
							25.4%	21.6%	24.0%	23.6%	22.6%	22.1%	22.1%	26.1%	28.3%	31.1%	31.0%	30.5%	Return on Shr. Equity	24.5%
							19.3%	16.9%	19.5%	18.9%	17.9%	16.8%	15.5%	19.5%	18.7%	19.1%	18.5%	18.5%	Retained to Com Eq	16.0%
							24%	22%	19%	20%	21%	24%	30%	25%	34%	39%	42%	39%	All Div'ds to Net Prof	36%

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	19.1	-9.4
3 yr.	153.0	30.2
5 yr.	262.5	96.8

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

CAPITAL STRUCTURE as of 3/31/08
Total Debt None

Leases, Uncapitalized: Annual rentals $22.2 mil.

No Defined Benefit Pension Plan

Common Stock 170,668,227 shs. as of 5/7/08

MARKET CAP: $10.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	473.4	454.7	414.7
Receivables	765.0	911.8	1006.4
Inventory (Avg Cst)	--	--	--
Other	17.7	22.7	30.8
Current Assets	1256.1	1389.2	1451.9
Accts Payable	468.5	618.2	672.6
Debt Due	--	--	--
Other	218.4	139.4	110.1
Current Liab.	686.9	757.6	782.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	13.5%	15.5%	11.5%
"Cash Flow"	22.5%	23.0%	13.5%
Earnings	24.5%	25.5%	13.5%
Dividends	--	40.0%	13.0%
Book Value	20.5%	20.0%	16.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	1214	1406	1485	1583	5688.9
2006	1499	1701	1713	1642	6556.2
2007	1619	1879	1865	1952	7316.2
2008	1985	2100	2100	2200	8385
2009	2200	2350	2450	2500	9500

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.24	.28	.31	.33	1.16
2006	.33	.38	.40	.42	1.53
2007	.42	.47	.48	.49	1.86
2008	.50	.52	.53	.55	2.10
2009	.58	.61	.62	.64	2.45

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	.04	.04	.04	.04	.16
2004	.06	.06	.06	.075	.26
2005	.08	.08	.08	.13	.37
2006	.13	.13	.13	.13	.52
2007	.18	.18	.18	.18	.72
2008	.22	.22			

(A) Diluted earnings. 2006 earnings do not sum due to rounding. Next earnings report due late July.

(B) Dividends historically paid in early January, April, July, and October.

(C) In millions, adj. for splits.

BUSINESS: C.H. Robinson Worldwide, Inc. is one of the largest third-party logistics companies in North America. It is a non-asset based provider of multimodal and logistic solutions, and fresh produce sourcing. Has 218 offices in N. America, S. America, EU, and Asia. 6.5 mill. shipments in '07. Acquired Norminter (1/99); Vertex Trans. (8/99); Amer. Backhaulers (12/99); Trans-Consol. (8/00); Smith Terminal Trans. Svcs (1/02); FoodSource & Epic Roots (2/05); Hirdes Grp. & Bussini Trans. (9/05). Has 7,332 empls. Off. and dir. own 2.0% of stock; FMR, 9.0%; Morgan Stanley, 6.2%; Wellington Mgmt., 5.6%; TCW, 5.1%. (4/08 Proxy). Chrmn. & CEO: John Wiehoff. Inc.: DE. Addr.: 8100 Mitchell Rd., Eden Prairie, MN, 55344. Tel.: 952-937-8500. Internet: www.chrobinson.com.

Though strong, C.H. Robinson's March-quarter results were a bit below expectations. Share net came in at $0.50, a few pennies below our estimate. A narrower operating margin was the primary culprit, since the top line actually beat our estimate by 4%. Selling, general, and administrative (SG&A) expense rose more than 20%, reflecting costs incurred as a result of the company's expansion plans.

We've cut our bottom-line estimates for both this year and next by a nickel per share. SG&A expense should remain high throughout the year, as the company opens new offices and implements its expansion plans. (Note: Robinson's headcount at the end of March was 10% higher than a year earlier, and is continuing to rise). Thus, we lowered our operating margin estimate for this year by 30 basis points, to 7.1%. As a result, we expect share net to total $2.10 this year, 13% higher than last year's tally. Robinson earns good money even when the transportation segment is turning down. The company serves as an intermediary, receiving revenues from customers that need goods shipped, and then hiring a trucking operator to transport the cargo. The company's profits are derived from the difference between the prices received from customers and paid out to truckers. The spread usually widens when industry conditions are weak, since shipping providers, who are competing more fiercely for business, are willing to accept a lower price for their services. However, the rate that customers pay usually falls by a smaller amount. Share net should grow at a 17% clip next year, to $2.45, on revenues of $9.5 billion.

This stock is a good choice for momentum investors, in our view. CHRW carries our Highest (1) rank for Timeliness.

Long-term investors should hold off for now, though. The company should grow nicely over the next 3 to 5 years, but we believe this is already baked into the share price. The stock is up 16% since our March review and over 30% year to date. As a result, CHRW's capital appreciation potential falls below the *Value Line* median.

Tom Nikic — *June 6, 2008*

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	100
Earnings Predictability	95

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CLARCOR NYSE-CLC

RECENT PRICE 36.55 | P/E RATIO 19.2 (Trailing: 19.7 Median: 17.0) | RELATIVE P/E RATIO 1.22 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Raised 1/25/08
SAFETY 3 Lowered 10/5/07
TECHNICAL 3 Lowered 6/13/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

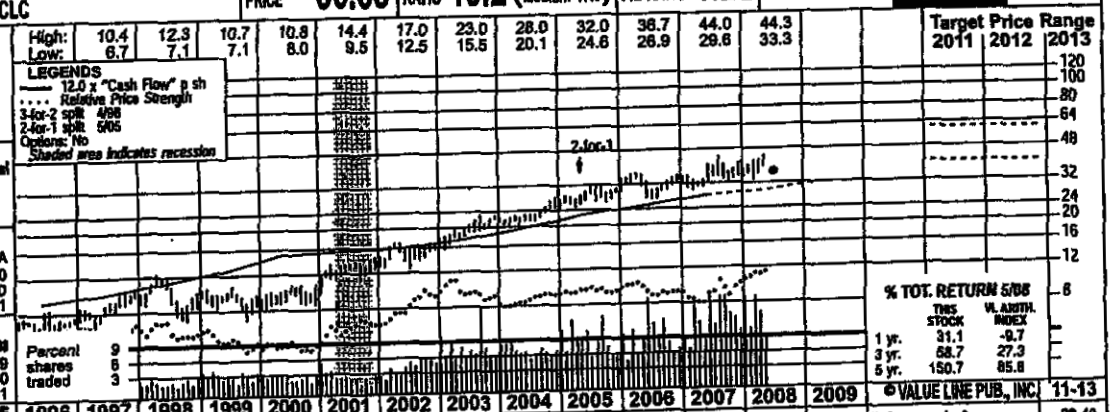
	Price	Gain	Ann'l Total Return
High	60	(+65%)	14%
Low	40	(+10%)	3%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	4	3	0	3	0	0
to Sell	0	0	0	0	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	71	65	79
to Sell	96	78	80
Hld's(000)	46139	45695	44791



Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	31.1	-9.7
3 yr.	58.7	27.3
5 yr.	150.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
4.20	5.07	6.10	6.52	7.47	8.13	8.91	9.95	13.37	13.54	14.36	14.65	15.38	16.94	17.70	18.72	21.60	22.80	Sales per sh A	28.40
.49	.53	.63	.68	.76	.82	.93	1.06	1.26	1.29	1.33	1.45	1.82	1.89	2.07	2.32	2.45	2.70	"Cash Flow" per sh	3.70
.37	.39	.46	.49	.54	.58	.65	.73	.82	.84	.91	1.08	1.24	1.46	1.59	1.79	1.90	2.10	Earnings per sh AB	2.85
.20	.20	.21	.21	.21	.22	.22	.23	.23	.24	.24	.25	.25	.26	.28	.30	.32	.34	Div'ds Decl'd per sh Cm	.40
.15	.23	.26	.31	.49	.23	.33	.45	.59	.37	.24	.26	.44	.47	.34	.75	.60	.60	Cap'l Spending per sh	.80
2.21	2.35	2.65	2.84	3.27	3.53	3.90	4.39	4.96	5.57	6.33	7.32	8.36	9.36	10.52	11.29	13.00	14.80	Book Value per sh D	21.40
44.96	44.46	44.28	44.46	44.63	48.49	47.90	48.04	48.76	49.25	49.84	50.62	51.22	51.59	51.08	49.22	50.00	50.00	Common Shs Outst'g E	50.00
16.9	15.7	14.1	14.6	13.2	14.4	14.9	12.7	11.4	14.5	16.6	17.5	18.1	18.9	20.0	19.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
1.02	.93	.92	.98	.83	.83	.77	.72	.74	.74	.91	1.00	.96	1.01	1.08	1.02			Relative P/E Ratio	1.20
3.2%	3.3%	3.2%	2.9%	3.0%	2.6%	2.3%	2.5%	2.5%	1.9%	1.6%	1.3%	1.1%	.9%	.9%	.9%			Avg Ann'l Div'd Yield	.8%
426.8	477.9	652.1	667.0	715.6	741.4	787.7	874.0	904.3	921.2	1080	1140	Sales ($mill) A	1420
15.0%	15.0%	14.9%	14.6%	13.6%	14.3%	14.9%	16.0%	16.5%	16.6%	16.5%	17.0%	Operating Margin	18.5%
12.4	15.4	21.1	21.9	19.8	19.0	19.2	21.1	23.1	23.4	26.0	28.0	Depreciation ($mill)	40.0
32.1	35.4	40.2	41.9	46.6	54.6	64.0	76.4	82.7	90.7	96.0	106	Net Profit ($mill)	145
37.5%	36.2%	36.5%	36.2%	34.7%	36.5%	35.0%	34.7%	34.5%	30.4%	34.0%	35.0%	Income Tax Rate	35.0%
7.5%	7.4%	6.2%	6.3%	6.5%	7.4%	8.1%	8.7%	9.1%	9.8%	8.9%	9.3%	Net Profit Margin	10.2%
107.0	130.2	132.7	149.5	85.5	146.0	177.7	203.4	261.9	257.7	300	340	Working Cap'l ($mill)	480
38.4	146.0	141.5	135.2	22.6	16.9	24.1	16.0	15.9	17.3	120	100	Long-Term Debt ($mill)	100
186.8	210.7	242.1	274.3	315.5	370.4	428.5	482.8	537.5	555.7	650	740	Shr. Equity ($mill)	1070
14.9%	10.5%	10.9%	11.3%	14.6%	14.2%	14.2%	15.4%	15.0%	15.9%	13.0%	13.0%	Return on Total Cap'l	12.5%
17.2%	16.8%	16.6%	15.3%	14.8%	14.7%	14.9%	15.8%	15.4%	16.3%	14.5%	14.5%	Return on Shr. Equity	13.5%
11.4%	11.7%	12.0%	11.1%	11.0%	11.4%	11.9%	13.0%	12.7%	13.8%	12.0%	12.5%	Retained to Com Eq	11.5%
33%	31%	28%	28%	26%	23%	20%	18%	17%	17%	17%	17%	All Div'ds to Net Prof	14%

CAPITAL STRUCTURE as of 5/31/08
Total Debt $117.6 mill. Due in 5 Yrs $.1 mill.
LT Debt $117.5 mill. LT Interest $7.2 mill.
(Total int. coverage and LT int. earned: over 100X) (16% of Cap'l)

Leases, Uncapitalized Annual rentals $9.2 mill.

Pension Assets 11/07 $120 mill. Oblig. $128 mill.

Pfd Stock None

Common Stock 50,748,193 shares
MARKET CAP: $1.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	62.8	42.1	47.7
Receivables	158.2	168.9	194.0
Inventory (LIFO)	129.7	135.8	162.5
Other	29.5	27.1	44.5
Current Assets	380.3	371.9	448.7
Accts Payable	107.1	109.6	76.6
Debt Due	.1	.1	.1
Other	11.2	4.5	70.7
Current Liab.	118.4	114.2	147.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.0%	5.5%	8.0%
"Cash Flow"	11.0%	10.0%	10.0%
Earnings	11.5%	13.5%	11.0%
Dividends	2.5%	3.5%	6.0%
Book Value	12.5%	13.0%	12.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Feb.Per	May.Per	Aug.Per	Nov.Per	Full Fiscal Year
2005	196.3	219.8	216.4	241.5	874.0
2006	213.1	227.1	231.5	232.6	904.3
2007	209.5	235.1	238.3	238.3	921.2
2008	250.2	267.1	276	286.7	1080
2009	265	280	295	300	1140

Fiscal Year Ends	EARNINGS PER SHARE A B Feb.Per	May.Per	Aug.Per	Nov.Per	Full Fiscal Year
2005	.25	.33	.40	.48	1.46
2006	.31	.32	.44	.52	1.59
2007	.32	.41	.53	.53	1.79
2008	.32	.48	.54	.56	1.90
2009	.34	.52	.60	.64	2.10

Cal-endar	QUARTERLY DIVIDENDS PAID Cm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.063	.063	.063	.064	.25
2005	.064	.064	.064	.068	.26
2006	.068	.068	.068	.073	.28
2007	.073	.073	.073	.08	.30
2008	.08	.08			

(A) Fiscal year ends Saturday closest to November 30. (B) Primary earnings through 1997, diluted thereafter. Excludes nonrecurring items: '91, 2¢; '92, 2¢; '93, 7¢; '94, 4¢; '96, 5¢; '97, d5¢; '02, 4¢. Next earnings report: mid-Sept. (C) Dividends historically paid in late January, late April, late July, and late October. ■ Dividend reinvestment plan available.

(D) Incl. intangibles. In 2007: $177.9 mill., $3.61/share. (E) In millions, adjusted for stock splits.

BUSINESS: CLARCOR Inc. has three operating groups: Engine/Mobile Filtration for transportation, mining, farm equipment (44% of '06 sales); Industrial/Environmental Filtration for construction, industrial machinery (47%); Packaging for consumer and industrial products (9%). Acquired Purolator/Facet 9/99; Total Filtration Services 6/01; Locker Filtration 6/02; Purolator EFP 9/04; Niagara 4/05; Martin Kurz 11/05; 80% of Shifa SA 3/07. Has about 5,500 employees. Off./Dir. own 5.9% of stock; GAMCO Investors, 5.1%; Columbia Wanger Asset Management, 8.4%; Neuberger Berman, 14.6% (2/08 proxy). Chmn, Pres. & CEO: Norman E. Johnson. Inc.: DE. Add.: 840 Crescent Center Drive, Suite 600, Franklin TN 37067. Tel.: 615-771-3100. Internet: www.clarcor.com.

CLARCOR posted mixed fiscal second-quarter results (year ends January 31st). On the bright side, share net for the period climbed 17% from a year ago, to $0.48. What's more, the top line advanced 14%. However, these gains were achieved primarily through acquisitions, and to a lesser extent, favorable currency effects. Excluding these contributions, revenues actually declined 2%. Particularly, domestic engine/mobile filtration sales were relatively flat, while packaging segment sales dropped 6%. Also, the bottom line was hurt by rising raw material costs, but some of these expenses were passed on to consumers.

We expect share earnings to rise 11% in fiscal 2009. International operations should continue to prosper from healthy demand and a weak U.S. dollar over the coming year. Specifically, based on current order patterns, management thinks that overseas freight tonnage movement will gradually increase going forward, thereby lifting filter sales to heavy-duty trucks. Meanwhile, industrial filter revenues will likely benefit further from greater demand in the oil & gas, aerospace, aviation fuel, and industrial liquid markets, and a reduction in shipping delays.

We project annual bottom-line gains of 10%–15% over the 3- to 5-year pull. We believe that by that time CLARCOR will achieve its cost savings goals from the current restructuring efforts. In addition, sales contributions from international operations have been on the rise, and may well be around 30% of total revenues within this time frame. Risks to our projections, though, include a sustained slowdown in key end markets such as the general industrial and trucking sectors, changes in environmental laws, and volatility in international operations.

These shares are ranked to mirror the year-ahead markets. And although they have inched down a bit since our April coverage, this was likely due to the near-term uncertainties in the company's domestic markets. Looking ahead, we think that successful integration of recently acquired companies will be necessary for the growth prospects we foresee in the next few years. That said, appreciation potential over the 2011–2013 haul is unexciting.

Randy Shrikishun July 4, 2008

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	100

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MACK-CALI REALTY NYSE-CLI

RECENT PRICE 35.00 | P/E RATIO 35.0 | 34.3 NMF | RELATIVE P/E RATIO 2.30 | DIV'D YLD 7.3% | VALUE LINE

TIMELINESS 3 Raised 3/21/08
SAFETY 3 Lowered 1/18/08
TECHNICAL 2 Raised 7/11/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+85%)	21%
Low	45	(+30%)	12%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	93	102	108
to Sell	106	97	93
Hld's(000)	63688	62709	62561

High: 43.0 41.4 33.6 28.9 32.2 35.7 42.0 47.0 48.3 55.4 56.5 40.6
Low: 26.4 26.1 23.1 22.8 25.6 26.8 27.3 34.2 40.2 42.2 30.4 28.3

LEGENDS
— 1.00 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-16.1	-18.0
3 yr.	-10.3	11.3
5 yr.	24.2	63.2

Percent shares traded 18 12 6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	10.31	12.30	19.31	23.21	24.86	24.67	25.51	25.26	25.37	25.94	25.31	24.37	24.28	25.05	25.35	25.90	Book Value per sh	27.80
--	--	.80	1.81	1.25	2.24	3.79	4.18	4.60	4.59	4.75	3.82	3.60	3.57	3.52	3.56	3.50	3.60	Funds from Ops per sh	4.10
--	--	.38	1.22	1.73	.12	2.11	2.25	3.62	2.28	2.42	2.41	1.60	1.40	1.15	1.06	1.00	1.10	Earnings per sh A	1.65
--	--	.54	1.66	1.75	1.90	2.10	2.26	2.38	2.46	2.50	2.52	2.52	2.52	2.53	2.56	2.56	2.58	Div'ds Decl'd per sh B=	2.75
--	--	22.33	25.66	23.50	52.74	60.55	62.53	65.01	59.57	67.30	66.55	68.17	72.43	72.69	74.52	75.35	76.40	Loans & Real Est per sh	81.50
--	--	10.50	15.11	36.32	49.86	57.27	58.45	56.98	56.71	57.32	59.42	61.04	62.02	62.93	65.56	69.00	72.00	Common Shs Outst'g C	81.00
--	--	56%	49%	25%	51%	37%	15%	3%	12%	25%	34%	66%	81%	98%	76%			Premium Over Book	98%
--	--	42.4	15.0	14.0	NMF	16.1	12.8	7.2	12.5	13.1	14.4	26.3	31.4	41.9	41.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	33.0
--	--	20.2	10.1	19.4	15.6	9.0	6.8	5.7	6.2	6.7	9.1	11.7	12.3	13.7	12.4			Avg Ann'l P/FFO Ratio	13.5
--	--	3.3%	9.1%	7.2%	5.4%	6.2%	7.9%	8.1%	8.7%	7.9%	7.3%	6.0%	5.7%	5.3%	5.8%			Avg Ann'l Div'd Yield	5.0%
						493.7	551.5	576.2	584.3	569.6	586.2	569.0	643.4	740.3	808.4	820	860	Revenues ($mill)	1250
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	Other Income ($mill)	Nil
						64.5%	64.8%	66.1%	65.2%	65.7%	63.7%	62.6%	59.6%	61.2%	60.0%	59.0%	61.0%	Operating Margin	67.0%
						119.0	134.1	222.5	131.7	139.7	143.1	98.7	88.5	70.4	73.1	70.0	80.0	Net Profit ($mill)	130
						24.1%	24.3%	38.6%	22.5%	24.5%	24.4%	16.8%	13.8%	9.5%	9.0%	8.5%	9.3%	Net Profit Margin	10.5%
						--	2.0	85.4	d11.9	2.8	--	--	--	d.4	--	Nil	Nil	Capital Gains($mill)	10.0
						3467.6	3654.6	3704.4	3378.1	3857.7	3954.6	4151.0	4491.8	4573.6	4885.4	5200	5500	Loans & Real Est ($mill) D	6600
						--	782.8	798.1	1096.8	1097.3	1127.9	1031.1	1430.5	1631.5	1632.5	1640	1670	Long-Term Debt ($mill)	2000
						1423.9	1441.9	1453.3	1432.6	1454.2	1541.5	1545.1	1511.3	1527.9	1642.6	1750	1865	Shr. Equity ($mill)	2250
						55%	54%	52%	54%	53%	66%	70%	71%	72%	72%	73%	72%	Div'ds Decl'd to FFO	67%
						9.9%	10.6%	10.7%	10.8%	10.9%	12.0%	11.9%	12.6%	11.8%	12.9%	13.5%	14.5%	Expenses to Assets	18.0%
						8.4%	7.1%	10.9%	5.8%	6.8%	6.6%	5.0%	4.5%	3.8%	3.7%	3.5%	3.5%	Return on Total Cap'l	4.5%
						8.4%	9.3%	15.3%	9.2%	9.6%	9.3%	6.4%	5.9%	4.6%	4.5%	4.0%	4.5%	Return on Shr. Equity	6.0%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1914.8 mill. Due in 5 Yrs $530.0 mill.

Total Interest $90.0 mill.
(Total Interest coverage: 4.0x) (54% of Cap'l)
No Defined Benefit Pension Plan

Pfd Stock $25.0 mill. Pfd. Div'd $2.0 mill.
(less than 1% of Cap'l)

Common Stock 65,685,862 shs.
as of 4/25/08

MARKET CAP: $2.3 bill. (Mid Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus Noncash charges	270.3	274.5	293.9
Investments Repaid	--	--	--
Net New Debt	518.5	78.5	105.0
New Equity	--	--	251.7
Investments Funded	451.3	217.8	382.7
Dividends Declared	191.9	197.0	211.5

FINANCIAL POSITION	12/31/07	3/31/08
Senior Debt	$1632.5 mill.	$1632.8 mill.
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.50:1	.50:1
Total Debt/Equity	1.16:1	1.19:1

PORTFOLIO CONDITION	Year Ago	Latest
Non-Earn Assets—%/Invests.	NA	NA

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	153.0	163.1	164.0	163.3	E643.4
2006	154.0	184.9	203.2	198.2	E740.3
2007	193.3	200.5	212.9	201.7	808.4
2008	194.7	202	215	208.3	820
2009	205	212	222	221	860

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.35	.40	.34	.31	E1.40
2006	.27	.33	.21	.34	E1.15
2007	.27	.28	.27	.24	1.06
2008	.23	.26	.26	.25	1.00
2009	.25	.25	.30	.30	1.10

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.63	.63	.63	.63	2.52
2005	.63	.63	.63	.63	2.52
2006	.63	.63	.63	.64	2.53
2007	.64	.64	.64	.64	2.56
2008	.64	.64	.64		

BUSINESS: Mack-Cali Realty Corporation is a real estate investment trust providing leasing, management, acquisition, development, construction, and tenant-related services for its portfolio. As of December 31, 2007, it owned or had interests in 294 properties (primarily office and office/flex buildings) totaling 33.7 million square feet, plus land for development of over 11 million square feet of commercial space, located primarily in the northeast United States. Officers and directors own 10.2% of common shares; Morgan Stanley, 14.4%; The Mack Group, 12.1%; Cohen & Steers, 11.7% (4/08 Proxy). Organized: Maryland. Chief Executive Officer: Mitchell E. Hersh. Address: 343 Thornall Street, Edison, New Jersey 08837. Telephone: 732-590-1000. Internet: www.mack-cali.com.

These are challenging times for Mack-Cali Realty Corporation. Difficult economic conditions are squeezing demand for office real estate. Competitive pressure has not helped matters, either. On the positive side, the REIT's portfolio remains well-leased (roughly 92% at present). That has been possible, in part, by a "proactive early lease renewal program", which has laddered maturities and minimized lease rollovers. What's more, Mack Cali's numerous tenants are of high quality and come from a variety of industries. Indeed, during the first quarter of this year, new agreements and/or renewals were signed with Aetna Life Insurance Company, Tyco Telecommunications, JPMorgan Chase Bank, and Montefiore Medical Center, to name a few. Nevertheless, 2008 funds from operations (FFO) per share may only approximate or be slightly lower than last year's figure. But FFO per share stands to increase a bit in 2009, to $3.60, assuming some improvement in the business climate.

We remain constructive about the REIT's 3- to 5-year prospects. Mack Cali holds a solid position in a number of markets in the Northeast, including central and northern New Jersey and Westchester County, New York. These areas ought to continue to benefit nicely from high barriers to entry (e.g., land to develop new properties is scarce, and the government approval process is lengthy). Furthermore, the company boasts a substantial amount of developable land near existing properties, providing the capability to meet clients' changing needs.

These shares offer a generous amount of current dividend income, which we think will be preserved in the present tough operating environment partly because of Mack-Cali's adequate finances. More increases in the payout seem plausible, too, supported by our 3- to 5-year projections.

The stock's performance has not been immune to the malaise afflicting the overall market, reflecting record oil prices (which have sparked fears of inflation). Consequently, these shares don't stand out for Timeliness. Long-term capital appreciation possibilities are not impressive, either.

Frederick L. Harris, III *July 18, 2008*

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	50
Earnings Predictability	85

(A) Diluted earnings. Excludes nonrecurring gain (losses): '96, (2¢); '97, (8¢); '98, (4¢); '99, (21¢); '00, (54¢); '06, 21¢. Excludes gains from discontinued operations: '04, 6¢; '05, 11¢; '06, 93¢; '07, 55¢. Includes gains and losses from property sales. Next earnings report due early Aug. (B) Dividends historically paid in late January, April, July, Oct. = Dividend reinvestment plan available. (C) In millions. (D) Before accumulated depreciation. (E) Restated to account for discontinued operations.

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CONMED CORP. NDQ-CNMD

RECENT PRICE 31.09 | P/E RATIO 18.5 (Trailing: 19.9 Median: 17.0) | RELATIVE P/E RATIO 1.20 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/8/08
SAFETY 3 Raised 9/7/01
TECHNICAL 3 Lowered 8/29/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+75%)	15%
Low	35	(+15%)	3%

Insider Decisions

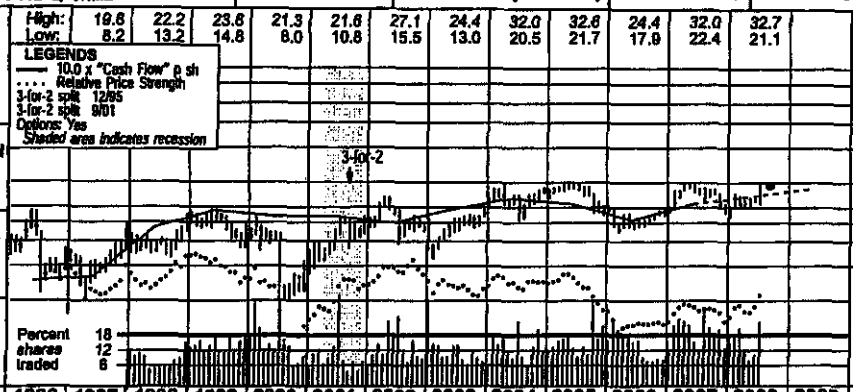
	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	1	0
to Sell	0	0	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	89	71	68
to Sell	84	83	66
Hld's(000)	30381	29756	30033

High:	19.6	22.2	23.6	21.3	21.6	27.1	24.4	32.0	32.6	24.4	32.0	32.7
Low:	8.2	13.2	14.8	8.0	10.8	15.5	13.0	20.5	21.7	17.9	22.4	21.1

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 12/95
3-for-2 split 9/01
Options: Yes
Shaded area indicates recession



Target Price Range 2011 | 2012 | 2013
120
100
80
64
48
32
24
20
16
12
8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.9	-12.2
3 yr.	0.9	7.2
5 yr.	47.7	58.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.17	3.96	5.23	6.03	5.58	6.13	14.77	16.26	17.03	17.00	15.75	17.06	19.18	21.30	23.11	24.26	*26.40*	*27.80*	Sales per sh	33.35
.47	.41	.68	.96	1.01	1.06	1.89	2.31	2.16	2.16	2.00	2.34	2.66	2.51	2.07	2.50	*2.75*	*3.00*	"Cash Flow" per sh	3.85
.28	.17	.37	.63	.75	.75	.85	1.17	.88	1.00	1.26	1.51	1.68	1.41	*1.80*	1.38	*1.64*	*1.85*	Earnings per sh [A]	2.40
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	Nil
.38	.11	.16	.32	.22	.36	.57	.41	.61	.57	.47	.32	.43	.56	.76	.73	*1.10*	*.95*	Cap'l Spending per sh	1.00
2.88	2.77	3.17	4.55	7.05	7.22	8.00	9.22	10.01	11.24	13.45	14.88	15.39	15.63	15.74	17.65	*19.50*	*21.55*	Book Value per sh [B]	27.35
13.42	13.54	13.59	16.50	22.50	22.55	22.77	22.92	23.03	25.22	26.77	28.14	29.10	28.98	27.98	28.62	*29.00*	*29.50*	Common Shs Outst'g [C]	30.00
24.8	23.9	13.1	18.4	19.5	17.1	18.7	16.6	15.5	16.5	16.9	12.6	15.9	20.2	20.9	20.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	19.0
1.49	1.41	.86	1.23	1.22	.99	.97	.95	1.01	.85	.92	.72	.84	1.08	1.13	1.07			Relative P/E Ratio	1.25
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						336.4	372.6	392.2	428.7	453.1	497.1	558.3	617.3	646.8	694.3	*765*	*820*	Sales ($mill)	1000
						25.2%	27.0%	24.4%	23.1%	22.5%	22.2%	20.6%	17.7%	13.7%	15.8%	*16.0%*	*16.3%*	Operating Margin	17.0%
						23.6	25.7	29.5	30.1	22.4	24.2	26.9	30.8	29.9	31.5	*31.5*	*33.0*	Depreciation ($mill)	40.0
						19.4	27.2	20.2	24.4	35.1	44.1	50.5	41.8	28.1	40.0	*48.5*	*55.0*	Net Profit ($mill)	75.0
						36.0%	36.0%	36.3%	36.0%	36.0%	34.5%	33.2%	33.8%	28.9%	35.4%	*37.5%*	*37.5%*	Income Tax Rate	37.5%
						5.8%	7.3%	5.2%	5.7%	7.7%	8.9%	9.0%	6.8%	4.3%	5.8%	*6.3%*	*6.7%*	Net Profit Margin	7.5%
						93.4	109.5	113.7	44.8	135.7	146.2	159.8	193.4	174.7	201.7	*225*	*290*	Working Cap'l ($mill)	500
						361.9	361.8	--	262.5	254.8	260.4	290.5	302.6	264.7	219.5	*205*	*190*	Long-Term Debt ($mill)	150
						182.2	211.3	230.6	283.6	386.9	433.5	448.0	453.0	440.4	505.0	*565*	*635*	Shr. Equity ($mill)	820
						6.4%	7.4%	6.5%	6.7%	7.0%	7.5%	7.5%	6.5%	5.3%	6.6%	*7.0%*	*8.0%*	Return on Total Cap'l	8.0%
						10.6%	12.9%	8.8%	8.6%	9.1%	10.2%	11.3%	9.2%	6.4%	7.9%	*8.5%*	*8.5%*	Return on Shr. Equity	9.0%
						10.6%	12.9%	8.8%	8.6%	9.1%	10.2%	11.3%	9.2%	6.4%	7.9%	*8.5%*	*8.5%*	Retained to Com Eq	9.0%
						--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/30/08
Total Debt 228.6 mill. Due in 5 Yrs $70.0 mill.
LT Debt $224.8 mill. LT Interest $13.5 mill.
(Total interest coverage: 6.6x.) (30% of Cap'l)

Leases, Uncapitalized Annual rentals $3.7 mill.
Pension Assets 12/07 $48.5 mill. Oblig. $56.6 mill.

Pfd Stock None
Common Stock 28,751,229 shares as of 7/31/08
MARKET CAP: $900 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	3.8	11.7	17.9
Receivables	75.1	80.6	108.3
Inventory (FIFO)	151.7	165.0	161.1
Other	19.3	21.7	21.6
Current Assets	249.9	279.0	308.9
Accts Payable	41.8	39.0	36.1
Debt Due	3.1	3.3	3.8
Other	30.3	35.0	36.2
Current Liab.	75.2	77.3	76.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.5%	6.5%	6.5%
"Cash Flow"	9.0%	2.5%	8.5%
Earnings	6.0%	4.0%	12.0%
Dividends	--	--	Nil
Book Value	10.0%	7.0%	9.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	155.8	158.3	150.0	153.2	617.3
2006	158.4	163.5	155.0	169.9	646.8
2007	171.0	169.3	164.4	189.6	694.3
2008	*190.8*	*192.8*	*180*	*201.4*	*765*
2009	*203*	*205*	*192*	*215*	*815*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.46	.45	.32	.18	1.41
2006	.21	.23	.22	.34	1.00
2007	.30	.35	.29	.44	1.38
2008	.40	.43	*.34*	*.47*	*1.64*
2009	*.44*	*.49*	*.39*	*.53*	*1.85*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: CONMED Corporation is a medical technology with an emphasis on surgical devices and equipment for minimally invasive procedures and monitoring. Products serve clinical areas of arthroscopy (38.1% of '07 revenues), powered surgical instruments (21.5%), electrosurgery (13.3%), cardiac monitoring disposables (11.0%), endosurgery (8.5%), and endoscopic technologies (7.6%). They are used by surgeons and physicians in a variety of specialties. Has about 3,200 employees. Officers & directors own 5.7% of common stock; Dimensional Fund Advisors, 8.1% (4/08 Proxy). Chairman: Eugene R. Corasanti. President & CEO: Joseph J. Corasanti. Incorporated: NY. Address: 525 French Road, Utica, NY 13502. Telephone: 315-797-8375. Internet: www.conmed.com.

CONMED continues to impress. The medical device maker posted earnings of $0.43 a share in the second quarter, 23% better than last year, and well above the high end of guidance. Sales increased a better-than-expected 13%, to $193 million, with continued penetration abroad being largely responsible. Indeed, international sales surged 46%, while U.S. demand was far more muted. Earlier cost-cutting initiatives also played a role. Facility closures and the use of lean manufacturing procedures helped boost margins.

We've raised our full-year 2008 share-earnings estimate by a little more than a nickel, to $1.64. Top-line growth is likely to remain solid in the second half of the year, getting a boost from further penetration overseas, as well as the rollout of new products, particularly in the Arthroscopy and Endoscopic Technologies franchises. Margins will probably move a little higher, as the company raises its selling prices in order to keep up with soaring commodity prices. In all, we now look for the company to post 11% share-net growth in the second half of the year.

Margin expansion should help maintain double-digit share-net growth in 2009. Management has announced that there is more restructuring on the horizon, with additional manufacturing capacities being transferred to Mexico within the next year and a half. The lower overhead costs ought to help offset the higher input costs and boost margins.

Wall Street has taken notice. CONMED stock has jumped 20% since our May review and is currently trading near its all-time, split-adjusted high. Unfortunately, the current price already factors in a healthy portion of the price advances we envision out to 2011-2013 and, thus, the offering does not stand out for 3- to 5-year appreciation potential. We expect earnings growth will slow by early next decade, as a lack of investment in product development (the company only spends 4% of sales on R&D) takes a toll on the top-line growth rate and, possibly, the company's market niche. Acquisitions, which have become a staple as a means to fuel growth in recent memory, are unlikely based on the company's lack of financial flexibility at this juncture.

Andre J. Costanza *August 29, 2008*

A) Diluted earnings. Excludes nonrecurring gains (losses): '98, (22¢); '99, (8¢); '03, 41¢; (57¢); '05, (33¢); '07, 5¢. Quarterly earnings may not sum due to rounding. Next earnings report due late Oct.
(B) Includes intangibles. In '07: $488.7 million, $17.83 a share.
(C) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	45
Earnings Predictability	60

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COMCAST CORP. NDQ-CMCSK

RECENT PRICE 20.97 | P/E RATIO 23.3 (Trailing: 27.6 Median: NMF) | RELATIVE P/E RATIO 1.43 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 2 Lowered 6/27/08
SAFETY 3 Raised 12/25/92
TECHNICAL 2 Raised 6/27/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+160%)	28%
Low	35	(+65%)	15%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	230	188	164
to Sell	211	278	233
Hld's(000)	836111	829375	771664

High: 11.0 19.7 36.4 34.9 30.9 25.1 22.0 23.6 22.8 28.7 29.6 22.5
Low: 4.8 9.8 18.7 18.6 21.3 10.9 15.0 17.3 17.0 16.7 17.3 16.0

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/99
3-for-2 split 2/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.7	-9.7
3 yr.	6.0	27.3
5 yr.	18.0	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.48	2.01	1.92	4.68	4.13	4.58	4.64	5.51	5.83	6.82	3.69	5.43	6.12	6.94	6.23	10.26	11.80	13.25	Sales per sh	17.70
.02	.36	.36	.91	.66	.66	.50	1.29	1.29	1.64	.70	1.25	1.69	1.84	2.28	2.82	3.15	3.50	"Cash Flow" per sh	4.40
d.36	d.15	d.11	d.05	d.07	d.22	d.33	.21	d.57	d.68	.19	d.07	.29	.33	.47	.75	.90	1.15	Earnings per sh A	1.80
.03	.03	.03	.03	.03	.03	.03	.01	--	--	--	--	--	--	--	--	.25	.30	Div'ds Decl'd per sh B	.40
.18	.24	.38	.87	.59	.66	.81	.79	1.16	1.54	.59	1.23	1.10	1.13	1.10	2.05	2.10	2.75	Cap'l Spending per sh	2.75
d.30	d1.31	d1.01	d1.15	.53	1.03	2.92	8.66	9.96	10.21	11.37	12.34	12.48	12.54	10.26	13.73	14.25	14.80	Book Value per sh B	18.25
510.23	665.06	717.11	716.01	978.06	1072.8	1109.3	1127.8	1408.9	1417.8	3372.2	3377.1	3318.1	3207.9	3182.0	3011.0	2900.0	2800.0	Common Shs Outst'g C	2600.0
--	--	--	--	--	--	--	NMF	--	--	NMF	--	NMF	NMF	47.3	33.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
--	--	--	--	--	--	--	NMF	--	--	NMF	--	NMF	NMF	2.55	1.75			Relative P/E Ratio	1.65
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
.9%	.5%	.5%	.5%	.5%	.4%	.2%	.0%	--	--	--	--	--	--	--	--				
5145.3	6209.2	8218.6	9674.2	12460	18348	20307	22255	24966	30895	34380	37080	Sales ($mill)	46000
29.1%	30.3%	30.1%	27.9%	29.6%	34.8%	37.1%	36.2%	37.8%	38.1%	38.5%	38.5%	Operating Margin	39.5%
939.6	1216.0	2631.3	3448.6	2032.0	4438.0	4623.0	4803.0	4823.0	6208	6475	6850	Depreciation ($mill)	8100
d359.4	264.4	d784.5	d1129	319.0	d218.0	970.0	1098.0	2235.0	2287	2716	3205	Net Profit ($mill)	4650
--	60.7%	--	--	41.7%	--	45.6%	45.5%	37.5%	41.4%	39.5%	39.5%	Income Tax Rate	39.5%
NMF	4.3%	NMF	NMF	2.6%	NMF	4.8%	4.9%	9.0%	7.4%	8.4%	9.3%	Net Profit Margin	10.3%
2531.7	4231.5	1102.2	1419.5	d8307	d4251	d5100	d3675	d2238	d4285	d3350	d3000	Working Cap'l ($mill)	d1725
5464.2	8707.2	10517	11742	27957	23835	20093	21682	27992	29828	30000	31000	Long-Term Debt ($mill)	31500
3815.3	10341	14086	14473	38329	41662	41422	40219	41167	41340	41300	41500	Shr. Equity ($mill)	48250
NMF	2.7%	NMF	NMF	1.0%	1.1%	2.9%	3.1%	4.7%	4.8%	5.5%	6.0%	Return on Total Cap'l	7.5%
NMF	2.6%	NMF	NMF	.6%	NMF	2.3%	2.7%	5.4%	5.5%	6.5%	7.5%	Return on Shr. Equity	9.5%
NMF	2.3%	NMF	NMF	.8%	NMF	2.3%	2.7%	5.4%	5.5%	5.0%	6.0%	Retained to Com Eq	7.5%
NMF	4%	--	--	--	--	--	--	--	--	27%	27%	All Div'ds to Net Prof	23%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $31.3 bill. Due in 5 Yrs $8.0 bill.
LT Debt $30.0 bill. LT Interest $2.2 bill.
(Total interest coverage: 2.9x) (42% of Cap'l)

Leases, Uncapitalized $323 mill.
Pension Assets $157.0 mill. Oblig. $179.0 mill.
Pfd Stock None

Common Stock 3,011,034,983 shares
(2,053,564,909 Class A shs.; 948,025,699 Class A Special shs.; 9,444,375 Class B shs.) D
MARKET CAP: $63.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2974	963	721
Receivables	1450	1645	1497
Other	778	1059	886
Current Assets	5202	3667	3104
Accts Payable	2862	3336	2982
Debt Due	983	1495	1350
Other	3595	3121	3071
Current Liab.	7440	7952	7403

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	5.5%	--	18.5%
"Cash Flow"	10.0%	3.5%	15.0%
Earnings	--	--	25.5%
Dividends	--	--	Nil
Book Value	--	3.0%	5.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	5363	5596	5578	5716	22255
2006	5595	5808	6432	7031	24966
2007	7388	7712	7781	8014	30895
2008	8389	8550	8650	8791	34380
2009	8970	9250	9360	9500	37080

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.09	.13	.07	.04	.33
2006	.09	.09	.20	.09	.47
2007	.17	.19	.18	.20	.75
2008	.19	.22	.24	.25	.90
2009	.24	.30	.30	.31	1.15

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	--	--	--	--	--
2008	--	.0625			

BUSINESS: Comcast Corporation is the leading cable TV operator serving approximately 24.1 million subscribers in 39 states and Washington, D.C. Internet service has approximately 13.2 million subscribers; phone service, 4.6 million. Acquired Jones, 4/99; Lenfest, 1/00; AT&T Broadband, 11/02. Sold Comcast UK, 10/98; 57% stake in QVC 9/03. Has about 90,000 employees. Insiders own 5.0% Class A Special stock; 100% Class B stock. Dodge & Cox owns 11.4% of Class A; Microsoft, 7.2%; (3/08 proxy). Insiders hold voting control on 33.5% of total voting shares. Chairman, President & Chief Executive Officer: Brian L. Roberts. Incorporated: Pennsylvania. Address.: 1500 Market Street, Philadelphia, PA 19102. Tel.: 215-665-1700. Web: www.comcast.com.

Comcast began 2008 on a good note. Revenues continue to advance at a healthy pace, thanks to the proliferation of digital cable and high-speed Internet. More customers are choosing to combine these services, which augurs well for the cable industry. The company also has seen high growth in phone service connections, as more customers opt to use Comcast's digital voice service. This has more than offset losses at its circuit switch phone business, which will likely wind down by mid-2008. We believe that these trends should continue throughout the year, leading to double-digit top-line growth. Meanwhile, better operating leverage should widen margins for Comcast this year. We target earnings of $0.90 a share in 2008, which represents a 20% advance.

Subscription figures remain promising. Digital subscribers now constitute 65% of cable users, up from 55% over a year ago. This has led to more ordering of peripheral services such as digital video recorders (DVR) and HDTV. We believe that these numbers will rise as the airwaves convert to digital broadcasting. The deadline for channels to make the conversion is February, 2009. The company will also benefit from more sales of high-definition televisions, which require digital service to operate.

Improved video-on-demand service should benefit the company. This service, which enables users to purchase shows and movies, usually by paying a one-time or monthly fee, has become a popular viewing method for consumers, thanks to its ease and convenience. Comcast is increasing its selection to include more than 1,000 choices, making on-demand more appealing to a wider audience.

Comcast has healthy long-term growth prospects. The company should continue to thrive from a shifting cable structure over the next few years. Still, we remain cautious of stiffer competition as consumers gain the ability to choose between cable operators, which could pressure market share.

These shares are ranked Above Average for Timeliness (2). The stock also has wide price appreciation potential out to the 2011–2013 time frame.

Garrett Sussman *June 27, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	15
Earnings Predictability	30

(A) Egs. based on weighted avg. Cl. A and Cl. B shs. before '99, diluted after. Excl. nonrecurring gains/(losses): '93, ($1.78); '94, ($0.03); '95, ($0.01); '97, ($0.05); '98, $0.98; '99, $0.98; '00, $2.98; '01, $1.65; '02, ($0.54); '03, $1.54; '05, ($.08); '06, $0.32; '07, $0.09; '08, $0.05. Egs. may not sum due to rounding. Next egs. report due early August. (B) Div'd susp. 3/99.(C) In mill., adjusted for stock splits. (D) Special Cl. A shs. not entitled to vote. Cl. B stockholders entitled to 15 votes per sh. (E) Incl. intang. In '07, $77.5 bill., $26.72/sh.

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COMPASS MINERALS NYSE-CMP

RECENT PRICE 69.69 | P/E RATIO 19.9 (25.2 NMF) | RELATIVE P/E RATIO 1.31 | DIV'D YLD 2.0% | VALUE LINE

TIMELINESS 1 Raised 3/7/08
SAFETY 3 New 4/20/07
TECHNICAL 2 Lowered 6/27/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+65%)	15%
Low	75	(+10%)	4%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	2	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	0	1	0	0
to Sell	0	0	0	0	0	0	1	2	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	67	75	110
to Sell	67	72	103
Hld's(000)	31470	31243	31426

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:						14.5	24.4	28.8	34.7	44.4	87.9	
Low:						13.0	14.0	21.8	22.0	30.0	35.3	

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	139.1	-18.0
3 yr.	286.1	11.3
5 yr.	—	63.2

Compass Minerals International was formerly part of Mosaic Global Holdings. It effected a leveraged recapitalization in November of 2001, becoming a stand alone company. On December 17, 2003, the company completed an initial public offering of 16,675,000 common shares, at a price of $13.00 per share. It completed secondary offerings of 8,327,244 and 4,021,473 in July 2004 and November 2004, respectively.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $576.8 mill. Due in 5 Yrs $435.4 mill.
LT Debt $572.7 mill. LT Interest $50.0 mill.
(Total interest coverage: 2.9x)

Leases, Uncapitalized Annual rentals $8.8 mill.
Pension Assets-12/07 $75.0 mill. Oblig. $80.5 mill.

Pfd Stock None
Common Stock 32,394,389 shares as of 4/18/08

MARKET CAP: $2.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2008	2007	3/31/08
Cash Assets	7.4	12.1	102.8
Receivables	114.0	206.6	164.3
Inventory (Avg Cst)	146.1	128.4	64.8
Other	16.3	18.6	20.0
Current Assets	283.8	365.7	351.9
Accts Payable	73.0	104.9	80.8
Debt Due	3.1	4.1	4.1
Other	42.9	56.1	58.3
Current Liab.	119.0	165.1	143.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	--	9.5%
"Cash Flow"	--	--	16.5%
Earnings	--	--	22.0%
Dividends	--	--	7.0%
Book Value	--	--	NMF

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	254.0	97.7	107.5	283.1	742.3
2006	217.9	108.1	123.6	211.1	660.7
2007	264.2	127.5	139.5	326.1	857.3
2008	380.0	160	175	345	1060
2009	410	190	210	390	1200

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.87	d.18	d.12	1.05	1.62
2006	.89	d.07	.07	.80	1.69
2007	.80	d.10	.08	1.31	2.09
2008	1.48	.15	.35	1.52	3.50
2009	1.80	.25	.50	1.95	4.50

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.188	.250	.250	.250	.938
2005	.275	.275	.275	.275	1.10
2006	.305	.305	.305	.305	1.22
2007	.320	.320	.320	.320	1.28
2008	.335	.335			

© VALUE LINE PUB., INC.	11-13
Sales per sh	40.00
"Cash Flow" per sh	7.75
Earnings per sh A	6.00
Div'ds Decl'd per sh B	1.80
Cap'l Spending per sh	1.85
Book Value per sh D	4.00
Common Shs Outst'g C	37.50
Avg Ann'l P/E Ratio	16.0
Relative P/E Ratio	1.05
Avg Ann'l Div'd Yield	1.9%
Sales ($mill)	1500
Operating Margin	28.0%
Depreciation ($mill)	60.0
Net Profit ($mill)	230
Income Tax Rate	30.0%
Net Profit Margin	15.3%
Working Cap'l ($mill)	280
Long-Term Debt ($mill)	400
Shr. Equity ($mill)	150
Return on Total Cap'l	NMF
Return on Shr. Equity	NMF
Retained to Com Eq	NMF
All Div'ds to Net Prof	29%

Bold figures are Value Line estimates

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	--	--	--	--	--	18.90	22.50	23.32	20.58	26.51	32.10	35.30
	--	--	--	--	--	2.41	2.95	3.00	2.88	3.36	4.80	5.95
	--	--	--	--	--	1.01	1.57	1.62	1.69	2.09	2.50	4.50
	--	--	--	--	--	--	.94	1.10	1.22	1.28	1.34	1.40
	--	--	--	--	--	.68	.87	1.00	1.13	1.48	1.50	1.60
	--	--	--	--	--	d4.25	d2.86	d2.48	d2.03	d.14	1.50	2.20
	--	--	--	--	--	30.18	30.90	31.83	32.10	32.34	33.00	34.00
	--	--	--	--	--	13.6	12.3	14.9	16.1	16.5		
	--	--	--	--	--	.78	.65	.79	.87	.87		
	--	--	--	--	--	--	4.9%	4.6%	4.5%	3.7%		
	--	--	--	--	502.6	600.6	695.1	742.3	660.7	857.3	1060	1200
	--	--	--	--	24.4%	23.3%	24.6%	25.1%	24.2%	20.2%	22.0%	24.5%
	--	--	--	--	37.1	42.1	41.3	43.6	40.5	40.0	43.0	48.0
	--	--	--	--	18.9	34.2	49.8	52.0	55.0	68.8	115.0	155.0
	--	--	--	--	37.6%	3.9%	9.0%	23.3%	21.2%	.1%	20.0%	22.0%
	--	--	--	--	3.8%	5.7%	7.2%	7.0%	6.3%	8.0%	10.8%	12.9%
	--	--	--	--	101.0	106.4	131.1	195.0	164.8	200.6	220	240
	--	--	--	--	506.6	602.5	582.7	612.4	582.4	602.7	500	500
	--	--	--	--	d89.6	d128.1	d88.4	d79.1	d65.1	d4.6	50.0	75.0
	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF
	--	--	--	--	NMF	NMF	58%	67%	72%	61%	38%	31%

BUSINESS: Compass Minerals International, Inc. engages in the production and marketing of inorganic mineral products in North America and the United Kingdom. It operates in two segments, Salt and Specialty Fertilizer. The Salt segment mines, processes, and distributes rock, evaporated, and solar salt. The Specialty Fertilizer segment produces and markets potash crop nutrients and industrial grade potash. Has 1588 employees. Neuberger Berman owns 13.9% of common stock; FMR Corp., 10.9%; officers and directors, 2.0% (4/08 Proxy). President & Chief Executive Officer: Angelo C. Brisimitzakis. Incorporated: Delaware. Address: 9900 West 109th Street, Suite 600, Overland Park, Kansas 66210. Telephone: (913) 344-9200. Internet: www.compassminerals.com.

Shares of Compass Minerals International have risen considerably in price over the past six months. The company turned in a strong performance for the first quarter. Revenues advanced about 44% in the recent period. The company experienced strong deicing sales, as a result of severe winter weather in southern Canada and the Great Lakes region. Compass Minerals also benefited from healthy demand for its sulfate of potash (SOP) specialty fertilizer products. Overall, share net increased roughly 85% in the recent interim. Favorable comparisons should continue in the coming quarters, and we anticipate an impressive bottom-line advance in the current year. Growth will likely continue in 2009, although perhaps at a more moderate pace.

Compass Minerals continues to raise prices. Subsidiaries North American Salt Company and Sifto Canada will increase prices for consumer and industrial products by $22 per ton, effective July 28th. This follows a $20-per-ton price hike at the beginning of June. The company will use the increased revenue to offset inflationary pressures and expand its operations. Elsewhere, subsidiary Great Salt Lake Minerals has increased the price of its SOP specialty fertilizer products by $75 per short ton, effective mid-June.

The Specialty Fertilizer segment should further benefit from favorable industry conditions. Healthy agricultural fundamentals are a result of economic growth from developing regions and interest in the production of biofuels. This, in turn, boosts fertilizer prices. We anticipate growth in SOP production at the company in the coming years, as Compass Minerals is investing in a multiphase project at the Great Salt Lake in Utah. It plans to upgrade its processing plant and improve its solar evaporation ponds at this location. The company will have an additional 100,000 tons of SOP capacity per year resulting from phase one by 2010.

These shares are favorably ranked in our momentum-based system. We anticipate solid share-earnings growth at Compass Minerals in the coming years. However, this appears to be discounted by the current quotation, and appreciation potential is below the *Value Line* median.

Michael Napoli, CPA *July 18, 2008*

(A) Diluted earnings. Excludes nonrecurring: '05, (65¢); '07, 34¢. Next earnings report due late July. (B) Dividends historically paid in mid-March, June, September, and December.

(C) In millions. (D) Includes intangibles. At 3/31/08: $21.8 million, $0.67.

Company's Financial Strength	B
Stock's Price Stability	50
Price Growth Persistence	100
Earnings Predictability	70

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HEARING EXHIBIT 00000318

CON-WAY INC. NYSE-CNW

RECENT PRICE 45.58 | P/E RATIO 14.0 (Trailing: 13.7 Median: 15.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Raised 2/8/08
SAFETY 3 Raised 6/23/95
TECHNICAL 2 Lowered 6/6/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+120%)	22%
Low	70	(+55%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	0	0
Options	1	0	0	1	1	2	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	110	98	91
to Sell	79	100	102
Hld's(000)	43854	44424	45407

	High:	50.9	49.9	45.9	36.9	39.9	38.3	35.6	51.0	59.8	61.9	57.6	54.3
	Low:	20.3	21.6	26.4	20.2	21.0	27.4	24.4	30.5	41.4	42.1	38.1	37.9

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	TRS STOCK	VL ARITH. INDEX
1 yr.	-14.6	-9.4
3 yr.	10.9	30.2
5 yr.	59.8	98.8

	1992	1993	1994	1995	1996	1997A	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
	114.80	117.41	128.75	120.29	82.17	90.03	103.22	115.43	114.53	99.46	96.24	102.13	71.15	79.76	90.89	97.03	109.45	116.90	Revenues per sh	147.20
	4.17	4.87	5.03	4.43	3.57	4.66	5.69	6.73	6.11	3.75	4.12	4.54	4.74	6.29	7.34	7.44	8.00	9.15	"Cash Flow" per sh	12.20
	d.44	.77	1.00	1.04	1.47	2.19	2.45	2.98	2.79	.42	1.28	1.67	2.57	3.85	4.04	3.39	3.25	4.00	Earnings per sh A	6.10
	--	--	.10	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.40	.50	Div'ds Decl'd per sh B■	.86
	4.21	5.64	5.00	6.36	4.51	5.11	5.59	5.91	5.23	3.93	1.71	2.75	3.11	4.18	6.63	3.35	5.05	5.60	Cap'l Spending per sh	6.30
	8.86	10.03	11.26	13.15	8.42	11.11	13.50	17.34	19.25	10.54	12.10	15.21	13.67	16.34	14.65	18.68	21.80	26.95	Book Value per sh	42.10
	35.33	35.70	36.35	43.90	44.57	47.39	47.88	48.45	48.66	48.89	49.48	49.98	52.18	52.26	46.45	45.22	45.50	45.50	Common Shs Outst'g C	44.50
	--	22.9	23.9	23.4	16.0	15.7	15.5	13.0	9.9	70.9	25.3	18.3	15.4	12.8	12.6	14.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
	--	1.35	1.57	1.57	1.00	.90	.81	.74	.64	3.63	1.38	1.04	.81	.68	.58	.75			Relative P/E Ratio	.95
	--	--	.4%	1.8%	1.7%	1.2%	1.1%	1.0%	1.4%	1.3%	1.2%	1.3%	1.0%	.8%	.8%	.8%			Avg Ann'l Div'd Yield	1.0%
	4941.5	5592.8	5572.4	4862.7	4762.1	5104.3	3712.4	4169.6	4221.5	4387.4	4980	5320	Revenues ($mill)	6550
	8.8%	8.9%	8.3%	5.4%	6.3%	6.5%	10.4%	11.6%	11.5%	10.1%	10.5%	11.0%	Operating Margin	11.5%
	144.7	167.0	164.4	165.2	139.4	132.6	102.4	113.2	129.5	167.1	200	215	Depreciation ($mill)	245
	139.0	170.1	143.7	28.8	75.2	98.7	150.4	222.3	217.2	169.9	160	200	Net Profit ($mill)	295
	44.5%	43.5%	46.4%	55.1%	39.1%	39.5%	39.0%	36.7%	37.0%	34.3%	38.5%	38.5%	Income Tax Rate	38.5%
	2.8%	3.0%	2.6%	.6%	1.6%	1.9%	4.1%	5.3%	5.1%	3.9%	3.2%	3.8%	Net Profit Margin	4.5%
	192.9	151.0	281.4	443.8	385.4	507.1	802.1	812.5	530.7	174.0	250	245	Working Cap'l ($mill)	570
	467.6	433.4	534.6	565.8	557.6	536.3	601.3	581.5	557.7	955.7	900	850	Long-Term Debt ($mill)	800
	901.4	1092.9	1186.9	763.1	843.0	943.8	777.4	910.9	740.8	909.1	1050	1225	Shr. Equity ($mill)	1870
	11.3%	12.1%	9.2%	3.3%	6.2%	7.7%	12.4%	16.2%	18.1%	10.3%	10.0%	11.0%	Return on Total Cap'l	12.0%
	15.4%	15.6%	12.1%	3.8%	8.9%	10.5%	19.4%	24.4%	29.3%	18.7%	15.0%	16.0%	Return on Shr. Equity	16.0%
	16.8%	16.6%	12.1%	NMF	7.5%	9.8%	17.5%	22.8%	28.1%	17.9%	13.0%	13.5%	Retained to Com Eq	13.5%
	22%	18%	21%	105%	40%	24%	17%	12%	12%	11%	16%	15%	All Div'ds to Net Prof	15%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $959.5 mill. Due in 5 Yrs $229.6 mill.
LT Debt $931.6 mill. LT Interest $65.7 mill.
(Total interest coverage: 4.8x) (50% of Cap'l)

Leases, Uncapitalized Annual rentals $62.7 mill.
Pension Assets-12/07 $1.16 bill. Oblig. $1.07 bill.

Pfd Stock $65.5 mill. Pfd Div'd $7.0 mill.
550,363 shares 8.5% cumulative, each convertible into 4.71 shrs. of common stock. (3% of Cap'l)

Common Stock 45,595,899 shs.
as of 4/30/08.
MARKET CAP: $2.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	444.6	206.3	158.1
Receivables	439.7	503.9	673.1
Other	206.2	145.3	144.6
Current Assets	1090.5	855.5	875.8
Accts Payable	240.9	276.1	294.5
Debt Due	18.6	27.8	27.9
Other	300.3	377.6	400.6
Current Liab.	559.8	681.5	723.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	-1.0%	-3.0%	8.5%
"Cash Flow"	5.0%	8.5%	9.5%
Earnings	9.0%	20.0%	8.5%
Dividends	--	--	13.5%
Book Value	4.5%	3.5%	17.0%

Calendar	QUARTERLY REVENUES ($ mill.)A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	947.7	1033.9	1099.1	1088.9	4169.6
2006	1046.0	1100.1	1076.8	998.6	4221.5
2007	1002.2	1073.7	1111.3	1200.2	4387.4
2008	1201.6	1270	1260	1248.4	4980
2009	1225	1335	1400	1360	5320

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.69	1.07	1.12	.97	3.85
2006	.83	1.27	1.11	.83	4.04
2007	.60	1.04	.87	.88	3.39
2008	.54	.90	.90	.91	3.25
2009	.75	1.05	1.15	1.05	4.00

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.10	.10	.10	.10	.40
2006	.10	.10	.10	.10	.40
2007	.10	.10	.10	.10	.40
2008	.10				

BUSINESS: Con-way Inc. (formerly CNF Inc.) provides freight transportation & services. Con-Way Freight and Transportation (70% of 2007 revs., 91% of op. inc.) owns a regional less-than-truckload carriers. Menlo Worldwide (30%, 9%) provides logistics and supply chain management. Owns Road Systems trailer manufacturing. Acquired Contract Freighters Inc. 8/07. Spun off Consolidated Freightways 12/96. Sold Menlo Forwarding 12/04; interest in Vector SCM joint venture 1/07. Has about 27,100 employees. Officers/directors own 2.3% of common; Invesco, 9.7%; FMR, 7.9% (3/08 proxy). Chairman: Dr. W. Keith Kennedy, Jr. CEO: Douglas W. Stotlar. Incorporated: DE. Address: 2855 Campus Drive, San Mateo, CA 94403. Tel.: 650-378-5200. Internet: www.con-way.com.

It's an uphill trek for Con-way's core less-than-truckload (LTL) service in the short run. The LTL business is challenged by a struggling economy, slowing demand, and cautious customers. Also, the company will have trouble keeping up with the unrelenting rise in diesel fuel costs. Fuel surcharges helped to offset that expense in 2007, but we think customers are going to push back this year. Con-way implemented a general rate increase in January, but even that is in danger, given competitive pricing pressures. In response to the competitive landscape, Con-way is streamlining its three regional LTL carriers into one operating structure. Rebranding expenses amounted to $3.7 million in the 2008 first quarter. That program should be completed this period. But we still look for a higher operating ratio over the balance of the year.

The acquisition of Contract Freighters Inc. (CFI) has gone surprisingly well, given the weak demand environment. Con-way purchased CFI in August of last year, gaining a solid foothold in the truckload sector. First-quarter 2008 revenues of $116 million and operating income of $10.3 million exceeded expectations. CFI has good synergy opportunities with Con-way's logistic subsidiary, Menlo, as well.

Menlo's profitability should improve in the second half of 2008. The segment's margins were compressed in the March quarter due to bad weather and integration costs in Asia. The unit executed two acquisitions there last year, which significantly increase global offerings and should pay handsome dividends as the consolidation is completed. Menlo will also begin to recognize revenue from a new Department of Defense contract in the second quarter. The company launched the first operating and management platform for this initiative late in the first quarter. Additional rollouts will take place through 2009.

Long-term investors should consider this stock. The company is facing cyclical weakness currently. However, it is well positioned for a rebound as the market improves, with an expanded global portfolio of transportation and warehousing offerings that should lead to higher returns.

Craig Sirois *June 6, 2008*

(A) 1996 data are pro forma. Based on diluted shares. Excl. net nonrec. gains (losses): '92, ($2.34); '96, ($1.05); '98, $0.26; '99, $0.37; '00, ($0.43); '01, ($8.68); '02, $0.46; '03, ($0.10); '04, ($4.94); '05, $0.11; '06, $1.05; '07, ($0.38); disc. ops: '04, $0.22; '05, ($0.11); '06, ($0.11); '07, ($0.02); '08, ($0.07).
Next earnings report due late July.

(B) Dividends historically paid mid-March, June, September, and December.
■ Dividend reinvestment plan available.
(C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	65
Earnings Predictability	45

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COCA-COLA BOTT. NDQ-COKE

RECENT PRICE 34.88 | P/E RATIO 26.8 (Trailing: 29.1 / Median: 26.0) | RELATIVE P/E RATIO 1.73 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 4 Lowered 6/27/08
SAFETY 3 New 11/13/98
TECHNICAL 4 Lowered 7/25/08
BETA .70 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+115%)	23%
Low	50	(+45%)	11%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	33	31	31
to Sell	37	29	33
Hld(000)	2991	3029	3143

	High:	69.0	75.8	60.0	53.0	45.1	65.4	70.4	59.2	57.5	69.0	68.6	62.2		
	Low:	38.8	56.0	45.0	32.0	36.1	37.2	46.8	50.0	42.6	43.0	49.8	31.4		

LEGENDS
—— 6.0 x "Cash Flow" p sh
···· Relative Price Strength
Options: No
Shaded area indicates recession

Percent shares traded: 4.5 / 3 / 1.5

Target Price Range: 2011 | 2012 | 2013

200 / 160 / 100 / 80 / 60 / 50 / 40 / 30 / 20

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-25.2	-18.0
3 yr.	-22.6	11.3
5 yr.	-25.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
71.43	73.91	77.89	81.87	86.07	95.89	111.00	111.36	113.95	115.76	138.15	124.76	129.47	142.21	147.44	147.95	147.95	151.50	Sales per sh	162.00
4.64	5.69	5.45	5.87	6.49	7.32	7.76	9.05	9.41	9.96	11.26	11.04	9.55	9.39	9.39	9.04	8.40	8.90	"Cash Flow" per sh	10.80
.23	1.60	1.52	1.67	1.74	1.82	1.78	.55	.29	.75	2.56	3.40	2.41	2.53	2.55	2.17	1.30	1.80	Earnings per sh A	3.50
.88	.88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	Div'ds Decl'd per sh B	1.00
3.58	3.10	5.30	4.01	3.41	11.87	5.60	29.39	5.63	10.94	6.35	5.96	5.45	4.12	6.51	4.97	5.10	5.25	Cap'l Spending per sh	5.50
2.61	3.19	3.66	4.19	2.53	1.11	1.89	3.71	3.25	1.93	3.64	5.41	6.64	7.74	9.68	12.42	12.75	13.65	Book Value per sh D	19.00
9.16	9.29	9.29	9.29	8.79	8.36	8.36	8.73	8.73	8.83	9.02	9.71	9.71	9.71	9.71	9.71	9.80	8.50	Common Shs Outst'g C	10.00
NMF	16.7	18.9	18.9	21.1	28.0	34.5	NMF	NMF	52.3	18.9	18.0	22.5	19.7	21.2	26.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
NMF	.99	1.24	1.28	1.32	1.61	1.79	NMF	NMF	2.68	1.03	.91	1.19	1.05	1.14	1.38			Relative P/E Ratio	1.20
4.8%	3.3%	3.5%	3.2%	2.7%	2.0%	1.6%	1.8%	2.3%	2.6%	2.1%	1.8%	1.8%	2.0%	1.9%	1.8%			Avg Ann'l Div'd Yield	1.2%
928.5	972.6	995.1	1022.7	1246.6	1210.8	1256.5	1380.2	1431.0	1436.0	1450	1500	Sales ($mill)	1620
12.6%	14.1%	13.7%	14.0%	13.1%	13.5%	12.6%	11.7%	10.7%	10.5%	9.3%	9.7%	Operating Margin	10.5%
50.0	74.3	79.5	81.4	78.9	76.5	70.8	66.2	67.9	67.9	70.0	70.0	Depreciation ($mill)	75.0
14.9	4.8	2.7	6.6	22.7	30.7	21.8	23.0	23.2	19.9	12.0	18.0	Net Profit ($mill)	33.0
36.0%	34.0%	33.7%	43.8%	40.4%	19.3%	40.2%	40.8%	25.4%	38.4%	35.0%	35.0%	Income Tax Rate	35.0%
1.6%	.5%	.3%	.6%	1.8%	2.5%	1.7%	1.7%	1.6%	1.4%	0.8%	1.2%	Net Profit Margin	2.0%
4.7	d3.6	14.2	d54.2	15.1	66.4	25.9	64.6	d1.8	39.1	60.0	85.0	Working Cap'l ($mill)	190
491.2	728.4	684.0	621.1	849.8	846.9	779.2	768.9	666.5	668.1	665	660	Long-Term Debt ($mill)	650
15.8	32.4	28.4	17.1	32.9	52.5	64.4	75.1	94.0	120.5	125	135	Shr. Equity ($mill)	190
6.9%	3.9%	4.1%	4.5%	5.3%	5.7%	5.1%	5.6%	6.3%	5.4%	4.0%	5.0%	Return on Total Cap'l	6.5%
94.2%	14.7%	9.5%	38.5%	69.0%	58.5%	33.9%	30.5%	24.7%	16.5%	9.6%	13.5%	Return on Shr. Equity	17.5%
41.3%	NMF	NMF	NMF	42.1%	41.3%	19.0%	18.5%	15.1%	6.9%	2.0%	6.0%	Retained to Com Eq	12.0%
56%	NMF	NMF	NMF	39%	29%	44%	40%	39%	46%	NMF	NMF	All Div'ds to Net Prof	30%

CAPITAL STRUCTURE as of 3/30/08
Total Debt $713.0 mill. Due in 5 yrs. $195.0 mill.
LT Debt $668.3 mill. LT Interest $45.0 mill.
(Total interest coverage: 1.6x) (85% of Cap'l)
Leases, Uncapitalized Annual rentals $16.8 mill
Pension Assets-12/07 $173.1 mill.
Oblig. $175.5 mill
Pfd Stock None

Common Stock 9,143,329 shs.
(incl. 2,499,652 Class B shs.
Cl. B shs. get 20 votes per sh.)
as of 4/30/08
MARKET CAP: $325 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	61.8	9.9	9.9
Receivables	104.8	104.1	128.2
Inventory (Avg Cst)	67.1	63.5	65.6
Other	13.4	20.8	24.8
Current Assets	247.1	198.3	228.5
Accts Payable	65.8	62.9	67.5
Debt Due	102.4	10.0	44.7
Other	80.7	86.3	62.6
Current Liab.	248.9	159.2	195.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.0%	3.5%	2.0%
"Cash Flow"	3.5%	-2.0%	2.5%
Earnings	3.5%	15.0%	6.5%
Dividends	--	--	NMF
Book Value	14.5%	27.5%	11.5%

Calendar	QUARTERLY SALES ($ mill.) AE Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	309.2	361.2	362.1	347.7	1380.2
2006	333.2	386.6	370.6	340.6	1431.0
2007	337.6	390.4	367.4	340.6	1436.0
2008	337.7	392.3	370	350	1450
2009	340	400	390	370	1500

Calendar	EARNINGS PER SHARE A/E Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.08	1.27	.97	.21	2.53
2006	.09	.98	.54	.94	2.55
2007	.51	1.28	.58	d.19	2.17
2008	d.47	1.17	.50	.10	1.30
2009	.05	1.20	.50	.15	1.90

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.25	.25	.25	.25	1.00
2005	.25	.25	.25	.25	1.00
2006	.25	.25	.25	.25	1.00
2007	.25	.25	.25	.25	1.00
2008	.25	.25			

BUSINESS: *Coca-Cola Bottling Company Consolidated*, the second largest Coca-Cola bottler in the United States, produces and distributes carbonated and noncarbonated beverages, primarily the products of the *Coca-Cola Company*. It also distributes *Dr. Pepper*, *POWERade*, ready-to-drink *Nestea*, and *Frutopia* throughout most of its markets in southeastern U.S. Sparkling beverage products accounted for about 83% of 2007 sales. 2007 depreciation rate: 7.7%. Has about 6,800 employees. The Coca-Cola Co. owns 29.9% of common stock, J. Frank Harrison, III, 49.0% (3/08 proxy). Chairman. & CEO: J. Frank Harrison, III; President & COO: William B. Elmore. Inc.: DE. Address: 1900 Rexford Road, Charlotte, NC 28211. Telephone: 704-551-4400. Internet: www.cokebottling.com.

Market support for Coca-Cola Bottling has declined sharply since our May report. The 40%-plus descent suggests that investor confidence is easily shaken. Adding to the unease was the steep first-quarter share loss of $0.47. This, coupled with flat revenues, depicts a bottler that is facing stronger-than-expected headwinds from the domestic economy. We are a bit skeptical about June results (which were to be released after this issue was published), as the company's difficulties persist.

Lingering problems are showing no signs of near-term letup. Among the challenges are rising input costs and escalating fuel prices. To counter the heavier cost structure, COKE has raised prices. However, the hikes have not led to favorable consumer reception, as individual spending patterns are adapting to a troubled economy. In fact, volume declines in most of the company's beverage categories are an indication that people are spending less, even on well-known brands, like Coca-Cola.

The company, therefore, remains heavily reliant on its equity partner, The Coca-Cola Company. Coca-Cola's innovation, aquisitions, advertising, and promotional activity aid COKE. One example is the new *Full Throttle* drink that was recently introduced in the beverage maker's hydration segment. Distribution of the new 16-ounce can is mainly being done in the Southeast, which encompasses COKE's territory. This product can be accretive to COKE's future profits. Also, Coca-Cola Bottling signed an agreement with its equity partner regarding brand innovation and distribution arrangements. The agreement gives The Coca-Cola Company the option to purchase beverage brands owned by Coca-Cola Bottling, as the latter company occasionally does invest in brands independent of Coca-Cola.

This untimely stock holds respectable 3- to 5- year capital appreciation potential. Still, the issue is likely to appeal only to patient accounts.

Nira Maharaj *August 1, 2008*

CASH POSITION	5-Year Av'g	3/30/08
Current Assets to Current Liabilities:	127%	117%
Cash & Equiv's to Current Liabilities:	15.5%	5.0%
Working Capital to Sales:	3.0%	2.3%

Company's Financial Strength	C++
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	35

(A) Fiscal year ends on Sunday closest to Dec. 31st. Diluted earnings. Excludes nonrecurring charges: '99, $0.18; '01, $0.33. Next earnings report due mid-August.
(B) Dividends historically paid in early March, June, September, and December.
(C) In millions.
(D) Includes intangibles. In 2007: $627.0 million, $64.57/sh.
(E) Quarterly sales and earnings may not sum due to rounding.

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COLUMBIA SPORTSWR NDQ-COLM

RECENT PRICE 37.22 | P/E RATIO 13.8 (Trailing: 19.7 Median: 15.0) | RELATIVE P/E RATIO 0.89 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 5 Lowered 8/8/08
SAFETY 3 New 1/21/00
TECHNICAL 2 Raised 7/25/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+155%)	28%
Low	65	(+75%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	3	0	0	2	0	0	2
Options	0	0	1	0	0	0	0	0	0
to Sell	0	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	70	67	68
to Sell	75	70	61
Hld's(000)	15039	16558	16378

	High:	17.1	14.5	36.5	51.0	47.8	59.4	62.2	59.8	62.6	70.9	47.2
	Low:	6.4	7.7	11.3	20.0	27.5	31.5	49.2	41.0	42.8	43.5	33.1

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 6/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-45.6	-18.0
3 yr.	-24.0	11.3
5 yr.	-27.1	63.2

Percent shares traded: 24 / 16 / 8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
11.27	12.37	15.94	19.85	20.54	23.85	27.30	31.35	35.77	37.85	37.70	40.60	Sales per sh	50.00
1.07	1.22	1.81	2.69	3.05	3.56	3.92	4.19	4.07	4.88	3.65	4.25	"Cash Flow" per sh	6.10
.91	.88	1.41	2.23	2.56	2.96	3.40	3.36	3.36	3.96	2.70	3.20	Earnings per sh A	4.90
--	--	--	--	--	--	--	--	.14	.58	.64	.64	Div'ds Decl'd per sh D	.80
1.07	.33	.55	1.01	.96	.43	1.11	.99	1.41	.96	1.00	1.05	Cap'l Spending per sh	1.25
3.94	4.85	6.44	9.00	11.90	15.82	19.44	20.15	23.08	27.08	27.15	29.40	Book Value per sh	37.50
37.90	38.03	38.56	39.28	39.74	40.25	40.13	36.86	36.00	35.82	35.00	34.00	Common Shs Outst'g B	32.00
13.5	12.4	15.2	16.1	14.2	16.3	16.2	14.6	15.4	14.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
.70	.71	.99	.83	.78	.93	.86	.78	.83	.78			Relative P/E Ratio	1.05
--	--	--	--	--	--	--	--	.3%	1.0%			Avg Ann'l Div'd Yield	1.0%
427.3	470.5	614.8	778.6	816.3	951.6	1095.3	1155.8	1287.7	1356.0	1320	1380	Sales ($mill)	1600
14.8%	15.8%	17.9%	21.2%	22.3%	22.4%	21.0%	18.1%	15.8%	16.9%	13.5%	14.5%	Operating Margin	16.0%
7.6	12.6	13.6	16.7	18.7	23.1	18.6	23.5	23.5	30.3	32.0	34.0	Depreciation ($mill)	40.0
32.7	33.9	56.0	88.8	102.5	120.1	138.6	130.7	123.0	144.5	95.0	110	Net Profit ($mill)	155
36.7%	40.2%	39.3%	39.0%	37.5%	37.0%	35.5%	31.5%	33.6%	30.8%	33.0%	33.0%	Income Tax Rate	33.0%
7.7%	7.2%	9.1%	11.4%	12.6%	12.6%	12.7%	11.3%	9.6%	10.7%	7.2%	8.0%	Net Profit Margin	9.7%
109.5	144.1	191.1	271.0	361.6	502.0	609.1	554.0	569.1	719.2	700	725	Working Cap'l ($mill)	800
27.3	26.7	26.0	25.0	20.6	16.3	12.6	7.4	.1	--	Nil	Nil	Long-Term Debt ($mill)	Nil
149.4	184.4	248.4	353.4	472.7	640.8	780.3	742.8	830.7	970.1	950	1000	Shr. Equity ($mill)	1200
19.7%	17.2%	21.2%	23.8%	21.0%	18.4%	17.5%	17.5%	14.9%	14.9%	10.0%	11.0%	Return on Total Cap'l	13.0%
21.9%	16.4%	22.5%	25.1%	21.7%	18.7%	17.8%	17.6%	14.8%	14.9%	10.0%	11.0%	Return on Shr. Equity	13.0%
NMF	18.4%	22.5%	25.1%	21.7%	18.7%	17.8%	17.6%	14.2%	12.7%	7.5%	9.0%	Retained to Com Eq	11.0%
NMF	--	--	--	--	--	--	--	4%	14%	24%	20%	All Div'ds to Net Prof	17%

Founded in 1938 and incorporated under Oregon law in 1961, Columbia Sportswear Company has grown from a small, regional hat distributor to a global leader in the active outdoor apparel industry. The company completed an initial public offering of 9,660,000 shares (including an over-allotment option of 1,260,000 shares) of its common stock on April 1, 1998, which net proceeds of approximately $106.9 million. Goldman, Sachs & Co., NationsBanc Montgomery Securities LLC, and PaineWebber Incorporated were the U.S. underwriters.

CAPITAL STRUCTURE as of 3/31/08

Total Debt Nil

Leases, Uncapitalized Annual rentals $15.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 34,757,164 shs.
as of 5/1/08

MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	220.0	273.5	278.1
Receivables	285.9	300.5	246.2
Inventory (FIFO)	212.3	265.9	238.1
Other	39.6	45.8	52.5
Current Assets	757.8	885.7	814.9
Accts Payable	88.1	95.4	53.2
Debt Due	3.8	--	--
Other	96.8	71.1	66.4
Current Liab.	188.7	166.5	119.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.0%	13.5%	6.0%
"Cash Flow"	14.5%	11.5%	5.5%
Earnings	15.5%	11.5%	5.5%
Dividends	--	--	22.0%
Book Value	19.5%	21.0%	8.0%

Calendar	QUARTERLY SALES ($mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	245.7	186.2	409.8	314.1	1155.8
2006	260.2	211.6	454.1	361.8	1287.7
2007	289.6	218.6	471.1	376.7	1356.0
2008	297.4	213.1	452.5	357	1320
2009	310	225	475	370	1380

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.52	.16	1.74	.97	C3.36
2006	.52	.13	1.67	1.06	C3.36
2007	.71	.27	1.72	1.26	3.96
2008	.56	d.05	1.45	.74	2.70
2009	.60	.05	1.65	.90	3.20

Calendar	QUARTERLY DIVIDENDS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	.14	.14
2007	.14	.14	.14	.16	.58
2008	.16	.16			

BUSINESS: Columbia Sportswear Company designs, manufactures, markets, and distributes active outdoor apparel, including outerwear (37% of '07 sales), sportswear (42%), rugged footwear (17%), and equipment/accessories (4%). As one of the largest outerwear manufacturers in the world and the leading seller of skiwear in the U.S., the company has developed an international reputation for quality, performance, functionality, and value. International business: 43% of '07 sales. Acquired Mountain Hardwear, 3/03. Has approximately 3,060 employees. All officers/directors own 65.9% of common (4/08 proxy). Pres. & CEO: Timothy P. Boyle (owns 43.5%). Inc.: Oregon. Addr.: 14375 NW Science Park Dr., Portland, Oregon 97229. Tel.: 503-985-4000. Internet: www.columbia.com.

Columbia Sportswear's bottom line has slipped into the red. Results for the seasonally slow June interim came in weaker than we had expected, with the apparel maker posting a net loss of $0.05 a share on a 3% revenue decline. Sales in the U.S. (down 18%) were especially disappointing, reflecting cautious spending on the part of consumers and Columbia's retail customers. Gross margins, meanwhile, were hurt by increased manufacturing costs and an uptick in markdown activity. In addition, the sluggish top line prevented the company from leveraging its investments in new marketing campaigns and technical-oriented product lines.

The turnaround from here will probably be gradual. We think that revenues will remain on the light side through the balance of 2008 at least, as Columbia's large retail clients, concerned about their own cost structures in the current economic environment, continue to manage their inventory positions quite conservatively. The company should also lose some market share in the U.S. to aggressive private labels, and encounter heightened competition from The North Face, especially in the core outerwear merchandise category. Below the top line, the near-term outlook is similarly gloomy. Indeed . . .

Pricing softness and heavy investment expenditures ought to squeeze the firm's operating margin in the coming periods. Aside from stepped-up advertising efforts and new product launches, Columbia plans to pour money into expanding its retail footprint. In particular, the company intends to open a series of first-line retail locations in metropolitan markets across the country. These stores, coupled with a growing base of outlet shops, should help the apparel maker to build brand awareness and better manage its inventory.

These untimely shares offer wide recovery potential to 2011-2013. Once business conditions on the home front improve, margins will likely rebound, and the company's new sales initiatives should begin to have a greater impact on the top line. Plus, we look for the international unit, which is still performing fairly well, to become more profitable and to grow in importance over the next few years.

Justin Hellman *August 8, 2008*

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	55
Earnings Predictability	95

(A) Earnings based on diluted shares outstanding. Excludes nonrecurring gain/(loss): '99, (2¢); '00, 7¢. Next earnings report due in late October.
(B) In millions, adjusted for stock split.
(C) Doesn't sum due to rounding/change in shares outstanding.
(D) Dividend initiated in 10/05. Payments likely to be made in February, May, August, and November.

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HEARING EXHIBIT 00000321

CONOCOPHILLIPS NYSE-COP

RECENT PRICE 91.65 | P/E RATIO 8.9 (Trailing: 9.2 / Median: 8.5) | RELATIVE P/E RATIO 0.54 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 2 Lowered 3/14/08
TECHNICAL 2 Raised 6/13/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+40%)	11%
Low	95	(+5%)	3%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	0	0	2	0	0	0
to Sell	0	0	0	0	0	1	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	554	578	539
to Sell	606	609	669
Hld's(000)	1242769	1238528	1205571

High: 26.1 26.6 26.6 35.0 34.0 32.1 33.0 45.6 71.5 74.9 90.8 95.1
Low: 16.7 20.1 18.8 18.0 25.0 22.0 22.6 32.2 41.4 54.9 61.8 67.9

LEGENDS
6.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/05
Options: Yes
Shaded area indicates recession

2-for-1

Percent shares traded 12 8 4

Target Price Range 2011 2012 2013: 160 120 100 80 60 50 40 30 20 15

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.8	-9.7
3 yr.	-7.8	27.3
5 yr.	93.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
22.93	23.54	23.34	25.55	29.87	28.90	22.91	26.76	40.99	34.97	41.51	76.30	93.95	123.25	111.57	119.28	140.00	148.65	Sales per sh	169.50
2.09	2.04	2.30	2.59	3.17	3.27	2.65	2.86	6.09	4.06	2.73	5.91	8.26	10.27	14.19	14.86	16.15	16.80	"Cash Flow" per sh	17.60
.52	.43	.78	1.11	1.70	1.72	.75	1.08	3.74	2.90	1.56	3.35	5.79	9.35	9.99	9.14	10.35	10.80	Earnings per sh A	11.75
.56	.56	.56	.60	.63	.67	.68	.68	.68	.70	.74	.82	.90	1.18	1.44	1.64	1.88	1.92	Div'ds Decl'd per sh B■	2.00
2.21	2.33	2.21	2.78	2.93	3.88	4.07	3.33	3.98	4.04	3.21	2.56	6.60	7.98	9.47	7.50	9.85	9.35	Cap'l Spending per sh	8.85
5.16	5.12	5.62	6.07	8.05	9.15	8.37	8.97	11.99	16.76	21.59	25.17	29.72	36.22	50.21	58.83	58.40	62.40	Book Value per sh	73.80
520.46	522.96	523.28	523.28	526.60	526.36	503.99	507.23	508.24	764.32	1367.3	1365.6	1437.7	1455.9	1646.1	1571.4	1525.0	1500.0	Common Shs Outst'g C	1475.0
24.1	34.5	20.4	15.2	11.9	13.2	30.9	22.3	7.0	9.8	17.5	8.1	6.6	6.2	6.4	8.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	9.5
1.46	2.04	1.34	1.02	.74	.76	1.61	1.27	.46	.50	.96	.46	.35	.33	.35	.44			Relative P/E Ratio	.65
4.5%	3.8%	3.5%	3.5%	3.1%	3.0%	2.8%	2.8%	2.6%	2.5%	2.7%	3.0%	2.3%	2.0%	2.3%	2.1%			Avg Ann'l Div'd Yield	1.8%
11545	13571	20835	26729	58748	104196	135076	179442	183650	187437	213500	223000	Sales ($mill)	250000						
15.8%	16.3%	24.4%	19.0%	9.4%	12.2%	12.5%	13.8%	27.8%	26.7%	27.0%	27.0%	Operating Margin	26.5%						
945.0	902.0	1179.0	1391.0	2223.0	3485.0	3798.0	4253.0	7284.0	8298.0	8500	8750	Depreciation ($mill)	9000						
389.0	548.0	1916.0	1709.0	1511.1	4591.1	8108.0	10695	16081	15051	16095	16470	Net Profit ($mill)	17500						
51.0%	51.7%	49.6%	50.2%	49.0%	38.8%	43.6%	42.1%	45.1%	48.9%	45.0%	45.0%	Income Tax Rate	45.0%						
3.4%	4.0%	9.2%	6.4%	2.7%	4.4%	6.0%	6.0%	8.8%	8.0%	7.5%	7.4%	Net Profit Margin	7.2%						
217.0	253.0	d886.0	d179.0	2114.0	d2819	d565.0	d1747	d1385	d2147	d2400	d2000	Working Cap'l ($mill)	d2150						
4106.0	4271.0	6622.0	8645.0	18917	18340	14370	10758	23091	20289	20000	19700	Long-Term Debt ($mill)	19500						
4869.0	5199.0	6743.0	14990	29517	34366	42723	52731	82648	88983	89025	93615	Shr. Equity ($mill)	108865						
5.7%	7.1%	16.2%	8.3%	3.7%	9.8%	14.6%	17.2%	15.6%	14.2%	15.0%	14.5%	Return on Total Cap'l	13.5%						
8.0%	10.5%	28.4%	11.4%	5.1%	13.4%	19.0%	20.3%	18.5%	16.9%	18.0%	17.5%	Return on Shr. Equity	16.0%						
.9%	4.5%	25.8%	9.1%	2.8%	10.1%	16.1%	17.2%	16.7%	13.9%	15.0%	14.5%	Retained to Com Eq	13.5%						
91%	63%	18%	24%	45%	24%	15%	15%	14%	18%	18%	18%	All Div'ds to Net Prof	17%						

CAPITAL STRUCTURE as of 3/31/08
Total Debt $21.5 bill. Due in 5 Yrs $11.4 bill.
LT Debt $21.1 bill. LT Interest $1.1 bill. (19% of Cap'l)

Leases, Uncapitalized Annual rentals $732.0 mill.
Pension Assets-12/07 $5.7 bill. Oblig. $7.4 bill.

Pfd Stock None
Common Stock 1,542,446,703 shs.

MARKET CAP: $141 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	817	1456	1423
Receivables	13456	14667	17151
Inventory (LIFO)	5153	4223	6995
Other	5840	4369	3039
Current Assets	25066	24735	28608
Accts Payable	14163	16591	18953
Debt Due	4043	1398	384
Other	8225	8893	11788
Current Liab.	26431	26882	31125

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	15.5%	24.5%	6.0%
"Cash Flow"	16.0%	25.0%	5.0%
Earnings	20.0%	28.5%	3.5%
Dividends	8.5%	15.0%	6.0%
Book Value	20.0%	22.5%	7.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	37631	41808	48745	51258	179442
2006	47927	47100	47104	41519	183650
2007	41320	47370	46062	52685	187437
2008	54900	53000	52100	53500	213500
2009	55000	56000	55000	57000	223000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.77	2.21	2.68	2.69	9.35
2006	2.34	2.87	2.68	2.10	9.99
2007	1.82	2.90	1.94	2.48	9.14
2008	2.52	2.88	2.40	2.55	10.35
2009	2.70	2.90	2.45	2.75	10.80

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.22	.22	.22	.25	.91
2005	.25	.31	.31	.31	1.18
2006	.36	.36	.36	.36	1.44
2007	.41	.41	.41	.41	1.64
2008	.47	.47			

BUSINESS: ConocoPhillips was formed on Aug. 30, 2002, when Phillips Petroleum acquired Conoco. It is an integrated oil and petrochemicals company with assets around the globe. Primary operating segments incl.: Exploration & Production (25% of '07 sales), Midstream (3%), Refining & Marketing (71%), Chemicals/Emerging Bus./Other (1%). Has 20% ownership stake in LUKOIL. Avg. worldwide production in '07: 1,857,000 boe p/d. Disc. future net cash flows of reserves: $67,162 mill. 2007 avg. realized crude price was $67.11. Has 32,600 employees. Off./dir. own less than 1.0% of common. Vanguard Fiduciary Treasury owns, 6.4% (4/08 proxy). Chairman/CEO: James J. Mulva. Inc.: DE. Addr.: Bartlesville, OK 74004. Tel.: 918-661-6600. Internet: www.conocophillips.com.

ConocoPhillips is on a roll. The integrated energy company posted stellar results for the first quarter. Earnings were up over 38% on a 33% revenue advance in the interim. And we believe that the company will post a double-digit share-net advance for 2008.

Higher realized oil and natural gas pricing has been a boon for business, and has been a windfall for upstream activities at its Exploration & Production (E&P) segment. Crude oil topped $133 a barrel in May, and this helped lift natural gas prices, especially in the U.S. Even with seasonal maintenance planned for the second quarter, these strong quotations should ensure solid continuum through midyear, at least.

Management is working to improve productivity and overall efficiency to keep its cost structure steady. Year to date, operating costs have been relatively stable. Still, the company's capital program is sizable, with a budget of approximately $15 billion. About 20% of its expenditures will be spent on its downstream segment. Initiatives, such as upgrading refineries, will bolster its Refining & Marketing unit, which posted less-than-ideal results as it fell in line with narrower industry margins and utilization rates. COP has partnered in several joint ventures, which should help broaden its global reach, as well. We like these moves, as they will help widen margins, and the leaner expense base will make the company sturdier for long-term growth.

The company has been putting its cash to good use. Share buybacks have been a key focus. COP repurchased $2.5 billion of shares during the March period, and paid $730 million in dividends. It has allocated another $10 billion to reduce its share count through the end of 2008, which augurs well for per-share results. Too, management may use available resources to help pay down long-term debt and improve the balance sheet.

These timely shares do not stand out for the long-term. On the earnings front, ConocoPhillips looks solid, still, we believe that this issue's explosive growth of recent years will likely start to moderate if advances in oil and natural gas pricing begin to slow.

Orly Seidman *June 13, 2008*

(A) Diluted earnings. Excl. nonrecurring gains/(losses): '98, (58¢); '99, 24¢; '00, (21¢); '01, (22¢); '02, ($3.68); '03, 35¢; '04, 3¢; '06, (66¢); '07, ($1.82); '08, (10¢). Next earnings report due late July.
(B) Dividends historically paid early March, June, September, and December. ■ Dividend reinvestment plan available.
(C) In millions, adj. for stock split.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	100
Earnings Predictability	50

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CHOICEPOINT INC. NYSE-CPS

RECENT PRICE 48.53 | P/E RATIO 27.0 (Trailing: 28.2 Median: 25.0) | RELATIVE P/E RATIO 1.65 | DIV'D YLD Nil | VALUE LINE

TIMELINESS — Suspended 2/29/08
SAFETY 3 New 12/15/00
TECHNICAL — Suspended 2/29/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+85%)	16%
Low	60	(+25%)	5%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	2	0	0	1
to Sell	0	0	1	0	0	0	0	1	3

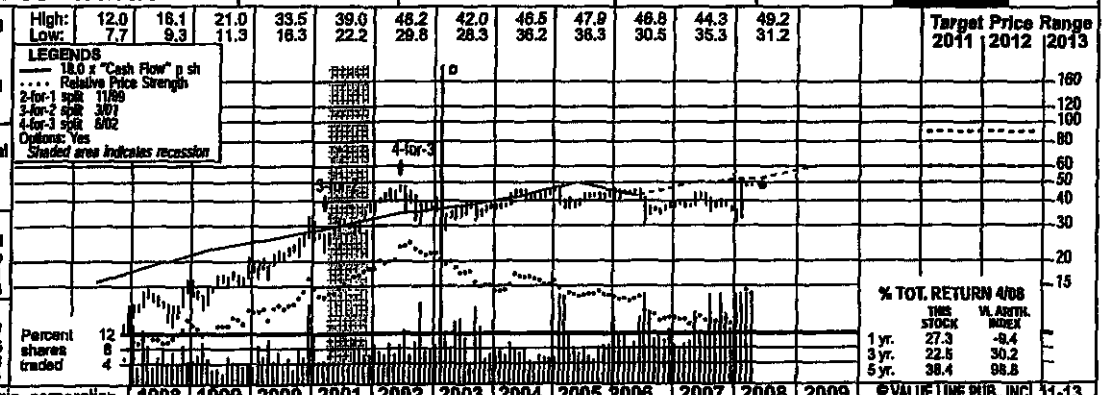
Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	90	102	75
to Sell	104	95	136
Hld's(000)	63174	62923	61010

High: 12.0 16.1 21.0 33.5 39.0 48.2 42.0 46.5 47.9 46.8 44.3 49.2
Low: 7.7 9.3 11.3 16.3 22.2 29.8 28.3 36.2 36.3 30.5 35.3 31.2

LEGENDS
18.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 11/99
3-for-2 split 3/01
4-for-3 split 6/02
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013



% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	27.3	-9.4
3 yr.	22.5	30.2
5 yr.	38.4	96.8

ChoicePoint Inc., a Georgia corporation, was created through the combination of businesses that constituted the Insurance Services Group of Equifax Inc. ChoicePoint became a separately traded public entity when it was spun off in August of 1997 in the form of a stock dividend. Each Equifax shareholder received one share of ChoicePoint for every 10 shares of Equifax common stock.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $573.8 mill. Due in 5 Yrs $562.5 mill.
LT Debt $562.5 mill. LT Interest $27.0 mill. (51% of Cap'l)
Leases, Uncapitalized: Annual rentals $18.0 mill.

No Defined Pension Plan

Common Stock 66,775,000 shs.

MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	26.6	20.2	32.0
Receivables	222.9	208.2	236.5
Other	68.0	191.6	190.9
Current Assets	317.5	420.0	459.4
Accts Payable	91.9	54.0	60.3
Debt Due	100.0	80.0	11.3
Other	126.1	154.6	184.7
Current Liab.	320.0	288.6	256.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	--	8.5%	6.0%
"Cash Flow"	--	11.0%	7.5%
Earnings	--	16.5%	8.5%
Dividends	--	--	Nil
Book Value	--	16.0%	10.5%

Calendar	QUARTERLY REVENUES ($ mill.)[D] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	252.7	259.4	267.3	250.4	1029.8
2006	260.1	260.6	267.6	266.6	1054.9
2007	267.7	269.4	270.8	238.3	1047.2
2008	252.9	245	250	232.1	980
2009	250	260	270	280	1060

Calendar	EARNINGS PER SHARE[A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.44	.44	.46	.44	1.78
2006	.40	.41	.43	.40	1.64
2007	.43	.44	.46	.39	1.72
2008	.43	.45	.48	.44	1.80
2009	.50	.52	.55	.58	2.15

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC	11-13
	6.93	7.28	7.31	7.86	9.26	9.19	10.27	12.21	11.50	15.77	14.85	16.30	Revenues per sh	19.25
	1.08	1.30	1.45	1.66	1.92	2.08	2.34	2.77	2.37	2.89	2.90	3.30	"Cash Flow" per sh	4.20
	.54	.64	.77	.95	1.33	1.42	1.62	1.78	1.64	1.72	1.80	2.15	Earnings per sh[A]	3.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.23	.23	.18	.23	.23	.24	.32	.33	.28	.25	.25	.25	Cap'l Spending per sh	.25
	2.72	3.43	4.94	5.81	7.28	9.13	11.00	11.78	7.27	4.67	6.20	6.05	Book Value per sh[B]	16.75
	58.64	59.06	61.15	63.43	65.49	66.56	69.43	66.63	91.76	66.39	66.00	65.00	Common Shs Outst'g[C]	65.00
	23.3	24.0	28.4	31.3	30.5	25.2	25.8	23.4	24.6	22.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
	1.21	1.37	1.85	1.60	1.67	1.44	1.36	1.25	1.33	1.19			Relative P/E Ratio	1.65
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	406.5	430.1	583.5	656.0	791.6	785.7	918.7	1029.8	1054.9	1047.2	980	1060	Revenues ($mill)	1250
	23.7%	27.3%	29.1%	31.7%	31.1%	33.0%	33.0%	31.8%	25.5%	32.0%	33.0%	34.0%	Operating Margin	36.0%
	31.0	37.9	53.6	59.5	45.8	53.1	61.3	76.7	78.1	63.7	70.0	70.0	Depreciation ($mill)	70.0
	32.1	38.8	64.4	79.2	118.7	126.9	148.0	163.6	139.3	128.0	125	145	Net Profit ($mill)	200
	44.0%	43.4%	40.0%	42.6%	38.4%	38.5%	38.1%	36.0%	23.8%	39.8%	38.0%	38.0%	Income Tax Rate	38.0%
	7.9%	9.0%	10.9%	12.1%	15.0%	16.0%	16.1%	15.5%	13.2%	12.2%	12.6%	13.7%	Net Profit Margin	16.1%
	18.6	67.4	72.0	d72.0	2.6	25.5	d5.3	1.6	d2.5	131.4	105	125	Working Cap'l ($mill)	405
	191.7	187.2	141.6	2.4	97.1	1.8	.0	80.0	315.0	530.0	515	400	Long-Term Debt ($mill)	400
	159.6	202.9	401.1	484.8	622.6	790.5	983.7	1020.9	567.0	308.9	410	525	Shr. Equity ($mill)	1090
	10.1%	11.4%	12.9%	16.3%	17.0%	16.2%	15.2%	15.0%	14.8%	16.8%	15.0%	17.5%	Return on Total Cap'l	14.5%
	20.1%	19.1%	16.1%	16.3%	19.1%	16.1%	15.0%	16.0%	20.9%	41.4%	30.0%	28.0%	Return on Shr. Equity	18.5%
	20.1%	19.1%	16.1%	16.3%	19.1%	16.1%	15.0%	16.0%	20.9%	41.4%	30.0%	28.0%	Retained to Com Eq	18.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: ChoicePoint Inc. provides decision-making intelligence, including risk management and fraud prevention to businesses, government agencies, and individuals. Its businesses are focused on four primary markets - Insurance Services, Business Services, Gov. Services, and Marketing Services. Sold Osborn Grp. (8/01); Commerical Specialists Assoc. (2/03). 2007 revenue segments: Insurance Services, 44%; Screening, 27%; Business Services, 19%; Marketing Services, 10%. Has about 5,000 employees. Baron Capital owns 12.1% of common stock; Oppenheimer, 7.0%; Off./dir. own 9.1% (3/07 proxy). Chmn. & CEO: Derek Smith, Inc.: GA. Addr.: 1000 Alderman Dr., Alpharetta, GA 30005. Tel.: 770-752-6000. Web: www.choicepointinc.com.

ChoicePoint is set to be acquired by Reed Elsevier. The two companies agreed to the acquisition in early 2008. Reed will pay $50 a share in cash to complete the deal, which equates to a total of roughly $4.1 billion. The offer, which was close to a 50% premium from pre-agreement trading levels, was approved by a wide margin by ChoicePoint shareholders.

Meanwhile, the Insurance Services segment continues to drive profits higher. Total revenue at the division increased by almost 14% during the recent March period. The company reported growth at all three subdivisions despite overall weakness in the domestic insurance and housing sectors. The profit margin at the segment slipped a little, but still exceeded 50%.

Screening demand has flattened a bit. This segment's top line rose only 1% during the first quarter as the job market faltered, resulting in fewer background checks than anticipated, particularly in the retail sector. The division's contribution to the bottom line was up only modestly as well. Growth here should pick up, though, as domestic economic conditions improve.

The Marketing Services segment has continued to struggle. This division was hurt markedly by the subprime credit crisis. First quarter revenue fell 29%, year over year. Reduced spending from financial services companies will continue to hurt business. The company may look to other segments, such as the retail and auto markets, to generate growth.

Expansion has stalled at ChoicePoint. The company has failed to grow within the information services field, which has led to unexciting profits over the past few years. Our 3- to 5-year outlook for the company, absent the Reed Acquisition, does not support much appreciation potential for the stock.

The stock's Timeliness rank is suspended due to the pending acquisition. The issue is trading slightly below the purchase price, which may interest investors looking for a quick 3%–4% return on investment. The transaction is expected to close later this summer.

Garrett Sussman *June 6, 2008*

(A) Based on dil'd. shs. Excl. nonrecurr. and discont. gain/(losses): '98, (7¢); '99, (1¢); '00, (32¢); '01, (50¢); '02, (32¢); '03, (16¢); '05, (8¢); '06, ($1.32). May not sum due to rounding. Next egs. rpt. due late July. (B) Incl. intangibles. In '07: $707.2 mill, $10.10/share. (C) In millions, adjusted for stock splits. (D) Beginning in 2002, income statement adjusted for the gross-up of revenue & expenses.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	90

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HEARING EXHIBIT 00000323

CHARLES RIVER LAB. NYSE-CRL

RECENT PRICE 68.82 | P/E RATIO 25.1 (Trailing: 27.2 / Median: NMF) | RELATIVE P/E RATIO 1.63 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 3 New 9/7/01
TECHNICAL 3 Raised 8/15/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+65%)	14%
Low	75	(+10%)	2%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	4	2	0	3	1	1	2	2
to Sell	2	5	2	1	4	1	2	3	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	136	163	186
to Sell	114	130	148
Hld's(000)	68948	70539	69709

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	High:	Low:
1998	--	--
1999	34.0	17.2
2000	39.2	17.7
2001	41.3	27.4
2002	38.8	24.3
2003	49.1	33.6
2004	53.1	40.5
2005	51.5	33.7
2006	68.0	42.7
2007	69.2	53.7

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	29.9	-12.2
3 yr.	36.5	7.2
5 yr.	78.8	58.6

Charles River Laboratories, founded in 1947, began trading on the NYSE on June 28, 2000, after completing an initial public offering of 14 million share at $16 a share. Co-writers of the offering were DLJ and Lehman Brothers. Subsequent equity financings were conducted in March, 2001, when the company sold 3.5 million shares at $19, and in July, 2001, when another 6 million shares were sold at $29 a share.

CAPITAL STRUCTURE as of 6/28/08
Total Debt $522.3 mill. Due in 5 Yrs $520.0 mill.
LT Debt $312.3 mill. LT Interest $8.0 mill.
(Total interest cov.: 13.0x) (16% of Cap'l)

Leases, Uncapitalized: Annual rentals $24.9 mill.
Pension Assets-12/07 $196.2 mill.
Oblig. $232.8 mill.

Pfd Stock None
Common Stock 67,839,491 shs.
as of 8/1/08

MARKET CAP: $4.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/28/08
Cash Assets	175.4	225.4	262.4
Receivables	202.7	213.9	240.0
Inventory (Avg Cst)	72.4	68.0	93.6
Other	50.6	80.5	80.9
Current Assets	501.1	607.8	676.9
Accts Payable	28.2	36.7	43.5
Debt Due	25.0	25.0	210.0
Other	206.1	240.8	247.2
Current Liab.	259.3	302.5	500.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	9.5%	11.0%
"Cash Flow"	--	16.5%	11.5%
Earnings	--	14.5%	16.0%
Dividends	--	--	--
Book Value	--	34.0%	9.5%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	273.7	283.4	273.9	291.2	1122.2
2006	254.1	267.9	264.7	271.7	1058.4
2007	291.2	307.5	313.9	318.0	1230.6
2008	337.6	352.1	*350*	*350.3*	*1390*
2009	*370*	*380*	*395*	*405*	*1550*

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.38	.44	.44	.34	1.60
2006	.39	.48	.47	.47	1.79
2007	.55	.55	.63	.52	2.25
2008	.64	.71	.65	.65	*2.65*
2009	*.73*	*.77*	*.79*	*.76*	*3.05*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	11.06	8.54	10.54	12.27	13.40	11.66	15.60	15.82	18.05	*20.45*	*22.45*	Sales per sh A	*31.00*
	--	1.49	.95	1.53	2.04	2.40	2.16	3.04	3.11	3.58	*4.05*	*4.50*	"Cash Flow" per sh	*6.20*
	--	.86	.56	.92	1.42	1.64	1.78	1.60	1.79	2.25	*2.65*	*3.05*	Earnings per sh B	*4.60*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	--	.65	.43	.82	.83	.71	.89	1.33	2.72	3.33	*3.35*	*2.90*	Cap'l Spending per sh	*2.60*
	--	d5.56	3.26	6.55	7.90	10.14	22.38	25.39	23.84	27.29	*29.15*	*31.15*	Book Value per sh C	*44.35*
	--	19.82	35.92	44.19	45.22	45.80	65.79	71.96	66.92	68.18	*68.00*	*69.00*	Common Shs Outst'g D	*71.00*
	--	--	45.6	31.9	24.6	18.9	24.9	29.2	23.9	22.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*21.0*
	--	--	2.96	1.63	1.34	1.08	1.32	1.55	1.29	1.20			Relative P/E Ratio	*1.40*
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	--	219.3	306.6	465.6	554.6	613.7	766.9	1122.2	1058.4	1230.6	*1390*	*1550*	Sales ($mill) A	*2200*
	--	*25.2%*	*26.7%*	*25.2%*	*26.4%*	*27.4%*	*28.9%*	*25.5%*	*25.6%*	*25.5%*	*26.5%*	*26.7%*	Operating Margin	*26.8%*
	--	12.3	16.8	27.2	24.0	29.6	46.3	102.5	82.6	86.4	*90.0*	*95.0*	Depreciation ($mill)	*105*
	--	17.1	17.9	40.7	68.4	80.2	95.6	116.1	125.2	157.6	*187*	*215*	Net Profit ($mill)	*335*
	--	50.7%	30.0%	39.0%	36.1%	38.5%	35.3%	27.8%	28.2%	27.3%	*28.0%*	*28.0%*	Income Tax Rate	*28.0%*
	--	7.8%	5.8%	8.7%	12.3%	13.1%	12.5%	10.3%	11.8%	12.8%	*13.5%*	*14.0%*	Net Profit Margin	*15.3%*
	--	27.6	55.4	111.7	164.7	256.5	161.2	107.9	241.8	305.3	*175*	*260*	Working Cap'l ($mill)	*965*
	--	381.7	202.0	155.5	192.4	185.7	606.0	260.2	547.1	485.0	*375*	*395*	Long-Term Debt ($mill)	*375*
	--	d110.1	116.9	289.5	357.4	464.6	1472.5	1827.0	1595.2	1860.5	*1980*	*2150*	Shr. Equity ($mill)	*3150*
	--	8.5%	11.1%	11.4%	13.1%	13.0%	4.8%	6.1%	6.4%	7.1%	*8.0%*	*8.5%*	Return on Total Cap'l	*9.5%*
	--	--	15.3%	14.0%	19.1%	17.3%	6.5%	6.4%	7.8%	8.5%	*9.5%*	*10.0%*	Return on Shr. Equity	*10.5%*
	--	--	15.3%	14.0%	19.1%	17.3%	6.5%	6.4%	7.8%	8.5%	*9.5%*	*10.0%*	Retained to Com Eq	*10.5%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: Charles River Laboratories Int'l operates two divisions: Research Models & Services (RMS) (47% of 2007 sales, 62% of operating income) offers animal models, and transgenic, contract staffing, and vaccine services. Preclinical (53%, 38%), provides toxicology and drug metabolism testing, and pathology, interventional, and surgical services. Has 80 facilities in 15 countries. Foreign business acct'd for 50% of 2007 sales. 2007 depreciation rate: 5.3%. Has made many acquisitions, including Inveresk Research in 10/04. Has 8,000 employees. Officers & directors own 3.0% of stock; other major investors, 31.0% (3/08 Proxy). Chairman & CEO: *James C. Foster. Inc.: DE. Address: 251 Ballardvale St., Wilmington, MA 01887. Tel.: 978-658-6000. Internet: www.criver.com.*

In 2008, we look for Charles River to post a 18% share-net advance. The company performed well in the first half of the year, besting the year-earlier same-period results by over 22%. We expect steady growth to continue, as big pharma and drug companies seek to wring out costs savings by focusing on core compentencies such as drug discovery, while outsourcing testing and clinical trials. Plus, its Genetically Engineered Models and Services division, particularly its inbred and immuno-deficient mice, which better mimic human diseases, have been key drivers in sales growth. However, **The bottom line would likely be higher but for a few problematic issues.** In the June interim, the study mix shifted to a less favorable combination including more lower-margined services. There were also several timing issues, as old studies were completed, new studies did not come on-line as quickly as desired, and some slippage persisted. Too, duplicate costs continue at the company's Nevada facilities, as the new location is not yet at full utilization, delaying a reduction in usage and expenses of the old location. These issues will likely remain in the third quarter, but CRL does expect an improvement by yearend based on its backlog.

Tuck-in acquisitions are a key component of Charles River's growth strategy. The company recently signed an agreement with NewLab BioQuality AG, a German concern, that will likely boost Charles River's current clinical services offerings, especially in continental Europe. NewLab will offer consulting services to aid customers in meeting compliance of good manufacturing practice standards and develop testing programs. The $53 million all-cash deal is expected to close by the end of the third quarter, and will help enlarge the company's global presence.

Momentum investors may want to take note of CRL stock. Investors have ridden this stock to its 52-week high of late. It has climbed more than 25% since March. And, while these shares are timely for the year ahead, the potential returns are unappealing looking out to the 3- to 5-year horizon, as much of our projected earnings advances seem to be already reflected in the current quotation.

Mary Beth Wiedenkeller *August 29, 2008*

(A) Years end last Saturday in December.
(B) Diluted earnings. Excl. nonrecur. gain (losses): '00, (91¢); '04, (9¢); '05, $0.28; '06, ($2.59). Next EPS report due late October.
(C) Incl. intangibles. At 6/28/08: $1.26 billion, $18.53/sh.
(D) In millions.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	80

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COMPUTER SCIENCES NYSE-CSC

RECENT PRICE 46.37 | P/E RATIO 11.1 (Trailing: 12.0 / Median: 17.0) | RELATIVE P/E RATIO 0.69 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/9/08
SAFETY 3 New 7/27/90
TECHNICAL 2 Raised 7/25/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+125%)	23%
Low	70	(+50%)	11%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	2	0	0	0	0	0
to Sell	0	0	0	0	0	1	0	0	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	175	171	143
to Sell	209	192	206
Hld's(000)	151117	147189	135522

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	24.87	25.42	30.56	37.65	36.50	41.96	48.13	55.94	62.38	66.76	60.61	78.62	73.53	78.05	85.72	109.18	*117.90*	*124.40*	Revenues per sh [A]	*145.35*
Low:	1.97	2.18	2.57	3.49	3.65	4.20	4.94	5.84	6.18	7.02	6.88	8.06	8.09	9.17	9.95	12.25	*12.85*	*13.60*	"Cash Flow" per sh	*16.15*
	.78	.89	1.05	1.24	1.46	1.72	2.11	2.55	2.28	2.01	2.54	2.83	2.59	3.33	3.62	3.84	*4.30*	*4.75*	Earnings per sh [B]	*6.40*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	.96	1.17	1.75	2.31	2.10	2.22	2.68	3.50	5.32	3.92	3.41	3.86	4.47	4.42	3.96	5.80	*5.25*	*4.75*	Cap'l Spending per sh	*4.50*
	6.97	7.93	10.41	11.59	10.85	12.72	15.06	18.17	19.06	21.17	24.61	29.30	33.97	36.17	33.96	36.14	*40.45*	*45.20*	Book Value per sh [D]	*62.85*
	99.73	101.62	110.34	112.68	153.85	157.32	159.14	167.51	168.71	171.14	187.21	187.84	191.21	187.25	173.32	151.12	*150.75*	*150.50*	Common Shs Outst'g [C]	*150.00*
	15.2	17.3	21.5	25.5	25.5	23.0	28.7	27.6	30.8	20.3	14.3	14.2	16.3	14.5	14.5	13.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*13.5*
	.92	1.02	1.41	1.71	1.60	1.33	1.49	1.57	2.00	1.04	.78	.81	.97	.77	.78	.73			Relative P/E Ratio	*.90*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
							7660.0	9370.7	10524	11426	11347	14768	14059	14616	14857	16500	*17775*	*18725*	Revenues ($mill) [A]	*21800*
							12.9%	13.2%	12.4%	13.1%	13.8%	12.9%	13.8%	14.1%	14.3%	14.4%	*14.3%*	*14.4%*	Operating Margin	*15.0%*
							445.0	545.7	649.3	857.6	810.3	960.3	1051.0	1091.8	1073.6	1198.6	*1275*	*1325*	Depreciation ($mill)	*1450*
							341.2	432.7	389.2	344.1	440.2	534.0	496.4	625.3	650.8	652.8	*660*	*725*	Net Profit ($mill)	*975*
							33.3%	33.7%	30.9%	30.7%	28.0%	30.6%	30.6%	30.4%	29.5%	39.2%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
							4.5%	4.6%	3.7%	3.0%	3.9%	3.6%	3.5%	4.3%	4.4%	4.0%	*3.7%*	*3.9%*	Net Profit Margin	*4.5%*
							587.6	782.3	d384.9	596.2	1100.9	1614.0	1811.9	2164.8	1446.8	1332.9	*2125*	*2700*	Working Cap'l ($mill)	*3900*
							397.9	652.4	1029.4	1873.1	2204.9	2306.4	1303.0	1376.8	1412.2	2635.3	*2100*	*2075*	Long-Term Debt ($mill)	*1100*
							2399.9	3044.0	3215.2	3823.6	4606.4	5503.7	6494.7	6771.9	5885.5	5461.8	*6100*	*6800*	Shr. Equity ($mill)	*9425*
							12.9%	12.3%	10.0%	7.5%	7.5%	7.8%	7.3%	8.2%	9.4%	8.6%	*9.0%*	*9.0%*	Return on Total Cap'l	*9.5%*
							14.2%	14.2%	12.1%	9.5%	9.6%	9.7%	7.6%	9.2%	11.1%	12.0%	*11.0%*	*10.5%*	Return on Shr. Equity	*10.5%*
							14.2%	14.2%	12.1%	9.5%	9.6%	9.7%	7.6%	9.2%	11.1%	12.0%	*11.0%*	*10.5%*	Retained to Com Eq	*10.5%*
							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 7/4/08
Total Debt $3807.9 mill. Due in 5 Yrs $3250 mill.
LT Debt $2685.6 mill. LT Interest $175.0 mill.
(Incl. about $155.0 million capitalized leases.)
(LT Interest earned: 12.5x; total interest coverage: 6.8x) (32% of Cap'l)

Leases, Uncapitalized Annual rentals $268.8 mill.
Pension Assets-3/08 $4.0 bill. Oblig. $4.5 bill.

Pfd Stock None
Common Stock 151,139,288 shs.

MARKET CAP: $7.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	7/4/08
Cash Assets	1050.1	698.9	615.6
Receivables	4184.3	4459.8	4441.2
Other	1472.0	1764.5	1953.4
Current Assets	6706.4	6923.2	7010.2
Accts Payable	855.7	798.1	605.1
Debt Due	93.7	838.4	1142.3
Other	4310.2	3953.8	3419.3
Current Liab.	5259.6	5590.3	5166.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	9.0%	7.5%	*9.0%*
"Cash Flow"	10.5%	9.5%	*8.5%*
Earnings	9.5%	9.5%	*11.0%*
Dividends	--	--	*Nil*
Book Value	11.5%	10.5%	*9.5%*

Fiscal Year Begins	QUARTERLY REVENUES ($ mill.) [A] Jun.Per	Sep.Per	Dec.Per	Mar.Per	Full Fiscal Year
2005	3583	3573	3577	3883	14616
2006	3561	3609	3641	4046	14857
2007	3838	4017	4160	4485	16500
2008	4437	*4313*	*4400*	*4625*	*17775*
2009	*4575*	*4650*	*4675*	*4825*	*18725*

Fiscal Year Begins	EARNINGS PER SHARE [AB] Jun.Per	Sep.Per	Dec.Per	Mar.Per	Full Fiscal Year
2005	.58	.71	.88	1.16	3.33
2006	.60	.68	.83	1.56	3.62
2007	.80	.54	1.11	1.44	3.84
2008	.79	*.76*	*1.19*	*1.56*	*4.30*
2009	*.85*	*.90*	*1.25*	*1.75*	*4.75*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO DIVIDENDS BEING PAID				
2006					
2007					
2008					

(A) Fiscal years end on the Friday closest to March 31st of the following year.
(B) Primary earnings thru '96, diluted thereafter. Excludes nonrecurring losses: '92, 29¢; '93, 9¢; '95, $1.08; '97, 8¢; '99, 18¢; '00, 91¢; '03, 8¢; '05, 18¢; '06, $1.46; '07, 64¢. Excludes gains from discontinued ops.: '04, $1.64; '05, 33¢. Quarters may not sum due to rounding. Next earnings report due early Nov.
(C) In millions, adjusted for split.
(D) Includes intangibles: In '07, $5428.0 million, $35.92/sh.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	5
Earnings Predictability	80

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BUSINESS: Computer Sciences Corporation is one of the world leaders in the information technology (IT) and professional services industry. CSC helps its clients use IT more efficiently in order to improve their operations and profitability. The company offers a broad array of services to clients in the global commercial and government markets and specializes in the application of complex IT to achieve its customers' objectives. Has about 89,000 employees. Acquired Covansys, 7/07. Officers and directors own 1.0% of stock; Dodge & Cox, 14.3%; Barclays Global Investors, 7.6% (6/08 Proxy). Chairman, President & CEO: Michael W. Laphen. Incorporated: NV. Address: 2100 East Grand Avenue, El Segundo, CA 90245. Telephone: 310-615-0311. Internet: www.csc.com.

Computer Sciences got off to a decent start this fiscal year (began March 28th). June-quarter revenues climbed 16% (about 12% in constant currency), thanks mostly to the Business Service and Solutions (BS&S) group. This segment's top line grew some 39% (31% in constant currency). Share net was $0.79, down slightly from the year-earlier figure. (The 2007 figure also included $0.19 worth of one-time charges related to restructuring and an executive retirement agreement.) Higher interest, depreciation, and amortization expenses and inefficiencies linked to last year's purchase of Covansys were culpable for the lack of earnings growth.

The information technology (IT) company has also been busy drumming up new business. Orders reached $5.4 billion in the fiscal first quarter. Management said an additional $2.9 billion from previously unreported awards boosted the quarterly total across all three business lines. Notably, the Global Outsourcing Services (GOS) division, which focuses on winning mid-sized contracts worth less than $350 million, represents an estimated $2.9 billion of the total. The BS&S and North American Public Sector (NPS) segments both rung up $1.2 billion in new business in the June quarter, which also augurs well for the balance of 2008.

Our full-year share-earnings estimate remains unchanged at this time. We think the U.S. economy will remain fairly stagnant in the coming six to 12 months, while the global economy is expected to continue its slow and steady climb, overall. As a result, we expect more companies to call on CSC to help improve profitability, using advanced technology and outsourcing. This ought to lead to hefty top-line gains for the GOS division. The fact that this group focuses on the underserved mid-size niche also helps. We think the NPS segment will benefit from increased work from the Department of Defense, and the BS&S unit will likely continue firing on all cylinders.

This issue is not an overwhelmingly enticing selection at this time. It is ranked to perform on a par with the market in the coming six to 12 months, and long-term capital gains potential is modestly above average.

Erik M. Manning *August 22, 2008*

HEARING EXHIBIT 00000325

CISCO SYSTEMS NDQ-CSCO

RECENT PRICE 25.97 | P/E RATIO 18.8 (Trailing: 20.4 Median: 33.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 2/15/08
SAFETY 2 Raised 12/28/07
TECHNICAL 4 Lowered 5/2/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+110%)	21%
Low	40	(+55%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	8	6	0	2	1	0	1	3	0
to Sell	8	7	0	3	4	0	1	3	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	733	868	795
to Sell	686	640	727
Hld's(000)	4336369	4203697	4197120

	High:	10.1	24.4	53.6	82.0	44.5	21.8	24.6	29.4	20.3	28.0	34.2	27.7
	Low:	5.0	8.6	22.5	35.2	11.0	8.1	12.3	17.5	16.8	17.1	24.8	21.8

LEGENDS
17.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 2/98
3-for-2 split 12/97
3-for-2 split 9/98
2-for-1 split 6/99
2-for-1 split 3/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-0.7	-9.7
3 yr.	37.7	27.3
5 yr.	62.8	85.8

Percent shares traded

Cisco Systems was formed in 1984 by computer scientists from Stanford University to commercialize the technology used in developing a campus-wide network to integrate local networks of various computer systems. Its first multi-protocol routers were shipped in March 1986. On February 16, 1990, Morgan Stanley & Co. and Smith Barney, Harris Upham & Co. managed the initial public offering of 806.4 million shares at $.06 a share (adjusted for splits).

CAPITAL STRUCTURE as of 4/26/08

Total Debt $6.9 bill. Due in 5 years $3.5 bill.
LT Debt $6.4 bill. LT Interest $349 mill.

Leases, Uncapitalized Annual rentals $215 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 5,907,135,642 shs.
as of 5/15/08
MARKET CAP: $153 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/26/08
Cash Assets D	17814	22266	24433
Receivables	3303	3989	4183
Inventory (FIFO)	1371	1322	1279
Other	3188	3997	4250
Current Assets	25676	31574	34145
Accts Payable	880	786	808
Other	10433	12572	12551
Current Liab.	11313	13358	13359

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	21.0%	11.5%	18.0%
"Cash Flow"	20.5%	18.0%	16.0%
Earnings	20.0%	20.0%	16.0%
Dividends	--	--	Nil
Book Value	24.0%	2.5%	15.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	5971	6062	6187	6581	24801
2006	6550	6628	7322	7984	28484
2007	8184	8439	8866	9433	34922
2008	9554	9831	9791	9934	39110
2009	10450	10775	11320	12040	44585

Fiscal Year Ends	EARNINGS PER SHARE AB Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	.21	.21	.21	.24	.87
2006	.20	.22	.22	.25	.89
2007	.26	.31	.30	.31	1.17
2008	.35	.33	.29	.36	1.33
2009	.35	.38	.38	.44	1.55

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	1.35	1.86	2.65	3.04	2.59	2.70	3.31	3.95	4.70	5.73	7.00	8.20	Revenues per sh A	13.05
	.35	.47	.65	.41	.54	.77	.95	1.08	1.13	1.43	1.70	1.90	"Cash Flow" per sh	2.95
	.29	.38	.53	.26	.39	.59	.76	.87	.89	1.17	1.33	1.55	Earnings per sh B	2.40
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.07	.09	.15	.31	.36	.10	.09	.11	.13	.21	.78	.78	Cap'l Spending per sh	.20
	1.14	1.79	3.71	3.70	3.92	4.01	3.88	3.69	3.95	5.16	5.40	5.75	Book Value per sh	10.00
	6250.3	6542.0	7138.0	7324.0	7303.0	6998.0	6650.4	6274.7	6059.0	6100.0	5600.0	5450.0	Common Shs Outst'g C	5100.0
	37.1	62.2	99.7	NMF	42.4	24.3	29.6	21.6	21.3	22.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
	1.93	3.55	6.48	NMF	2.32	1.39	1.56	1.15	1.15	1.17			Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	8459.0	12154	18928	22293	18915	18678	22045	24801	28484	34922	39110	44585	Revenues ($mill) A	66640
	35.8%	32.4%	30.1%	19.6%	23.4%	34.3%	35.2%	34.0%	29.1%	28.7%	30.0%	30.0%	Operating Margin	29.5%
	327.3	486.0	694.0	1026.0	1082.0	1069.0	957.0	1009.0	1293.0	1413.0	1700	1875	Depreciation ($mill)	2390
	1872.7	2567.0	3914.0	1970.0	2873.0	4287.0	5337.0	5741.0	5580.0	7333.0	7760	8580	Net Profit ($mill)	12735
	35.2%	32.2%	30.0%	28.0%	28.0%	28.0%	28.0%	28.6%	26.9%	22.5%	28.0%	28.0%	Income Tax Rate	28.0%
	22.1%	21.1%	20.7%	8.8%	15.2%	22.7%	24.2%	23.1%	19.6%	21.0%	19.8%	19.2%	Net Profit Margin	19.1%
	1994.9	1612.0	5914.0	4739.0	9058.0	5121.0	5640.0	3520.0	14363	18216	13940	12245	Working Cap'l ($mill)	24330
	--	--	--	--	--	--	--	--	6332.0	6408.0	6000	5850	Long-Term Debt ($mill)	5600
	7106.6	11678	26497	27120	28656	28029	25826	23174	23912	31480	30350	31435	Shr. Equity ($mill)	51095
	26.4%	22.0%	14.8%	7.3%	10.0%	15.3%	20.7%	24.8%	18.7%	19.9%	22.0%	23.5%	Return on Total Cap'l	23.0%
	26.4%	22.0%	14.8%	7.3%	10.0%	15.3%	20.7%	24.8%	23.3%	23.3%	25.5%	27.5%	Return on Shr. Equity	25.0%
	26.4%	22.0%	14.8%	7.3%	10.0%	15.3%	20.7%	24.8%	23.3%	23.3%	25.5%	27.5%	Retained to Com Eq	25.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Cisco Systems, Inc. is the leading supplier of high-performance internetworking products for linking local-area and wide-area networks of computer systems. Products include routers, LAN and ATM switches, dial-up access servers, and network management software. The Cisco IOS software platform ties these products together, delivers network services, and enables networked applications. Foreign business, 44.8% of revenues. R&D, 12.9% of revs. '07 deprec. rate: 13.5%. Has about 61,535 employees. Officers/Directors hold less than 1.0% of stock; Barclays, 5.0%. (9/07 proxy). Chairman & CEO: J.T. Chambers. Incorporated: California. Address: 170 W. Tasman Drive, San Jose, CA 95134-1706. Tel.: 408-526-4000. Internet: www.cisco.com.

Two of Cisco's three main segments posted good results in its fiscal third quarter (ended April 26th). Routing products (23.5% of 2007 sales) fared well, with that segment posting a 14% year-over-year revenue advance. High-end products, notably the CRS-1 Carrier Routing System, drove much of the growth. Advanced Technologies (27.4% of 2007 sales) also performed well, although its roughly 17% year-over-year surge was aided by the recent WebEx acquisition. Most product areas within Advanced Technologies grew about 10%.

The third, Switching, did not keep pace, growing just 3%, year over year. (Switching accounted for 42.3% of 2007 revenues. A fourth category, Other, made up the remaining 6.8%). Two factors worked against Switching during the quarter. First, many companies are reducing their capital budgets in response to the weakening domestic economy. Switching has been hit particularly hard by these cutbacks, as these products tend to sell when companies make expensive upgrades of their data networks. In addition, Cisco is in the process of rolling out a pair of new, high-end switchers, the *Nexus 5000* and *Nexus 7000*, and buyers may have been waiting for these units to become available. Moving forward, we expect the *Nexus* series to help Switching revenues, although the segment will likely grow at a slow clip until the broader market, and with it technology spending, improves.

These shares do not stand out for the year ahead (Timeliness: 3). The issue was flying high until November, when concerns about U.S. technology spending sent them tumbling. Based on the results from the Switching division, it appears that those concerns had some merit. Until the economy rebounds, earnings growth is likely to remain below Cisco's long-term goal of 12%–17%.

However, the 3- to 5-year picture is bright. Because of its size and the quality of its products, Cisco is better positioned to weather an economic downturn than are many of its competitors. Indeed, over the last 15 years, Cisco has managed to gain market share during every slowdown. We see little reason to doubt that this quality tech company will continue to prosper.

Christopher Robertson June 27, 2008

(A) Fiscal year ends on last Saturday in July (four 13-week quarters). (B) Diluted earnings. Excludes nonrecurring items: '98, (8¢); '99, (7¢); '00, (17¢); '01, (38¢); '02, (14¢); '03, (9¢); '04, (14¢). '01 includes $0.15 inventory writeoff. May not sum due to rounding. Next earnings report due early Aug. (C) In millions, adjusted for stock splits. (D) Long- and short-term investments accounted for within current assets beginning in fiscal 2006.

Company's Financial Strength	A++
Stock's Price Stability	65
Price Growth Persistence	30
Earnings Predictability	50

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CARLISLE CO'S NYSE-CSL

RECENT PRICE 26.06 | P/E RATIO 8.7 (9.2 / 16.9) | RELATIVE P/E RATIO 0.59 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 2 Raised 9/6/02
TECHNICAL 3 Raised 7/18/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+225%)	36%
Low	60	(+130%)	25%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	1	0
Options	1	2	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	75	81	103
to Sell	100	92	89
Hld's(000)	50558	51023	52726

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	23.9	26.5	26.5	25.5	22.0	23.6	30.6	33.7	37.4	45.2	51.6	40.5								
Low:	13.5	16.3	15.3	15.5	12.8	16.2	19.3	27.3	29.4	33.8	36.4	24.8								
	8.63	10.02	11.24	13.42	16.61	20.90	25.14	26.74	29.27	30.56	32.21	34.01	36.05	36.39	41.86	47.86	50.65	53.30	Sales per sh	62.75
	.70	.80	.93	1.10	1.39	1.81	2.16	2.37	2.57	1.82	2.11	2.41	2.77	3.07	3.86	4.15	4.20	4.60	"Cash Flow" per sh	6.25
	.40	.46	.58	.71	.90	1.14	1.39	1.56	1.57	.76	1.19	1.44	1.89	2.15	2.85	2.93	3.00	3.35	Earnings per sh A	4.80
	.17	.18	.19	.21	.23	.26	.30	.34	.38	.41	.43	.44	.45	.48	.52	.56	.60	.64	Div'ds Decl'd per sh B■	.80
	.33	.47	.50	.61	.57	.99	1.58	.79	.98	1.07	.64	.68	1.17	1.67	1.55	1.37	1.45	1.40	Cap'l Spending per sh	1.50
	3.34	3.61	4.02	4.46	5.02	5.78	6.74	7.94	9.06	8.93	9.04	10.20	11.30	12.03	15.33	18.62	19.20	21.95	Book Value per sh C	31.25
	61.17	61.01	61.65	61.28	61.26	60.32	60.36	60.26	60.50	60.53	61.20	61.98	61.79	60.72	61.45	60.10	62.50	62.50	Common Shs Outst'g D	64.00
	13.3	15.8	14.4	13.9	14.0	16.3	16.2	13.6	13.8	23.2	16.9	16.3	16.0	15.7	14.0	14.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.81	.93	.94	.93	.88	.94	.84	.78	.85	1.19	.92	.93	.85	.84	.76	.79			Relative P/E Ratio	1.00
	3.1%	2.4%	2.3%	2.1%	1.8%	1.4%	1.3%	1.6%	1.9%	2.3%	2.1%	1.9%	1.5%	1.4%	1.3%	1.3%			Avg Ann'l Div'd Yield	1.1%
							1517.5	1611.3	1771.1	1849.5	1971.3	2108.2	2227.8	2209.6	2572.5	2876.4	3165	3330	Sales ($mill)	4015
							13.0%	13.4%	13.3%	8.7%	9.4%	9.6%	10.7%	11.9%	12.6%	10.5%	12.7%	12.9%	Operating Margin	14.5%
							45.2	47.4	59.5	64.0	57.0	60.4	52.6	53.2	59.8	65.9	70.0	75.0	Depreciation ($mill)	90.0
							84.9	95.4	96.2	46.0	72.4	88.9	116.3	133.3	177.3	183.6	190	210	Net Profit ($mill)	310
							39.5%	38.4%	36.2%	34.9%	34.5%	32.5%	30.5%	31.1%	30.6%	33.3%	33.0%	33.0%	Income Tax Rate	34.0%
							5.6%	5.9%	5.4%	2.5%	3.7%	4.2%	5.3%	6.0%	6.9%	6.4%	6.0%	6.3%	Net Profit Margin	8.0%
							223.2	300.6	176.5	279.5	157.2	245.1	268.3	288.5	511.5	635.0	760	735	Working Cap'l ($mill)	800
							273.5	281.7	281.9	461.7	293.1	294.6	259.8	282.4	274.7	262.8	245	170	Long-Term Debt ($mill)	140
							406.9	478.1	547.9	540.3	553.1	631.9	698.5	730.2	942.2	1118.9	1200	1370	Shr. Equity ($mill)	2000
							13.9%	13.8%	12.8%	6.1%	9.6%	10.3%	13.1%	13.9%	15.3%	13.9%	13.5%	14.0%	Return on Total Cap'l	14.5%
							20.9%	19.9%	17.8%	8.5%	13.1%	14.1%	16.9%	18.3%	18.8%	16.4%	16.0%	15.5%	Return on Shr. Equity	15.0%
							16.4%	15.7%	13.4%	3.9%	8.4%	9.8%	12.9%	14.2%	15.4%	13.3%	13.0%	12.5%	Retained to Com Eq	12.5%
							21%	22%	24%	54%	36%	30%	24%	22%	18%	19%	20%	19%	All Div'ds to Net Prof	17%

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/97
2-for-1 split 3/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-36.7	-18.0
3 yr.	-11.9	11.3
5 yr.	47.8	63.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $457.2 mill. Due in 5 Yrs $230.0 mill.
LT Debt $418.0 mill. LT Interest $25.0 mill.
(LT interest earned: 14.4x; Total interest coverage: 11.7x)
(30% of Cap'l)

Pension Assets-12/07 $165.5 mill. Oblig. $163.9 mill.

Pfd Stock None

Common Stock 61,407,000 shares

MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	144.0	88.4	99.0
Receivables	355.4	367.8	414.4
Inventory (FIFO)	411.9	492.3	503.7
Other	66.9	74.7	66.3
Current Assets	978.2	1023.2	1083.4
Accts Payable	143.0	142.9	181.2
Debt Due	151.7	58.6	39.2
Other	172.0	186.7	172.1
Current Liab.	466.7	388.2	392.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.5%	6.5%	7.0%
"Cash Flow"	10.0%	11.0%	9.0%
Earnings	11.0%	17.5%	11.0%
Dividends	8.5%	5.0%	7.5%
Book Value	11.5%	11.0%	13.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	536.4	591.9	547.1	534.2	2209.6
2006	620.5	692.1	648.4	611.5	2572.5
2007	628.9	793.9	778.1	675.5	2876.4
2008	708.3	875	845	736.7	3165
2009	760	935	875	760	3330

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.47	.69	.56	.43	2.15
2006	.64	.88	.70	.63	2.85
2007	.54	.89	.84	.66	2.93
2008	.45	.89	.94	.72	3.00
2009	.56	.97	1.00	.82	3.35

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.11	.11	.115	.115	.45
2005	.115	.115	.125	.125	.48
2006	.125	.125	.135	.135	.52
2007	.135	.135	.145	.145	.56
2008	.145	.145			

BUSINESS: Carlisle Companies Inc. is a diversified manufacturing and distribution firm. Construction Materials (47% of '07 sales) manufactures and sells rubber and thermoplastic polyolefin roofing systems. Industrial Components (28%) includes the tire and wheel business and power transmission belt line. Transportation Products (7%) is a specialty trailer operator. Specialty Products (6%) does on- and off-highway motion control systems. General Industry (Other) (12%) focuses on foodservice, wire and cable, and refrig. truck bodies. 2007 depr. rate: 8.7%. Off. & dir. own 3.9% of stock (2/08 Proxy). Chrmn., Pres. & CEO: David A. Roberts. Inc.: DE. Addr.: 13925 Ballantyne Corporate Pl., Suite 400, Charlotte, NC, 28277. Tel.: 704-501-1100. Web: www.carlisle.com.

Our expectations for Carlisle Companies have dimmed considerably. The company suffered a sizable setback in the March quarter when raw material cost increases and productivity problems at some tire and wheel plants undermined results. Share net came in at $0.45, or $0.20 lower than both we and the Street expected. Investors should note that this tally excludes a loss of $1.46 a share from aftertax impairment charges. Still, we have now reduced our 2008 earnings estimate by $0.40, to $3.00 a share, just 2% higher than 2007's level.

A similar earnings cut is reflected in our $3.35 EPS target for 2009. Our view for this year will likely remain downtrodden until some relief from increasing raw material costs surfaces. With that, passing on these costs to its customers will need to be done successfully. The construction materials sector is off to a solid start in that regard. Here, pricing increased by roughly 5% in the month of June. We anticipate further price hikes will be forthcoming.

The company's portfolio is entering a state of flux. Management has decided to divest the power-transmission and on- highway brake business. Although no deal was imminent as we headed to press, this entity will be reported as a discontinued operation beginning with the forthcoming second-quarter release. We will not be factoring this maneuver into our earnings presentation until it is completed, but we are estimating the deal for entities that had about $200 million in sales last year would generate in excess of $100 million in net cash. Elsewhere, Carlyle, a supplier of wire and cable systems for in-flight entertainment and cable assemblies for data networks, was acquired. It will be placed within the applied technologies group and nearly doubles the size of the company's Tensolite wire and cable business. Synergies here should aid margin expansion starting next year.

This equity has fallen out of favor (4: Below Average) in our Timeliness Ranking System. Our reduced bottom-line expectations and weakness in the stock's price of late assisted this descent. However, for the pull to 2011-2013, these shares offer above-average capital appreciation potential.

Erik M. Manning *July 25, 2008*

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	80

(A) Primary earnings through 1996, diluted thereafter. Excludes extraordinary gain/losses: '99, d1¢; '01, d35¢; '05, 5¢; '07, 47¢, '08 (1Q), d1.46. Excludes gains/losses from discontinued operations: '04, d62¢; '05, d44¢; '06, $1.23; '07, 4¢. Next egs. report due October. (B) Dividends historically paid in early March, June, September, December. ■ Dividend reinvestment plan available. (C) Includes intangibles. In 2007: $404.0 million, $6.72/share. (D) In millions, adjusted for stock splits.

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CAPITAL TRUST, INC. NYSE-CT

RECENT PRICE 15.16 | P/E RATIO 5.6 (Trailing: 4.8 Median: 12.0) | RELATIVE P/E RATIO 0.35 | DIV'D YLD 15.8% | VALUE LINE

TIMELINESS 5 Lowered 8/22/08
SAFETY 3 New 8/24/07
TECHNICAL 4 Lowered 6/27/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+195%)	39%
Low	30	(+100%)	29%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	1	0	1
Options	0	0	0	3	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	46	40	58
to Sell	57	45	38
Hld's(000)	9341	8861	10854

	High:	45.4	35.6	18.0	15.0	19.5	17.3	23.4	34.6	36.0	51.2	56.0	31.1
	Low:	7.5	13.1	10.9	9.8	12.2	10.5	13.4	22.4	28.4	29.2	26.8	13.3

LEGENDS
11.0 x Earnings p sh
Relative Price Strength
1-for-3 Rev split 4/03
Options: No
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-43.9	-12.2
3 yr.	-39.7	7.2
5 yr.	17.2	58.6

Capital Trust was created in July of 1997 through the acquisition and recapitalization of an existing public company. Following this, it commenced operations in the field of commercial real estate finance. It issued additional Class A shares in 1997, 2004, and 2006. In February of 2003, the board of directors approved a plan for the company to be taxed as a real estate investment trust.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2610.3 mill. Due in 5 Yrs $1420 mill.
LT Debt $1971.3 mill. LT Interest $120.0 mill.
(Estimated total interest coverage: .6x)
(80% of Capital)

Leases, Uncapitalized Annual rentals $1.0 mill.
No Defined Benefits Plan

Pfd Stock None

Common Stock 22,090,131 shares
as of 7/29/08

MARKET CAP: $325 million (Small Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	6/30/08
Bonds	--	--	--
Stocks	11.5	1.0	.9
Mortgages	2565.5	3134.4	2988.8
Other	71.6	76.1	149.5
Total Assets	2648.6	3211.5	3139.2
Accts Payable	38.1	65.7	30.1
Total Debt	2177.9	2716.4	2610.3
Other	6.3	21.2	18.1
Total Liab.	2222.3	2803.3	2658.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Income from Loans	27.0%	-1.5%	6.0%
Other Income	--	54.5%	NMF
Earnings	--	84.0%	7.5%
Dividends	--	--	8.0%
Book Value	5.0%	6.5%	2.5%

Calendar	TOTAL INCOME ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	22.2	22.0	24.9	35.5	104.6
2006	32.9	47.5	47.5	53.3	181.2
2007	59.5	69.7	66.2	69.4	264.8
2008	59.1	53.9	55.0	57.0	225
2009	55.0	50.0	55.0	55.0	215

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.60	.58	.64	1.06	2.88
2006	.72	.91	.86	.91	3.40
2007	.84	1.43	.87	.77	3.91
2008	.82	.73	.59	.56	2.70
2009	.75	.70	.55	.50	2.50

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.45	.45	.45	.45	1.80
2005	.50	.55	.55	.55	2.15
2006	.60	.60	.70	.75	2.65
2007	.75	.80	.80	.80	3.15
2008	.80	.80	.60		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	10.30	10.95	12.11	11.02	8.72	5.88	3.15	5.80	10.36	14.76	9.35	8.70	Income from Loans per sh	10.80
	1.98	2.36	.90	1.85	1.84	1.48	.72	1.24	.34	.66	.65	.65	Other Income per sh	.60
	1.32	1.65	.99	1.11	d1.62	2.23	2.14	2.88	3.40	3.91	2.70	2.50	Earnings per sh A	3.50
	--	--	--	--	--	1.80	1.85	2.25	2.80	3.20	2.80	2.40	Div'ds Decl'd per sh C	3.20
	126.68	102.32	89.00	111.10	71.29	61.07	59.43	104.74	156.44	187.05	137.75	145.85	Total Assets per sh	180.00
	24.58	19.60	21.92	16.80	15.57	14.77	21.43	22.79	25.18	23.77	21.10	21.75	Book Value per sh	24.00
	6.05	8.09	7.24	6.11	5.40	6.50	14.77	14.87	16.93	17.17	22.50	23.00	Common Shs Outst'g B	25.00
	19.1	8.5	12.4	14.0	NMF	8.5	12.3	11.2	10.8	10.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.0
	.99	.48	.81	.72	NMF	.48	.65	.60	.58	.54			Relative P/E Ratio	.75
	--	--	--	--	--	9.5%	7.0%	7.0%	7.6%	8.1%			Avg Ann'l Div'd Yield	7.6%
	62.3	88.6	87.7	67.3	47.1	38.2	46.6	86.2	175.4	253.4	210	200	Income from Loans ($mill)	270
	12.0	19.0	8.5	11.3	9.9	9.6	10.6	18.4	5.8	11.4	15.0	15.0	Other Income ($mill)	15.0
	74.3	107.6	94.2	78.6	57.0	47.8	57.2	104.6	181.2	264.8	225.0	215.0	Total Income ($mill)	285.0
	13.5	24.0	9.8	13.4	d9.7	22.9	22.0	44.2	54.1	69.2	60.0	58.0	Net Profit ($mill)	90.0
	27.3	39.5	36.7	26.2	18.0	9.6	20.1	37.2	104.6	162.4	135	145	Interest Expense ($mill)	240
	18.1%	22.3%	10.4%	17.0%	NMF	48.0%	38.4%	42.2%	29.9%	26.1%	26.7%	27.0%	Net Profit Margin	31.6%
	766.4	827.8	844.4	678.8	385.0	397.1	877.8	1557.5	2648.6	3211.5	3100	3350	Total Assets ($mill)	4500
	371.8	343.3	473.2	418.0	129.0	135.4	452.1	1157.8	1674.9	1907.4	2200	2400	Long-Term Debt ($mill)	2800
	148.7	158.5	158.7	102.6	84.1	96.0	316.5	338.9	426.3	408.2	475	500	Shr. Equity ($mill)	600
	4.8%	8.1%	4.0%	4.7%	NMF	11.7%	4.0%	4.0%	4.7%	5.4%	5.5%	5.5%	Return on Total Cap'l	6.0%
	9.1%	15.2%	6.2%	13.0%	NMF	23.9%	6.9%	13.0%	12.7%	16.9%	12.5%	11.5%	Return on Shr. Equity	14.0%
	9.1%	15.2%	6.2%	13.0%	NMF	15.3%	2.1%	3.4%	2.4%	.7%	.5%	1.5%	Retained to Com Eq	3.0%
	--	--	--	--	--	36%	70%	74%	81%	96%	104%	96%	All Div'ds to Net Prof	91%

BUSINESS: Capital Trust, Inc. operates as a real estate investment trust for federal income tax purposes. Specializes in originating and managing credit-sensitive structured financial products and makes investments for its own account, as well as for third parties through a series of investment management vehicles. Originated $2.5 billion of new loans and related investments during 2007. Has 53 employees. W.R. Berkley Corporation owns 17.6% of common stock; Vornado Realty, 6.5%; Neuberger Berman, 6.4%; all officers and directors, 8.1% (4/08 proxy). Chairman: Samuel Zell. Chief Executive Officer: John R. Klopp. Incorporated: Maryland. Address: 410 Park Avenue, 14th Floor, New York, NY 10022. Telephone: 212-655-0220. Internet: www.capitaltrust.com.

Capital Trust faces a challenging environment. Reflecting deteriorating conditions in the commercial real estate market (in this case, New York City office space leasing), the company took a $50 million loan loss reserve against its advance to the Macklowe organization. The writeoff fully eliminates its financial exposure to further deterioration and, beyond Macklowe, CT has only one ($12 million) nonperforming loan related to a southern California condo project (now in foreclosure). In a recent conference call, management noted that although it did not anticipate any further near-term provisions for losses, additional weakening of the economy would likely put further pressure on borrowers' ability to meet their obligations. Even after excluding the loss reserve as a nonrecurring item, second-quarter earnings came in at nearly half the prior-year total. Moreover,

Earnings comparisons will likely remain soft for the remainder of the year and into 2009. Reflecting the likelihood of continued difficulties in the real estate and capital markets, we've lowered our 2008 earnings estimates by $1.00 a share, suggesting about a 30% year-over-year decline. Prospects for a return to profit growth next year also look slim. We've reduced our 2009 share net estimate by $1.40, to $2.50.

The quarterly dividend will be cut by 25%, to $0.60 a share, effective the September interim. The move was made in light of lower interest income. Specifically, every 100-basis-point move in LIBOR impacts CT's annual earnings by about $5.3 million, or $0.25 per share. Reflecting the Fed's easing, LIBOR averaged 2.59% in the second quarter, roughly half the level throughout 2006 and 2007.

These untimely shares are best suited for more-venturesome investors. The stock's price has fallen about 40% just since our May report and, as a result, remains ranked to underperform the broader market averages for the coming year. We've also taken a more conservative view on longer-term earnings, reducing our 3- to 5-year outlook by about a third. Owing to the sharp pullback in price, however, the stock holds wide recovery potential over that period.

Mario Ferro *August 22, 2008*

(A) GAAP diluted earnings. Excludes nonrecurring gain (loss): '07, 86¢; '08 Q2, ($2.32). Next earnings report due late October.
(B) In millions, adjusted for split.
(C) Dividends historically paid in mid-January, April, July, and October. Excludes special dividends of $0.20, $0.65, and $1.90 a share, respectively, in first quarters of 2006, 2007, and 2008.

Company's Financial Strength	B
Stock's Price Stability	55
Price Growth Persistence	75
Earnings Predictability	5

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COVANCE, INC. NYSE-CVD

RECENT PRICE 86.31 | P/E RATIO 27.8 (30.4 / 26.0) | RELATIVE P/E RATIO 1.83 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 5/9/08
SAFETY 2 Raised 4/18/08
TECHNICAL 4 Lowered 7/11/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+45%)	10%
Low	95	(+10%)	3%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	0	0	0	0	1	0	0
to Sell	1	1	0	1	2	0	1	0	0

Institutional Decisions

	1Q2007	4Q2007	1Q2008
to Buy	153	203	188
to Sell	138	125	172
Hld(000)	56330	55945	55312

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	12.52	14.54	15.02	14.29	15.27	15.53	16.34	17.41	22.12	25.44	29.45	32.25	Sales per sh	42.00
	1.48	1.65	1.20	1.39	1.75	1.94	2.23	2.33	3.18	3.78	4.30	4.85	"Cash Flow" per sh	6.25
	.84	.78	.27	.58	1.03	1.21	1.52	1.94	2.24	2.71	3.10	3.45	Earnings per sh A	4.25
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	1.28	1.95	1.66	1.30	1.34	1.00	1.13	2.13	2.15	3.13	3.00	2.80	Cap'l Spending per sh	3.50
	3.85	4.61	4.80	5.76	7.13	8.99	9.86	10.19	14.53	17.31	17.90	19.75	Book Value per sh	27.90
	58.42	57.03	57.79	59.90	60.56	62.73	64.64	71.81	63.56	64.14	62.50	62.00	Common Shs Outst'g B	60.00
	28.2	24.8	37.7	30.4	18.8	18.3	23.4	24.6	26.8	26.1	Bold figures are		Avg Ann'l P/E Ratio	26.0
	1.47	1.41	2.45	1.56	1.03	1.04	1.24	1.31	1.45	1.37	Value Line		Relative P/E Ratio	1.75
	--	--	--	--	--	--	--	--	--	--	estimates		Avg Ann'l Div'd Yield	Nil
	731.6	829.0	868.1	855.9	924.7	974.2	1056.4	1250.5	1406.1	1631.5	1840	2000	Sales ($mill)	2520
	17.7%	16.3%	12.8%	11.9%	14.8%	16.6%	25.5%	22.4%	23.0%	23.3%	23.5%	23.5%	Operating Margin	22.5%
	37.7	48.1	54.2	47.7	42.4	45.8	46.4	47.8	57.3	66.2	75.0	85.0	Depreciation ($mill)	120
	48.6	45.8	15.2	35.6	63.8	76.1	97.9	119.8	145.0	175.9	195	215	Net Profit ($mill)	255
	42.2%	40.1%	39.0%	25.1%	29.5%	34.6%	31.3%	32.7%	27.7%	28.6%	29.0%	29.0%	Income Tax Rate	30.0%
	6.6%	5.5%	1.8%	4.2%	6.9%	7.8%	9.3%	9.6%	10.3%	10.8%	10.6%	10.8%	Net Profit Margin	10.1%
	81.5	102.2	d98.7	97.7	131.0	260.1	289.9	294.0	349.9	411.9	420	420	Working Cap'l ($mill)	500
	149.9	208.7	17.2	15.0	--	--	--	--	15.0	--	Nil	Nil	Long-Term Debt ($mill)	100
	225.0	262.7	265.8	344.9	431.7	564.0	637.7	731.8	923.3	1110.2	1120	1225	Shr. Equity ($mill)	1675
	13.9%	10.8%	8.8%	10.8%	14.8%	13.5%	15.4%	16.3%	15.7%	15.8%	17.5%	17.5%	Return on Total Cap'l	15.0%
	21.6%	17.4%	5.7%	10.3%	14.8%	13.5%	15.4%	16.3%	15.7%	15.8%	17.5%	17.5%	Return on Shr. Equity	15.0%
	21.6%	17.4%	5.7%	10.3%	14.8%	13.5%	15.4%	16.3%	15.7%	15.8%	17.5%	17.5%	Retained to Com Eq	15.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	25.5	-18.0
3 yr.	91.7	11.3
5 yr.	375.2	63.2

As a subsidiary of Corning, Inc., Covance, Inc. acquired eight medium-sized businesses over a ten-year span to establish itself as a viable contract research organization. (CRO). In December 1996, Corning spun off Covance, Inc. to the public in a tax-free transaction. Subsequently, Covance was unable to consummate mergers due to an IRS rule that prohibits tax-free spinoffs from issuing stock. This rule expired on December 31, 1998.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $43 mill. Due in 5 Yrs $43 mill.
LT Debt None.

Leases, Uncapitalized Annual rentals $24.5 mill.

Pension Assets-12/07 $136.7 mil. Oblig. $160.6 mil.
Pfd Stock None

Common Stock 62,936,472 shs.
as of 4/25/08

MARKET CAP: $5.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	219.8	319.5	232.6
Receivables	205.5	217.7	220.2
Inventory (FIFO)	49.6	54.6	58.6
Other	164.7	178.1	194.7
Current Assets	639.6	770.1	706.3
Accts Payable	35.5	32.3	33.5
Debt Due	--	--	43.0
Other	254.2	325.9	311.2
Current Liab.	289.7	358.2	387.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	8.0%	11.5%
"Cash Flow"	10.5%	16.5%	12.5%
Earnings	13.5%	29.5%	11.0%
Dividends	--	--	Nil
Book Value	18.5%	19.0%	12.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	292.8	307.4	307.1	343.2	1250.5
2006	333.6	357.1	341.5	373.9	1406.1
2007	376.9	404.2	414.7	435.7	1631.5
2008	434.0	455	470	481	1840
2009	470	490	510	530	2000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.45	.46	.49	.54	1.94
2006	.52	.54	.59	.59	2.24
2007	.60	.64	.69	.78	2.71
2008	.76	.75	.75	.84	3.10
2009	.85	.80	.85	.95	3.45

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

(A) Diluted earnings. Next earnings report late July.

Excludes non-recurring (losses)/gain: '99, ($0.07); '00, ($0.16); '01, $0.21.

(B) In millions.

BUSINESS: Covance, Inc., is one of the world's leading contract research organizations (CRO) and benefits from development outsourcing demand in the pharmaceutical industry. Sales breakdown in 2007: Early stage development (pre-clinical and early clinical), 47%; biomanufacturing, 4%; clinical phases II-III, 17%; central lab services, clinical packaging, and health economics services, 32%. Has offices in 21 countries and conducts clinical studies in 32 countries. 2007 depr. rate: 6.9%. Ernest Partners LLC owns 8.0% of stock; FMR Corp., 7.7%; Neuberger Berman, 5.9%; off. & dir. own 1.9% (3/08 Proxy). Chairman: C.A. Kuebler, CEO & President: Joe Herring. Inc.: DE. Addr.: 210 Carnegie Center, Princeton, NJ 08540. Tel.: 609-452-4440. Internet: www.covance.com.

Covance stock has held up well in a weak market since our April report. First-quarter results were slightly below expectations. Investors were somewhat perturbed by a decline in net new business wins ($11 million below expectations), and a book-to-bill ratio of only 1.14x, below the lowest estimate of 1.15x. Since then, however, these indices have improved markedly, and the stock recovered.

In 2008, we look for Covance to post 17% average annual earnings growth for the eighth-consecutive year. This is the primary reason this equity generally sells at a 12% premium to the CRO industry average. Share net may not climb at the rate it has in the last two years, though, due to an estimated $7 million decline in Early Development sales, which should be partially offset by a $3 million increase in Late Stage revenue, on the strength of Phase II/III and Central Lab business. Margins should hold up, due to lower SG&A expenses, as a result of cost-cutting.

Covance is rectifying capacity constraint in its Early Development (ED) operation. A lack of capacity in this segment is the reason revenues are falling. The company has been frantically trying to get facilities up and running. We look for a new toxicology plant to be on line at the time of publishing this report, which ought to allow for a pickup in ED revenue. Another tox plant in Virginia is due to come on line at yearend. Furthermore, the Chandler, Arizona preclinical facility is scheduled to open in 2009, and the Harrogate, UK. plant is on track for a late 2008 opening.

This might be a good time to add this timely issue to a well-rounded portfolio. Industry trends favor this company. Not only is it the co-leader in the preclinical tox testing and research-related arena, but it's the market leader in the Central Lab market. Large pharma and biotech entities, looking to keep their costs down, are increasingly entrusting Covance with a greater portion of their servicing needs. Moreover, we think Covance's recent agreement to form a 50/50 joint venture with China's leading R&D services operation, WuXi PharmaTech, is a long-term plus for the stock.

Jeremy J. Butler July 18, 2008

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	80
Earnings Predictability	75

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HEARING EXHIBIT 00000329

CVS CAREMARK NYSE-CVS

RECENT PRICE 41.90 | P/E RATIO 17.1 (Trailing: 21.2 Median: 20.0) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 0.6% | VALUE LINE

TIMELINESS 2 Raised 11/16/07
SAFETY 2 Raised 12/29/06
TECHNICAL 4 Lowered 6/13/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+150%)	26%
Low	75	(+80%)	16%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	1	0
Options	6	1	0	3	0	0	3	0	0
to Sell	6	1	0	3	0	0	3	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	456	524	467
to Sell	443	433	500
Hld's(000)	1260937	1236828	1226161

High: 17.5 28.0 29.2 30.2 31.9 17.8 18.8 23.7 31.6 36.1 42.6 44.3
Low: 9.8 15.2 15.0 13.9 11.4 11.5 10.9 16.9 22.0 26.1 30.5 34.9

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/99
2-for-1 split 6/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

Percent shares traded 15 10 5

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	11.7	-9.7
3 yr.	68.7	27.3
5 yr.	238.2	85.8

"Consumer Value Stores" began as a health and beauty aids chain in '63. It grew to 17 stores in '64. The first pharmacy opened in '67. In '69, the chain was sold to Melville, which aggressively expanded the operation, and coupled that with an aggressive acquisition strategy that included Revco and Arbor Drug. Melville restructured in '95, and changed its name to CVS on 11/19/96.

CAPITAL STRUCTURE as of 3/29/08
Total Debt $9738.2 mill. Due in 5 Yrs $6389 mill.
LT Debt $8349.0 mill. LT Interest $515.0 mill.
(Total interest coverage: 10.5x)
(21% of Cap'l)
Leases, Uncapitalized Annual rentals $1622.1 mill.
Pension Assets-1/08 $420.7 mill. Oblig. $517.5 mill.

Pfd Stock $200.6 mill. Pfd Div'd $14.0 mill.
Incl. 3.8 mill. ESOP cum. conv. shs. ($53.45 liquidating value.) Each conv. into 2.314 com. shs.
Common Stock 1,429,378,000 shs.
as of 4/25/08
MARKET CAP: $59.9 billion (Large Cap)

CURRENT POSITION ($MIL.)	2006	2007	3/29/08
Cash Assets	530.7	1083.1	818.2
Receivables	2377.4	4579.6	4623.5
Inventory (FIFO)	7108.9	8008.2	7989.3
Other	374.5	478.5	483.2
Current Assets	10391.5	14149.4	13914.2
Accts Payable	2863.5	3593.0	3405.0
Debt Due	2187.0	2132.2	1389.2
Other	1950.2	5041.1	4985.9
Current Liab.	7000.7	10766.3	9780.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.5%	12.5%	9.5%
"Cash Flow"	15.0%	14.0%	12.0%
Earnings	16.0%	14.0%	15.0%
Dividends	14.5%	9.0%	14.0%
Book Value	18.5%	20.5%	15.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	9182	9122	8970	9732	37006
2006	9980	10561	11207	12066	43814
2007	13189	20703	20495	21943	76330
2008	21326	*21700*	*21500*	*23024*	*87550*
2009	*22850*	*23250*	*23000*	*24400*	*93500*

Calendar	EARNINGS PER SHARE B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.34	.33	.30	.41	1.38
2006	.39	.40	.33	.45	1.57
2007	.43	.47	.45	.55	1.92
2008	.55	*.61*	*.59*	*.70*	*2.45*
2009	*.62*	*.69*	*.71*	*.83*	*2.85*

Calendar	QUARTERLY DIVIDENDS PAID Cs Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.033	.033	.033	.033	.13
2005	.036	.036	.036	.036	.15
2006	.0388	.0388	.0388	.0388	.16
2007	.0488	.060	.060	.060	.23
2008	.060	.060			

1998[E]	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC. 11-13
19.57	23.08	25.60	28.45	30.76	33.62	38.15	45.45	53.06	53.14	*61.85*	*68.80*	Sales per sh A — *84.90*
.96	1.15	1.30	1.21	1.29	1.49	1.75	2.15	2.50	2.59	*3.40*	*3.80*	"Cash Flow" per sh — *5.05*
.63	.78	.90	.78	.88	1.03	1.10	1.38	1.57	1.92	*2.45*	*2.85*	Earnings per sh B — *3.90*
.11	.12	.12	.12	.12	.12	.14	.15	.16	.23	*.25*	*.28*	Div'ds Decl'd per sh Cs — *.42*
3.63	4.34	5.15	5.51	6.29	7.31	8.43	9.96	11.75	21.66	*23.60*	*26.20*	Book Value per sh — *34.90*
780.42	783.99	784.64	781.77	786.14	790.77	801.92	814.31	825.74	1436.5	*1415.00*	*1400.00*	Common Shs Outst'g D — *1325.00*
32.3	29.3	23.7	28.3	16.8	14.1	18.4	19.6	19.3	19.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio — *23.0*
1.88	1.67	1.54	1.45	.92	.80	.97	1.04	1.04	1.01			Relative P/E Ratio — *1.55*
.6%	.5%	.5%	.5%	.8%	.8%	.7%	.5%	.5%	.6%			Avg Ann'l Div'd Yield — *.5%*
15274	18098	20088	22241	24182	26588	30594	37006	43814	76330	*87550*	*93500*	Sales ($mill) A — *112250*
27.0%	26.9%	26.7%	25.6%	25.1%	25.6%	26.3%	26.8%	27.2%	22.5%	*22.5%*	*22.5%*	Gross Margin — *23.0%*
7.7%	7.8%	8.0%	6.5%	6.3%	6.6%	6.4%	7.0%	7.2%	7.7%	*8.5%*	*9.0%*	Operating Margin — *9.5%*
4122	4098	4133	4191	4087	4179	5375	5471	6150	6245	*6500*	*6750*	Number of Stores — *7700*
510.1	635.1	734.5	838.0	718.6	847.3	918.8	1172.1	1343.3	2637.0	*3600*	*4050*	Net Profit ($mill) — *5300*
41.3%	41.0%	40.0%	39.4%	38.0%	38.4%	34.2%	38.6%	38.5%	39.5%	*39.5%*	*39.5%*	Income Tax Rate — *39.5%*
3.3%	3.5%	3.7%	2.9%	3.0%	3.2%	3.0%	3.2%	3.1%	3.5%	*4.1%*	*4.3%*	Net Profit Margin — *4.7%*
1165.9	1718.1	1972.5	2388.2	2876.2	3007.3	3060.7	3808.8	3390.8	3383.1	*4900*	*6900*	Working Cap'l ($mill) — *11250*
275.7	558.5	536.8	810.4	1076.3	753.1	1925.9	1594.1	2870.4	8349.7	*8000*	*7500*	Long-Term Debt ($mill) — *6000*
3110.6	3679.7	4304.6	4566.9	5197.0	6021.8	6987.2	8331.2	9917.6	31322	*33675*	*36650*	Shr. Equity ($mill) — *46225*
15.4%	15.4%	15.6%	12.4%	11.8%	12.8%	10.6%	12.2%	11.1%	7.0%	*9.0%*	*9.5%*	Return on Total Cap'l — *10.5%*
16.4%	17.3%	17.1%	14.0%	13.8%	14.1%	13.1%	14.1%	13.5%	8.4%	*10.5%*	*11.0%*	Return on Shr. Equity — *11.5%*
14.4%	15.6%	15.6%	12.4%	12.4%	12.8%	11.8%	12.8%	12.4%	7.4%	*8.0%*	*8.5%*	Retained to Com Eq — *10.5%*
20%	16%	14%	16%	15%	12%	13%	11%	10%	12%	*10%*	*10%*	All Div'ds to Net Prof — *10%*

BUSINESS: CVS Caremark Corp. is the nation's foremost integrated services provider, combining one of the nation's leading pharmaceutical services companies with the country's largest pharmacy chain. It fills more than one billion prescriptions per year and has more than 6,245 locations in 40 states. New stores average about 11,500 square feet. Major acqs. include Sav-On and Osco (6/06) and Eckerd (8/04). Pharmacy (Rx) contributes abt. 68% of sales; 3rd-party, about 95% of Rx sales. Its PharmaCare business covers over 30 million lives. Has 200,000 employees. Off. & dir. own less than 1% of common stock (3/08 proxy). Chairman, Pres. & CEO: Thomas M. Ryan. Inc.: DE. Addr.: One CVS Drive, Woonsocket, RI 02895. Tel.: 401-765-1500. Web: www.cvs.com.

The union of CVS Caremark continues to move along without a hiccup. The nation's largest pharmacy provider posted earnings of $0.55 per share in the first quarter, 28% better than last year. Sales surged 62% and same-store comparisons improved 3.9%. Although tougher comps loom, given that the marriage was consummated last March, we believe that there is somewhere in the neighborhood of $700 million in cost savings to be realized this year, nearly double the original expectation. Thus, we've raised our 2008 and 2009 share-net estimates by $0.15 each to $2.45 and $2.85, respectively.

CVS stock has gotten some momentum behind it. It is up more than 10% since our March review and set a new all-time split-adjusted high. These shares are ranked 2 (Above Average) for Timeliness according to our momentum-driven ranking system and thus ought to outpace the broader market over the coming six to 12 months. That said,

We believe that the issue is still worth more than the current price tag. Despite the recent increase, the stock is trading at a price to earnings ratio of 17.4 times our 2008 earnings projection, well below our 2011-2013 forecast. CVS is the preeminent player in what we view as a very lucrative industry. It should continue to deliver strong earnings growth out to the 2011-2013 time frame, benefiting from an industry-leading position in a space with extremely healthy demographics. Investors may have been a bit cautious more recently, given news that New York Attorney General Andrew Cuomo was planning on taking legal action against the company for selling expired over-the-counter medicines and food products. We are not too concerned about the long-term ramifications, however.

The balance sheet adds to the company's long-term appeal. Although the Caremark purchase was capital-intensive, CVS is still financially flexible. With an expected $3 billion-plus in free cash flow generation this year, the company should be able to increase shareholder value via share repurchases, debt repayments, and/or dividend increases. Shareholders ought to benefit regardless of which avenue management decides to take.

Andre J. Costanza *June 27, 2008*

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	55
Earnings Predictability	85

(A) Pro forma (CVS only) prior to 10/16/96.
(B) From cont. oper.; based on avg. shrs. thru '96, diluted after. Excl. net nonrecurring items: '98, (28¢); '00, 3¢; '01, (56¢); '05, (7¢); '06, 3¢. May not add due to rounding. Next egs. report due late August. (C) Dividends are hist. paid in early Feb., May, Aug., Nov. ■ Div'd reinvest. plan avail. May not add due to rounding.
(D) In mill., adj. for stk. splits. (E) Incl. Arbor, a/o 3/31/98. (F) Merged with Caremark, 3/07. (G) Merged with Revco, 5/97.

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CORR. CORP. OF AMER. NYSE-CXW

RECENT PRICE 26.59 | P/E RATIO 21.3 (Trailing: 24.4 Median: NMF) | RELATIVE P/E RATIO 1.31 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 6/27/08
SAFETY 3 New 3/30/07
TECHNICAL 3 Lowered 6/13/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

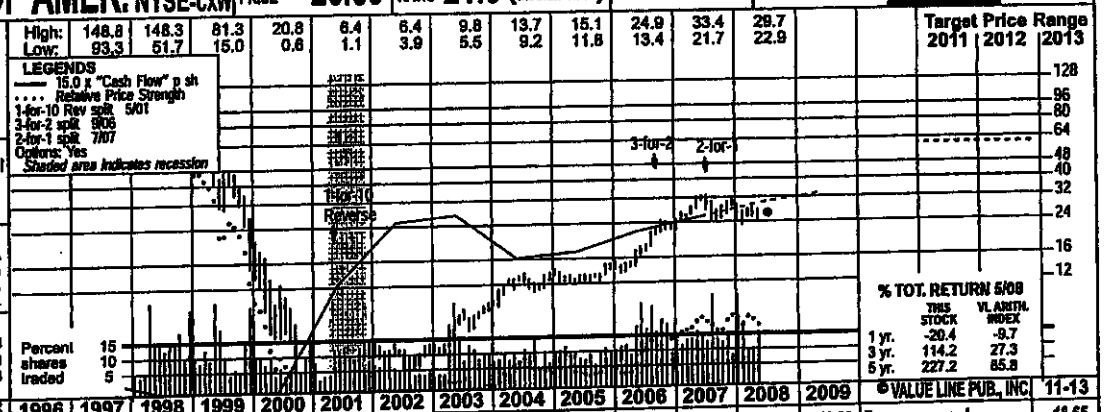
	Price	Gain	Ann'l Total Return
High	60	(+125%)	22%
Low	40	(+50%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	3	0	0	0	0	1	0	0	
Options	3	6	2	5	2	2	3	3	3
to Sell	4	6	3	8	4	4	4	4	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	107	136	143
to Sell	134	93	83
Hld's(000)	103302	104752	112301



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	2.14	1.29	1.94	2.76	.79	.44	11.71	11.47	9.87	10.81	10.02	10.90	11.88	12.95	13.90	Revenues per sh	18.65
--	--	--	.22	.19	.29	.18	.21	d.05	.81	1.68	1.81	1.09	1.18	1.46	1.70	2.00	2.25	"Cash Flow" per sh	3.20
--	--	--	.15	.14	.23	.13	.09	d.26	d.05	1.03	1.39	.58	.61	.86	1.06	1.25	1.50	Earnings per sh A	2.10
--	--	--	--	--	--	--	.60	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
--	--	--	.27	.73	1.25	1.74	1.49	.11	.08	.20	.34	.45	.93	1.34	2.76	3.30	3.40	Cap'l Spending per sh	3.50
--	--	--	1.00	1.24	1.46	1.88	3.70	.71	6.48	8.18	7.09	7.68	7.70	8.60	9.82	11.50	12.90	Book Value per sh B	19.20
--	--	--	96.60	227.38	237.85	239.87	355.18	706.15	83.76	83.96	105.06	106.25	119.08	122.08	124.47	126.00	128.00	Common Shs Outst'g C	138.00
--	--	--	--	--	NMF	NMF	NMF	--	--	5.2	5.5	20.5	21.6	21.5	26.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	23.5
--	--	--	--	--	NMF	NMF	NMF	--	--	.28	.31	1.08	1.15	1.16	1.40			Relative P/E Ratio	1.55
--	--	--	--	--	--	--	1.3%	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
662.1	278.8	310.3	980.8	962.8	1036.7	1148.3	1182.6	1331.1	1478.8	1630	1780	Revenues ($mill)	2300
11.9%	91.3%	22.7%	19.6%	19.1%	21.4%	20.0%	20.2%	22.4%	23.3%	25.0%	26.0%	Operating Margin	29.5%
16.0	44.1	59.8	54.1	54.4	54.0	54.8	64.3	72.3	78.5	95.0	100	Depreciation ($mill)	140
27.0	40.3	d89.6	16.2	106.1	149.2	62.6	73.6	105.9	132.5	160	190	Net Profit ($mill)	300
36.4%	NMF	--	--	--	--	40.2%	34.7%	33.1%	37.7%	38.0%	38.0%	Income Tax Rate	38.5%
4.1%	14.5%	NMF	1.7%	11.0%	14.4%	5.5%	6.2%	8.0%	9.0%	10.0%	10.5%	Net Profit Margin	13.0%
d86.6	264.0	d36.8	d760.4	68.4	133.6	130.0	146.8	226.8	126.0	150	175	Working Cap'l ($mill)	300
290.3	1092.9	1138.0	171.6	932.9	1002.3	999.1	963.8	976.0	975.7	1100	1150	Long-Term Debt ($mill)	1250
452.0	1420.3	688.0	747.2	734.0	775.5	816.0	916.6	1049.7	1222.0	1450	1650	Shr. Equity ($mill)	2650
3.6%	2.6%	NMF	9.0%	9.1%	10.6%	5.4%	5.7%	7.0%	7.0%	7.5%	8.0%	Return on Total Cap'l	8.5%
6.0%	2.8%	NMF	2.2%	14.5%	19.2%	7.7%	8.0%	10.1%	10.8%	11.0%	11.5%	Return on Shr. Equity	11.5%
6.0%	NMF	NMF	2.6%	16.7%	18.3%	7.5%	8.0%	10.1%	10.8%	11.0%	11.5%	Retained to Com Eq	11.5%
--	NMF	NMF	13%	19%	9%	3%	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1045.9 mill. Due in 5 Yrs $450.0 mill
LT Debt $1045.6 mill. LT Interest $56.5 mill.
(LT interest earned: 5.0x;
total interest coverage: 5.1x). (45% of Cap'l)

Leases, Uncapitalized Annual Rentals $0.4 mill.

No Defined Benefit Pension Plan

Preferred Stock None

Common Stock 125,026,787 shs.
as of 5/05/08
MARKET CAP: $3.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	123.8	58.0	50.5
Receivables	238.3	241.7	231.5
Other	29.1	41.0	36.1
Current Assets	391.2	340.7	318.1
Accts Payable	72.1	213.2	207.3
Debt Due	.3	.3	.3
Other	92.0	1.2	11.8
Current Liab.	164.4	214.7	219.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	20.0%	19.5%	6.5%
"Cash Flow"	20.0%	30.5%	14.5%
Earnings	17.0%	--	17.5%
Dividends	--	--	Nil
Book Value	21.5%	17.0%	13.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	280.9	290.2	304.3	317.2	1192.6
2006	316.0	326.2	339.3	349.6	1331.1
2007	350.5	362.4	379.5	386.4	1478.8
2008	388.4	400	420	421.6	1630
2009	420	440	460	460	1780

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.12	.12	.18	.19	.61
2006	.18	.21	.21	.26	.86
2007	.26	.26	.26	.28	1.06
2008	.28	.29	.33	.35	1.25
2009	.35	.35	.40	.40	1.50

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

BUSINESS: Corrections Corp. of America owns, operates and manages correctional facilities for federal, state and local governments. Provides inmate residential and transportation services. Offers rehabilitation and educational programs. Also offers healthcare, food and work & recreational services. Operates 65 facilities (41 company-owned) in 19 states and Washington, D.C., with a capacity of about 78,000. 2007 depreciation rate: 3.8%. Has 16,000 employees. Officers & directors own 5.4% of common shares outstanding; FMR LLC, 6.0% (4/08 proxy). Chairman: W.F. Andrews; President & Chief Executive Officer: J.D. Ferguson. Inc.: Maryland. Address: 10 Burton Hills Blvd, Nashville, TN 37215. Telephone: 615-263-3000. Internet: www.correctionscorp.com.

Corrections Corporation is on pace for solid top- and bottom-line gains this year, and next. The U.S. prison population is booming, and recently crossed a dubious threshold; for the first time, one in every 100 American adults is incarcerated. Too, the country's population of 18-to-24-year-old males — the demographic most likely to commit crimes — is on the rise. We believe CCA is well positioned to take advantage of these trends.

Higher utilization rates ought to give federal revenues a lift. Two facilities — The Stewart Detention Center in Georgia, and Florida's Citrus County Detention Facility — should feel the impact of higher compensated populations. Federal revenues may also benefit from swelling rosters at several other facilities.

Recent contract awards should bolster state revenues. Additional inmates at CCA's California, Arizona, and Florida facilities will likely mean higher management fees for the foreseeable future. However, some of the progress may be slightly offset by a lower headcount at the company's Washington, DC location.

The company plans to add nearly 7,000 beds by year's end. During the March period, average daily compensated population increased 6.1% from the prior year, a result of nearly 5,000 new beds coming on line over the past 12 months. And based on projected demand, CCA expects to bring 6,900 new beds into service during the remainder of 2008. Corrections also intends to expand total capacity at a forthcoming facility by 33%, to 2,232.

All told, revenues and earnings may advance 9%–10% and 18%–20%, respectively, each of the next two years. The operating margin has widened a bit, thanks to higher utilization rates and cost-cutting efforts. Too, CCA has made progress reducing ancillary costs, such as interest expense, which should benefit the bottom line.

Neutrally ranked Corrections Corporation offers wide appreciation potential over the long haul. With the overall U.S. population increasing, and the current malaise in the domestic economy, we should see a commensurate rise in demand for bed space in the years ahead.

Sharif Abdou *June 27, 2008*

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '04, 1¢; '05, (20¢). Next earnings report due in July.

(B) Includes intangibles. As of 3/31/08: $13.7 million, 11¢/share.

(C) In millions, adjusted for splits.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	40
Earnings Predictability	20

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COMMUNITY HEALTH NYSE-CYH

RECENT PRICE 34.62 | P/E RATIO 14.7 (Trailing: 16.9 Median: NMF) | RELATIVE P/E RATIO 0.91 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 2/1/08
SAFETY 3 New 9/24/04
TECHNICAL 1 Raised 5/30/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+130%)	23%
Low	55	(+60%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	104	110	103
to Sell	117	122	105
Hld's(000)	95508	101805	102924

LEGENDS
8.5 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:			37.2	35.4	30.5	27.7	30.9	40.7	40.0	44.5	40.1			
Low:			13.1	21.3	18.5	15.6	23.2	27.0	31.0	27.7	28.8			
	--	--	15.53	17.20	22.27	28.72	38.04	39.95	46.42	74.53	*117.10*	*126.90*	Revenues per sh	*160.40*
	--	--	1.24	1.71	2.26	2.79	3.61	3.81	*4.26*	*5.39*	*7.70*	*8.55*	"Cash Flow" per sh	*11.20*
	--	--	.14	.54	1.05	1.30	1.58	2.02	2.20	1.90	*2.35*	*3.05*	Earnings per sh A	*4.50*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	--	--	.73	.85	1.05	1.48	1.88	2.01	2.39	5.47	*4.20*	*4.20*	Cap'l Spending per sh	*4.20*
	--	--	8.78	11.33	12.29	13.69	14.15	16.72	18.33	17.89	*20.20*	*23.30*	Book Value per sh C	*35.40*
	--	--	86.14	98.47	98.81	98.68	97.62	93.56	94.05	95.64	*98.00*	*96.00*	Common Shs Outst'g B	*95.00*
	--	--	NMF	51.0	23.2	16.3	16.9	17.6	18.6	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
	--	--	NMF	2.61	1.27	.93	.69	.94	.90	.99	*Value Line*		Relative P/E Ratio	*1.00*
	--	--	--	--	--	--	--	--	--	--	*estimates*		Avg Ann'l Div'd Yield	*Nil*
	--	--	1337.5	1693.6	2200.4	2834.6	3332.6	3738.3	4365.6	7127.5	*11240*	*12180*	Revenues ($mill)	*15400*
	--	--	38.3%	37.3%	36.5%	35.9%	14.9%	15.3%	14.5%	14.2%	*15.0%*	*15.5%*	Operating Margin	*15.5%*
	--	--	97.6	119.7	118.2	143.8	158.4	166.2	188.8	332.6	*510*	*525*	Depreciation ($mill)	*635*
	--	--	9.6	48.6	105.3	131.5	156.2	190.1	211.5	182.8	*230*	*295*	Net Profit ($mill)	*435*
	--	--	65.5%	48.6%	41.1%	40.2%	39.2%	38.8%	38.4%	38.3%	*38.5%*	*40.0%*	Income Tax Rate	*40.0%*
	--	--	.7%	2.9%	4.8%	4.8%	4.7%	5.1%	4.8%	2.6%	*2.0%*	*2.4%*	Net Profit Margin	*2.8%*
	--	--	167.7	195.0	329.3	295.0	453.1	476.8	*448.1*	*1105.0*	*840*	*1050*	Working Cap'l ($mill)	*420*
	--	--	1201.6	980.1	1173.9	1445.0	1604.9	1648.5	1905.8	9077.4	*8000*	*8000*	Long-Term Debt ($mill)	*6000*
	--	--	756.2	1115.7	1214.3	1350.6	1240.0	1564.6	1723.7	1710.8	*1940*	*2235*	Shr. Equity ($mill)	*3400*
	--	--	3.8%	4.7%	5.8%	6.0%	6.5%	7.3%	7.1%	3.4%	*4.0%*	*4.5%*	Return on Total Cap'l	*6.5%*
	--	--	1.3%	4.4%	8.7%	9.7%	12.8%	12.2%	12.3%	10.7%	*12.0%*	*13.0%*	Return on Shr. Equity	*12.5%*
	--	--	1.3%	4.4%	8.7%	9.7%	12.8%	12.2%	12.3%	10.7%	*12.0%*	*13.0%*	Retained to Com Eq	*12.5%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.5	-9.7
3 yr.	-0.9	27.3
5 yr.	73.0	85.8

Community Health Systems was formed in 1985 and incorporated in Delaware in 1996. In 1996 the stock was purchased by Affiliates of Forstmann Little & Co. The company went public on June 9, 2000, offering 18.75 million shares priced at $13.00 each. The IPO, which raised approximately $245 million, was underwritten by Merrill Lynch. A second offering of 10 million shares was completed on October 30, 2000.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $8905.9 mill. Due in 5 Yrs $290.8 mill.
LT Debt $8886.4 mill. LT Interest $214.0 mill.
(84% of Cap'l)
(Total interest coverage: 4.3x)

Leases, Uncapitalized: Annual rentals $59.2 mill.
Pension Assets-12/07 $15.5 mill.
Oblig. $28.7 mill.

Pfd Stock None

Common Stock 96,231,791 shs.
as of 4/21/08
MARKET CAP: $3.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	40.6	132.9	164.4
Receivables	774.0	1533.6	1625.7
Inventory (Avg Cst)	113.3	262.9	264.1
Other	93.5	623.3	552.2
Current Assets	1021.4	2552.9	2606.4
Accts Payable	247.7	492.7	461.4
Debt Due	35.4	20.7	19.5
Other	292.2	934.5	821.7
Current Liab.	575.3	1447.9	1302.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	24.0%	*24.0%*
"Cash Flow"	--	21.0%	*14.5%*
Earnings	--	28.5%	*14.0%*
Dividends	--	--	*Nil*
Book Value	--	10.5%	*12.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	908.3	916.7	929.3	982.0	3736.3
2006	1026	1061	1123	1154	4365.6
2007	1154	1197	2247	2528	7127.5
2008	2728	*2760*	*2820*	*2932*	*11240*
2009	*2950*	*2980*	*3070*	*3180*	*12180*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.51	.49	.47	.55	2.02
2006	.58	.54	.51	.57	2.20
2007	.61	.57	.35	.37	1.90
2008	.54	.56	.58	.67	*2.35*
2009	*.75*	*.72*	*.70*	*.88*	*3.05*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Community Health Systems engages in the ownership, leasing, and operation of general acute care hospitals in non-urban communities in the U.S. As of 12/31/07 it operated 115 hospitals in 27 states. Community Health is the largest non-urban provider in terms of facilities and second largest in terms of revenue in the U.S. Its hospitals offer a wide range of inpatient and outpatient medical services. Acq'd Pottstown Memorial, 7/03; Southside Regional, 8/03; Laredo Medical Center, 10/03, Triad, 7/07. Has about 59,000 full-time employees. Off./dir. own 5.6% of common; Franklin Mutual, 9.7%. (4/08 Proxy). Chairman, President & CEO: Wayne T. Smith. Inc. DE. Address: 155 Franklin Road, Suite 400, Brentwood, TN 37027. Telephone: (615) 373-9600. Internet: www.chs.net.

Community Health posted mixed results in the March interim. On a bright note, revenues for the period jumped 136%, year over year, to $2.7 billion primarily because of contributions from Triad Hospitals, which was acquired in 2007. The deal increased Community's hospital count by 45 units, to 115, from last year's first quarter, thereby helping to enlarge total admissions by 111%. In addition, on a same-store basis, the company was able to lift admissions and sales 3% and 6%, respectively, as results benefited from a strong flu season. Nevertheless, the soft pricing environment and a 140% jump in expenses offset the top-line gains, causing share earnings to decrease 11% from the prior year, to $0.54.

We project solid bottom-line advances for this year and next. The integration of Triad appears to be going well, and we expect its contributions to continue rising at a steady pace over the next few years. What's more, given historical trends, additional takeovers are likely to boost Community's earnings further. That said, investors should be aware of the effects larger bad debt expense would have on earnings. Indeed, this industrywide problem has already caused many medical service companies to reevaluate provisions for bad debts as uninsured admissions jump and as unpaid bills by some insured patients increase.

Community is well positioned for growth over the next 3 to 5 years. Although the balance sheet is highly leveraged, the company generates healthy cash flow. We think these funds will enable Community Health to expand coverage in new markets, recruit top physicians, enhance service offerings, and reduce the debt load in the coming years. These initiatives, along with greater in-patient volume and contributions from further acquisitions, will probably drive the low annual double-digit bottom-line gains we foresee over this time frame.

This stock has rebounded over 10% since our March review. And while it is only ranked to mirror the year-ahead markets, the equity offers wide appreciation potential over the 2011–2013 pull. All told, patient investors may find some appeal here over the long haul.

Randy Shrikishun *June 20, 2008*

(A) Diluted earnings. Excludes nonrecurring loss: '05, 23¢; '06, 42¢, '07, $1.35. Next earnings report due late July.
(B) In millions.
(C) Includes intangibles: At 12/31/07: $4247.7 million, $44.42/share.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	55
Earnings Predictability	65

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CYTEC INDS. NYSE-CYT

RECENT PRICE 54.38 | P/E RATIO 12.5 (Trailing: 12.7 / Median: 15.0) | RELATIVE P/E RATIO 0.80 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Raised 8/3/07
SAFETY 3 New 11/28/97
TECHNICAL 2 Raised 8/1/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+85%)	17%
Low	65	(+20%)	6%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	4	0	0	2	0	3	2
to Sell	0	2	4	0	0	2	0	3	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	90	116	112
to Sell	128	113	127
Hld's(000)	42500	43087	42066

High:	50.9	58.6	31.9	41.3	39.5	34.0	38.9	51.9	54.6	63.7	74.3	64.1
Low:	33.9	14.9	19.5	22.4	19.0	19.2	26.0	32.7	39.3	45.6	53.6	45.1

LEGENDS
7.0 x "Cash Flow" p sh
Relative Price Strength
3-for-1 split 7/96
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.7	-12.2
3 yr.	21.8	7.2
5 yr.	44.7	56.8

Percent shares traded

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	26.13	27.95	25.19	27.67	28.59	33.45	33.95	37.16	35.01	34.71	37.75	43.21	63.19	69.91	73.71	*82.60*	*85.65*	Sales per sh	*95.85*
--	d5.29	3.31	3.25	4.15	4.26	4.84	5.08	5.32	3.95	4.29	4.73	5.48	6.29	6.70	7.12	*7.80*	*8.45*	"Cash Flow" per sh	*11.45*
--	d7.41	1.05	1.80	2.01	2.31	2.62	2.60	2.85	1.71	2.04	2.27	2.91	3.07	3.42	3.90	*4.35*	*4.75*	Earnings per sh A	*6.90*
--	--	--	--	--	--	--	--	--	--	--	--	.40	.40	.40	.40	*.50*	*.50*	Div'ds Decl'd per sh	*.50*
--	2.87	2.95	1.94	1.59	2.03	2.40	1.86	1.90	1.61	1.60	2.41	2.24	2.27	2.15	2.42	*4.00*	*3.85*	Cap'l Spending per sh	*3.50*
--	.81	2.11	6.85	6.90	8.58	9.98	12.15	15.34	16.07	16.06	19.37	22.76	26.74	32.97	40.60	*44.50*	*48.10*	Book Value per sh	*61.35*
--	*38.58*	*39.40*	*50.03*	*45.52*	*45.14*	*43.19*	*41.61*	*40.17*	*39.62*	*38.78*	*38.89*	*39.83*	*46.30*	*47.62*	*47.54*	*47.50*	*47.00*	Common Shs Outst'g B	*46.00*
--	--	7.8	8.7	15.5	18.2	14.6	9.7	10.5	18.3	13.4	14.8	14.6	15.0	15.9	15.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*12.0*
--	--	.51	.56	.97	1.05	.76	.55	.68	.94	.73	.84	.77	.80	.86	.84			Relative P/E Ratio	*.80*
--	--	--	--	--	--	--	--	--	--	--	--	.9%	.9%	.7%	.6%			Avg Ann'l Div'd Yield	*.6%*
						1444.5	1412.5	1492.5	1387.1	1346.2	1471.8	1721.3	2925.7	3329.5	3503.8	*3925*	*4025*	Sales ($mill)	*4410*
						18.9%	20.6%	18.3%	15.6%	16.2%	16.2%	16.0%	12.9%	12.6%	14.1%	*12.5%*	*13.5%*	Operating Margin	*16.0%*
						87.2	95.1	96.6	90.3	83.7	93.6	98.8	149.8	152.8	145.6	*160.0*	*170*	Depreciation ($mill)	*205*
						121.9	115.5	117.0	66.2	82.5	91.0	119.5	141.4	166.1	192.9	*210*	*225*	Net Profit ($mill)	*320*
						37.0%	35.1%	32.6%	34.5%	33.6%	28.0%	31.7%	51.7%	25.0%	28.4%	*31.5%*	*31.5%*	Income Tax Rate	*31.5%*
						8.4%	8.2%	7.8%	4.8%	6.1%	6.2%	6.9%	4.8%	5.0%	5.5%	*5.4%*	*5.7%*	Net Profit Margin	*7.3%*
						83.2	125.0	208.9	227.9	174.0	374.9	408.1	496.7	541.5	589.2	*875*	*925*	Working Cap'l ($mill)	*1225*
						419.5	422.5	311.2	314.7	216.0	416.2	300.1	1225.5	900.4	705.3	*800*	*775*	Long-Term Debt ($mill)	*700*
						431.0	505.8	616.2	636.9	622.9	755.4	906.5	1238.1	1570.1	1929.9	*2125*	*2250*	Shr. Equity ($mill)	*2825*
						15.6%	13.9%	14.0%	8.0%	10.8%	8.5%	10.6%	7.4%	7.8%	8.1%	*8.0%*	*8.0%*	Return on Total Cap'l	*10.0%*
						28.3%	22.8%	19.0%	10.4%	13.3%	12.0%	13.2%	11.4%	10.6%	10.0%	*10.0%*	*10.0%*	Return on Shr. Equity	*11.5%*
						28.3%	22.8%	19.0%	10.4%	13.3%	12.0%	11.5%	10.0%	9.4%	9.0%	*9.0%*	*9.0%*	Retained to Com Eq	*10.5%*
						--	--	--	--	--	--	13%	13%	11%	10%	*11%*	*11%*	All Div'ds to Net Prof	*7%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $823.0 mill. Due in 5 Yrs $370.0 mill.
LT Debt $786.4 mill. LT Interest $37.0 mill. (27% of Cap'l)

Leases, Uncapitalized Annual rentals $15.1 mill.

Pension Assets-12/07 $725.3 mill. Oblig. $858.0 mill.

Common Stock 47,515,522 shs.
MARKET CAP: $2.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	*23.6*	*76.8*	39.9
Receivables	510.3	584.4	673.6
Inventory (FIFO)	474.6	520.0	586.4
Other	144.9	94.9	113.2
Current Assets	1153.4	1276.1	1413.1
Accts Payable	298.8	316.5	369.1
Debt Due	43.2	143.4	36.6
Other	269.9	227.0	222.7
Current Liab.	611.9	686.9	628.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	14.0%	*5.5%*
"Cash Flow"	*5.5%*	*8.0%*	*9.5%*
Earnings	5.5%	9.5%	*12.0%*
Dividends	--	--	*4.0%*
Book Value	16.0%	16.0%	*10.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	564.0	813.4	760.8	787.5	2925.7
2006	819.4	853.1	863.4	793.6	3329.5
2007	863.5	864.0	875.1	901.2	3503.8
2008	973.0	1005.8	*970*	*976.2*	*3925*
2009	*980*	*1000*	*1015*	*1030*	*4025*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.88	.91	.72	.56	3.07
2006	.79	1.00	.87	.76	3.42
2007	.75	1.15	1.04	.96	3.90
2008	1.08	1.20	*1.08*	*.99*	*4.35*
2009	*1.15*	*1.18*	*1.20*	*1.22*	*4.75*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.10	.10	.10	.10	.40
2006	.10	.10	.10	.10	.40
2007	.10	.10	.10	.10	.40
2008	.125	.125			

BUSINESS: Cytec Industries, Inc. is an industrial chemicals manufacturer of value-added specialty products. Surface Specialties (46% of 2007 sales) consists of coatings and resin products. Performance Chemicals (21%) includes water-treating and mining chemicals, and polymer additives. Engineered Materials (19%) primarily includes advanced composites and film adhesives. Building Block Chemicals (14%) includes acrylonitrile and melamine. '07 depreciation rate: 7.5%. Has about 6,800 employees. Officers & Directors own 5.0% of common shares; Barclays Global Investors, NA 5.2% (3/08 proxy). Chairman & CEO: David Lilley. Inc.: DE. Address: Five Garret Mountain Plaza, West Paterson, NJ 07424. Tel.: (973) 357-3100. Internet: www.cytec.com.

Cytec Industries continues to post good numbers, with earnings up 20% through the first two quarters. The bulk of this continues to be driven by the Engineered Materials segment. While only 20% of sales, it accounts for nearly half of the company's earnings (more below). Although customer inventory reductions will likely result in less robust earnings comparisons in the second half, the company should still show 10%–15% growth for the year. The uptrend is likely to be sustained in 2009, though perhaps moderating to the 5%–10% range.

Strong aerospace demand remains the major bright spot. Operating income for the Engineered Materials segment was up 28% in the half, to $86.4 million, reflecting strong growth from the large commercial aircraft and rotorcraft sectors. Sales of Cytec's composites are benefiting from both more planes being built and increased usage of the lightweight materials to offset soaring jet fuel costs. Moreover, management expects annual volume growth of over 10% in this business over the next five years, and capacity expansion is under way at Cytec's carbon fiber facility in South Carolina.

The company's other divisions are facing some challenges. On the plus side, Building Block Chemicals' operating earnings were up over 70% in the half, to $12.4 million, mostly due to selling price increases. Meanwhile, the Specialty Chemicals group continues to report volume growth, largely coming from the Asia/Pacific region. This is helping to offset weaker demand in the U.S. due to housing and automotive market declines. However, Cytec has not kept up with rapid increases in raw materials, energy, and freight costs. As a result, overall margins will be down for the year, but accelerated price increase initiatives should lead to improvement in the quarters ahead.

These neutrally ranked shares do not stand out at this juncture. Looking out over the next 3 to 5 years, continued strength in aerospace should help support double-digit annual earnings growth. However, the current quotation already factors in a good portion of these prospects, suggesting below-average appreciation potential out to 2011–2013.

Mario Ferro *August 15, 2008*

(A) Based on primary earnings through Dec. '97, diluted thereafter. Excludes net nonrecurring gains/(charges): '97, 32¢; '98, 6¢; '99, 14¢; '00, $1.30; '02, (8¢); '04, (7¢); '05, ($1.80); '06, (59¢); '07, 30¢; '08 Q1, (7¢); Q2, (4¢). Excl. disc. ops.:'05, 2¢. Earnings may not sum due to rounding. Next earnings report due mid-Oct.
(B) In millions, adjusted for stock split.
(C) Quarterly dividend, initiated 2/04, paid in late Feb., May, Aug., and Nov.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	75

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DEVELOPERS DIV. NYSE-DDR

RECENT PRICE 33.37 | P/E RATIO 19.1 (21.3 NMF) | RELATIVE P/E RATIO 1.26 | DIV'D YLD 8.4% | VALUE LINE

TIMELINESS 3 Raised 6/13/08
SAFETY 3 New 7/2/2007
TECHNICAL 3 Raised 1/4/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+185%)	34%
Low	60	(+80%)	22%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	0
Options	1	0	0	0	0	1	0	0	0
to Sell	1	0	0	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	140	140	136
to Sell	129	135	140
Hld's(000)	108053	103227	106656

LEGENDS
1.15 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 6/98
Options: Yes
Shaded area indicates recession

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:					20.6	21.5	18.5	16.3	19.4	23.7	33.9	45.8	49.5	66.4	72.3	45.7				
Low:					17.1	15.9	12.3	11.0	12.9	17.3	21.2	30.8	38.7	46.6	37.4	31.3				
Book Value per sh	--	--	--	--	--	18.75	10.73	9.22	8.75	8.92	9.63	12.49	17.11	17.12	16.43	20.46	21.25	22.95	Book Value per sh	27.25
Funds from Ops per sh D	--	--	--	--	--	1.68	1.91	2.12	2.19	2.38	2.50	2.54	2.95	3.21	3.41	3.79	4.00	4.20	Funds from Ops per sh D	5.20
Earnings per sh A	--	--	--	--	--	2.06	.94	.95	1.31	1.17	1.14	2.28	2.17	1.91	1.69	1.68	1.75	2.00	Earnings per sh A	3.00
Div'ds Decl'd per sh B ■	--	--	--	--	--	1.26	1.31	1.40	1.44	1.48	1.52	1.69	1.94	2.16	2.36	2.64	2.76	2.85	Div'ds Decl'd per sh B ■	3.35
Loans & Real Est per sh	--	--	--	--	--	24.2	35.11	30.56	33.98	36.03	35.96	39.65	46.59	56.16	60.38	66.64	70.50	73.40	Loans & Real Est per sh	84.60
Common Shs Outst'g C	--	--	--	--	--	27.69	40.08	59.50	54.88	59.45	66.61	86.43	108.08	108.95	108.99	119.45	122.00	124.00	Common Shs Outst'g C	130.00
Premium Over Book	--	--	--	--	--	2%	78%	64%	56%	140%	121%	122%	120%	156%	231%	174%			Premium Over Book	182%
Avg Ann'l P/E Ratio	--	--	--	--	--	9.3	20.3	15.9	10.4	14.3	18.7	12.2	17.3	23.2	32.2	33.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	26.0
Avg Ann'l P/FFO	--	--	--	--	--	11.4	10.0	7.1	6.3	7.0	8.6	10.9	12.7	13.8	15.9	14.8			Avg Ann'l P/FFO	15.0
Avg Ann'l Div'd Yield	--	--	--	--	--	6.6%	6.9%	9.3%	10.5%	8.9%	7.1%	6.1%	5.2%	4.9%	4.3%	4.7%			Avg Ann'l Div'd Yield	4.3%
Revenues ($mill)							228.2	263.9	285.8	322.2	357.2	476.1	598.9	727.2	818.1	944.9	1000	1100	Revenues ($mill)	1450
Other Income ($mill)							--	--	--	--	--	--	4.2%	10.1	9.1	8.8	10.0	12.0	Other Income ($mill)	18.0
Operating Margin							73.9%	73.6%	71.7%	69.3%	67.4%	45.0%	67.2%	67.2%	67.0%	65.8%	66.0%	65.5%	Operating Margin	68.0%
Net Profit ($mill)							77.9	87.4	100.8	92.4	100.9	241.2	259.5	264.2	239.6	255.7	260	305	Net Profit ($mill)	435
Net Profit Margin							34.1%	33.1%	35.3%	28.8%	28.3%	50.7%	43.3%	36.3%	29.3%	27.1%	26.0%	27.5%	Net Profit Margin	30.0%
Capital Gains ($mill)							.3	d1.7	23.4	18.3	3.0	74.4	93.2	104.8	83.1	81.2	Nil	Nil	Capital Gains ($mill)	Nil
Loans & Real Est ($mill)							1693.6	1818.4	1864.6	2142.0	2395.3	3426.7	5035.2	6336.5	6580.9	7960.6	8600	9100	Loans & Real Est ($mill)	11000
Long-Term Debt ($mill)							1000.4	1152.1	1227.6	1308.3	1498.8	2083.1	2718.7	3891.0	4248.8	5591.0	6100	6500	Long-Term Debt ($mill)	7500
Shr. Equity ($mill)							902.7	852.3	783.8	834.0	945.6	1614.1	2554.3	2570.3	2496.2	2998.8	3150	3400	Shr. Equity ($mill)	4100
Div'ds Decl'd to FFO							68.8%	66.0%	65.6%	62.2%	60.8%	66.5%	65.8%	56.9%	69.2%	69.7%	69.0%	68.0%	Div'ds Decl'd to FFO	65.0%
Expenses to Assets							3.5%	3.8%	4.3%	4.6%	4.9%	5.0%	3.8%	3.8%	4.1%	4.1%	4.0%	4.0%	Expenses to Assets	4.0%
Return on Total Cap'l							5.6%	7.6%	6.9%	6.2%	5.7%	5.7%	4.6%	5.5%	5.2%	4.5%	4.0%	4.5%	Return on Total Cap'l	5.5%
Return on Shr. Equity							8.6%	10.3%	12.9%	11.1%	10.7%	14.9%	10.5%	10.3%	9.6%	8.5%	8.5%	9.0%	Return on Shr. Equity	10.5%

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-29.8	-18.0
3 yr.	-12.1	11.3
5 yr.	55.2	83.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $5709.8 mill. Due in 5 Yrs $4975 mill.
Total Interest $330.0 mill.
(Total Interest coverage: 1.7x) (66% of Cap'l)

No Defined Benefit Pension Plan
Pfd Stock $555.0 mill

Common Stock 119,600,841 shs.
MARKET CAP: $4.0 bill. (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus			
Noncash charges	355.4	340.7	414.6
Net New Debt	1172.3	357.8	526.0
New Equity	16.0	--	502.6
Investments Funded	863.8	454.4	2789.1
Dividends Declared	286.4	307.7	356.5

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt (mill.)	2218.0	2622.2
Subordinated Debt (mill.)	--	--
Sr Debt/Cap'l Funds	.32:1	.30:1
Total Debt/Equity1	1.70:1	1.86:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	NA	NA
Non-Earn Assets—%/Invests.	NA	NA

Calendar	QUARTERLY REVENUE ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	
2005	171.9	176.3	180.5	198.5	727.2
2006	200.6	198.3	204.8	214.4	818.1
2007	219.1	252.8	233.8	239.2	944.9
2008	241.9	240	260	258.1	1000
2009	270	270	280	280	1100

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.84	.47	.33	.27	1.91
2006	.33	.59	.42	.35	1.69
2007	.39	.77	.26	.26	1.68
2008	.28	.45	.55	.47	1.75
2009	.45	.50	.55	.50	2.00

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.46	.46	.46	.51	1.89
2005	.51	.54	.54	.54	2.13
2006	.54	.59	.59	.59	2.31
2007	.59	.66	.66	.66	2.57
2008	.66	.69	.69		

(A) Diluted earnings per share. Next egs. report due late July. (B) Dividends historically paid in early Feb., Apr., Jul., Oct. ■ Div'd reinvt. plan available. (C) In mill. (D) FFO '08: Q1, $0.83, '07: Q4, $0.82, Q3, $0.80, Q2, $1.26, Q1, $0.91. '06: Q4, $0.82, Q3, $0.83, Q2, $0.99, Q1, $0.76. '05: Q4, $0.74, Q3, $0.74, Q2, $0.84, Q1, $0.90.

BUSINESS: Developers Diversified Realty Corporation is a self-administered and self-managed real estate investment trust (REIT) which acquires, develops, redevelops, leases and manages commercial shopping centers. Developers Diversified Realty currently owns and manages over 740 retail shopping centers and development properties located in about 45 states, as well as Puerto Rico, and Brazil, containing about 163 million square feet of space. Has about 773 employees as of 12/07. Officers/directors own about 2.7% of common stock; Cohen and Steers, Inc. owns 8.0%, Vanguard Group, owns 7.6% (4/08 Proxy). Incorporated: Ohio. Address: 3300 Enterprise Parkway, Beachwood, Ohio 44122 Telephone: 216-755-5500. Internet: www.ddrc.com.

Developers Diversified Realty's property portfolio remains stable despite a more challenging environment. Although occupancy declined slightly, to 95.8%, during the March quarter, this level is still healthy given a weaker economy. Moreover, the top line advanced about 10% during the quarter, helped by contributions from recent property acquisitions and increased rental revenue. The company has managed to raise rents, particularly for new leases. Moreover, management has already renewed about 80% of leases due to expire this year, which should help stabilize results.

Meanwhile, expenses have increased, as well. Operating and maintenance costs rose about 35% during the quarter, due in part to acquired business. This offset slightly lower administrative costs. Elsewhere, operating income from the same-store property portfolio rose about 2%, which is a moderate advance.

We are leaving our funds from operations (FFO) estimates unchanged for 2008 and 2009. Earnings and FFO per diluted share declined during the first quarter. However, comparisons were difficult due to a tax benefit realized in the year-ago period. Excluding this benefit, FFO would have risen about 15% during the March quarter. We expect FFO in the second half of the year to benefit from increased transactional income.

The development pipeline will likely benefit from a less competitive real estate market. Management has identified opportunities for partnering with local developers that are currently in need of capital and management experience. Moreover, land and real estate prices are a bit less expensive, compared to a year ago. Elsewhere, the international property markets hold promise. Developers Diversified is currently working on deals in Brazil, Russia, and Canada.

These neutrally ranked shares have declined considerably in price since our April report. Investors are probably concerned about the REIT's mixed first-quarter results and a weaker economic outlook. Nonetheless, our current projections indicate that the issue offers worthwhile total return potential for the next 3 to 5 years.

July 18, 2008
Adam Rosner

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	65

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HEARING EXHIBIT 00000334

DELL INC. NDQ-DELL

RECENT PRICE 21.88 | P/E RATIO 14.6 (16.1 / 33.0) | RELATIVE P/E RATIO 0.95 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 1/25/08
SAFETY 3 Lowered 1/12/07
TECHNICAL 4 Lowered 5/2/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+175%)	29%
Low	40	(+85%)	16%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	1	0
to Sell	0	0	0	0	0	3	0	6	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	367	376	303
to Sell	369	417	453
Hld's(000)	1588382	1517918	1386304

	High:	13.0	37.9	55.0	59.7	31.3	31.1	37.2	42.6	42.3	32.2	30.8	24.7
	Low:	3.1	9.9	31.4	16.3	16.0	21.9	22.6	31.1	28.6	19.0	21.6	18.1

LEGENDS
18.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 10/05
2-for-1 split 12/96
2-for-1 split 7/07
2-for-1 split 3/00
2-for-1 split 6/99
2-for-1 split 3/99
Options: Yes
Shaded area indicates recession

Percent shares traded: 36, 24, 12

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.3	-9.7
3 yr.	-12.2	27.3
5 yr.	-26.5	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
.85	1.16	1.37	1.77	2.80	4.79	7.17	9.81	12.26	11.98	13.73	16.21	19.80	23.99	*25.80*	*24.12*	*33.05*	*36.30*	Sales per sh [A]	*44.00*
.05	.00	.07	.10	.21	.39	.81	.78	.98	.78	.90	1.14	1.47	1.81	1.37	1.40	*1.90*	*2.30*	"Cash Flow" per sh	*2.95*
.04	d.02	.05	.09	.17	.32	.53	.68	.84	.65	.80	1.01	1.29	1.56	1.14	1.31	*1.50*	*1.80*	Earnings per sh [A B]	*2.35*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
.02	.02	.03	.03	.04	.07	.12	.15	.19	.12	.12	.13	.21	.31	.40	.33	*.40*	*.45*	Cap'l Spending per sh	*.55*
.16	.14	.21	.32	.39	.50	.91	2.06	2.16	1.80	1.89	2.46	2.61	1.77	1.89	1.47	*2.15*	*3.25*	Book Value per sh	*8.75*
2358.9	2427.5	2539.5	2990.3	2768.8	2576.0	2543.0	2575.0	2601.0	2602.0	2579.0	2556.0	2485.0	2330.0	2226.0	2535.0	*1960.0*	*1900.0*	Common Shs Outst'g [C]	*2000.0*
11.1	--	10.4	11.6	12.6	26.8	49.7	62.3	45.0	38.9	33.3	31.6	26.0	23.1	22.3	19.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*21.0*
.67	--	.68	.78	.79	1.54	2.58	3.55	2.93	1.99	1.82	1.80	1.48	1.23	1.20	1.03			Relative P/E Ratio	*1.40*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
						18243	25265	31888	31168	35404	41444	49205	55908	57420	61133	*64750*	*69000*	Sales ($mill) [A]	*88000*
						11.8%	10.3%	9.4%	8.1%	8.6%	9.2%	9.3%	9.3%	6.2%	6.8%	*7.0%*	*8.0%*	Operating Margin	*8.5%*
						103.0	156.0	240.0	239.0	211.0	263.0	334.0	393.0	471.0	607.0	*740*	*850*	Depreciation ($mill)	*1100*
						1460.0	1860.0	2310.0	1780.0	2122.0	2645.0	3323.0	3825.0	2583.0	2947.0	*3000*	*3525*	Net Profit ($mill)	*4750*
						29.9%	29.7%	30.0%	28.0%	29.9%	29.0%	25.2%	23.7%	22.8%	23.0%	*23.0%*	*23.0%*	Income Tax Rate	*23.0%*
						8.0%	7.4%	7.2%	5.7%	6.0%	6.4%	6.8%	6.8%	4.5%	4.8%	*4.6%*	*5.1%*	Net Profit Margin	*5.4%*
						2644.0	2489.0	2948.0	358.0	d9.0	d263.0	2761.0	1779.0	2148.0	1354.0	*2500*	*1400*	Working Cap'l ($mill)	*1700*
						512.0	508.0	509.0	520.0	506.0	505.0	505.0	504.0	569.0	362.0	*1840*	*1800*	Long-Term Debt ($mill)	*2500*
						2321.0	5308.0	5622.0	4694.0	4873.0	6280.0	6485.0	4129.0	4439.0	3735.0	*4180*	*6200*	Shr. Equity ($mill)	*17450*
						52.0%	32.3%	38.1%	34.5%	39.6%	39.1%	47.7%	82.9%	51.9%	72.3%	*50.5%*	*44.5%*	Return on Total Cap'l	*24.0%*
						62.9%	35.0%	41.1%	37.9%	43.5%	42.1%	51.2%	92.6%	58.2%	78.9%	*72.0%*	*57.0%*	Return on Shr. Equity	*27.0%*
						62.9%	35.0%	41.1%	37.9%	43.5%	42.1%	51.2%	92.6%	58.2%	78.9%	*72.0%*	*57.0%*	Retained to Com Eq	*27.0%*
						--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 5/2/08
Total Debt $1,979.0 mill. Due in 5 Yrs. None
LT Debt $1,848.0 mill. LT Interest $100.0 mill. (34% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 2,020,946,756 shs. as of 5/30/08
MARKET CAP: $44.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/2/08
Cash Assets	10288	7972	8501
Receivables	4822	5961	6002
Inventory (FIFO)	660	1180	1258
Other	4359	4767	4741
Current Assets	19939	19880	20502
Accts Payable	10430	11492	10891
Debt Due	188	225	131
Other	7173	6809	6347
Current Liab.	17791	18526	17369

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	23.0%	14.0%	*10.0%*
"Cash Flow"	20.5%	11.5%	*11.5%*
Earnings	21.5%	12.0%	*10.0%*
Dividends	--	--	*Nil*
Book Value	15.5%	-2.0%	*31.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	13386	13428	13911	15183	55908
2006	14320	14211	14419	14470	57420
2007	14722	14776	15646	15989	61133
2008	*16077*	*15900*	*18200*	*16573*	*64750*
2009	*16700*	*17000*	*17500*	*17800*	*69000*

Fiscal Year Begins	EARNINGS PER SHARE [A B] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.37	.38	.39	.43	1.56
2006	.33	.21	.27	.32	1.14
2007	.34	.33	.34	.31	1.31
2008	*.38*	*.34*	*.37*	*.41*	*1.50*
2009	*.42*	*.44*	*.46*	*.48*	*1.80*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Dell Inc. is a leading global computer systems and services company. Markets via sales teams to corporate and institutional customers, as well as via the telephone and Internet. Geographic breakdown: Americas, 61% of fiscal '07 sales; Europe/Mideast/Africa, 25%; Asia/Pacific/Japan, 14%. Approximate sales mix in fiscal '07: desktop, 32%; mobility, 28%; software & peripherals, 16%; servers & networking, 11%; services, 9%; storage, 4%. R&D, 1.1% of '07 sales. '07 deprec. rate: 13.2%. About 88,200 empl. on 2/1/08. Michael Dell owns 10.14% of stock; all officers & directors, 10.7%; Southeastern Asset Mgt., 5.5% (10/07 Proxy). Chairman & CEO: Michael S. Dell. Inc.: DE. Address: One Dell Way, Round Rock, TX 78682. Tel.: 512-338-4400. Internet: dell.com.

Dell's unit volume rose 22% in the April quarter, and it gained share in a number of markets, supported by accelerated growth in emerging nations and the consumer business. Laptop computers and software and peripheral products did especially well. Margins declined due to a less favorable component cost environment and pressure on some product prices. Unusual income offset severance, facilities closure, and other unusual costs.

Management is cautious regarding the near-term outlook for sales in the U.S., where local governments and small/mid-sized business customers, as well as large companies, have become more conservative in their information technology spending. Dell expects the softness to continue in the seasonally weak summer months. But sales in emerging nations should continue to ramp up. Back-to-school sales typically boost the top line in the October interim, as do holiday sales in the January period. Even so, we expect year-to-year quarterly sales advances over the rest of the fiscal year to moderate. Top-line momentum should pick up beyond the current fiscal year, though growth may lag the pace enjoyed when Dell's sales base was smaller.

The company plans to reduce annual operating expenses by $3 billion over the next two years, in part by reducing the workforce by 8,900 employees. But the operations realignment is likely to entail some further severance expense, and we don't expect the offseting $0.06 a share of unusual positive items booked in the April quarter to recur. Still, stock repurchases ought to enhance share net.

A full turnaround will take time and may entail some risk. Dell must balance the need to invest in its businesses (to strengthen sales) with the need to cut costs. It's also too early to tell how recent fundamental changes in Dell's strategy are working out. These include its shift from relying on a direct-to-customer sales strategy to selling some consumer products through retail stores, and its shift from customizing many products to an expanded product line with a broader range of features and prices. Conservative investors may want to see how the changes play out before considering the stock.

Theresa Brophy *July 11, 2008*

(A) Fiscal years end about Jan. 31st of following calendar year.
(B) Primary egs. until 5/1/94; dil. egs. thereafter. Excl. nonrecurring charge: '95, $0.01; '96, $0.01; '99, $0.07; '00, $0.03; '01, $0.19; '04, $0.11; '05, $0.14. Quarterly earnings per share do not equal total in '05, '05, & '07 due to decline in shares outstanding. Next earnings report due late August.
(C) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	15
Earnings Predictability	75

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DIONEX CORP. NDQ-DNEX

RECENT PRICE 68.40 | P/E RATIO 23.0 (Trailing: 24.6 Median: 24.0) | RELATIVE P/E RATIO 1.49 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 2/9/07
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 8/1/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+70%)	14%
Low	80	(+15%)	4%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	0	1	1	0	0	1	0
to Sell	0	6	0	0	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	60	76	79
to Sell	65	54	74
Hld's(000)	17915	18227	18499

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	27.5	39.6	51.0	42.1	38.0	32.1	48.5	60.1	61.2	62.3	86.4	83.7								
Low:	17.3	18.8	32.0	21.4	22.8	21.3	29.1	41.8	40.0	45.8	54.6	62.0								
	3.00	3.47	3.62	4.38	5.38	6.00	6.74	7.75	8.12	8.42	8.65	10.27	12.42	13.85	14.84	17.37	20.69	22.80	Sales per sh A	29.70
	.52	.60	.65	.80	1.06	1.22	1.40	1.66	1.74	1.67	1.54	1.78	2.26	2.55	2.15	2.86	3.36	3.60	"Cash Flow" per sh	5.00
	.45	.51	.55	.66	.85	1.03	1.18	1.40	1.46	1.42	1.24	1.45	1.89	2.13	1.74	2.31	2.77	3.05	Earnings per sh B	4.25
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
	.27	.04	.26	.07	.12	.11	.11	.33	.23	.32	.23	.17	.20	.61	.50	.50	.65	.70	Cap'l Spending per sh	.80
	2.96	3.12	3.67	3.79	3.32	3.55	3.17	4.29	5.35	5.86	6.25	7.61	8.80	9.08	9.45	9.85	10.78	12.10	Book Value per sh C	15.95
	32.10	30.39	30.28	27.43	24.74	23.69	22.32	22.31	22.12	22.18	21.09	20.93	20.84	20.16	19.62	18.85	18.25	17.75	Common Shs Outst'g D	16.00
	15.7	17.3	15.0	14.5	18.0	20.0	21.9	23.9	26.3	21.9	20.9	21.2	24.9	24.5	29.9	25.8	27.6		Avg Ann'l P/E Ratio	23.0
	.95	1.02	.98	.97	1.13	1.15	1.14	1.36	1.71	1.12	1.14	1.21	1.32	1.30	1.61	1.36	1.58		Relative P/E Ratio	1.55
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
							150.5	172.9	179.5	186.8	182.4	214.9	258.8	278.3	291.3	327.3	377.5	405	Sales ($mill)	475
							29.7%	30.5%	30.4%	26.2%	23.7%	25.0%	26.1%	25.3%	21.4%	24.0%	23.3%	24.0%	Operating Margin	25.0%
							2.5	3.7	4.5	5.3	4.8	5.9	5.8	6.0	6.5	8.5	8.5	8.5	Depreciation ($mill)	10.0
							28.7	33.2	34.0	31.8	27.6	31.4	41.4	45.5	35.7	45.3	52.6	55.0	Net Profit ($mill)	70.0
							34.0%	33.0%	32.5%	32.5%	32.5%	32.5%	33.1%	31.7%	39.0%	36.4%	32.7%	35.0%	Income Tax Rate	35.0%
							19.0%	19.2%	19.0%	17.0%	15.1%	14.6%	16.0%	16.3%	12.3%	13.8%	14.0%	13.6%	Net Profit Margin	14.7%
							35.8	34.8	48.4	68.1	62.1	87.1	103.7	102.0	97.7	93.4	106.3	120	Working Cap'l ($mill)	150
							--	1.0	--	1.0	1.0	.5	--	--	.5	--	--	Nil	Long-Term Debt ($mill)	Nil
							70.7	95.7	118.4	129.9	131.7	159.3	183.5	183.0	185.4	185.7	196.7	215	Shr. Equity ($mill)	255
							40.5%	34.4%	28.7%	24.3%	20.8%	19.7%	22.6%	24.9%	19.3%	24.4%	26.8%	27.0%	Return on Total Cap'l	28.0%
							40.5%	34.7%	28.7%	24.5%	21.0%	19.7%	22.6%	24.9%	19.3%	24.4%	26.8%	27.0%	Return on Shr. Equity	28.0%
							40.5%	34.7%	28.7%	24.5%	21.0%	19.7%	22.6%	24.9%	19.3%	24.4%	26.8%	27.0%	Retained to Com Eq	28.0%
							--	--	--	--	--	--	--	--	--	--	--	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $18.0 mill.
LT Debt None

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 18,319,093 shs.
as of 5/8/08
MARKET CAP: $1.3 Billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	51.0	55.1	72.0
Receivables	63.0	66.0	74.3
Inventory (FIFO)	27.7	28.6	32.1
Other	15.7	21.1	24.7
Current Assets	157.4	170.8	203.1
Accts Payable	9.4	12.3	15.2
Debt Due	--	.2	18.0
Other	50.3	64.9	63.1
Current Liab.	59.7	77.4	96.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	13.0%	11.5%
"Cash Flow"	9.5%	9.0%	12.0%
Earnings	9.5%	8.5%	13.0%
Dividends	--	--	Nil
Book Value	10.5%	10.0%	8.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	63.2	74.1	70.8	71.2	279.3
2006	68.1	74.3	73.7	75.2	291.3
2007	72.9	83.5	85.0	85.9	327.3
2008	82.4	98.0	98.4	98.7	377.5
2009	92.0	106	105	102	405

Fiscal Year Ends	EARNINGS PER SHARE A B E Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.45	.59	.56	.53	2.13
2006	.44	.53	.50	.27	1.74
2007	.44	.68	.59	.61	2.31
2008	.53	.77	.72	.76	2.77
2009	.55	.86	.80	.84	3.05

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Dionex Corp., manufactures, markets, and services analytical instrumentation and related accessories and chemicals. Products are used to analyze chemical substances in the environment and in a broad range of industrial and scientific applications. Marketed by company force in U.S., Europe, Canada, & Japan. Foreign sales: 72% of total. R&D: 7.7% of sales. '07 depr. rate: 6.8%. Has 1193 employees. Off. & dir. own 5.1% of stock; Neuberger Berman, 14.8%; Royce & Assoc., 8.4%; Pictet Asset Mgmt., 7.5%; Aster Inv. Mgmt., 5.6%; Westfield Cap'l Mgmt., 5.2%; Barclays Global Inv., 5.2% (9/07 proxy). Chmn.: A. B. Bowman. Pres. & CEO: L. Braunschweiler. Inc.: DE. Addr.: 1228 Titan Way, Sunnyvale, CA 94085. 408-737-0700. Internet: www.dionex.com.

Dionex's management has issued relatively weak guidance for 2009's fiscal first quarter (year began July 1st). Heavy investments in the Asia/Pacific region are likely to cause earnings to remain relatively flat in the September period. The effect of these expenditures will likely diminish in subsequent interims, however. **We look for these outlays to boost results in the coming years.** Dionex has experienced broad-based growth in the Asia/Pacific region, particularly in China, India, and Korea. Indeed, this part of the globe now comprises about 30% of the company's sales. Expanded infrastructure and investment in these rapidly growing markets should continue to pay off in the form of increased sales and market share. **Additional investments in IT are also likely.** Dionex is on schedule to complete its North American IT and logistics platform toward the end of calendar 2008. The company then plans to roll out this system in Europe by the end of fiscal 2009. These upgraded systems and processes ought to boost Dionex's operating efficiency once they are completed. **We look for the pipeline to bear fruit in fiscal 2009.** Dionex launched a record number of new products over the second half of the past fiscal year. These additions have expanded capabilities that put Dionex's offerings at least on par, if not superior, in terms of speed and resolution to what has been introduced by its competitors thus far. Such product innovation is necessary for the company to maintain its leading position in the ion chromatography segment and to steal market share from its well-entrenched rivals in high-performance liquid chromatography. System performance is the main buying criteria for Dionex's customers. **These shares do not hold much appeal at the current quotation,** despite falling 5% in value since our May report. Uncertainty in the U.S. and European markets is likely to hamper sales of analytical instruments, particularly with pharmaceuticals companies struggling. As a result, the company's earnings growth is likely to slow in the coming years, limiting DNEX's 3- to 5-year appreciation potential. Too, Dionex stock is ranked to only keep pace with the market in the year ahead.

Jerry W. Gray Jr. *August 29, 2008*

(A) Fiscal year ends June 30th.
(B) Primary earnings through fiscal 1997; diluted thereafter. Excludes nonrecurring gains (losses): '95, 2¢; '96, 3¢; '99, (20¢); '01, (5¢).
Next earnings report due early Nov.
(C) Incl. intangibles. In 2007: $32.4 mill., $1.72 per share.
(D) In millions, adjusted for stock splits.
(E) Share earnings may not sum to total in due to rounding.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	65
Earnings Predictability	80

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DUKE REALTY CORP. NYSE-DRE

RECENT PRICE 23.22 | P/E RATIO 51.6 (40.0 NMF) | RELATIVE P/E RATIO 3.40 | DIV'D YLD 8.4% | VALUE LINE

TIMELINESS 4 Raised 8/30/05
SAFETY 3 Lowered 1/18/08
TECHNICAL 2 Raised 7/18/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+95%)	23%
Low	30	(+30%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	0	0	0	0	0	0	0
Options	2	0	0	1	1	0	1	0	1
to Sell	1	0	0	1	1	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	144	164	159
to Sell	128	140	128
Hld's(000)	109617	108253	108039

High: 25.0 25.0 24.3 25.8 26.2 29.0 31.8 36.0 35.1 44.1 48.4 27.1
Low: 17.1 19.5 16.6 17.8 21.8 21.4 24.3 27.5 29.3 32.9 24.3 20.5

LEGENDS
1.00 x Dividends p sh divided by Interest Rate
Relative Price Strength
2-for-1 split 8/97
Options: Yes
Shaded area indicates recession

Percent shares traded: 18, 12, 6

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-32.4	-16.0
3 yr.	-13.0	11.3
5 yr.	12.5	63.2

In Oct., 1993, Duke Realty Investments sold 28 million new shares at $11 each (adjusted for subsequent 2-for-1 split). Proceeds used to buy real estate and service businesses of Duke Associates, raising Duke's real estate portfolio, at cost, about five-fold. In July, 1999 Duke Realty bought (for stock) Weeks Corp., a REIT with similar holdings. The merged entity was called Duke-Weeks from 7/99 to 7/01 when present name adopted. Former Duke shareholders own about 72% of present entity.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4262.1 mill. Due in 5 Yrs $2550.0 mill.
Total Interest $190.0 mill.
(Total interest coverage: 1.4x) (59% of Cap'l)
No Defined Benefit Pension Plan
Pfd Stock $1044.0 mill. Pfd. Div'd $61.2 mill.
2976.0 mill, 6.50% to 8.45% cum. Pfd stated at liq. uid. value. (14% of Cap'l)
Common Stock 146,686,438 shares as of 5/01/08
MARKET CAP: $3.4 billion (Mid Cap)

FUNDS FLOW ($mill.)	2006	2007	3/31/08
Net Profit Plus			
Noncash charges	456.4	430.8	97.2
Investments Repaid	--	--	--
Net New Debt	1362.4	320.8	20.3
New Equity	219.0	246.5	-72.5
Investments Funded	1236.9	434.8	175.3
Dividends Declared	301.5	343.6	85.5

FINANCIAL POSITION	3/31/07	3/31/08
Senior Debt	3968.8	4262.1
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.60:1	.59:1
Total Debt/Equity	1.51:1	1.43:1

PORTFOLIO CONDITION	Year Ago	Latest
Non-Earn Assets—%/Invests.	--	--

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec. 31	Full Year
2005	191.0	189.5	173.2	77.9	631.6
2006	193.7	201.3	208.3	178.3	781.6
2007	207.4	189.7	201.4	225.4	823.9
2008	217.8	*205*	*210*	*222.2*	*855*
2009	*220*	*215*	*220*	*235*	*890*

Cal-endar	EARNINGS PER SHARE A E Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.15	.24	.12	.14	.65
2006	.08	.12	.16	.34	.70
2007	.14	.13	.11	.31	.69
2008	.02	*.10*	*.15*	*.18*	*.45*
2009	*.08*	*.13*	*.18*	*.21*	*.60*

Cal-endar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.46	.46	.465	.465	1.85
2005	.465	.465	.47	.47	1.87
2006	.47	.47	.475	.475	1.89
2007	.475	.475	.48	.48	1.91
2008	.48	.48			

© VALUE LINE PUB., INC.	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
Book Value per sh	14.20	16.36	16.45	16.55	16.11	15.56	15.20	13.30	12.15	14.40	*12.60*	*13.95*	*15.35*
Funds from Ops per sh D	1.89	2.19	2.46	2.63	2.46	2.45	2.47	2.26	2.48	2.74	2.75	2.90	*3.40*
Earnings per sh A	1.12	1.32	1.66	1.75	1.19	1.19	1.06	.65	.70	.69	*.45*	*.60*	*1.25*
Div'ds Decl'd per sh B=	1.28	1.46	1.64	1.76	1.81	1.83	1.85	1.87	1.89	1.91	*1.93*	*1.95*	*2.25*
Loans & Real Est per sh	29.72	41.19	39.88	38.25	37.17	36.76	37.64	37.37	44.16	46.30	*45.40*	*47.60*	*56.65*
Common Shs Outst'g C	86.05	125.82	127.23	131.42	135.00	136.59	142.89	134.70	133.92	138.26	*147.00*	*147.00*	*150.00*
Premium Over Book	62%	26%	32%	44%	56%	75%	109%	142%	216%	255%			*245%*
Avg Ann'l P/E Ratio	20.8	15.6	13.0	13.6	21.2	22.9	30.0	NMF	*38.0*	NMF	*Bold figures are Value Line estimates*		*30.0*
Avg Ann'l P/FFO Ratio	12.2	9.4	8.0	9.0	10.2	11.1	12.9	NMF	14.9	13.4			*11.0*
Avg Ann'l Div'd Yield	5.6%	7.1%	7.6%	7.4%	7.2%	6.7%	5.7%	5.7%	5.1%	5.2%			*6.0%*
Revenues ($mill) E	252.1	373.3	589.6	794.6	803.8	780.1	773.3	631.6	781.6	823.9	*855*	*890*	*1000*
Other Income($mill)	4.0	2.9	1.6	5.9	6.9	9.4	--	81.9	90.1	99.4	*100*	*110*	*150*
Operating Margin	67.2%	67.1%	64.5%	65.4%	65.5%	69.4%	67.8%	49.7%	45.8%	46.2%	*43.0%*	*45.0%*	*46.5%*
Net Profit($mill) A	78.5	110.7	192.2	261.9	282.4	206.3	199.2	132.8	153.6	159.2	*70.0*	*95.0*	*200*
Net Profit Margin	31.1%	29.7%	30.9%	32.9%	35.1%	26.4%	25.8%	17.7%	17.6%	17.2%	*7.5%*	*9.5%*	*17.5%*
Capital Gains($mill)	1.8	1.4	10.1	58.1	45.7	0.4	11.7	*204.3*	*42.1*	*113.6*	*Nil*	*Nil*	*Nil*
Loans & Real Est($mill)	1954.0	2556.8	5192.4	5074.4	5027.4	5018.4	5147.1	5034.4	5914.5	6448.4	*6675*	*7000*	*8500*
Long-Term Debt ($mill)	720.1	916.3	1854.5	1753.2	1794.9	1825.3	1984.2	2217.7	3644.8	4036.5	*4200*	*4400*	*5200*
Shr. Equity ($mill)	1234.7	1570.1	2668.6	2712.9	2785.0	2616.2	2666.7	2452.8	*2503.6*	*2750.0*	*2900*	*3100*	*3300*
Div'ds Decl'd to FFO	69.7%	68.6%	67.0%	66.7%	66.9%	72.9%	74.7%	82.7%	76.2%	69.0%	*73.0%*	*68.0%*	*66.0%*
Expenses to Assets	2.6%	3.1%	2.9%	3.0%	3.0%	3.8%	4.0%	4.2%	6.4%	6.4%	*7.0%*	*6.5%*	*6.5%*
Return on Total Cap'l	6.3%	7.2%	5.9%	9.5%	8.6%	7.3%	7.1%	3.9%	3.3%	3.2%	*3.0%*	*3.5%*	*3.5%*
Return on Shr. Equity	6.4%	7.1%	6.8%	9.7%	10.1%	7.9%	7.5%	5.4%	6.1%	5.8%	*2.5%*	*3.0%*	*6.0%*

BUSINESS: Duke Realty Corp (formerly Duke-Weeks) is a self-administered REIT and the largest of its kind. It was formed by the July, 1999 merger of Duke Realty and Weeks Corp. Invests mainly in office and industrial space in Midwest and Southeast. As of Dec. 31, 2007, owned 121 mill. sq. ft. carried at $6.4 billion. 92.7% of space leased; owns 7,700 acres of undeveloped land. Also provides construction and management services to third parties. Has 1,400 employees, about 10,000 shareholders. Off./dir. own less than 1.0% of stock; Barclays Global, 6.6%; Morgan Stanley, 6.5%; Vanguard Group, 6.0% (3/08 proxy). Chrmn. & CEO: Dennis C. Oklak. Address: 600 East 96th Street, Suite 100, Indianapolis, IN 46240. Telephone: 317-808-6000. Internet: www.dukerealty.com.

Duke Realty is facing the toughest real estate market in recent memory, due to a glut of supply, falling home prices, and financing that's harder to come by. Moreover, with consumer confidence waning and the threat of a recession looming, things will probably get worse before they get better. In addition, **Occupancy rates have slipped a bit,** down from 95% at the end of 2007 to 93% at the close of the March period, which may put a strain on margins. Case in point, although first-quarter revenues improved 5% from the prior year, net operating income (NOI) inched up 1.8%, as rising costs continue to outpace revenue growth. Consequently, **Duke will likely post mixed results this year, but may return to form in 2009.** The company's geographic transition from Middle America to higher-growth markets was poorly timed, as the rash of overbuilding that was common in up-and-coming markets left the Midwest relatively untouched. Indeed, occupancy rates and rents may remain flattish until year's end, but may bounce back in the second half of 2009. All told, revenues are on pace to increase 3%–4% in 2008, and could improve 4%–6% in 2009. Meanwhile, funds from operations (FFO) will probably suffer this year, although FFO may advance 5%–7% in 2009, contingent on the real estate market showing signs of life.

The company's development pipeline is solid. Nearly $2 billion of properties is in various stages of development, with expected returns in the 8%–9% range. These projects should bear fruit in the 2010–2013 time frame.

This issue remains untimely, due to unfavorable earnings comparisons in recent quarters and a languishing stock price. However, **Duke Realty shares offer a stellar dividend yield.** At 8.4%, the stock's payout outshines most of its peers' in the REIT group, and is well above the *Value Line median.* And, although troublesome now, the company's transition should pay off down the road, as the supply/demand seesaw in those markets eventually tips back into balance. Further, the stock's current price makes this a good entry point for patient, income-minded investors.

Sharif Abdou *July 18, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	55
Earnings Predictability	45

(A) Diluted earnings. Includes Weeks Corp. from July '99. Excl. disc. ops. and nonrec. items starting in 2005: '08 Q1, 1¢; '07, 86¢; '06, 37¢; '05, $1.52. Earnings report due late July.
(B) Dividends historically paid late Feb., May, Aug. and Nov. =Dividend reinvestment plan available.
(C) In millions, adjusted for stock split.
(D) FFO: '08: Q1, 58¢; '07: Q4, 80¢; Q3, 68¢; Q2, 64¢; Q1, 62¢.
(E) Revenues represent rental operations starting in 2005.

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DRS TECHNOLOGIES NYSE-DRS

RECENT PRICE 78.80 | P/E RATIO 19.6 (Trailing: 19.7 Median: 18.0) | RELATIVE P/E RATIO 1.21 | DIV'D YLD 0.2% | VALUE LINE

TIMELINESS — Suspended 5/16/08
SAFETY 3 New 3/29/02
TECHNICAL — Suspended 5/16/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+45%)	10%
Low	80	(Nil)	1%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	3	4	3	2	9	1	0	0	0
to Sell	3	3	3	2	9	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	113	128	116
to Sell	99	88	124
Hld's(000)	40917	42533	42522

High:	15.1	15.4	11.0	16.5	46.1	48.7	31.9	45.8	53.9	59.5	61.3	79.4	48.0
Low:	9.6	7.0	6.9	8.3	12.3	28.2	21.0	26.3	37.3	35.8	44.1	48.0	

LEGENDS
— 10.0 x "Cash Flow" p sh
···· Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	53.8	-9.7
3 yr.	68.5	27.3
5 yr.	217.3	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
8.28	10.84	12.93	18.56	23.90	30.77	29.62	42.20	35.48	30.72	30.14	37.00	47.63	43.48	69.36	79.65	*81.40*	*84.10*	Revenues per sh [A]	*102.15*
.63	.78	.94	1.33	1.78	2.16	1.67	2.82	2.34	2.03	2.09	2.74	3.61	3.27	5.01	5.90	*6.05*	*6.70*	"Cash Flow" per sh	*9.65*
.20	.30	.50	.69	.84	.93	.44	.88	.99	1.41	1.58	1.80	2.09	2.67	3.12	4.00	*4.05*	*4.50*	Earnings per sh [B]	*6.50*
--	--	--	--	--	--	--	--	--	--	--	--	--	.12	.12	.12	*.12*	*.16*	Div'ds Decl'd per sh [F]	*.30*
.16	.19	.47	1.09	.60	1.06	.74	.87	1.34	.81	.95	.93	1.26	1.08	1.37	1.72	*1.75*	*1.80*	Cap'l Spending per sh	*2.15*
3.14	3.70	4.16	4.86	5.49	7.15	7.96	8.43	9.28	15.28	19.54	22.01	24.44	33.86	36.94	40.69	*45.35*	*50.25*	Book Value per sh [C]	*68.15*
5.77	5.34	5.41	5.47	6.01	6.20	9.23	9.28	12.06	16.83	22.42	27.06	27.47	39.91	40.67	41.37	*43.00*	*44.00*	Common Shs Outst'g [D]	*46.00*
13.0	11.4	8.6	10.2	12.3	13.2	23.9	10.2	13.2	26.7	21.8	15.0	17.6	18.8	15.8	13.5	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
.79	.67	.56	.68	.77	.76	1.24	.58	.86	1.06	1.19	.86	.93	1.00	.85	.71			Relative P/E Ratio	*1.00*
--	--	--	--	--	--	--	--	--	--	--	--	--	.2%	.2%	.2%			Avg Ann'l Div'd Yield	*.3%*
						273.4	391.6	427.6	517.2	675.8	1001.3	1308.6	1735.5	2621.1	3285.4	*3500*	*3700*	Revenues ($mill) [A]	*4700*
						9.8%	11.6%	12.7%	12.3%	12.5%	13.4%	14.1%	13.9%	13.6%	13.3%	*13.5%*	*14.0%*	Operating Margin	*15.0%*
						12.4	17.1	18.2	13.8	16.7	29.3	41.0	49.0	76.7	78.2	*90.0*	*100*	Depreciation ($mill)	*145*
						3.0	9.1	12.0	20.3	30.2	44.7	58.1	81.5	127.1	165.8	*170*	*195*	Net Profit ($mill)	*300*
						36.9%	36.5%	52.0%	47.0%	46.0%	43.5%	43.5%	39.0%	32.1%	33.6%	*37.0%*	*37.0%*	Income Tax Rate	*37.0%*
						1.1%	2.3%	2.8%	3.9%	4.5%	4.5%	4.4%	4.7%	4.5%	5.0%	*4.9%*	*5.3%*	Net Profit Margin	*6.4%*
						13.5	21.3	43.7	165.2	100.0	114.4	379.8	200.5	355.2	354.8	*535*	*710*	Working Cap'l ($mill)	*1440*
						102.1	97.7	75.1	138.1	216.8	565.7	727.6	1628.8	1783.0	1627.5	*1575*	*1525*	Long-Term Debt ($mill)	*1375*
						73.4	78.2	111.9	257.2	438.2	585.6	671.4	1351.8	1502.5	1683.6	*1950*	*2210*	Shr. Equity ($mill) [C]	*3135*
						4.2%	8.2%	6.5%	6.1%	5.3%	4.9%	5.6%	3.4%	5.5%	6.4%	*6.5%*	*6.5%*	Return on Total Cap'l	*7.5%*
						4.1%	11.6%	10.7%	7.8%	6.9%	7.5%	8.7%	6.0%	8.5%	9.8%	*8.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
						4.1%	11.6%	10.7%	7.9%	6.9%	7.5%	8.7%	5.8%	8.1%	9.6%	*8.5%*	*8.5%*	Retained to Com Eq	*9.0%*
						--	--	--	--	--	--	--	5%	4%	3%	*3%*	*4%*	All Div'ds to Net Prof	*5%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1632.9 mill. Due in 5 Yrs $128.7 mill.
LT Debt $1627.5 mill. LT Interest $96.0 mill.
Incl. $345 mill. 2.0% sen. notes ('26), redeemable on and after 2/1/09, initially convertible at $59.70/sh. (LT Interest earned: 3.8x; total interest coverage: 3.3x) (49% of Cap'l)
Leases, Uncapitalized: Annual rentals $33.8 mill.
Pension Assets-3/08 $220.0 mill.
Obligations $268.3 mill.
Pfd Stock None
Common Stock 41,428,176 shares as of 5/23/08
Options Exercisable 4.0%
MARKET CAP: $3.3 billion (Mid-Cap)

CURRENT POSITION ($MILL.)	2005	2006	3/31/08
Cash Assets	1.3	95.8	86.3
Receivables	435.0	535.2	574.1
Inventory (Avg Cst)	331.6	367.6	437.7
Other	135.7	127.1	127.5
Current Assets	903.6	1125.7	1225.6
Accts Payable	224.7	297.4	357.9
Debt Due	4.6	5.2	5.4
Other	473.8	467.9	507.5
Current Liab.	703.1	770.5	870.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	10.0%	15.0%	*8.0%*
"Cash Flow"	10.5%	17.0%	*12.5%*
Earnings	15.0%	19.5%	*12.0%*
Dividends	--	--	*16.5%*
Book Value	20.5%	20.5%	*10.5%*

Fiscal Year Begins	QUARTERLY REVENUES ($ mill.) [A] Jun.30	Sep. 30	Dec. 31	Mar. 31	Full Fiscal Year
2005	338.5	361.9	389.5	645.6	1735.5
2006	630.3	711.5	680.4	798.9	2821.1
2007	735.6	783.8	836.6	939.4	3295.4
2008	*785*	*840*	*890*	*985*	*3500*
2009	*835*	*890*	*935*	*1040*	*3700*

Fiscal Year Begins	EARNINGS PER SHARE [A B E] Jun.30	Sep. 30	Dec. 31	Mar. 31	Full Fiscal Year
2005	.49	.66	.69	.79	2.67
2006	.52	.62	.86	1.11	3.12
2007	.61	1.04	1.03	1.32	4.00
2008	*.70*	*.95*	*1.05*	*1.35*	*4.05*
2009	*.85*	*1.05*	*1.15*	*1.45*	*4.50*

Cal-endar	QUARTERLY DIVIDENDS PAID [F] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	.03	.03	.03	.09
2006	.03	.03	.03	.03	.12
2007	.03	.03	.03	.03	.12
2008	.03				

BUSINESS: *DRS Technologies, Inc. is a supplier* to the U.S. military, aerospace and defense contractors, government intelligence agencies, and international military forces. Segments: Command, Control, *Communications, Computers,* & Intelligence, 40% of '07 revenue; Reconnaissance, Surveillance & Target Acquisition 24%; Sustainment Systems, 15%; and Technical Services, 21%. Has about 10,200 employees. About 93% of 2007 revenue was from contracts for the U.S. government. Marsico Capital Management owns 6.4% of stock; FMR LLC, 6.9%; Officers & Directors 3.3% (5/08 10-K). Chairman, President, and CEO: Mark S. Newman. Inc.: DE. Address: 5 Sylvan Way, Parsippany, *NJ 07054.* Telephone: 973-898-1500. Internet: www.drs.com.

DRS Technologies has agreed to be acquired. In May, DRS announced that it had agreed to merge with Italian defense contractor Finmeccanica, S.p.A. DRS shareholders are to receive $81 in cash for each of their DRS shares, a total of some $5.2 billion, including the assumption of debt. That is a premium of 32% over the shares' average price during the previous 30 days. The shares' Timeliness rank has been suspended since they are trading on merger news, rather than fundamentals.

The proposed deal will face close scrutiny. It has been approved by the boards of both companies, but still must be endorsed by DRS shareholders. The acquisition also must be reviewed by antitrust authorities, the Committee on Foreign Investment in the United States, and the Defense Security Service. To help secure approval of the deal, the agreement calls for DRS to be operated as a wholly owned, stand-alone subsidiary under a Special Security Agreement with an independent board of directors composed mainly of U.S. citizens. The transaction is expected to close in the fourth quarter of 2008. Given the uncertainty, more-conservative accounts may want to sell their shares in the open market to lock in gains.

Meanwhile, things are going well on the operating front. Fiscal 2007 (ended March 31, 2008) was a good year for DRS. It signed new contracts worth a record $3.86 billion. At the end of the year, funded backlogs stood at $3.61 billion, up 19% from the level at the end of fiscal 2006, auguring well for the new year. Given DRS' focus on sensors and infrared technology, and its offerings aligned with the military's efforts to upgrade existing systems and modernize the armed forces, we think the company is well positioned to post good annual share-net gains in the years ahead. Note: In the first quarter of fiscal 2007 DRS had booked a $36.8 million pretax charge (56 cents a share) related to its thermal weapon sights program. However, following discussion with the staff of the SEC, the company removed the charge from that quarter, and booked it in the last quarter of fiscal 2006. In accordance with *Value Line* conventions, we will restate results for fiscal 2007, but won't revise the figures for fiscal 2006.

George A. Niemond *June 20, 2008*

(A) Fiscal year ends March 31st of following year. (B) Diluted earnings. Excludes 29¢ loss from discontinued operations in 1999, 9¢ gain in 2004. Excludes non-recurring losses: 1998, 34¢; 1999, 12¢, special charge of 56¢ in March quarter of 2006. Next earnings report due early August. (C) Includes intangibles. In 2007, $2792.4 million, $67.50 a share. (D) In millions. (E) Quarters may not add to year because of change in shares out. (F) Dividends historically paid in late March, June, September, and December.

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	75
Earnings Predictability	95

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DATASCOPE CORP. NDQ-DSCP

RECENT PRICE 47.81 | P/E RATIO 25.4 (Trailing: 26.9 Median: 20.0) | RELATIVE P/E RATIO 1.65 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 2 Raised 2/22/08
SAFETY 3 New 7/27/90
TECHNICAL 1 Raised 8/29/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+35%)	9%
Low	45	(-5%)	Nil

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	1	1	5	0	4	0
to Sell	0	0	0	0	0	2	0	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	51	49	52
to Sell	48	48	47
Hld's(000)	12085	12160	12559

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008F	2009	© VALUE LINE PUB., INC.	11-13
High:							28.0	30.5	41.0	42.5	46.9	35.7	37.5	42.2	42.0	40.5	40.0	49.0		
Low:							17.5	16.0	19.1	30.1	31.5	21.6	21.7	30.2	26.9	28.8	29.3	31.8		
	10.00	10.38	11.39	12.18	13.10	14.08	15.54	17.65	20.08	21.14	21.48	22.23	23.21	23.84	24.45	24.68	14.65	15.75	Sales per sh A	18.75
	1.06	1.18	1.37	1.59	1.66	1.80	2.01	2.34	2.92	3.26	2.55	2.56	2.82	2.31	3.10	2.97	2.95	2.85	"Cash Flow" per sh	3.75
	.72	.83	.97	1.07	1.10	1.17	1.32	1.50	1.90	2.20	1.55	1.44	1.58	.97	1.75	1.57	1.66	1.95	Earnings per sh B	2.80
	--	--	--	--	--	--	--	--	.12	.19	.20	.20	.20	.28	.28	.37	.40	.40	Div'ds Decl'd per sh C	.50
	.34	.70	1.18	.96	.31	.33	.50	.94	1.91	.72	.41	.31	.48	.45	.41	.38	.50	.55	Cap'l Spending per sh	.65
	7.01	7.97	8.98	10.16	11.26	12.00	12.91	14.07	15.31	16.46	16.98	18.40	19.78	17.97	19.25	19.10	25.80	27.45	Book Value per sh E	32.20
	15.65	16.03	16.04	16.07	16.14	16.02	15.60	15.25	14.88	14.80	14.78	14.77	14.79	14.80	16.26	15.35	15.70	15.85	Common Shs Outst'g D	16.00
	40.1	25.0	15.2	15.9	19.5	16.2	18.6	16.1	19.1	16.5	22.3	18.4	21.3	36.7	18.8	22.3	22.5		Avg Ann'l P/E Ratio	19.0
	2.43	1.48	1.00	1.06	1.22	.93	.97	.92	1.24	.85	1.22	1.05	1.13	1.95	1.07	1.17	1.29		Relative P/E Ratio	1.25
	--	--	--	--	--	--	--	--	.3%	.5%	.6%	.8%	.6%	.8%	.8%	1.1%	1.1%		Avg Ann'l Div'd Yield	0.9%
							242.4	269.1	298.8	312.8	317.4	328.3	343.3	352.7	373.0	378.8	230.9	250	Sales ($mill) A	300
							14.3%	15.8%	17.9%	19.1%	14.6%	14.2%	14.7%	13.3%	13.7%	13.8%	25.0%	25.0%	Operating Margin	27.5%
							9.8	12.1	12.9	14.0	14.2	16.4	17.7	19.6	20.5	21.5	20.0	15.0	Depreciation ($mill)	15.0
							21.6	23.6	30.6	34.2	23.4	21.4	23.9	14.6	26.8	24.2	26.0	30.0	Net Profit ($mill)	45.0
							27.2%	28.9%	30.5%	30.8%	30.2%	32.1%	30.0%	29.1%	25.1%	29.0%	40.2%	34.0%	Income Tax Rate	34.0%
							8.9%	8.8%	10.2%	10.9%	7.4%	6.5%	7.0%	4.2%	7.2%	6.4%	11.3%	12.0%	Net Profit Margin	15.0%
							117.9	125.4	120.8	129.8	118.3	131.4	119.9	128.9	157.6	147.4	278.6	300	Working Cap'l ($mill)	375
							--	--	--	--	--	--	--	--	--	--	--	Nil	Long-Term Debt ($mill)	Nil
							201.5	214.5	227.8	243.5	251.0	271.7	292.6	265.9	293.7	293.1	405.3	435	Shr. Equity ($mill)	515
							10.7%	11.0%	13.4%	14.1%	9.3%	7.9%	8.2%	5.5%	9.1%	8.2%	6.5%	7.0%	Return on Total Cap'l	8.5%
							10.7%	11.0%	13.4%	14.1%	9.3%	7.9%	8.2%	5.5%	9.1%	8.2%	6.5%	7.0%	Return on Shr. Equity	8.5%
							10.7%	11.0%	12.6%	13.2%	8.2%	6.8%	7.2%	4.0%	7.7%	6.3%	5.0%	5.5%	Retained to Com Eq	7.0%
							--	--	6%	6%	13%	14%	12%	28%	16%	23%	24%	20%	All Div'ds to Net Prof	18%

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	37.2	-12.2
3 yr.	42.7	7.2
5 yr.	52.8	58.6

CAPITAL STRUCTURE as of 3/31/08
Total Debt None
LT Debt None

Leases, Uncapitalized Annual rentals $3.7 mill.

Pension Assets $66.5 mill. Oblig. $67.7 mill.

Pfd Stock None

Common Stock 15,656,507 shs.
as of 4/30/08
MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	52.6	39.5	38.7
Receivables	78.1	85.6	86.6
Inventory (FIFO)	56.8	59.5	38.2
Other	23.7	20.6	51.6
Current Assets	213.2	205.2	215.1
Accts Payable	20.1	18.4	9.7
Debt Due	--	--	--
Other	35.5	39.4	53.0
Current Liab.	55.6	57.8	62.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	3.0%	NMF
"Cash Flow"	5.0%	-1.0%	5.0%
Earnings	2.5%	-5.5%	11.5%
Dividends	--	13.0%	8.5%
Book Value	5.5%	3.0%	9.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A G Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	80.3	82.7	96.1	93.6	352.7
2006	88.3	92.5	93.1	99.1	373.0
2007	87.2	95.6	97.6	98.4	378.8
2008	49.2	60.3	61.3	63.3	230.9
2009	55.0	63.0	65.0	67.0	250

Fiscal Year Ends	EARNINGS PER SHARE A B G Sep.30	Dec.31	Mar. 31	Jun.30	Full Fiscal Year
2005	.31	.24	.58	d.16	.97
2006	.35	.41	.59	.40	1.75
2007	.29	.55	.43	.30	1.57
2008	.26	.46	.58	.48	1.66
2009	.31	.47	.62	.55	1.95

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.05	.05	.05	.07	.22
2005	.07	.07	.07	.07	.28
2006	.07	.07	.07	.07	.28
2007	.10	.10	.10	.10	.40
2008	.10	.10	.10		

BUSINESS: Datascope Corp. is a diversified medical device company that manufactures and markets proprietary products for clinical health care markets. Lines consist of cardiac assist products (46% of '07 sales), patient monitoring devices (41%), interventional products (4%), and vascular grafts (9%). Distribution by employees and independent distributors. Foreign business, 41% of sales; R&D, 9.2%. '07 depreciation rate, 11.6%. Divested Patient Monitoring business, 5/08. Has 1200 employees. Chrmn. & CEO Lawrence Saper owns 18.0% of common stock; other off./dir., 2.5%; Private Cap'l Mgmt., 6.7%; AXA, 7.6%; Barclays Global Investors, 6.4% (11/07 Proxy). Inc.: DE. Address: 14 Philips Pkwy, Montvale, NJ 07645. Telephone: 201-391-8100. Internet: www.datascope.com.

Datascope continues to shed assets. In early August, the company sold the rights to its Interventional Products division to St. Jude Medical for $21 million in cash at closing and $3 million upon the expiration of an 18-month indemnification period. This divestiture follows the May sale of its Patient Monitoring business to Mindray Medical for $240 million.

We look for much of this cash to be returned to shareholders. This is likely to be done either through a stock repurchase, special dividend, or combination of the two. However, given the company's history, we believe that a large dividend is the most probable scenario.

The emerging company should be more profitable, as the capital-intensive Patient Monitoring division weighed heavily on the operating margin, and the Interventional Products segment had long been a drag on the bottom line. Indeed, Datascope's operating margin probably nearly doubled in fiscal 2008 (the earnings from the divested businesses have been classified as discontinued operations).

Growth in the counterpulsation market ought to drive earnings growth. Sales of inter-aortic balloons (IABs) rose 16% in fiscal 2008's final quarter (year ended June 30th). These balloons are typically used to treat acute coronary symptoms in high-risk patients, such as those undergoing bypass surgery. With an aging population, more of these procedures are likely to take place in the years ahead, auguring well for sales of Datascope's IABs. Also, the company has sought to increase utilization of the therapy by training and certifying its sales representatives in clinical programs and offering them incentives to focus on IAB sales.

The price of these timely shares has risen 15% since our May report, thanks largely to the market's positive response to Datascope's recent divestitures. Another possible near-term catalyst is the sale of the company as a whole. A smaller, more nimble Datascope makes an appealing acquisition target for a large medical-device manufacturer looking to enter an adjacent market. However, the stock is trading at the low end of our 3- to 5-year Target Price Range, limiting much of its long-term appreciation potential.

Jerry W. Gray Jr. *August 29, 2008*

(A) Fiscal year ends on June 30th. (B) Dil. emgs. Ex. nonrec. gains/(losses): '92, (25¢); '93, 14¢; '96, 14¢; '97, (31¢); '99, (14¢); '00, 16¢; '02, (63¢); '03, 13¢; '06, (12¢); '07, (42¢). Next emgs. report early Nov. (C) Div'ds hist. paid in Jan., Apr., July, and Oct.. Ex. extra div'ds '03, $0.15; '04, $2.00; '05, $1.00; '06, $1.00; '07, $1.00. (D) In millions. (E) Inc. intan. In 2007: $38.9 mill., $2.54 per share. (F) Fiscal 2008 results reflect the sale of the PM division. (G) Fiscal 2008 qr'ly figures to be restated to reflect disc. ops pending the annual report.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	25
Earnings Predictability	60

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DIRECTV GROUP INC. NDQ-DTV

RECENT PRICE 27.72 | P/E RATIO 18.9 (Trailing: 22.2 Median: NMF) | RELATIVE P/E RATIO 1.16 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 3/21/08
SAFETY 3 New 1/2/98
TECHNICAL 3 Lowered 4/25/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+115%)	21%
Low	40	(+45%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	1	0	0	0	3	1
to Sell	1	0	0	1	0	0	1	7	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	183	210	223
to Sell	200	190	198
Hld's(000)	613158	615312	629162

	High:	12.5	19.3	32.5	46.7	28.0	17.5	16.9	18.8	17.0	25.6	27.7	29.1	18.2
	Low:	11.9	10.1	12.7	21.3	11.5	8.0	9.4	14.7	13.2	13.3	20.7	16.2	

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
3-for-1 split 7/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	20.3	-9.7
3 yr.	88.2	27.3
5 yr.	130.3	85.8

General Motors "H" was formed as a special class of GM stock to help fund a 12/85 acquisition of Hughes Aircraft. 12/97 transfer of the company's Delco Electronics units to GM and the spin-off of the defense business to Raytheon. Shareholders received *one share of new* GM tracking stock and 0.5624 shares of Raytheon Class A per share. A complete split from GM occurred 12/03 when tracking stock was replaced with stand-alone HS shares. The company's name was changed to The DIRECTV Group, Inc. in 03/04.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3392 mill. Due in 5 Yrs $551 mill.
LT Debt $3332 mill. LT Interest $100 mill.
(long term interest earned: 10x.) (34% of Cap'l)
Leases, Uncapitalized Annual rentals $97.0 mill.
Pension Assets-12/07 $368 mill Oblig. $430 mill.

Common Stock 1,145,842,353 shs.
as of 5/5/08

MARKET CAP: $31.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2669.2	1093	1626
Receivables	1345.2	1535	1343
Inventory (FIFO)	147.9	193	156
Other	393.3	325	289
Current Assets	4555.6	3146	3413
Accts Payable	2034.3	3032	2970
Debt Due	220.4	49	60
Other	1067.8	354	371
Current Liab.	3322.5	3434	3401

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	13.5%	15.0%	15.0%
"Cash Flow"	20.5%	34.5%	27.5%
Earnings	28.5%	--	NMF
Dividends	--	--	Nil
Book Value	-2.0%	-5.0%	9.5%

Calendar	QUARTERLY REVENUES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3148	3188	3233	3596	13165
2006	3386	3520	3667	4183	14756
2007	3908	4135	4327	4876	17246
2008	4591	*4670*	*4760*	*5364*	*19385*
2009	*5050*	*5140*	*5235*	*5900*	*21325*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	d.03	.11	.08	.08	.24
2006	.17	.36	.30	.29	1.12
2007	.27	.36	.27	.30	*1.20*
2008	.32	*.42*	*.36*	*.37*	*1.47*
2009	*.37*	*.54*	*.47*	*.47*	*1.85*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	4.97	4.31	5.62	6.36	6.47	7.31	8.20	10.27	12.03	15.02	*17.50*	*20.50*	Revenues per sh D	*26.55*
	.52	.30	.38	.34	.57	.72	.43	.92	2.00	2.72	*3.25*	*3.85*	"Cash Flow" per sh	*5.15*
	.14	d.21	d.35	d.55	d.19	d.06	d.17	.24	1.12	1.20	*1.47*	*1.85*	Earnings per sh A	*2.65*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	1.82	1.29	1.32	1.34	.96	.62	.74	.69	1.61	2.34	*1.85*	*1.75*	Cap'l Spending per sh	*1.90*
	6.99	7.90	8.35	7.36	6.56	6.96	5.42	6.20	5.45	5.49	*5.95*	*6.50*	Book Value per sh B	*11.00*
	1199.7	1290.3	1287.0	1300.0	1381.9	1383.6	1385.8	1281.5	1226.5	1148.3	*1100.00*	*1040.00*	Common Shs Outst'g C	*975.00*
	NMF	--	--	--	--	--	--	NMF	16.1	19.7	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
	NMF	--	--	--	--	--	--	NMF	.87	1.04	*Value Line*		Relative P/E Ratio	*1.35*
	--	--	--	--	--	--	--	--	--	--	*estimates*		Avg Ann'l Div'd Yield	*Nil*
	5963.9	5560.3	7287.6	8262.0	8934.9	10121	11360	13165	14756	17246	*19385*	*21325*	Revenues ($mill) D	*25880*
	11.8%	8.9%	8.2%	4.7%	7.5%	12.1%	3.6%	11.1%	23.0%	24.2%	*25.5%*	*26.0%*	Operating Margin	*26.5%*
	454.8	650.7	948.1	1147.7	1067.1	1082.8	838.0	853.2	1034.4	1684.0	*1930*	*2075*	Depreciation ($mill)	*2445*
	165.9	d216.7	d355.4	d614.2	d212.5	d80.2	d235.3	326.6	1420.1	1434.0	*1665*	*1915*	Net Profit ($mill)	*2600*
	13.1%	--	--	--	--	--	--	36.0%	37.7%	39.5%	*39.0%*	*39.0%*	Income Tax Rate	*39.0%*
	2.8%	NMF	NMF	NMF	NMF	NMF	NMF	2.5%	9.6%	8.3%	*8.6%*	*9.0%*	Net Profit Margin	*10.0%*
	1836.9	1215.9	1462.8	d1065	453.3	2074.5	2076.6	3268.3	1233.1	d288.0	*2500*	*3000*	Working Cap'l ($mill)	*7000*
	778.7	1586.0	1292.0	988.8	2390.0	4131.3	2409.5	3405.3	3394.9	3347.0	*5850*	*5850*	Long-Term Debt ($mill)	*5800*
	8381.9	11681	12326	11072	9977.1	9631.1	7507.1	7940.0	6680.8	6302.0	*6525*	*6740*	Shr. Equity ($mill)	*10715*
	1.9%	NMF	NMF	NMF	NMF	.5%	NMF	3.9%	15.3%	16.0%	*15.0%*	*17.0%*	Return on Total Cap'l	*16.5%*
	2.0%	NMF	NMF	NMF	NMF	NMF	NMF	4.1%	21.3%	22.8%	*25.5%*	*28.5%*	Return on Shr. Equity	*24.0%*
	2.0%	NMF	NMF	NMF	NMF	NMF	NMF	4.1%	21.3%	22.8%	*25.5%*	*28.5%*	Retained to Com Eq	*24.0%*
	--	NMF	NMF	NMF	NMF	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: The DIRECTV Group markets satellite-based pay-TV service through two geographic business segments. DIRECTV U.S. (90% of 2007 revenues) has 16.8 million subscribers throughout the United States. DIRECTV Latin America (10%) owns PanAmericana (1.7 million subscribers) and has equity stakes in Sky Brazil (1.5 million subs) and Sky Mexico (1.6 million subs) of 74% and 41%, respectively. Has a fleet of ten satellites (nine owned, one leased). Sold 81% stake in PanAmSat, 8/04. Has 12,300 employees. Off. & dir. own less than 1% of common stock; Liberty Media, 41% (13F, 4/07 Proxy). Chmn.: John Malone. CEO & Pres.: Chase Carey. Inc.: DE. Address: 200 North Sepulveda, El Segundo, CA 90245. Tel.: 310-662-9688. Web: www.directv.com.

DIRECTV is planning to buy back up to $3 billion worth of its stock. The pay-TV provider to over 20 million subscribers in the U.S. and Latin America announced the move in early May. The California-based company has since completed $2.5 billion in financing, through the issuance of $1.5 billion in 7 5/8% senior notes and a $1 billion floating-rate loan under its existing credit facility. At the current quotation, the buyback equals 108.2 million shares, or roughly 9% of DIRECTV's outstanding shares. The repurchase program, net of associated borrowing costs, should add nicely to share net beginning in 2009.

Additional "shareholder friendly" moves wouldn't surprise us. Based on the ratio of earnings to annual interest expense, DIRECTV's debt load is still modest next to some of its peers within the pay-TV space. Moreover, DIRECTV's new chairman of the board John Malone is well known for pushing companies to better realize shareholder value.

We look for DIRECTV to post 2008 share net of $1.47. Our assessment represents a 23% increase over the $1.20 that the company earned in 2007. Key assumptions include 6%-8% growth in both the total number of U.S.-based subscribers and average monthly revenue per domestic sub. The latter will no doubt largely reflect strong demand for Hi-Def and DVR services. On the expense side, DIRECTV ought to benefit from lower cost set-top boxes. Subscriber acquisition costs may trend higher, though, due to the recent expiration of a co-marketing agreement.

DIRECTV should build on its success in 2009 and beyond. Its leadership position in H-D and sports programming augurs well for continued subscriber growth. Technical constraints on interactive services may increasingly put the company at a competitive disadvantage, though.

DIRECTV shares are ranked 2 (Above Average) for year ahead relative price performance. We think that investment returns over the pull to 2011–2013 will also exceed major benchmarks, albeit modestly. The company's strong recurring cash flow and good cost discipline underlie our positive stance.

Nils C. Van Liew *June 27, 2008*

(A) Diluted earnings. Up to 2000, excludes charge for amortization of intangibles. In '00, 24¢/sh. Excluding nonrecurring gains (losses): '98, 96¢; '99, (42¢); '02, (51¢); '04, (81¢); '05, (2¢); '06, 4¢. Excluding gains (loss) from discontinued operations: '99, 28¢; '00, 90¢; '04, (42¢); '05, 2¢. *Next earnings report due late* July. (B) Including intangibles. In 2007: $5.2 bill., $4.53/sh. (C) In millions, adj. for split. (D) Including other income.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	30
Earnings Predictability	30

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DAVITA INC. NYSE-DVA

RECENT PRICE 49.69 | P/E RATIO 14.6 (Trailing: 15.4, Median: 19.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/16/08
SAFETY 3 Raised 3/26/04
TECHNICAL 3 Raised 6/20/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+90%)	17%
Low	65	(+30%)	7%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	1
Options	0	3	3	0	5	5	1	0	3
to Sell	0	4	4	0	5	5	3	0	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	145	152	133
to Sell	136	140	154
Hld's(000)	94658	96124	96016

	High:	22.9	24.1	19.8	11.9	16.3	17.6	26.9	41.1	53.9	60.7	67.4	60.2
	Low:	11.2	12.6	3.8	1.4	9.3	12.7	12.8	25.2	38.9	46.7	50.8	41.9

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
57% Div 10/97
3-for-2 split 6/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-8.1	-9.7
3 yr.	12.6	27.3
5 yr.	220.9	85.8

Percent shares traded: 21, 14, 7

DaVita, previously a wholly owned subsidiary of Tenet Healthcare Corp., went public in 8/94 through the sale of 6 mill. sh. at $15.50 ea. DLJ was the lead underwriter. After merging with RTC in a stock-for-stock transaction in 1998, the company became the second largest provider of dialysis services in the United States.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3705.4 mill. Due in 5 Yrs $2000.0 mill.
LT Debt $3668.8 mill. LT Interest $200.0 mill.
(LT Interest earned: 4.5x; total interest coverage: 4.5x) (70% of Cap'l)

Leases, Uncap.: Annual rentals $170.2 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 106,806,500 shs.

MARKET CAP: $5.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	310.2	487.3	525.2
Receivables	932.4	927.9	959.6
Inventory (FIFO)	89.1	80.2	76.8
Other	377.8	480.9	456.7
Current Assets	1709.5	1976.3	2018.5
Accts Payable	251.7	225.5	211.6
Debt Due	20.9	23.4	35.6
Other	839.6	837.6	823.5
Current Liab.	1112.2	1086.5	1070.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	26.0%	22.5%	6.5%
"Cash Flow"	21.5%	20.0%	9.5%
Earnings	22.0%	29.5%	11.0%
Dividends	--	--	Nil
Book Value	15.0%	37.0%	19.0%

Calendar	QUARTERLY REVENUES ($ mill.)P Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	578.6	617.1	644.9	1133.3	2973.9
2006	1163.2	1207.8	1237.0	1272.6	4880.6
2007	1278.2	1312.7	1318.4	1354.9	5264.2
2008	1344.7	1375	1400	1430.3	5550
2009	1425	1460	1475	1540	5900

Calendar	EARNINGS PER SHARE A,D Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.55	.51	.53	.54	2.13
2006	.55	.61	.68	.70	2.52
2007	.74	.83	.83	.79	3.17
2008	.80	.83	.86	.91	3.40
2009	.85	.95	.98	1.02	3.80

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	10.30	11.87	12.20	12.89	20.38	20.84	23.32	29.17	46.53	48.01	52.85	58.20	Revenues per sh	66.65
	1.41	.46	1.06	1.59	2.33	2.46	3.08	3.21	4.18	4.98	5.45	5.90	"Cash Flow" per sh	7.40
	.59	d.46	.13	.76	1.23	1.69	2.11	2.13	2.52	3.17	3.40	3.80	Earnings per sh A	5.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.71	.68	.34	.40	1.13	1.04	1.30	1.58	2.50	2.53	2.60	2.65	Cap'l Spending per sh	2.70
	4.12	2.68	2.87	3.93	.77	3.17	5.31	8.34	11.88	16.13	19.05	21.45	Book Value per sh B	35.25
	116.99	121.79	121.79	128.11	90.99	96.75	98.57	101.94	104.90	107.40	105.00	105.00	Common Shs Outst'g C	105.00
	32.0	--	33.3	16.8	12.8	11.2	14.7	21.4	21.8	17.8	Bold figures are		Avg Ann'l P/E Ratio	16.0
	1.66	--	2.16	.86	.70	.64	.78	1.14	1.16	.94	Value Line estimates		Relative P/E Ratio	1.05
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	1204.9	1445.4	1486.3	1650.8	1854.6	2016.4	2298.6	2973.9	4880.6	5264.2	5550	5900	Revenues ($mill)	7000
	25.9%	13.0%	19.6%	25.6%	24.6%	28.3%	27.8%	26.4%	17.9%	18.8%	20.0%	20.5%	Operating Margin	25.0%
	92.0	112.5	111.6	105.2	64.7	74.7	86.7	119.7	173.3	193.5	210	220	Depreciation ($mill)	250
	72.6	d56.4	17.0	98.1	147.8	163.2	217.3	207.4	265.6	340.9	360	400	Net Profit ($mill)	530
	47.6%	--	62.2%	43.4%	40.9%	40.8%	39.1%	37.4%	39.2%	39.2%	39.5%	39.5%	Income Tax Rate	39.5%
	6.0%	NMF	1.1%	5.9%	8.0%	8.1%	9.5%	7.0%	5.4%	6.5%	6.5%	6.8%	Net Profit Margin	7.6%
	385.0	381.9	148.4	176.0	251.9	242.3	427.0	664.7	597.3	889.8	950	1100	Working Cap'l ($mill)	1600
	1225.8	1431.3	974.0	811.2	1311.3	1117.0	1322.5	4085.4	3730.4	3683.9	3450	3300	Long-Term Debt ($mill)	2600
	481.8	328.4	349.4	503.6	70.3	306.9	523.1	850.6	1245.9	1732.3	2000	2250	Shr. Equity ($mill)	3700
	6.4%	NMF	5.7%	10.1%	13.3%	13.8%	13.2%	5.0%	8.1%	8.7%	8.5%	8.5%	Return on Total Cap'l	9.5%
	15.1%	NMF	4.9%	19.5%	210.3%	53.2%	41.5%	24.4%	21.3%	19.7%	18.0%	17.5%	Return on Shr. Equity	14.5%
	15.1%	NMF	4.9%	19.5%	210.3%	53.2%	41.5%	24.4%	21.3%	19.7%	18.0%	17.5%	Retained to Com Eq	14.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: DaVita Inc. provides dialysis services for over 107,000 patients with chronic kidney failure through 1,359 outpatient facilities and hospitals for inpatient treatment in the U.S. It offers ancillary services, including lab and pharmacy services, physician network management, pre- and post-transplant services, vascular access management, and clinical research programs. Avg. dialysis rev./treatment, $334. '07 reimbursement: Medicare, 58%; Medicaid, 4%; other, 38%. '07 deprec. rate: 16.0%. Times Square Cap. Man. owns 6.0% of common stock; FMR Corp., 5.5%; Capital Grp. Inter., 5.4%. Officers and directors, 2.4% (4/08 proxy). Chairman and CEO: Kent J. Thiry, Inc.: Delaware. Address: 601 Hawaii Av. El Segundo, CA 90245. Tel.: 310-536-2400. Web: www.davita.com.

We are raising our earnings targets for DaVita for both 2008 and 2009. With the Gambro addition now securely integrated into its portfolio, we think the company is well positioned to reap significant cost savings. Truth be told, DVA has been spending on ancillary service lines like VillageHealth, but this entity's weak enrollment figures may well cause management to tighten funding in this space. Earnings leverage should also be aided by the company's recently announced stock-repurchase plan. A $250 million buyback with no expiration date has been approved and would translate to just under five million shares at this equity's current quotation. On top of these developments, our LIBOR assumptions have been adjusted lower. In sum, we have lifted our 2008 share-net call by a dime, to $3.40, and 2009 by $0.15, to $3.80.

The Street has already taken notice of the positive developments. DVA shares are up about 20% since our March report. A strong first quarter likely began the uptick. A $1 rise in revenues per treatment was the driving force behind the solid showing. Many had predicted this metric would slide, but an increased Medicare drug add-on helped boost the figure. Management's intimation that EPO utilization rates may have bottomed and actually started to ratchet up in the early stages of the second quarter furthered confidence. The meaningful insider buying that took place during the first three months of 2008 also augurs well.

Volume trends in the dialysis market are positive, but challenges remain. Total spending in the end-stage renal disease field is approximately $32 billion, and the patient number is growing steadily. Once a person begins treatment, he or she will have to do so for the rest of their lives assuming transplant lists remain lengthy. An aging population and improving mortality rates should be just what the doctor ordered for DVA. But labor cost growth, scrutiny of EPO usage, and insufficient reimbursement rates are all caveats.

These neutrally ranked shares have lost much of their long-term appeal. The run-up over the past three months has markedly diminished their allure.

Erik M. Manning *June 20, 2008*

(A) Diluted egs. Excludes nonrecurring gains/(losses): '98, (80¢); '99, ($1.12); '01, 38¢; '02, 43¢; '04, 5¢; '07, 38¢. Excl. extraord. gains/(losses): '00, (4¢); '01, 1¢; '02, (32¢); '03, (18¢). Next egs. rpt. due late July. (B) Incl. intang., in 2007: $3767.9 mill., $35.08/share. (C) In mill., adj. for stock splits and div'd. (D) Qtrly. eps. or revs. may not sum to annual total due to rounding or change in shares outstanding.

Company's Financial Strength	B
Stock's Price Stability	80
Price Growth Persistence	80
Earnings Predictability	70

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BRINKER INT'L NYSE-EAT

RECENT PRICE 20.13 | P/E RATIO 14.0 (Trailing: 12.9 Median: 17.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 4 Lowered 1/18/08
SAFETY 3 New 3/26/93
TECHNICAL 3 Raised 4/25/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+150%)	27%
Low	30	(+50%)	19%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	0	0
to Sell	0	0	1	0	0	1	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	116	105	87
to Sell	166	165	170
Hld's(000)	113933	102850	100687

High: 7.9 13.0 13.6 19.3 20.9 24.0 24.8 26.5 28.3 32.0 35.7 23.9
Low: 4.7 6.7 6.8 9.2 14.2 16.0 17.5 19.3 22.1 21.0 18.9 14.6

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 1/01
3-for-2 split 12/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013: 120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-25.7	-9.4
3 yr.	4.1	30.2
5 yr.	10.6	96.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
3.55	4.23	5.50	6.43	6.69	9.10	10.81	12.62	14.57	16.57	19.75	22.38	27.27	29.25	33.13	39.74	35.30	37.95	Revenues per sh [A]	53.35
.43	.55	.72	.81	.72	.95	1.05	1.17	1.41	1.64	2.02	2.33	2.85	2.91	3.07	3.71	3.10	3.55	"Cash Flow" per sh	5.05
.23	.31	.38	.44	.35	.36	.45	.59	.78	.95	1.10	1.23	1.45	1.42	1.49	1.76	1.40	1.65	Earnings per sh [B]	2.50
--	--	--	--	--	--	--	--	--	--	--	--	--	--	.20	.34	.42	.48	Div'ds Decl'd per sh [C]	.65
.52	.78	.72	1.13	1.08	1.30	1.13	1.22	1.12	1.37	2.54	2.22	2.25	2.50	2.83	3.91	2.50	2.00	Cap'l Spending per sh	3.25
1.74	2.17	2.61	3.06	3.50	3.57	4.00	4.46	5.14	6.03	6.69	7.77	7.55	8.23	8.59	7.31	6.55	6.70	Book Value per sh	5.95
146.24	154.43	159.82	162.17	173.83	146.78	148.33	148.27	148.20	149.26	146.16	146.78	135.97	133.77	125.31	110.13	102.00	97.50	Common Shs Outst'g [D]	82.50
29.1	27.2	31.3	20.3	20.2	18.0	17.7	18.6	15.0	17.6	17.8	16.4	16.0	16.5	17.5	18.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.76	1.61	2.05	1.36	1.27	1.04	.92	1.06	.98	.90	.97	.93	.85	.88	.94	.89			Relative P/E Ratio	1.05
--	--	--	--	--	--	--	--	--	--	--	--	--	--	.8%	1.1%			Avg Ann'l Div'd Yield	1.6%
1574.4	1870.6	2159.8	2473.7	2887.1	3285.4	3707.5	3912.9	4151.3	4378.9	3600	3700	Revenues ($mill) [A]	4400
13.0%	12.6%	13.3%	13.4%	13.8%	13.5%	13.5%	13.0%	12.0%	12.0%	12.5%	13.0%	Operating Margin	13.5%
86.4	82.4	90.6	100.1	130.1	158.2	175.4	190.9	190.2	189.2	165	175	Depreciation ($mill)	200
69.1	90.3	117.8	145.1	165.8	183.5	212.4	198.0	194.2	219.0	150	160	Net Profit ($mill)	215
34.5%	34.4%	35.1%	34.6%	34.1%	33.0%	32.0%	31.9%	32.1%	29.2%	30.0%	32.0%	Income Tax Rate	32.0%
4.4%	4.8%	5.5%	5.9%	5.7%	5.6%	5.7%	5.1%	4.7%	5.0%	4.2%	4.3%	Net Profit Margin	4.8%
d92.6	d86.9	d127.4	d104.3	d160.2	d143.7	21.7	d179.7	d255.1	d160.9	d50.0	25.0	Working Cap'l ($mill)	25.0
147.3	183.2	110.3	231.0	426.7	353.8	639.3	406.5	500.5	828.9	900	1000	Long-Term Debt ($mill)	1200
593.7	661.4	762.2	900.3	977.1	1140.3	1026.1	1100.3	1075.8	805.1	575	505	Shr. Equity ($mill)	375
10.3%	11.4%	14.2%	13.3%	12.4%	12.9%	13.2%	14.1%	13.2%	14.5%	12.0%	13.0%	Return on Total Cap'l	16.0%
11.6%	13.7%	15.5%	16.1%	17.0%	16.1%	20.7%	18.0%	18.0%	27.2%	26.0%	32.0%	Return on Shr. Equity	57.5%
11.6%	13.7%	15.5%	16.1%	17.0%	16.1%	20.7%	18.0%	15.7%	22.1%	18.5%	22.5%	Retained to Com Eq	42.0%
--	--	--	--	--	--	--	--	13%	19%	30%	29%	All Div'ds to Net Prof	26%

CAPITAL STRUCTURE as of 3/26/08
Total Debt $912.8 mill. Due in 5 Yrs $146.2 mill.
LT Debt $910.9 mill. LT Interest $45.0 mill.
Incl. $48.3 mill. capitalized leases.
(LT interest earned: 6.6x; total interest coverage: 6.6x) (60% of Cap'l)

Leases, Uncapitalized Annual rentals $119.5 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 101,179,844 shs.

MARKET CAP: $2.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/26/08
Cash Assets	55.6	85.2	89.8
Receivables	52.5	49.9	41.9
Inventory (FIFO)	40.3	33.5	34.7
Other	93.9	195.6	361.9
Current Assets	242.3	364.2	528.3
Accts Payable	151.2	167.8	184.8
Debt Due	2.2	1.9	1.9
Other	344.0	355.5	366.3
Current Liab.	497.4	525.1	553.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	16.5%	15.0%	8.0%
"Cash Flow"	14.5%	14.0%	7.5%
Earnings	15.0%	10.5%	8.0%
Dividends	--	--	NMF
Book Value	9.0%	6.0%	-5.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) [A] Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	910.5	950.8	1008.5	1042.1	3912.9
2006	975.9	1009.1	1092.8	1073.5	4151.3
2007	1039.9	1070.6	1123.4	1143.0	4376.9
2008	895.1	868.2	907.7	929	3600
2009	875	885	940	1000	3700

Fiscal Year Ends	EARNINGS PER SHARE [A B] Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	.27	.31	.39	.47	1.42
2006	.29	.30	.43	.47	1.49
2007	.36	.40	.44	.57	1.76
2008	.35	.31	.33	.41	1.40
2009	.35	.35	.45	.50	1.65

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	.067	.067
2006	.067	.067	.067	.09	.291
2007	.09	.09	.09	.11	.380
2008	.11				

BUSINESS: Brinker International operates and develops a number of restaurant concepts, including (with number of U.S. units as of 6/27/07): Chili's Grill & Bar (Southwestern-themed), 1,220; On The Border (Tex-Mex cuisine), 158; Maggiano's (Italian-themed), 41. Int'l restaurants: 152. Joint-venture interest in Rockfish (seafood). Romano's Macaroni Grill (Italian eatery) discontinued, 7/07; Corner Bakery (baked goods) sold, 2/06. '07 deprec. rate, 6.7%. Has about 114,000 employees. Officers & directors own 2.9% of stock; Barclay's Global, 11.0%; FMR, Corp., 10.1%; four other institutions, 28.0% (9/07 Proxy). Chairman, Pres. & CEO: Doug Brooks. Inc.: Delaware. Address: 6820 LBJ Freeway, Dallas, TX 75240. Telephone: 972-980-9917. Internet: www.brinker.com.

Profits at Brinker International remain under pressure. The absence of *Macaroni Grill*, which is now reported as a discontinued operation, has been a big factor behind the decline in sales and earnings. In addition, the remaining chains in the Brinker portfolio, like most casual-dining concepts, are facing their share of challenges, including lackluster sales at established restaurants and rising commodity and labor costs.

Share net should begin to rally in fiscal 2009, which starts June 29th. Same-store sales at the flagship *Chili's* chain have shown some signs of life. "Comps" rose 1.1% in the March quarter, the strongest comparison in two years. Based on our expectations that the economy will move onto firmer footing in the quarters ahead, we expect trends to strengthen further. Overall, the sales weakness, in our view, is more a reflection of macroeconomic, rather than chain-specific, issues. Notably, outside of four states that were particularly hard hit by the housing crunch, "comps" rose a respectable 3.5% in the March quarter. Meanwhile, Brinker has made a number of cost-cutting moves that should trim about $15 million from annual operating expenses.

Expansion plans are being cut back. The company expects to open only 15 restaurants next fiscal year, down from about 150 in fiscal 2007. (Franchise-store development figures to continue at a relatively brisk pace, with about half of this activity taking place outside the U.S.) The resulting reduction in capital spending should boost free cash flow, providing additional funds to repurchase stock and increase the dividend. Too, this strategy will allow more resources to be focused on improving existing restaurants. For now, this, rather than building new units, likely offers the greatest potential to improve shareholder returns.

This stock offers appealing total return potential for patient investors. It remains out of favor in our Timeliness Ranking System, reflecting the poor earnings momentum. The share price, however, has rallied some this calendar year, and we think that enough upside remains to make this equity a worthwhile selection for the pull to 2011-2013.

Robert M. Greene, CFA *June 6, 2008*

(A) Fiscal year ends last Wednesday in June. '96, d23¢; '99, d11¢; '02, d9¢; '03, d10¢; '04, d40¢; '05, d27¢; '06, 17¢; '07, 9¢; '08 Q1-Q3, 2¢. Excls. discont. gain/loss: '06, d1¢; '08 Q1-Q3, d47¢. Quart. egs. may not sum to total due to changes in diluted shares outstanding.
(B) Primary earnings through 1997, diluted thereafter. Next earnings report due August 5th. Excludes nonrec. gain / charges: '94, d2¢;
(C) Dividends typically paid in March, June, September, December.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	55
Price Growth Persistence	55
Earnings Predictability	100

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ELECTR. DATA SYS. NYSE-EDS

RECENT PRICE 24.80 | P/E RATIO 17.1 (Trailing: 17.5 / Median: 25.0) | RELATIVE P/E RATIO 1.06 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS — Suspended 5/23/08
SAFETY 3 Raised 5/25/07
TECHNICAL — Suspended 5/23/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+120%)	22%
Low	35	(+40%)	10%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	156	153	165
to Sell	240	232	186
Hld's(000)	441024	447928	440752

	High:	49.6	51.3	70.0	76.7	72.4	66.6	25.0	25.4	24.8	28.1	30.0	25.4
	Low:	25.5	30.4	44.1	38.4	50.9	10.1	14.3	15.6	18.6	22.4	18.9	15.7

LEGENDS
7.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-7.2	-12.2
3 yr.	23.7	7.2
5 yr.	18.9	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
17.02	17.69	20.68	25.68	29.52	30.99	34.52	39.76	41.32	45.13	45.57	44.89	40.11	38.50	41.35	43.41	*45.40*	*47.60*	Revenues per sh [A]	*54.00*
2.60	2.80	3.25	4.23	4.48	4.37	4.53	5.13	5.42	5.46	5.14	4.29	3.56	3.25	3.61	4.47	*4.85*	*5.10*	"Cash Flow" per sh	*6.25*
1.33	1.51	1.71	1.96	2.07	1.91	1.70	1.92	2.29	2.32	2.06	.81	.32	.48	.98	1.55	*1.45*	*1.65*	Earnings per sh [B]	*2.60*
.36	.40	.48	.52	.60	.60	.60	.60	.60	.60	.60	.60	.40	.20	.20	.20	*.20*	*.20*	Div'ds Decl'd per sh [C] ■	*.20*
1.33	1.66	2.33	2.61	2.38	1.56	1.76	1.47	1.65	2.69	2.04	1.46	1.29	1.42	1.42	1.42	*2.40*	*2.80*	Cap'l Spending per sh	*2.80*
6.39	7.52	8.79	10.29	9.81	10.80	12.00	9.73	11.04	13.50	14.73	11.89	14.44	14.35	15.35	19.01	*20.70*	*22.20*	Book Value per sh [D]	*28.95*
479.27	480.90	481.70	483.69	487.59	491.57	493.13	466.19	465.30	477.32	476.87	480.60	515.31	523.59	514.32	509.86	*500.00*	*500.00*	Common Shs Outst'g [E]	*500.00*
22.1	20.1	20.3	22.4	25.7	21.3	23.6	28.9	24.3	26.6	19.8	25.0	NMF	46.3	25.9	16.3	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
1.34	1.19	1.33	1.50	1.61	1.23	1.23	1.65	1.58	1.36	1.08	1.43	NMF	2.47	1.40	.86	*Value Line*		Relative P/E Ratio	*1.20*
1.2%	1.3%	1.4%	1.2%	1.1%	1.5%	1.5%	1.1%	1.1%	1.0%	1.5%	3.0%	2.0%	.9%	.8%	.8%	*estimates*		Avg Ann'l Div'd Yield	*.4%*
						17022	16534	19227	21543	21729	21476	20669	20159	21268	22134	*22710*	*23810*	Revenues ($mill) [A]	*27000*
						15.8%	15.9%	16.9%	16.5%	16.3%	8.1%	8.4%	9.8%	10.2%	12.3%	*12.0%*	*12.0%*	Operating Margin	*14.0%*
						1393.7	1435.8	1431.2	1482.0	1443.0	1663.0	1676.0	1456.0	1337.0	1441.0	*1530*	*1550*	Depreciation ($mill)	*1600*
						840.1	953.9	1091.1	1126.0	1007.0	398.0	158.0	244.0	518.0	840.0	*770*	*875*	Net Profit ($mill)	*1400*
						36.0%	43.8%	36.0%	40.2%	34.0%	35.0%	--	34.9%	33.2%	30.1%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
						4.9%	5.1%	5.7%	5.2%	4.6%	1.9%	.8%	1.2%	2.4%	3.8%	*3.4%*	*3.7%*	Net Profit Margin	*5.2%*
						1976.5	881.7	1848.4	3007.0	3256.0	d650.0	3223.0	3454.0	3023.0	3529.0	*4000*	*4440*	Working Cap'l ($mill)	*6825*
						1184.3	2215.7	2585.6	4692.0	4148.0	3488.0	3168.0	2939.0	2965.0	3209.0	*3200*	*3200*	Long-Term Debt ($mill)	*3200*
						5916.5	4534.6	5138.7	6446.0	7022.0	5714.0	7440.0	7512.0	7896.0	9681.0	*10360*	*11125*	Shr. Equity ($mill)	*14445*
						12.7%	15.5%	14.8%	11.1%	9.9%	5.8%	2.7%	3.4%	5.8%	7.3%	*6.5%*	*6.5%*	Return on Total Cap'l	*8.5%*
						14.2%	21.0%	21.2%	17.5%	14.3%	7.0%	2.1%	3.2%	6.6%	8.7%	*7.5%*	*8.0%*	Return on Shr. Equity	*9.5%*
						9.2%	14.6%	15.8%	13.1%	10.3%	1.9%	NMF	1.9%	5.2%	7.6%	*6.5%*	*7.0%*	Retained to Com Eq	*9.0%*
						35%	31%	26%	25%	29%	72%	NMF	43%	20%	12%	*13%*	*11%*	All Div'ds to Net Prof	*7%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $3229.0 mill. Due in 5 Yrs $950.0 mill.
LT Debt $3069.0 mill. LT Interest $270.0 mill.
Long-term interest coverage: 6.0x; total interest coverage: 5.7x) (25% of Cap'l)

Leases, Uncapitalized Annual rentals $398.0 mill.
Pension Assets: $9.6 bill.
Oblig. $10.1 mill. (12/07)
Preferred Stock None
Common Stock 505,253,855 shs. as of 7/28/08
(Options Exercisable: 9%)
MARKET CAP: $12.5 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	3007	3194	3115
Receivables	3647	3603	3883
Inventory (FIFO)	--	--	--
Other	1603	1648	1649
Current Assets	8257	8445	8647
Accts Payable	677	605	737
Debt Due	127	168	160
Other	4430	4143	4145
Current Liab.	5234	4916	5042

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.5%	-1.5%	*4.5%*
"Cash Flow"	-1.5%	-6.5%	*9.0%*
Earnings	-6.5%	-15.0%	*18.0%*
Dividends	-10.0%	-19.5%	*NM*
Book Value	4.5%	4.5%	*10.0%*

Calendar	QUARTERLY REVENUES ($ mill.)[A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	4940	5199	4874	5146	20159
2006	5078	5194	5292	5704	21268
2007	5224	5449	5629	5832	22134
2008	5365	5620	*5675*	*6050*	*22710*
2009	*5600*	*5925*	*5975*	*6310*	*23810*

Calendar	EARNINGS PER SHARE ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	--	.05	.19	.22	.46
2006	.06	.20	.25	.47	.98
2007	.31	.27	.42	.55	1.55
2008	.12	.33	*.41*	*.59*	*1.45*
2009	*.20*	*.35*	*.45*	*.65*	*1.65*

Calendar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.05	.05	.40
2005	.05	.05	.05	.05	.20
2006	.05	.05	.05	.05	.20
2007	.05	.05	.05	.05	.20
2008	.05	.05			

BUSINESS: Electronic Data Systems offers systems and technology services, business process management, management consulting, and electronic business services. General Motors and its affiliates accounted for about 14% of EDS's total receivables at 12/31/07. Revenue breakdown by business line (2007): Infrastructure Services, 52%; Applications Services, 29%; Business Process Outsourcing Services, 14%; other 5%. International: 50% of revenues. '07 depreciation rate: 20.0%. At 12/31/07, had 136,000 employees. The top 5 institutional investors own 46% of common; offs./dirs., .6% (3/08 proxy). Chairman: Mike Jordan; Pres./CEO: Ronald Rittenmeyer. Inc.; DE. Address: 5400 Legacy Drive, Plano, TX 75024-3199. Tel: 972-604-6000. Internet: www.eds.com.

Electronic Data Systems appears on track to merge into Hewlett-Packard. The $25-a-share cash deal has received shareholder and U.S. and European regulatory approvals, and only awaits some other minor approvals from other non-U.S. juristictions and some final paperwork.

Meanwhile, EDS remains in transition. Over the past couple of years, management has done a great job of turning the company around. We attribute its success primarily to restructuring efforts and the negotiation or elimination of poor-performing contracts. One significant example of this was its arrangement with the U.S. Navy, which was renegotiated into a very sizable deal in 2007. EDS had to make some price reductions, but thanks to substantial cuts on the cost side, that contract is now contributing positively to earnings.

The company should experience a decent expansion year despite weak economic fundamentals. Difficult business conditions are making it increasingly tough for the company's sales group to sign new deals, especially here in the U.S. Still, $5.4 billion in new orders, primarily from overseas, were signed in the June quarter, up 27% over the year-earlier period. This new business, combined with an already sizable backlog, augurs well for respectible growth in 2008.

Profitability measures ought to improve in the coming years. Management has taken several actions to widen margins, including significantly reducing the number of unprofitable contracts, restructuring the European business, and migrating the workforce to lower-cost regions around the globe, the latter of which is now about 80% complete. And finally, IT investments have risen the level of standardization and automation in the entire organization, which has led to significant expense reductions. All told, we look for double-digit profit growth over the next several years.

We expect the acquisition by HP to be completed very shortly. Together, the two companies will be able to offer a strong product portfolio and take advantage of their respective distribution channels. The Timeliness rank on EDS stock remains suspended.

Warren Thorpe *August 22, 2008*

(A) 2003 fig's restated to reflect charges from the MCI bankruptcy. (B) Based on diluted shares. Incl. stock comp. expense: '05, 21¢; '06, 26¢. Excludes net nonrec. gains/(losses): In '97: (42¢); '98: (20¢); '03, (6¢); '04, 91¢; '06, (1¢). Next earnings report due late October. (C) Dividends historically paid during the 2nd week of: March, June, Sept., and Dec. ■ Dividend reinvestment plan available. (D) Includes intangibles. As of 12/31/07: $6021.0 million, or $11.81 a share (E) In millions.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	10
Earnings Predictability	35

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LAUDER (ESTEE) COS. NYSE-EL

RECENT PRICE 48.01 | P/E RATIO 19.1 (Trailing: 21.3 / Median: 27.0) | RELATIVE P/E RATIO 1.17 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 2 Raised 4/4/08
SAFETY 2 Raised 1/4/02
TECHNICAL 3 Lowered 5/23/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+100%)	19%
Low	70	(+45%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	1	1	0	2	4	0
to Sell	1	1	0	4	1	0	4	5	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	126	152	167
to Sell	200	169	176
Hld's(000)	96314	96709	112928

	High:	28.2	43.3	56.5	55.9	44.3	38.8	40.2	49.3	47.5	43.6	52.3	49.4	37.0
	Low:	19.5	23.3	37.3	33.8	29.3	25.2	25.7	37.6	30.0	32.8	38.4	37.0	

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/99
Options: Yes
Shaded area indicates recession

Percent shares traded 21 / 14 / 7

Target Price Range 2011 | 2012 | 2013
128 / 96 / 80 / 64 / 48 / 40 / 32 / 24 / 16 / 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	1.9	-9.7
3 yr.	26.3	27.3
5 yr.	50.7	85.8

Estee and Joseph Lauder founded The Estee Lauder Companies Inc. in 1946 with the introduction of four skin care products. In a November 1995 IPO co-managed by Goldman, Sachs; Dillon, Read; Merrill Lynch; and J.P. Morgan Securities, the company and, primarily, members of the Lauder family sold 17,606,252 class A shares at a split-adjusted price of $13.00 each.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1277.5 mill. Due in 5 Yrs $370.9 mill.
LT Debt $1085.8 mill. *LT Interest $84.0 mill.* (41% of Cap'l)

Leases, Uncapitalized Annual rentals $166.3 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 193,859,536 shs. as of 5/1/08
(Class A: 115,392,275 shs.;
Class B: 78,467,261 shs., have 10 votes and are conv. into Cl. A shs. on a share-for-share basis.)

MARKET CAP: $9.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	368.6	253.7	410.0
Receivables	771.2	860.5	1137.9
Inventory (FIFO)	766.3	855.8	927.9
Other	270.8	269.4	336.0
Current Assets	2176.9	2239.4	2811.8
Accts Payable	264.5	314.7	339.0
Debt Due	89.7	60.4	191.7
Other	1084.0	1125.6	1235.1
Current Liab.	1438.2	1500.7	1765.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	10.5%	7.0%
"Cash Flow"	14.0%	10.0%	6.0%
Earnings	11.5%	10.5%	8.5%
Dividends	17.5%	16.5%	4.5%
Book Value	13.5%	5.0%	2.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	1505	1750	1538	1543	6336.3
2006	1497	1784	1578	1604	6463.8
2007	1594	1991	1691	1762	7037.5
2008	1710	2309	1880	1921	7820
2009	1850	2450	2005	2045	8350

Fiscal Year Ends	EARNINGS PER SHARE A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.41	.60	.46	.43	1.90
2006	.28	.70	.44	.50	1.92
2007	.27	.99	.45	.45	2.16
2008	.20	1.14	.46	.58	2.38
2009	.24	1.24	.55	.62	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.30	--	--	.40	.70
2005	--	--	--	.40	.40
2006	--	--	--	.50	.50
2007	--	--	--	.55	.55
2008	--	--			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	15.29	16.67	18.36	19.30	20.34	22.45	25.57	28.67	30.52	36.23	40.75	43.95	Sales per sh	51.90
	1.28	1.51	1.81	2.04	1.83	2.08	2.50	2.85	2.91	3.38	3.50	3.85	"Cash Flow" per sh	4.65
	.89	1.05	1.20	1.34	1.10	1.32	1.63	1.90	1.92	2.16	2.38	2.65	Earnings per sh A	3.35
	.17	.18	.20	.20	.20	.20	.30	.40	.40	.50	.55	.55	Div'ds Decl'd per sh B	.55
	.51	.50	.76	.81	.87	.72	.91	1.04	1.23	1.51	1.65	1.70	Cap'l Spending per sh	1.45
	2.94	3.89	4.88	5.66	6.27	6.24	7.66	7.66	7.66	6.17	7.05	7.35	Book Value per sh C	8.50
	236.62	237.62	237.86	238.74	233.21	228.00	226.44	220.99	211.78	194.27	192.00	190.00	Common Shs Outst'g D	185.00
	31.1	37.0	39.0	30.7	32.0	22.4	24.5	22.8	19.2	19.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
	1.62	2.11	2.54	1.57	1.75	1.28	1.28	1.21	1.04	1.05			Relative P/E Ratio	1.65
	.6%	.5%	.4%	.5%	.6%	.7%	.6%	.9%	1.1%	1.2%			Avg Ann'l Div'd Yield	.7%
	3618.0	3961.5	4366.8	4608.1	4743.7	5117.6	5790.4	6336.3	6463.8	7037.5	7820	8350	Sales ($mill)	9600
	13.5%	14.0%	14.8%	15.7%	12.9%	13.5%	14.4%	14.5%	14.1%	13.6%	15.0%	15.0%	Operating Margin	15.5%
	78.8	99.6	129.1	163.0	162.0	174.8	191.7	196.7	198.4	207.2	215	225	Depreciation ($mill)	240
	236.8	272.9	314.1	347.7	287.1	333.3	375.4	433.6	417.5	448.7	450	505	Net Profit ($mill)	620
	40.0%	38.0%	37.0%	36.4%	34.0%	33.2%	37.7%	37.3%	37.6%	35.9%	36.0%	36.0%	Income Tax Rate	36.0%
	6.5%	6.9%	7.2%	7.5%	6.1%	6.5%	6.5%	6.8%	6.5%	6.4%	6.0%	6.0%	Net Profit Margin	6.5%
	617.2	708.0	716.7	882.2	958.0	791.3	877.2	804.9	738.7	738.7	925	875	Working Cap'l ($mill)	775
	425.0	422.5	418.4	410.9	403.9	283.6	461.5	451.1	431.8	1028.1	1050	990	Long-Term Debt ($mill)	800
	1056.4	1284.5	1520.3	1712.1	1821.9	1783.8	1733.5	1692.8	1622.3	1199.0	1550	1450	Shr. Equity ($mill)	1575
	16.2%	16.5%	16.6%	16.7%	13.1%	16.3%	17.7%	20.5%	20.9%	21.0%	22.5%	22.5%	Return on Total Cap'l	29.0%
	22.4%	21.2%	20.7%	20.3%	15.8%	18.7%	21.7%	25.6%	25.7%	37.4%	34.0%	36.0%	Return on Shr. Equity	37.0%
	26.3%	22.6%	21.0%	20.5%	14.8%	17.7%	17.7%	20.3%	20.5%	28.8%	25.0%	26.0%	Retained to Com Eq	30.0%
	23%	23%	23%	20%	25%	25%	18%	21%	20%	23%	23%	21%	All Div'ds to Net Prof	18%

BUSINESS: The Estee Lauder Companies Inc. makes and markets skin care, makeup, fragrance, and hair care products worldwide. *Brand names include Estee Lauder, Clinique, Aramis, Prescriptives, Origins, M.A.C., Bobbi Brown essentials,* and *Aveda.* EL is the global licensee for *Tommy Hilfiger* fragrances and cosmetics. Sells mostly through upscale dept. stores and perfumeries, specialty retailers and pharmacies. Int'l. bus.: 55% of '07 op. inc., 49% of sales. Sales by product: makeup, 39.0%; skin care, 37.0%; frag., 19.0%; hair care, 5.0%; Has about 28,500 emplys. Off. & dir. control 85% of voting stock (10/07 Proxy). Chairman: L. Lauder. CEO: William P. Lauder. Inc.: DE. Add.: 767 Fifth Avenue, NY, NY 10153. Tel.: 212-572-4200. Internet: www.elcompanies.com.

Estee Lauder is delving into new markets. Early in March, BeautyBank, the entrepreneurial division of Estee Lauder, and HSN (Home Shopping Network), announced that they entered into an agreement to introduce a beauty brand specifically developed for television retail. BeautyBank has developed the brand exclusively for distribution on HSN and HSN.com, and it is expected to launch on HSN in July of this year. This venture is very much in keeping with BeautyBank's mission of seeking and creating original brands and business opportunities in alternative distribution channels.

The company's international exposure is likely to be its saving grace both this fiscal year and next (ends June 30th). During the March interim, Estee Lauder reported an impressive 11% year-over-year jump in its top line, driven by double-digit sales gains at its international operations and a favorable foreign-currency environment. This provided a needed counterbalance to competitive pressure and the ongoing lackluster retail environment in the United States. However, EL's share net was tempered by a certain amount of margin pressure, the result of higher SG&A spending to support new products and increased investments in information technology. Nevertheless, we remain confident that the company will post roughly a 10% share-net improvement in fiscal 2008, on an 11% sales advance. And, in the coming fiscal year, we look for EL's bottom line to benefit from hefty foreign demand for its products and ongoing cost-containment efforts and disciplined expense control.

Estee Lauder's share-repurchase program ought to help boost earnings going forward. During the first nine months of fiscal 2008, Estee Lauder bought back roughly 2.2 million shares of its outstanding common stock. Thus, there are approximately 24.7 million shares available for repurchase under the current 88.0 million share authorization.

This stock carries a Timeliness rank of 2 (Above Average), making it a recommended selection for the coming year. More patient investors may wish to consider this issue as well, as it offers solid 3- to 5-year appreciation potential.

Kenneth A. Nugent *June 27, 2008*

(A) Primary earnings through 1997; diluted thereafter. Fiscal year ends June 30th. Excl. non-rec. losses: '01, ($0.18); '02, ($0.40); '03, ($0.06); '06, Q3, ($0.15); disc. ops, '04, ($0.14); '06, ($0.43). Next earnings report in late July. (B) Divd. payment date changed from late Jan. to late Dec. during Q2 of fiscal '05. *Div'd changed to annual payment in May,* 2003. (C) Includes intangibles. In '07: $764.7 mill., $3.94/share. (D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	85

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EASTMAN CHEMICAL NYSE-EMN

RECENT PRICE 59.19 | P/E RATIO 10.8 (Trailing: 10.7 Median: 20.0) | RELATIVE P/E RATIO 0.69 | DIV'D YLD 3.0% | VALUE LINE

TIMELINESS 3 Lowered 8/8/08
SAFETY 3 New 6/3/94
TECHNICAL 3 Lowered 8/15/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	165	(+180%)	31%
Low	110	(+85%)	19%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	2	0	0	0	0	0	0
Options	0	0	0	0	0	2	0	0	0
to Sell	0	0	0	0	0	3	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	153	151	138
to Sell	148	149	153
Hld's(000)	68316	64925	66678

	High:	65.4	72.9	60.3	54.8	55.7	49.6	39.6	58.2	61.8	61.3	72.4	78.3
	Low:	50.8	43.5	36.0	33.6	29.0	34.5	27.6	38.0	44.1	47.3	57.5	56.3

LEGENDS
71.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-10.6	-12.2
3 yr.	19.6	7.2
5 yr.	95.4	58.6

Effective midnight December 31, 1993, Eastman Chemical was spun off from Kodak, creating an independent, publicly held company. Prior to January 1, 1994, Eastman Chemical operated as a wholly owned business of Kodak. Eastman assumed $1.6 billion of debt in the spinoff. Kodak agreed to retain employee benefit obligations for substantially all of Eastman's retired participants.

CAPITAL STRUCTURE as of 6/30/08

Total Debt $1440 mill. Due in 5 Yrs $250 mill.

LT Debt $1440 mill. LT Interest $70.0 mill.
(Total interest coverage: 21.0x)
(42% of Cap'l)

Leases, Uncapitalized Annual rentals $32.0 mill

Pension Assets-12/07 $1.35 bill. Oblig. $1.47 bill.

Pfd Stock None

Common Stock 76,392,765 shs.
MARKET CAP: $4.5 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	939	888	562
Receivables	682	546	644
Inventory (LIFO)	682	539	669
Other	119	320	257
Current Assets	2422	2293	2132
Accts Payable	581	578	620
Debt due	3	72	--
Other	475	472	487
Current Liab.	1059	1122	1107

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	4.5%	4.5%
"Cash Flow"	--	4.0%	5.0%
Earnings	--	20.0%	7.0%
Dividends	0.5%	--	1.5%
Book Value	1.0%	4.0%	6.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1762	1752	1816	1729	7059.0
2006	1803	1929	1966	1752	7450.0
2007	1637	1764	1692	1737	6830.0
2008	1727	1834	1775	1739	7075
2009	1775	1850	1800	1775	7200

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.91	1.59	1.53	.90	5.93
2006	1.36	1.40	1.24	1.00	5.00
2007	1.19	1.34	1.26	1.27	5.06
2008	1.46	1.53	1.28	1.23	5.50
2009	1.44	1.46	1.37	1.33	5.60

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.44	.44	.44	.44	1.76
2005	.44	.44	.44	.44	1.76
2006	.44	.44	.44	.44	1.76
2007	.44	.44	.44	.44	1.76
2008	.44	.44	.44		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	56.65	58.78	68.96	69.94	68.78	75.09	92.28	86.58	89.19	85.73	93.10	95.35	Sales per sh	112.80
	7.88	6.46	9.34	7.09	6.23	5.72	7.25	9.88	8.67	9.41	9.30	9.45	"Cash Flow" per sh	12.65
	3.42	1.54	3.89	1.42	1.10	.98	2.50	5.93	5.00	5.06	5.50	5.60	Earnings per sh A	8.10
	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	1.76	Div'ds Decl'd per sh B	1.90
	6.32	3.74	2.94	3.04	5.52	2.98	3.48	4.21	4.66	6.50	7.90	6.60	Cap'l Spending per sh	6.35
	24.45	22.53	23.61	17.90	16.43	13.50	16.61	19.77	24.29	26.13	25.25	26.15	Book Value per sh	33.85
	79.11	78.09	76.74	76.98	77.35	77.24	71.30	61.53	63.53	79.67	76.00	75.50	Common Shs Outst'g C	74.00
	17.6	30.3	11.4	31.5	38.4	34.1	18.2	9.1	10.8	12.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	.92	1.73	.74	1.61	2.10	1.94	.96	.48	.58	.67			Relative P/E Ratio	1.15
	2.9%	3.8%	4.0%	3.9%	4.2%	5.3%	3.9%	3.3%	3.3%	2.7%			Avg Ann'l Div'd Yield	1.4%
	4481.0	4590.0	5292.0	5384.0	5320.0	5800.0	6580.0	7059.0	7450.0	6830.0	7075	7200	Sales ($mill)	8350
	18.0%	14.4%	18.7%	14.0%	11.5%	10.2%	10.8%	15.5%	13.3%	14.5%	13.4%	13.5%	Operating Margin	15.0%
	351.0	383.0	418.0	435.0	397.0	367.0	322.0	304.0	308.0	327.0	270	285	Depreciation ($mill)	330
	272.0	121.2	298.8	111.0	84.9	75.0	195.0	485.0	416.0	423.0	435	430	Net Profit ($mill)	605
	29.0%	19.2%	27.8%	--	9.7%	21.1%	23.5%	29.5%	32.8%	33.0%	30.0%	30.0%	Income Tax Rate	30.0%
	6.1%	2.6%	5.6%	2.1%	1.6%	1.3%	3.0%	6.9%	5.6%	6.2%	6.1%	6.0%	Net Profit Margin	7.2%
	430.0	d119.0	265.0	500.0	305.0	533.0	669.0	873.0	1363.0	1171.0	1050	875	Working Cap'l ($mill)	750
	1649.0	1506.0	1914.0	2143.0	2054.0	2089.0	2061.0	1621.0	1589.0	1535.0	1450	1375	Long-Term Debt ($mill)	1100
	1934.0	1759.0	1812.0	1378.0	1271.0	1043.0	1184.0	1812.0	2029.0	2082.0	1925	1975	Shr. Equity ($mill)	2425
	8.9%	5.3%	9.7%	5.1%	4.4%	4.4%	7.8%	16.5%	12.6%	12.6%	14.0%	14.0%	Return on Total Cap'l	18.0%
	14.1%	6.9%	16.5%	8.1%	6.7%	7.2%	16.5%	30.1%	20.5%	20.3%	23.0%	22.0%	Return on Shr. Equity	25.0%
	5.8%	NMF	9.0%	NMF	NMF	NMF	4.9%	21.3%	13.4%	13.3%	15.5%	15.0%	Retained to Com Eq	19.0%
	51%	114%	45%	122%	NMF	NMF	70%	29%	35%	35%	32%	31%	All Div'ds to Net Prof	23%

BUSINESS: Eastman Chemical manufactures plastic, chemical, and fiber products. Sells polyester plastics such as polyethylene terephthalate (PET), a plastic used in soft-drink containers; coatings and paint raw materials; industrial chemicals; and filter tow. Segments: Performance Chemicals and Intermediates, (31% of sales in '07); Performance Polymers, (21%); Coatings, Adhesives, Specialty Polymers and inks, (21%); Fibers, (15%); Specialty Plastics, (12%). Foreign sales: 42% of total. Has about 10,800 employees. Hotchkis & Wiley Cap. Mgmt. owns 13.4% of common stock; Barclays Global Inv., 6.6%; Off. & Dir., 1.9% (3/08 proxy). Chrm. & CEO: Brian Ferguson. Inc.: DE. Address: 200 South Wilcox Drive, Kingsport, TN 37662. Telephone: 423-229-2000. Internet: www.eastman.com.

Eastman Chemical remains on track to post decent earnings this year. Through the first half, share net was up 18%, on a 5% increase in sales. Volumes were down in the Performance Polymers and PCI segments, reflecting divestitures and other restructuring moves. But higher selling prices helped provide an offset. Escalating costs for raw materials and energy remain challenging, however, rising about $350 million in the period. The company continues to play catch-up, having recovered about 70% of the increase so far. Otherwise, a lower provision for income taxes is helping earnings. This expense will be down about three percentage points in 2008, thanks to federal gasification investment tax credits, which should continue over the next couple of years. Strength in Asia/Pacific sales (nearly 20% of company total) has also been a plus, offsetting softer domestic business. All told, we look for share-net growth of 5%–10% in 2008.

Further improvement in the PET polymers business is on tap. The company shut down 400,000 metric tons of older, higher-cost capacity, and shifted production to its new 350,000-metric-ton South Carolina facility. As a result, U.S. PET manufacturing operations had a $16 million positive earnings swing in the second quarter, to $6 million. Next up is the debottlenecking of the SC site, scheduled to begin in the fourth quarter and aimed at boosting capacity by 50%. Related shutdowns, however, will likely dampen share-net growth potential for next year.

Capital expenditures remain elevated, rising more than 15% this year, to over $600 million. A good portion of this will go toward the Beaumont, Texas industrial gasification project. Front-end engineering and design work is scheduled to be completed in the second half, with startup targeted for 2011. Management estimates that these operations will contribute about $2.00 a share to earnings by 2012.

Eastman Chemical shares remain an attractive selection for the 2011–2013 time frame, as accelerated earnings growth beyond 2009 should translate into solid appreciation potential over that period. For year-ahead relative performance, the issue has dropped back down to a 3 (Average) rank.

Mario Ferro August 15, 2008

(A) Diluted earnings. Excludes nonrecurring gain/(charges): '97, (41¢); '98, (65¢); '99, ($1.57); '01, ($1.04); '02, (31¢); '03, ($4.48); '04, (31¢); '05, 88¢; '06, (9¢); '07, ($1.22); '08 Q1, (2¢); Q2, (5¢). Excludes discontinued operations: '07, (26¢); '08 Q1, 22¢. Next earnings report due late Oct.
(B) Dividends historically paid in early January, April, July, and October.
(C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	35
Earnings Predictability	45

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ENERGIZER HOLDINGS NYSE-ENR

RECENT PRICE 75.10 | P/E RATIO 13.3 (Trailing: 14.4 / Median: NMF) | RELATIVE P/E RATIO 0.85 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 5/9/08
SAFETY 3 New 4/13/01
TECHNICAL 4 Lowered 6/20/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+115%)	21%
Low	105	(+40%)	9%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	1	0	0	0	0	0	0
to Sell	1	1	1	0	0	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	153	163	186
to Sell	116	125	148
Hld's(000)	46816	46394	46637

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.6	-9.7
3 yr.	29.8	27.3
5 yr.	156.7	85.8

Energizer Holdings Inc. was incorporated in Missouri in 1999. Prior to April 1, 2000, the 100-year old company was a subsidiary of Ralston Purina Company. On April 1, 2000 the company was spunoff to Ralston shareholders, who received one Energizer share for each three shares of Ralston they held.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3.1 bill. Due in 5 Yrs $1.0 bill.
LT Debt $2.7 bill. LT Interest $122.0 mill.

(LT Interest earned:4.3x; total interest coverage: 3.9x) (75% of Cap'l)
Leases, Uncapitalized: Annual rentals $28.0 mill.

Pension Assets -9/07 $797.2 mill. Oblig. $851 mill.

Pfd Stock None

Common Stock 57,490,842 shs.
as of 4/18/08

MARKET CAP: $4.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	134.3	363.2	115.8
Receivables	699.6	788.3	857.4
Inventory (Avg Cst)	553.9	582.3	717.5
Other	247.3	277.6	284.9
Current Assets	1635.1	2011.4	1975.6
Accts Payable	246.6	255.6	246.4
Debt Due	148.6	253.0	361.5
Other	531.7	614.3	788.9
Current Liab.	926.9	1122.9	1396.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	19.0%	9.5%
"Cash Flow"	--	21.0%	8.5%
Earnings	--	21.0%	12.0%
Dividends	--	--	NMF
Book Value	--	-3.0%	36.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.31	Mar. 31	Jun. 30	Sep. 30	Full Fiscal Year
2005	875.9	629.0	691.2	793.7	2989.8
2006	882.4	629.5	734.9	830.1	3076.9
2007	959.2	730.9	800.0	875.0	3365.1
2008	1189.9	951.0	*1065*	*1094.1*	*4300*
2009	*1215*	*1020*	*1130*	*1135*	*4500*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar. 31	Jun. 30	Sep. 30	Full Fiscal Year
2005	1.62	.78	.73	.74	3.87
2006	1.62	.78	.82	.82	4.24
2007	2.12	1.19	.97	1.03	5.31
2008	2.09	1.10	*1.20*	*1.16*	*5.55*
2009	*2.20*	*1.60*	*1.65*	*1.55*	*7.00*

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005					
2006	NO CASH DIVIDENDS BEING PAID				
2007					
2008					

	1998	1999	2000 D	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	24.9	27.5	31.9	38.9	50.0	65.4	80.4	119.6	113.3					
Low:	14.8	15.0	18.5	22.5	36.2	46.1	49.1	70.9	71.3					
	--	--	20.03	18.47	19.67	26.24	38.58	44.62	54.29	58.72	*76.80*	*80.35*	Sales per sh A	*91.80*
	--	--	2.89	1.74	2.76	2.98	5.22	6.01	6.67	7.41	*8.15*	*9.55*	"Cash Flow" per sh	*11.00*
	--	--	2.01	.87	2.01	1.93	3.18	3.87	4.24	5.31	*5.55*	*7.00*	Earnings per sh A B	*8.75*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	--	--	.76	.85	.46	.86	1.67	1.54	1.67	1.55	*1.95*	*2.10*	Cap'l Spending per sh	*3.00*
	--	--	7.73	6.63	7.97	9.50	7.99	6.76	3.75	11.41	*16.45*	*23.75*	Book Value per sh	*46.20*
	--	--	95.55	91.71	88.46	85.08	72.90	67.00	56.67	57.31	*56.00*	*56.00*	Common Shs Outst'g C	*55.00*
	--	--	9.8	25.0	11.4	15.4	13.1	14.5	13.0	16.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
	--	--	.64	1.28	.62	.88	.69	.77	.70	.86			Relative P/E Ratio	*1.00*
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	1921.8	1872.3	1914.3	1694.2	1739.7	2232.5	2812.7	2989.8	3076.9	3365.1	*4300*	*4500*	Sales ($mill) A D	*5050*
	20.3%	19.2%	21.2%	16.2%	21.0%	16.0%	17.9%	18.9%	18.0%	19.0%	*19.0%*	*20.0%*	Operating Margin	*21.0%*
	101.2	94.9	82.0	79.8	57.4	83.2	115.8	116.3	117.5	115.0	*125*	*130*	Depreciation ($mill)	*150*
	208.2	159.8	184.0	80.0	186.4	169.9	264.9	286.4	260.3	309.6	*330*	*405*	Net Profit ($mill)	*505*
	20.7%	35.6%	35.4%	46.8%	33.0%	28.5%	25.3%	28.0%	27.0%	30.2%	*32.0%*	*33.0%*	Income Tax Rate	*35.0%*
	10.8%	8.5%	10.1%	4.7%	10.7%	7.6%	9.4%	9.6%	8.5%	9.2%	*7.7%*	*9.0%*	Net Profit Margin	*10.0%*
	--	478.1	401.7	288.1	353.3	515.6	468.8	625.9	708.2	888.5	*1110*	*1130*	Working Cap'l ($mill)	*1425*
	--	1.9	370.0	225.0	160.0	913.6	1059.6	1295.0	1625.0	1372.0	*2700*	*2400*	Long-Term Debt ($mill)	*1800*
	--	1312.9	738.2	607.9	704.8	808.0	582.2	453.1	212.4	653.9	*920*	*1330*	Shr. Equity ($mill)	*2540*
	--	12.4%	18.7%	11.1%	22.3%	10.6%	17.0%	17.8%	14.4%	17.2%	*11.5%*	*13.0%*	Return on Total Cap'l	*13.0%*
	--	12.2%	26.3%	13.2%	26.4%	21.0%	45.5%	63.2%	NMF	47.3%	*36.0%*	*30.5%*	Return on Shr. Equity	*20.0%*
	--	12.2%	26.3%	13.2%	26.4%	21.0%	45.5%	63.2%	NMF	47.3%	*36.0%*	*30.5%*	Retained to Com Eq	*20.0%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: Energizer Holdings Inc. is the largest publicly traded primary battery/flashlight company. Its main brands, Energizer and EverReady, are sold in more than 150 countries. Acquired Schick-Wilkinson Sword razor business 3/03; Playtex Products, Inc., 10/07 Sales by product line: alkaline batteries 43%, carbon zinc batteries 7%, other batteries and lighting products 20%, razors and blades 30%. 2007 sales and profits by region: North America Battery 40%, (53%), International Battery 31% (28%), Razors and Blades 29% (25%). Has 16,410 employees; Officers and directors own 8.3% of common stock. (12/07 proxy). Chairman: W. P. Stiritz. CEO: J. Patrick Mulcahy. Inc. MO. Address: 533 Maryville University Dr., St. Louis, MO 63141. Tel.: 314-985-2000. Internet:www.energizer.com.

Energizer is facing challenges this fiscal year (ends September 30th). Both of the company's divisions struggled in the first half. Weaker sales and rising raw material costs weighed on margins in the household products segment. Meanwhile, in the personal care segment, the sales boost from the recent Playtex acquisition helped to offset a soft showing from the razors and blades division. However, this benefit was undermined by significantly higher interest expense related to the increased debt load. Moreover, although this review will already be in the hands of our subscribers when Energizer reports its fiscal third-quarter results, we do not expect gains to be strong enough to help offset the year-to-year declines in the first half. Furthermore, while we look for a share-net advance in the fiscal fourth quarter, sluggish economic conditions will probably limit profit growth in that period as well. We anticipate that battery pricing, along with wet shaver, and feminine products volumes, will remain unfavorable throughout the remainder of the year.

Fiscal 2009 is likely to be brighter. Much of the company's present woes stem from a weaker domestic economy. We believe economic conditions will likely improve next year. Moreover, evidence supports the sentiment that zinc raw material prices have peaked and ought to start declining over the next 12 months. While nickel and some other commodity costs may remain a tough hurdle, we are optimistic that the underlying trend for battery pricing is positive. Furthermore, we believe that the company's advertising and promotion efforts augur well for profitability. Targeting a younger consumer demographic is an encouraging approach. Lastly, we expect the Playtex acquisition to prove fruitful over the long term. The sun care category offers particular promise both domestically and on the international front, as demand remains healthy for these products.

Heavy profit-taking has continued to hammer the stock price. We believe that the gloomy economic outlook and soft consumer spending may continue to weigh on these shares in the near term. Still, these shares offer wide appreciation potential to 2011–2013.

Simon R. Shoucair *July 4, 2008*

(A) Fiscal year ends September 30th.
(B) Fully diluted eqs. Excludes: non-recurring gain (loss): '00, $0.14; '01, $0.06; '03, $0.33; '04, (3¢); '05, 3¢; '06, 1¢; '07, $0.20. Next earnings report due late July.
(C) In millions.
(D) Figures are pro forma before April, 2000 spin-off.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	70

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HEARING EXHIBIT 00000346

EQUITY RESIDENTIAL NYSE-EQR

RECENT PRICE 41.12 | P/E RATIO 91.4 | NMF NMF | RELATIVE P/E RATIO 6.01 | DIV'D YLD 4.8% | VALUE LINE

TIMELINESS 3 Raised 3/28/08
SAFETY 3 Lowered 1/18/08
TECHNICAL 2 Raised 5/16/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+45%)	14%
Low	40	(-5%)	5%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	1	0	0	0	0
Options	1	0	0	2	0	0	2	0	0
to Sell	1	1	0	1	0	0	1	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	135	165	173
to Sell	192	172	179
Hld's(000)	258229	259532	258994

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	27.5	26.3	24.2	28.6	30.5	31.0	30.3	36.8	42.2	61.5	56.5	44.9
Low:	19.9	17.3	19.1	19.3	24.8	21.5	23.1	26.7	30.7	38.8	33.8	31.1

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.9	-18.0
3 yr.	18.1	11.3
5 yr.	86.8	63.2

Equity Residential Properties Trust was organized in Maryland as the successor to Equity Properties Management Corp., a multifamily residential property business founded in 1969 and run by Samuel Zell. On August 18, 1993, the trust issued 26.4 million shares $13 each (adjusted for split) in initial public offering through Merrill Lynch. Of the 69 properties included in the offering, 46 were contributed or sold by entities substantially controlled by Mr. Zell; the remaining 23 were acquired from interests affiliated with Starwood Capital Partners, L.P.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $9863.4 mill. Due in 5 Yrs $5000.0 mill.

Total Interest $470.0 mill. (66% of Cap'l)
(Total Interest coverage: 1.2x)

Pfd. Stock $209.5 mill. Pfd. Div'd. $27.0 mill. (1% of Cap'l)

Common Stock 270,502,249 shs as of 3/31/08

MARKET CAP: $11.1 billion (Large Cap)

FUNDS FLOW($mil.)	2006	2007	3/31/08
Net Profit Plus Noncash charges	1635.5	680.7	172.6
Net New Debt	350.6	1180.9	355.1
New Equity	488.5	-821.7	-5.2
Investments Funded	2996.0	2160.3	167.8
Dividends Declared	553.5	608.2	143.0

FINANCIAL POSITION	3/31/07	3/31/08
Total Debt	$8473.9	$9863.4
Debt/Cap'l Funds	.60:1	.66:1
Total Debt/Equity	1.49:1	1.94:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter ($mill.)	NA	NA

Calendar	LOANS & REAL ESTATE ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	12190	12425	12479	13702
2006	13749	13890	13936	14212
2007	14753	15019	15038	15163
2008	15090	*15150*	*15200*	*15250*
2009	*15300*	*15375*	*15500*	*15650*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.09	.13	.03	.01	.26
2006	.06	.22	.19	.13	.60
2007	.03	.08	.05	.13	.23
2008	.08	*.11*	*.13*	*.13*	*.45*
2009	*.10*	*.13*	*.15*	*.17*	*.55*

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.433	.433	.433	.433	1.73
2005	.433	.433	.433	.433	1.73
2006	.443	.443	.443	.443	1.77
2007	.463	.463	.463	.463	1.85
2008	.483	.483			

© VALUE LINE PUB., INC.	11-13
Book Value per sh	23.85
Funds from Ops per sh D	3.10
Earnings per sh A	.60
Div'ds Decl'd per sh B=	2.48
Loans & Real Est per sh	79.90
Common Shs Outst'g C	260.00
Premium Over Book	210%
Avg Ann'l P/E Ratio	NMF
Avg Ann'l P/FFO Ratio	16.0
Avg Ann'l Div'd Yield	5.0%
Revenues ($mill)	2835
Other Income ($mill)	15.0
Operating Margin	59.0%
Net Profit($mill)	175
Net Profit Margin	6.0%
Capital Gains ($mill)	Nil
Loans & Real Est ($mill)	20775
Long-Term Debt ($mill)	12900
Shr. Equity ($mill)	6575
Div'ds Decl'd to FFO	80.0%
Expenses to Assets	5.5%
Return on Total Cap'l	3.0%
Return on Shr. Equity	2.5%

Bold figures are Value Line estimates

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	16.61	16.46	16.73	16.37	15.68	15.64	15.84	17.16	18.72	17.37	*19.00*	*21.90*
	2.03	2.20	2.50	2.58	2.46	2.15	2.14	2.30	2.27	2.39	*2.50*	*2.60*
	.82	.80	.99	.86	.82	.53	.37	.26	.60	.23	*.45*	*.55*
	1.36	1.47	1.58	1.68	1.73	1.73	1.73	1.73	1.77	1.85	*1.93*	*2.01*
	43.69	44.15	42.87	41.80	40.44	38.10	42.98	47.31	48.40	54.27	*57.55*	*61.35*
	236.04	254.90	266.24	271.82	271.10	277.64	285.08	289.54	293.60	279.41	*265.00*	*255.00*
	31%	30%	43%	66%	66%	71%	62%	113%	167%	257%		
	26.7	26.8	24.2	32.2	32.1	NMF	NMF	NMF	NMF	NMF		
	10.7	9.8	9.6	10.7	10.7	12.4	14.9	15.9	28.5	18.7		
	6.2%	6.6%	6.6%	6.1%	6.6%	6.5%	5.7%	5.3%	3.5%	4.1%		
	1293.6	1711.7	1959.7	2075.0	1969.6	1808.9	899.5	1943.8	1981.3	2028.9	*2110*	*2200*
	43.9	41.4	70.6	38.1	24.4	14.4	11.2	11.1	9.1	9.2	*10.0*	*10.0*
	58.9%	59.7%	60.8%	61.2%	57.3%	56.0%	56.0%	48.0%	54.3%	56.6%	*57.0%*	*57.5%*
	255.0	330.3	398.2	324.7	317.0	233.1	148.4	132.5	108.0	93.0	*125*	*145*
	19.7%	19.9%	20.3%	15.6%	16.1%	12.9%	7.9%	5.8%	5.5%	4.6%	*6.0%*	*6.5%*
	21.7	93.6	198.4	148.9	104.3	305.8	323.9	729.0	972.3	896.6	*10.0*	*10.0*
	10311	11253	11368	11353	10963	10578	12253	13702	14212	15163	*15250*	*15650*
	4681.2	5474.1	5706.0	5646.2	5383.7	5360.5	6309.8	7591.1	8057.6	9508.8	*9750*	*10250*
	5330.6	5506.2	5620.3	5414.0	5197.1	5015.4	5072.5	5395.3	5884.2	5082.5	*5250*	*5800*
	67.2%	61.1%	62.0%	65.1%	70.3%	80.5%	81.8%	75.2%	78.0%	77.0%	*77.0%*	*77.5%*
	4.8%	5.6%	6.2%	6.0%	7.1%	6.5%	6.9%	6.5%	5.5%	5.6%	*5.5%*	*5.5%*
	5.4%	5.9%	6.9%	5.9%	6.5%	5.4%	4.3%	4.0%	4.0%	2.3%	*2.5%*	*2.5%*
	4.8%	5.5%	7.1%	6.0%	6.2%	4.6%	2.9%	2.5%	1.8%	1.8%	*2.5%*	*2.5%*

BUSINESS: Equity Residential is a self-managed equity real estate trust that invests in multifamily properties. It is the largest publicly traded owner of multifamily properties. Structured as an umbrella-partnership REIT, shareholders do not own the properties directly, but hold an interest in a partnership, which owns and manages the properties. As of 12/31/07, the company owns all or a portion of 152,821 rental units in 24 states. Primary markets: TX, FL, AZ, and New York metropolitan area. Has about 4,600 employees. Off./dir. control 7.1% of common stock (including partnership interests); Morgan Stanley, 8.1%; Vanguard Group, 6.4% (4/08 Proxy). CEO: David Neithercut. Address: Two North Riverside Plaza, Chicago, Il. 60606. Tel.: 312-474-1300. Internet: www.equityapartments.com.

Equity Residential is slowing its pace of acquisitions. After growing its portfolio at an average rate of 7%–8% annually over the past three years, the company may put the brakes on spending for the near term. Due to the dearth of liquidity and lofty asking prices in stalwart markets such as New York and Washington, DC, the buying spree is probably on hiatus, for now. Consequently, loans and real estate under management will likely stay essentially flat this year.

The New York market bears watching. In the wake of the subprime meltdown, the hardest-hit markets, such as Florida and the Inland Empire region of California, garnered most of the headlines, and with good cause. But New York now accounts for nearly 10% of Equity's net operating income (NOI)—more than any other market—and may leave the company in a vulnerable position should it take a turn for the worse. Following the latest round of financial-sector layoffs, unemployment in New York and the surrounding area has risen 50 basis points (to roughly 5%) in recent months, which may have a cooling effect on demand for condominiums and single-family homes. Still,

Equity is on pace to post solid results this year and next. Revenues and funds from operations (FFO) may each improve 4%–5% in 2008 and 2009, thanks to the company's stockpile of properties in top-tier markets.

Acquisitions should pick up toward the tail end of 2009. There may be a materially improved economic environment next year, contingent on some of the government's fiscal and monetary moves taking hold. In that event, we expect Equity to resume spending at or near the pace of recent times.

These shares lack appeal over the long haul . . . Although we're optimistic about the company's prospects, the stock is nearing the bottom of our 3- to 5-year Target Price Range, discounting much of the capital gains potential we foresee over that time frame. Too, Equity's exposure to some of the country's hardest-hit markets muddies the waters somewhat.

. . . but they do offer a worthwhile dividend yield, which may hold interest to those investors stressing current income.

Sharif Abdou *July 18, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	80
Earnings Predictability	50

(A) Diluted shares from '98. '07 egs. don't sum due to change in share count. Excludes gains from asset sales: '88, 9¢; '99, 35¢; '00, 65¢; '01, 50¢; '02, 36¢; '03, $1.02; '04, $1.11; '05, $2.52; '06, $2.96; '07, $3.21; '08 Q1, 51¢. Next earnings report due late July.
(B) Dividends historically paid early Jan., Apr., July, and Oct. =Dividend reinvestment plan available.
(C) Avg. basic shares. In mill. adjusted for stock split.
(D) FFO: '08 Q1, 59¢; '07, $2.39; '08, $2.27.

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ETHAN ALLEN INT. NYSE-ETH

RECENT PRICE 25.77 | P/E RATIO 13.0 (Trailing: 11.2 Median: 15.0) | RELATIVE P/E RATIO 0.83 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 4 Lowered 7/4/08
SAFETY 3 New 4/19/96
TECHNICAL 3 Lowered 2/1/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+135%)	25%
Low	40	(+55%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	2	0	0	0	1
Options	2	1	0	0	0	1	1	0	0
to Sell	1	1	0	0	0	1	2	0	0

Institutional Decisions

	1Q2007	4Q2007	1Q2008
to Buy	67	60	67
to Sell	82	80	83
Hld's(000)	36514	39592	37752

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	28.6	44.4	37.8	33.8	42.3	43.4	42.7	46.7	40.2	45.4	39.6	32.0
Low:	12.3	15.8	24.7	20.5	26.5	27.2	27.1	33.3	28.5	33.0	25.9	22.7

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/97
3-for-2 split 5/99
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-20.8	-9.7
3 yr.	-3.7	27.3
5 yr.	-13.5	85.8

Ethan Allen was established in 1932, and subsequently became a subsidiary of INTERCO. Members of management effected a leveraged buyout in mid-1989, purchasing all Ethan Allen stock from INTERCO. The newly independent firm became a public entity on March 23, 1993, following an IPO of 8,455,950 shares at $6 each. Kidder, Peabody & Co. acted as the lead underwriter. About 1.5 million shares were issued in another offering eight months later.

CAPITAL STRUCTURE as of 3/31/08

Total Debt $203.0 mill. Due in 5 Yrs 4.0 mill.
LT Debt $203.0 mill. LT Interest $11.5 mill. (35% of Cap'l)
Leases, Uncapitalized Annual rentals $33.2 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 28,685,859 shares.

MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	173.6	147.9	77.0
Receivables	22.2	14.6	12.6
Inventory (FIFO)	189.7	181.9	186.4
Other	36.1	38.1	41.4
Current Assets	423.6	382.4	317.4
Accts Payable	28.5	26.7	22.9
Debt Due	--	--	--
Other	117.2	120.7	115.3
Current Liab.	145.7	147.4	138.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	6.5%	4.5%
"Cash Flow"	12.5%	4.0%	7.0%
Earnings	15.5%	3.0%	6.5%
Dividends	--	33.0%	4.0%
Book Value	11.0%	5.0%	10.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	230.3	245.2	231.2	242.3	949.0
2006	251.3	276.0	267.1	272.0	1066.4
2007	242.8	257.4	246.5	258.5	1005.2
2008	248.7	259.5	235.9	245.9	990
2009	250	260	240	250	1000

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.51	.64	.50	.56	2.21
2006	.57	.77	.59	.66	2.59
2007	.52	.70	.54	.65	2.41
2008	.57	.70	.39	.44	2.10
2009	.50	.65	.50	.65	2.30

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.15	.15	.50
2005	.15	.15	.18	.18	.66
2006	.18	.18	.20	.20	.76
2007	.20	.20	.20	.22	.82
2008	.22	.22	.22		

© VALUE LINE PUB., INC	11-13
Sales per sh A	42.60
"Cash Flow" per sh	4.95
Earnings per sh B	3.50
Div'ds Decl'd per sh C	.94
Cap'l Spending per sh	2.00
Book Value per sh	20.35
Common Shs Outst'g D	27.00
Avg Ann'l P/E Ratio	14.0
Relative P/E Ratio	.95
Avg Ann'l Div'd Yield	.7%
Sales ($mill) A	1150
Operating Margin	18.0%
Depreciation ($mill)	33.0
Net Profit ($mill)	100
Income Tax Rate	38.0%
Net Profit Margin	8.7%
Working Cap'l ($mill)	200
Long-Term Debt ($mill)	200
Shr. Equity ($mill)	550
Return on Total Cap'l	14.5%
Return on Shr. Equity	18.0%
Retained to Com Eq	13.5%
All Div'ds to Net Prof	26%

Bold figures are Value Line estimates

BUSINESS: Ethan Allen Interiors, Inc. is a leading manufacturer and retailer of home furnishings, offering a full range of furniture products and accessories. The company makes and distributes three principal product lines: case goods, upholstered products, and home furnishing accessories. As of 6/30/07, it operated 158 galleries, 9 manufacturing facilities, and 2 saw mills; independent franchisees owned and operated 155 stores (35 located overseas). '07 depr. rate: 4.6%. Has 6,000 empls. M. Farooq Kathwari (Chrmn., Pres., and CEO) owns 12.8% of stock; other off. & dir., 1%; FMR Corp., 10.8%; Royce & Assoc., LLC 10.7%. (11/07 Proxy). Inc.: DE. Address: Ethan Allen Dr., P.O. Box 1966, Danbury, CT 06811. Telephone: 203-743-8000. Internet: www.ethanallen.com.

Ethan Allen Interiors' stock is ranked to lag the broader market averages over the next six to 12 months. The company's sales and profits remain under pressure from lower consumer confidence. Although retail sales have been showing some improvement in recent months, the significant slowdown in the domestic economy has continued to weigh on overall demand, particularly from wholesale buyers. As a result, the near-term outlook has dampened.

The domestic housing crisis will likely cause the company's share earnings to decline further. By the time Ethan Allen reports its fiscal fourth-quarter results (year ended June 30th) this review will already have reached our subscribers. Still, we believe the company's top line buckled under the weight of the collapsing housing market. The wholesale segment has been hurt by waning demand from bulk buyers. Thus, despite continued recovery on the retail side, the lackluster wholesale segment hurt the bottom line. Moreover, heavier costs associated with the opening of four relocated design centers, and the integration of many centers that were acquired and opened during the last 15 months, further trimmed margins. Hence, we look for a double-digit year-to-year decline in share net in fiscal 2008.

However, we believe that margins will begin to recover in fiscal 2009. Given the company's complete overhaul of its business model over the past three years, we view Ethan Allen as one of the better-positioned furniture retailers in terms of product, service quality, and pricing power. The closure of several facilities and ongoing outsourcing efforts have helped the company to lower production costs, and improve the gross margin, despite sluggish sales. Furthermore, Ethan's ability to generate decent free cash flow is encouraging. In addition, considering that many of the factors hindering performance are macroeconomic concerns, we believe that when the climate improves, the company's sales and earnings recovery will likely accelerate rapidly.

The stock is a decent long-term play. It offers solid 3- to 5-year price appreciation potential and a decent dividend yield.

Simon R. Shoucair *July 4, 2008*

(A) Fiscal year ends June 30th.
(B) Diluted earnings. Excl. nonrec. charges: '98, 2¢; '01, 10¢; '02, 8¢; '03, 22¢; '04, 22¢; '05, (2¢); '08, (8¢); '07, 26¢. Next earnings report due late July.
(C) Dividends historically paid in late January, April, July, and October. The company paid a special dividend of $3.00 a share during the June quarter of fiscal 2004.
(D) In millions, adjusted for splits.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	35
Earnings Predictability	95

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EDWARDS LIFESCI. NYSE-EW

RECENT PRICE 59.97 | P/E RATIO 22.6 (Trailing: 28.4 Median: NMF) | RELATIVE P/E RATIO 1.47 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/1/08
SAFETY 2 Raised 9/1/06
TECHNICAL 2 Raised 8/15/08
BETA .70 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+75%)	15%
Low	80	(+35%)	8%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	2	1	1	1	1	3	3	1
to Sell	1	2	1	1	1	1	3	6	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	81	111	100
to Sell	115	92	117
Hld's(000)	58112	57913	55013

LEGENDS
14.5 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 26.4 29.2 29.6 33.6 42.3 46.9 48.5 52.9 66.5
Low: 12.0 16.8 18.4 24.4 29.5 36.6 41.0 45.8 41.7

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	36.4	-12.2
3 yr.	35.6	7.2
5 yr.	122.0	58.6

Edwards Laboratories was founded in the early 1960s by Miles "Lowell" Edwards, after he co-developed the first artificial heart valve. In 1966, Edwards Labs. was bought by American Hospital Supply Corp., which was later purchased by Baxter International, Inc. in 1985. Baxter established the Edwards organization as its CardioVascular Group. On April 3, 2000, Edwards Lifesciences Corp. was spun off from Baxter, with each Baxter shareholder receiving one share of EW per five shares of BAX owned.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $141.7 mill. Due in 5 Yrs $141.7 mill.
LT Debt $141.7 mill. LT Interest $8.0 mill.
(14% of Capital)

Leases, Uncapitalized Annual rentals $13.7 mill.
Pension Assets-12/07 $24.6 mill.
Oblig. $41.1 mill.

Common Stock 56,227,715 shares
as of 7/31/08
MARKET CAP: $3.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	182.8	191.2	208.1
Receivables	127.1	115.8	173.3
Inventory (FIFO)	142.1	152.6	136.8
Other	79.6	122.1	116.9
Current Assets	531.6	581.7	635.1
Accts Payable	57.2	63.8	75.0
Debt Due	--	150.0	--
Other	169.0	161.5	151.6
Current Liab.	226.2	375.4	226.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	8.0%	11.0%
"Cash Flow"	--	17.0%	12.0%
Earnings	--	36.0%	14.5%
Dividends	--	--	Nil
Book Value	--	10.0%	13.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	249.1	258.2	240.9	249.7	997.9
2006	256.7	267.3	247.4	265.6	1037.0
2007	264.1	272.8	261.4	293.0	1091.1
2008	296.8	327.6	302.6	338	1265
2009	335	350	330	365	1380

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.48	.51	.46	.53	1.98
2006	.50	.54	.47	.55	2.06
2007	.54	.57	.46	.56	2.13
2008	.56	.66	.56	.77	2.55
2009	.66	.77	.66	.86	2.95

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	13.70	11.67	11.70	14.47	15.67	16.76	17.97	19.28	23.20	25.55	Revenues per sh	33.35
	--	--	.28	2.02	2.05	2.39	2.69	3.04	3.20	3.25	3.75	4.20	"Cash Flow" per sh	6.25
	--	--	d1.06	1.03	1.35	1.58	1.67	1.98	2.06	2.13	2.55	2.95	Earnings per sh A	4.65
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	--	.78	.64	.68	.64	.72	.81	.99	1.01	.90	1.00	Cap'l Spending per sh	1.35
	--	--	7.50	7.74	8.96	10.68	10.57	11.59	12.99	14.75	15.35	17.75	Book Value per sh B	28.00
	--	--	56.67	59.33	60.18	59.48	59.44	59.52	57.70	56.60	54.50	54.00	Common Shs Outst'g C	52.50
	--	--	--	22.3	18.9	18.0	20.7	21.7	21.7	23.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
	--	--	--	1.14	1.03	1.03	1.09	1.16	1.17	1.21			Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	--	--	604.0	692.1	704.0	860.5	931.5	997.9	1037.0	1091.1	1265	1380	Revenues ($mill)	1750
	--	--	19.3%	21.5%	21.6%	21.4%	22.6%	23.2%	22.2%	20.8%	20.5%	21.0%	Operating Margin	24.0%
	--	--	74.0	57.0	40.4	45.6	55.7	56.2	56.8	54.8	57.0	60.0	Depreciation ($mill)	70.0
	--	--	d57.5	62.9	82.9	96.8	104.1	125.0	127.7	129.4	145	165	Net Profit ($mill)	260
	--	--	NMF	28.0%	26.0%	25.6%	26.0%	24.7%	24.6%	25.2%	27.0%	27.0%	Income Tax Rate	27.5%
	--	--	NMF	9.1%	11.8%	11.2%	11.2%	12.5%	12.3%	11.9%	11.5%	12.0%	Net Profit Margin	15.0%
	--	--	63.0	109.0	128.5	193.0	172.1	320.0	305.4	206.3	335	405	Working Cap'l ($mill)	645
	--	--	367.0	310.0	245.5	255.8	267.1	316.1	235.9	61.7	140	125	Long-Term Debt ($mill)	Nil
	--	--	440.0	459.0	539.4	635.1	628.1	680.0	749.4	835.0	835	960	Shr. Equity ($mill)	1470
	--	--	NMF	9.2%	11.3%	11.6%	12.4%	13.0%	13.5%	14.8%	15.5%	15.5%	Return on Total Cap'l	17.5%
	--	--	NMF	13.7%	15.4%	15.2%	16.6%	18.1%	17.0%	15.5%	17.5%	17.5%	Return on Shr. Equity	17.5%
	--	--	NMF	13.7%	15.4%	15.2%	16.6%	18.1%	17.0%	15.5%	17.5%	17.5%	Retained to Com Eq	17.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Edwards Lifesciences Corporation is a global leader in products and technologies designed to treat advanced cardiovascular disease. Operates in five segments: Heart Valve Therapy (47.2% of pro forma '07 revenues), Critical Care (36.9%), Cardiac Surgery Systems (5.1%), Vascular (8.4%), and Other Distributed Products (2.4%). '07 R&D: $122.3 million. '07 international revenues: $604.5 million. Employs about 5,600. T. Rowe Price owns 10.2% of common shares; Baron Capital Group, 9.5%; Indian Asset Management, 7.2%; Renaissance Technologies, 5.1%; officers & directors, 6.0% (3/08 proxy). Chairman & CEO: Michael A. Mussallem. Incorporated: DE. Address: One Edwards Way, Irvine, CA., 92614. Telephone: (949) 250-2500. Internet: www.edwards.com.

Edwards Lifesciences is having a good year. Second-quarter sales surged 20% year over year. Internal revenue growth (excludes currency translation gains and discontinued operations) was 13%. Investors should be pleased with the hefty top-line advance, especially considering that all the company's franchises reported double-digit growth. Notably, Heart Valve Therapy sales jumped 24%, thanks to improved performance in the U.S. and continued robust international growth. Results here were also accelerated by the strong uptake of the *SAPIEN* valve in Europe, where procedural success has been impressive thus far. Critical Care revenues climbed 20%, due to strong demand for the *FloTrac* system among other things.

June-quarter share earnings were 16% higher than the year-earlier figure. The aforementioned top-line gain accounted for the vast majority of the profit growth. Edwards' gross profit margin was slightly better than it was a year ago, but SG&A and R&D expenses increased as a percentage of sales. The higher spending was tied to the launch of the *SAPIEN* valve and the development of the transcatheter and surgical valve programs.

We have raised our 2008 and 2009 targets. We now expect Edwards to earn $2.55 a share on sales of $1.265 billion this year (up from $2.50 a share and $1.235 billion, respectively). Similarly, we added $40 million and $0.05 to our 2009 top- and bottom-line estimates, respectively.

Edwards is still cutting its share count. During the first half of 2008, the company spent about $235 million buying back stock, thereby exhausting the existing share repurchase authorization. In response, Edwards' board of directors approved a new $250 million repurchase initiative. The new program provides Edwards with an opportunity to increase shareholder value in lieu of a dividend.

We like this issue. Thanks to its recent share-price and earnings performance, we have boosted this stock's Timeliness rank one notch, to Above Average. So, momentum investors may want to delve deeper. These shares also offer respectable, albeit slightly below-average, 3- to 5-year capital gains potential.

Erik A. Antonson *August 29, 2008*

(A)Diluted earnings. Excludes nonrecurring gain/(losses): '01: ($1.22); '02: (44¢); '03: (29¢); '04: ($1.64); '05, (71¢); '06, 4¢; '07, (26¢); '08, (24¢). Next earnings report due late October.
(B)Includes intangibles. In '07: $472.8 million, $8.35 a share.
(C)In millions.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	85
Earnings Predictability	95

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FIRST COMNWLTH FIN'L NYSE-FCF

RECENT PRICE 11.98 | P/E RATIO 17.1 (Trailing: 18.2 / Median: 17.0) | RELATIVE P/E RATIO 1.06 | DIV'D YLD 5.7% | VALUE LINE

TIMELINESS 3 New 11/23/07
SAFETY 3 New 11/23/07
TECHNICAL 3 Raised 7/11/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	18	(+50%)	11%
Low	12	(Nil)	6%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	2	0	0	1
Options	0	0	0	0	0	0	0	1	2
to Sell	0	0	0	0	0	0	0	1	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	46	42	57
to Sell	53	50	45
Hld's(mil)	23768	24591	26133

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:							17.7	17.4	14.9	12.1	15.1	14.2	15.0	15.9	15.4	14.7	13.7	12.9
Low:							8.6	11.3	10.1	8.6	9.4	10.5	11.5	12.0	12.6	12.1	8.9	8.0

LEGENDS
15.0 x Earnings p sh
.... Relative Price Strength
2-for-1 split 11/99
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	27.9	-12.2
3 yr.	-3.4	7.2
5 yr.	11.6	58.6

VALUE LINE, INC.	11-13
Earnings per sh A	1.00
Div'ds Decl'd per sh B=	.75
Book Value per sh C	8.25
Common Shs Outst'g D	75.00
Avg Ann'l P/E Ratio	15.0
Relative P/E Ratio	1.00
Avg Ann'l Div'd Yield	5.2%
Total Assets ($mill)	8000
Loans ($mill)	5000
Net Interest Inc ($mill)	210
Loan Loss Prov'n ($mill)	15.0
Noninterest Inc ($mill)	85.0
Noninterest Exp ($mill)	190
Net Profit ($mill)	75.0
Income Tax Rate	15.0%
Return on Total Assets	.95%
Long-Term Debt ($mill)	500
Shr. Equity ($mill) C	620
Shr. Eq. to Total Assets	8.0%
Loans to Tot Assets	62.5%
Return on Shr. Equity	12.0%
Retained to Com Eq	3.0%
All Div'ds to Net Prof	75%

Bold figures are Value Line estimates

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1344.4 mill. Due in 5 Yrs $700 mill.
LT Debt $510.2 mill. LT Interest $16.0 mill.
Includes $105.8 mill. in subordinated debentures due '34.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 73,280,415 shs.
as of 7/29/08
MARKET CAP: $875 mill. (Small Cap)

ASSETS ($mill.)	2006	2007	6/30/08
Net Loans	3741.2	3655.4	4068.9
Funds Sold	--	--	--
Securities	1723.2	1645.7	1583.3
Other Earnings	95.1	100.1	101.9
Other	484.4	481.7	497.3
LIABILITIES($mill.)			
Deposits	4326.0	4347.2	4320.7
Funds Borrowed	500.0	354.2	834.2
Long-Term Debt	593.4	547.9	532.7
Net Worth	571.4	568.8	510.2
Other	53.1	65.5	53.6
Total	6043.9	5883.6	6251.4
Loan Loss Resrv.	11.5	10.0	8.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	3.0%	3.0%	4.5%
Earnings	1.0%	-4.0%	6.5%
Dividends	6.5%	3.0%	2.0%
Book Value	2.5%	4.0%	1.5%
Total Assets	3.5%	1.5%	4.5%

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	3513.6	3559.9	3571.6	3584.6
2006	3613.5	3641.0	3776.7	3741.2
2007	3660.1	3630.7	3616.9	3655.4
2008	3851.6	4068.9	*4075*	*4100*
2009	*4200*	*4250*	*4300*	*4350*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.22	.21	.19	.08	.70
2006	.18	.17	.22	.17	.74
2007	.15	.15	.17	.16	.63
2008	.15	.18	*.18*	*.19*	*.70*
2009	*.17*	*.19*	*.19*	*.20*	*.75*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.16	.16	.16	.16	.64
2005	.165	.165	.165	.165	.66
2006	.17	.17	.17	.17	.68
2007	.17	.17	.17	.17	.68
2008	.17	.17	.17		

BUSINESS: First Commonwealth Financial Corporation operates as the holding company and owns one chartered bank and trust company subsidiary, First Commonwealth Bank. It also owns First Commonwealth Financial Advisors, which offer personal financial planning. Insurance products are also provided through its wholly owned subsidiary, First Commonwealth Insurance Agency. It operates 110 banking branches and 117 ATMs in Pennsylvania. Acquired Laurel Capital Group, Inc. in 8/06. Has 1,430 employees as of 12/31/07. Off./Dir. own 5.5% of common shares (4/08 proxy). President and CEO: Joseph E. O'Dell. Chairman David S. Dahlmann. Inc.: PA. Address: 22 N. Sixth Street, Indiana, PA 15701. Tel.: (724) 349-7220. Internet: http://www.fcbanking.com.

We have increased our 2008 share-net estimate for First Commonwealth Financial by a nickel. Unlike a number of financial institutions, FCF has no exposure to the subprime mortgage market and thus, has been able to weather the challenging operating environment better than most other banks. Recently, it released June-period financial results that bested our estimate by a couple of pennies. The better-than-expected results mostly stemmed from increased loans. For the quarter, net loans advanced by 12%. Although the market for good-quality loans remains fierce, FCF has done a solid job of attracting desirable customers, and this trend should continue over the next several quarters. All told, we now believe that FCF will achieve share net of $0.70 this year, 11% better than 2007's tally.

Our outlook for 2009 has improved, as well. Along with continued loan growth, profits should be helped by the company's corporate banking operations. FCF has taken advantage of the market disruption, and we believe more and more businesses will look to FCF for their banking needs. In sum, we believe the company will post a share profit of $0.75 next year, 7% better than 2008's probable result. But,

We continue to be concerned in regards to the company's dividend payout. We estimate that FCF stands to earn $50 million in profits this year, and the current dividend could cost the company around the same amount. At this time, we do not believe that a cut will occur, but if operations do not continue to improve, a decrease in the distribution may be necessary within the next few quarters.

At this time, these shares do not stand out for the short or long term. Although our outlook for First Commonwealth has improved, our Timeliness Ranking System suggests that this equity will only mirror the year-ahead market. Also, looking long term, this stock is currently trading near the low end of our projected Target Price Range for 2011–2013, limiting appreciation potential out to that time frame. That said,

Income-oriented investors may find the 5.7% dividend yield appealing. However, we reiterate that a cut to the payout does not seem out of the question.

Ian Gendler *August 22, 2008*

(A) Diluted earnings. Next earnings report due mid-Oct.

(B) Dividends historically paid mid-Jan., Apr., July, & Oct. ■ Dividend reinvestment plan available.

(C) Includes intangibles. In '07: $173.4 million, $2.35/sh.

(D) In millions.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	25
Earnings Predictability	75

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FLOWERS FOODS NYSE-FLO

RECENT PRICE 29.69 | P/E RATIO 24.7 (Trailing: 27.0 / Median: NMF) | RELATIVE P/E RATIO 1.59 | DIV'D YLD 2.0% | VALUE LINE

TIMELINESS 1 Raised 5/30/08
SAFETY 3 New 11/9/01
TECHNICAL 3 Lowered 6/20/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+50%)	12%
Low	30	(Nil)	3%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	1	0	0	
Options	4	0	3	0	0	1	0	0	0
to Sell	3	1	3	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	80	96	105
to Sell	90	80	107
Hld's(000)	62426	63375	67332

LEGENDS
.... Relative Price Strength
3-for-2 split 1/02
3-for-2 split 6/03
3-for-2 split 7/05
3-for-2 split 7/07
Options: Yes
Shaded area indicates recession

High: 8.8 8.6 12.2 14.3 20.4 20.8 25.0 30.3
Low: 5.1 5.0 4.8 9.4 12.1 17.0 17.5 20.7

Target Price Range 2011 | 2012 | 2013: 64 48 40 32 24 20 16 12 8 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	30.3	-18.0
3 yr.	90.9	11.3
5 yr.	253.8	63.2

Percent shares traded: 15 10 5

Flowers Foods, Inc. was incorporated in Georgia in October, 2000. It was a wholly owned subsidiary of Flowers Industries, Inc., until March 26, 2001, when Flowers Industries merged with Kellogg Company. The shares were spun off on a one-for-five basis to the shareholders of Flowers Industries. The stock began trading on March 28, 2001, at about $20.00.

CAPITAL STRUCTURE as of 4/19/08
Total Debt $27.5 mill. Due in 5 Yrs $27.5 mill.
LT Debt $23.1 mill. LT Interest $1.5 mill.
(Total interest coverage: 31x)
(3% of Cap'l)
Leases, Uncapitalized: Annual rentals $39.2 mill.

Benefit Assets-12/07 $312.3 mill. Oblig. $277.8 mill.

Pfd Stock None

Common Stock 92,147,045 shs.
as of 5/23/08

MARKET CAP: $2.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/19/08
Cash Assets	13.9	20.0	42.5
Receivables	131.9	137.7	151.8
Inventory (Avg Cst)	43.7	47.3	51.5
Other	52.6	64.2	82.8
Current Assets	242.1	269.2	328.6
Accts Payable	90.9	98.3	103.9
Debt Due	7.4	6.9	4.4
Other	86.9	108.4	127.3
Current Liab.	185.2	213.6	235.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	5.0%	12.0%
"Cash Flow"	--	16.5%	13.5%
Earnings	--	--	15.0%
Dividends	--	--	28.0%
Book Value	--	2.0%	12.5%

Calendar	QUARTERLY SALES ($ mill.) A May Per	July Per	Oct.Per	Dec.Per	Full Year
2005	506.1	405.3	408.0	396.5	1715.9
2006	563.6	445.8	441.1	438.2	1888.7
2007	609.9	477.9	475.2	473.7	2036.7
2008	676.7	525	520	528.3	2250
2009	700	560	555	565	2380

Calendar	EARNINGS PER SHARE A C May Per	Jul.Per	Oct.Per	Dec.Per	Full Year
2005	.20	.19	.15	.12	.66
2006	.24	.21	.18	.18	.81
2007	.31	.24	.24	.23	1.02
2008	.39	.28	.27	.26	1.20
2009	.40	.30	.30	.30	1.30

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.045	.055	.055	.055	.21
2005	.053	.067	.067	.067	.25
2006	.071	.083	.083	.083	.32
2007	.083	.125	.125	.125	.46
2008	.125	.15			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	16.11	16.20	16.33	14.29	15.98	18.96	20.83	22.15	24.25	25.85	Sales per sh A	31.50
	--	--	.25	.93	.96	1.05	1.14	1.35	1.53	1.75	1.95	2.10	"Cash Flow" per sh	2.75
	--	--	d.41	.14	.22	.51	.54	.66	.81	1.02	1.20	1.30	Earnings per sh AC	1.80
	--	--	--	--	.01	.16	.21	.25	.32	.46	.57	.65	Div'ds Decl'd per sh B=	.90
	--	--	.40	.49	.48	.43	.47	.65	.68	.96	1.00	1.05	Cap'l Spending per sh	1.20
	--	--	5.00	6.18	5.86	5.68	5.87	5.66	6.21	7.14	8.05	8.90	Book Value per sh C	11.95
	--	--	100.57	100.57	101.20	101.67	97.08	90.48	90.68	91.90	92.00	92.00	Common Shs Outst'g D	92.00
	--	--	--	50.3	31.5	17.7	21.6	23.6	22.9	20.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
	--	--	--	2.58	1.72	1.01	1.14	1.26	1.10	1.09			Relative P/E Ratio	1.35
	--	--	--	--	.2%	1.7%	1.8%	1.6%	2.2%	2.3%			Avg Ann'l Div'd Yield	2.5%
	--	1568.2	1620.0	1629.0	1652.2	1463.0	1551.3	1715.9	1888.7	2036.7	2250	2380	Sales ($mill) A	2900
	--	2.6%	4.8%	7.1%	7.8%	9.1%	9.0%	9.2%	9.5%	10.5%	11.0%	11.5%	Operating Margin	12.0%
	--	53.9	67.1	73.8	74.0	53.9	56.7	59.3	64.3	66.1	70.0	75.0	Depreciation ($mill)	90.0
	--	d35.5	d41.8	19.6	23.1	52.8	54.3	62.9	74.9	94.2	110	120	Net Profit ($mill)	165
	--	--	--	--	39.7%	38.5%	38.5%	37.7%	37.8%	38.5%	38.5%	38.5%	Income Tax Rate	38.5%
	--	NMF	NMF	1.2%	1.4%	3.6%	3.5%	3.7%	4.0%	4.6%	4.9%	5.0%	Net Profit Margin	5.7%
	--	154.1	84.9	66.3	106.1	103.6	78.9	63.3	58.9	55.6	70.0	90.0	Working Cap'l ($mill)	170
	--	304.0	247.8	242.1	223.1	9.9	22.6	74.4	79.1	22.5	20.0	20.0	Long-Term Debt ($mill)	20.0
	--	538.8	502.5	621.6	593.0	577.7	569.7	512.4	562.9	656.2	745	820	Shr. Equity ($mill)	1100
	--	NMF	NMF	4.4%	4.2%	9.1%	9.2%	11.0%	11.9%	12.5%	13.0%	13.0%	Return on Total Cap'l	13.0%
	--	NMF	NMF	3.2%	3.9%	9.1%	9.5%	12.3%	13.3%	14.5%	14.5%	14.5%	Return on Shr. Equity	15.0%
	--	NMF	NMF	3.2%	3.6%	6.5%	5.9%	7.7%	8.2%	9.5%	9.5%	9.5%	Retained to Com Eq	10.5%
	--	NMF	NMF	--	6%	29%	38%	38%	39%	42%	44%	45%	All Div'ds to Net Prof	49%

BUSINESS: Flowers Foods is a producer and marketer of packaged bakery goods in the U.S. Products are sold to retail-food stores, foodservice, in-store bakery, and vending companies. Products are sold under the Nature's Own, Bluebird, Mrs. Freshley's, European Bakers and Cobblestone Mill labels. Has two divisions: Flowers Bakeries, which focuses on production and marketing of bakery goods (operates 27 bakeries, has over 3,000 independent distributors) and Flowers Foods Specialty Group, specializing in snack cakes and frozen breads. Has about 7,800 empls. Off./dir. own 16.1% of stock. (Proxy 4/08) Chairm./Pres./CEO: George Deese. Inc.: GA. Addr.: 1919 Flowers Circle, Thomasville, GA 31757. Tel.: 229-226-9110. Internet: www.flowersfoods.com.

Flowers Foods continues to post strong results. During the most recent quarter (ended April 19th), the company reported year-over-year revenue growth of 11%, driven by higher pricing, positive mix shifts, and increased volume. Share net jumped 26%, despite elevated ingredient costs. Branded retail sales rose 14%, thanks to strong demand for *Nature's Own* soft variety and premium breads, along with regional white breads. Flowers' direct-store delivery group, previously known as the Bakeries Group, posted strong sales growth of 13%, due to favorable pricing and mix, as well as solid volume increases. Sales from the warehouse delivery division, previously known as the Specialty Group, posted a decent sales advance, thanks to price hikes.

We are raising our 2008 top- and bottom-line estimates by $20 million and a nickel, respectively, to $2.25 billion and $1.20 per share. We expect the direct-store delivery group to remain the primary driver of the advance. The company's manufacturing efficiency initiatives should allow for healthy profit gains during the year. Sales of the *Nature's Own* and *Whitewheat* brands should remain robust, as these products offer good quality and value for customers. The company continues to see significant increases in ingredients costs, but expects to pass much of these expenses onto customers.

The company continues to post strong cash flow growth, and this, along with a healthy balance sheet, has allowed it to increase the quarterly dividend by 20%, to $0.15 per share. It also has been active on the acquisition front. In June, it announced that it entered into a definitive agreement to purchase two bakeries, Holsum Bakery in the Phoenix area and ButterKrust Bakery in Florida. These should help Flowers expand its geographic footprint.

Shares of Flowers Foods are ranked to outperform the broader market averages over the next six to 12 months. We believe that strong operational performance, along with steady demand for its key products, should allow earnings to advance at a nice clip during this time frame. However, over the 3- to 5-year period, these shares offer subpar appreciation potential at the current quote.

Jason Dalavagas *August 1, 2008*

(A) Fiscal year ends last Saturday in Dec. First quarter is 16 weeks; others are 12 weeks. Pro forma results are shown in 1999 and 2000. Earnings adjusted to normalize tax rate. Excludes nonrecurring loss: '01, 43¢. Excludes disc. oper.: '04, (5¢); '05, (3¢); '06 (2¢). Next earnings report due in early August.
(B) Div'd historically paid in January, April, July, and Oct.= Div'd reinvest. plan available.
(C) Based on diluted shares.
(D) In millions, adj. for splits.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	100
Earnings Predictability	40

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FMC CORP. NYSE-FMC

RECENT PRICE 68.81 | P/E RATIO 16.8 (19.3 12.0) | RELATIVE P/E RATIO 1.11 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 1 Raised 2/1/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 5/2/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+15%)	9%
Low	50	(-25%)	-7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	2	2	0	1	0	0	4	1	0
to Sell	2	2	0	1	0	0	4	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	120	122	132
to Sell	117	129	139
Hld's(000)	86907	85168	85288

	High:	45.7	41.1	37.6	38.6	42.0	21.2	17.4	25.3	31.9	39.0	59.0	60.2
	Low:	29.7	24.1	19.6	23.0	22.8	11.5	7.1	16.5	21.6	25.9	35.6	46.4

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

Percent shares traded: 18, 12, 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	74.6	-18.0
3 yr.	182.3	11.3
5 yr.	600.4	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002[D]	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
55.39	51.88	54.92	60.90	66.83	60.98	66.94	67.69	64.05	30.77	26.42	27.25	27.70	27.91	30.63	35.04	*39.00*	*41.35*	*Sales per sh*	*50.00*
5.98	5.40	5.51	6.27	6.35	5.65	5.99	6.19	6.55	3.66	2.94	2.72	3.64	4.00	4.54	5.25	*5.80*	*6.45*	"Cash Flow" per sh	*8.00*
2.62	2.23	2.33	2.86	2.87	2.07	2.64	3.02	3.36	1.60	1.28	.95	1.60	2.20	2.74	3.40	*4.10*	*4.75*	Earnings per sh [A]	*6.20*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	.36	.41	*.46*	*.50*	Div'ds Decl'd per sh	*.60*
4.38	3.38	4.87	7.85	7.17	4.53	4.25	3.69	3.92	2.31	1.20	1.23	1.15	1.21	1.51	1.54	*1.65*	*1.85*	Cap'l Spending per sh	*2.10*
3.05	3.00	5.70	8.82	11.51	10.89	11.15	12.25	13.06	3.46	5.79	8.34	11.83	12.45	13.30	14.17	*15.90*	*18.30*	Book Value per sh [B]	*27.90*
71.75	72.36	73.03	74.05	74.36	69.85	65.41	60.73	61.29	63.15	70.14	70.52	74.06	77.03	76.64	75.13	*75.00*	*75.00*	Common Shs Outst'g [C]	*73.00*
8.1	10.6	11.5	11.7	12.2	18.1	12.3	*9.4*	*9.2*	20.5	12.4	12.3	13.3	12.1	11.6	13.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*10.5*
.55	.63	.75	.78	.76	1.04	.64	.54	.60	1.05	.68	.70	.70	.64	.63	.78			Relative P/E Ratio	*.70*
--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.1%	.9%			Avg Ann'l Div'd Yield	*.8%*
4378.4	4110.8	3925.5	1943.0	1852.9	1921.4	2051.2	2150.2	2347.0	2632.9	*2925*	*3100*	Sales ($mill)	*3650*
13.0%	13.5%	14.8%	16.6%	16.5%	16.7%	22.2%	19.4%	19.6%	19.8%	*22.0%*	*23.0%*	Operating Margin	*22.5%*
206.6	180.7	188.9	131.6	118.8	124.6	134.3	136.3	131.8	135.7	*120*	*120*	Depreciation ($mill)	*130*
185.3	195.2	212.3	98.6	87.5	67.5	135.2	171.9	216.4	258.4	*315*	*365*	Net Profit ($mill)	*455*
25.7%	25.7%	27.9%	23.7%	25.0%	21.7%	43.0%	24.1%	25.5%	24.7%	*32.0%*	*32.0%*	Income Tax Rate	*32.0%*
4.2%	4.7%	5.4%	5.1%	4.7%	3.5%	6.6%	8.0%	9.2%	9.8%	*10.8%*	*11.8%*	Net Profit Margin	*12.5%*
269.8	d159.5	d70.1	d258.9	301.1	282.2	252.6	408.0	365.3	442.7	*650*	*750*	Working Cap'l ($mill)	*900*
1328.4	945.1	872.1	651.8	1035.9	1033.4	822.2	639.8	702.5	419.6	*475*	*425*	Long-Term Debt ($mill)	*275*
729.4	743.6	800.4	218.8	406.0	*588.3*	*876.2*	*959.3*	*1019.5*	*1084.3*	*1200*	*1375*	Shr. Equity ($mill)	*2050*
11.0%	14.4%	15.5%	13.5%	8.3%	6.5%	10.3%	12.7%	13.8%	18.7%	*20.0%*	*21.0%*	Return on Total Cap'l	*20.0%*
25.4%	26.3%	26.5%	45.5%	21.6%	11.5%	15.4%	17.9%	21.2%	24.3%	*27.0%*	*27.0%*	Return on Shr. Equity	*22.0%*
25.4%	26.3%	26.5%	45.5%	21.6%	11.5%	15.4%	17.9%	19.2%	21.5%	*24.0%*	*24.0%*	Retained to Com Eq	*21.0%*
--	--	--	--	--	--	--	--	10%	11%	*10%*	*9%*	All Div'ds to Net Prof	*8%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $615.0 mill. Due in 5 Yrs $430.0 mill.
LT Debt $462.9 mill. LT Interest $30.0 mill.
(Total interest coverage: 13.2x) (30% of Cap'l)

Leases, Uncapitalized Annual rentals $28.8 mill.
Pension Assets-12/07 $893.9 mill. Oblig. $960.9 mill.

Pfd Stock None

Common Stock 74,823,358 shs.
MARKET CAP: $5.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	165.5	75.5	70.4
Receivables	537.9	599.7	759.0
Inventory (LIFO)	219.4	275.0	*300.5*
Other	145.0	243.9	280.6
Current Assets	1067.8	1194.1	1410.4
Accts Payable	301.4	327.4	333.5
Debt Due	106.2	125.6	132.1
Other	284.9	298.4	315.6
Current Liab.	702.5	751.4	781.2

ANNUAL RATES *of change (per sh)*	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-7.0%	-5.0%	*8.0%*
"Cash Flow"	-3.0%	1.0%	*9.5%*
Earnings	0.5%	6.0%	*14.5%*
Dividends	--	--	*11.5%*
Book Value	2.5%	12.6%	*13.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	552.4	565.6	510.0	522.2	2150.2
2006	594.1	592.3	572.2	588.4	2347.0
2007	674.1	657.9	626.6	674.3	2632.9
2008	750.2	*730*	*700*	*744.8*	*2925*
2009	*790*	*770*	*760*	*780*	*3100*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.56	.68	.43	.53	2.20
2006	.88	.74	.51	.61	2.74
2007	1.02	.97	.75	.66	3.40
2008	1.19	*1.19*	*.88*	*.84*	*4.10*
2009	*1.30*	*1.26*	*1.12*	*1.07*	*4.75*

Calendar	QUARTERLY DIVIDENDS PAID [E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	--	--	--	--	--
2006	--	.09	.09	.09	.27
2007	.09	.105	.105	.105	.41
2008	.105	.105	.125		

BUSINESS: FMC Corporation produces a broad range of chemicals for industry and agriculture. It is the world's largest producer of natural soda ash and is a major producer of phosphorus, hydrogen peroxide, agricultural chemicals, and lithium compounds. Separated machinery unit, 12/02. Oper. 32 manufacturing facilities and mines in 18 countries. Sold 60% stake in United Defense, 10/97; 80% stake in FMC Gold, 8/96. Foreign sales: 63% of 2007 total. '07 depreciation rate: 4.8%. Has about 5,000 employees. Officers and directors own 3.1% of common stock; M&G Investment Mgmt. LTD., 8.4%; Wellington Mgmt., 5.8% (3/08 Proxy). CEO: William G. Walter. Inc.: Delaware. Address: 1735 Market Street, Philadelphia, PA 19103. Telephone: 215-299-6000. Internet:www.fmc.com.

FMC appears headed for another good year. The diversified chemical company reported first-quarter earnings growth of 17%, with all three of its operating segments generating double-digit sales and profit increases. This more than offset higher raw material costs, which trimmed $0.13 a share in the period. On the plus side, the company has relatively modest exposure to rising oil prices. Based on the strong start, we've increased our 2008 share-net estimate by $0.20, to $4.10, which would make for a 20% year-over-year gain. The company's solid prospects (more below) suggest earnings momentum should carry through to next year as well. Our 2009 bottom-line outlook has been increased by $0.40, to $4.75 a share.

The Agricultural Products Group continues to do booming business. Segment earnings increased 17% in the March interim, to $83 million, driven by sales gains in Asia, Europe, and Latin America, with particular strength coming from the cotton, sugarcane, and soybean crop segments. Ongoing global supply chain improvements also helped boost profitability. Overall, rising demand (and prices) for various food crops, particularly from the emerging economies of China and India, suggest strong underlying support for FMC's crop-protection and pest-control products for years to come.

Specialty Chemicals continues to generate good results, driven by biopolymer and lithium-based products, especially going into the pharmaceutical and food ingredients markets.

Industrial Chemicals has made a strong turnaround, with earnings more than doubling in the latest quarter, to $35.6 million. A good part of this came from selling price increases and higher volumes for soda ash, hydrogen peroxide, and specialty peroxyns.

FMC shares remain best suited for momentum investors. The stock has been on a tear since early 2003, and retains our highest rank for year-ahead relative performance. Longer term, the company's prospects for continued earnings growth look good. However, this outlook already appears to be acknowledged, as the stock is trading above the middle of our 2011–2013 Target Price Range.

Mario Ferro *July 18, 2008*

(A) Primary egs. thru 1998, then dil. Excl. nonrecur. *gains (losses)*: '92, ($3.65); '93, ($1.67); '96, ($0.10); '97, $0.20; '99, $0.27; '00, ($1.61); '01, ($7.03); '02, ($0.32); '03, ($0.39); '04, $0.54; '05, ($0.71); '06, ($1.07); '07, ($1.07); '08 Q1, $0.04. Disc. oper.: '06, ($0.18); '07, ($0.31); 08' Q1, ($0.09). Next egs. report due late October.
(B) Incl. intang. in '07: $180.2 mill., $2.40/sh.
(C) In millions, adjusted for split.
(D) 2002 data is *pro forma machinery unit* spinoff. (E) Quarterly dividend initiated 4/20/06

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	90
Earnings Predictability	60

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FEDERAL REALTY NYSE-FRT

RECENT PRICE 70.40 | P/E RATIO 32.7 (38.1 NMF) | RELATIVE P/E RATIO 2.15 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 3 Raised 11/9/07
SAFETY 3 Lowered 7/18/08
TECHNICAL 3 Raised 7/18/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+30%)	10%
Low	65	(-10%)	2%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	0	0	1	0
to Sell	0	1	0	1	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	101	135	157
to Sell	100	82	80
Hld's(000)	54052	59708	71330

	High:	26.8	25.9	24.9	22.3	24.0	28.9	40.1	52.9	65.9	87.2	98.9	85.0
	Low:	24.5	19.4	16.4	17.8	19.0	21.8	26.6	33.5	46.2	59.6	70.1	61.6

LEGENDS
1.20 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-7.9	-18.0
3 yr.	28.4	11.3
5 yr.	158.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
9.02	10.14	10.92	10.18	10.84	11.59	10.73	9.88	9.55	8.92	9.50	11.73	12.57	12.10	14.65	19.70	19.50	19.75	Book Value per sh	21.90
1.35	1.54	1.67	1.77	1.94	2.04	2.18	2.48	2.56	2.65	2.83	2.70	2.82	3.06	3.28	3.63	3.90	4.20	Funds from Ops per sh D	4.70
.33	.60	.70	.74	.86	.98	.94	1.19	1.26	1.29	1.14	1.15	1.14	1.36	1.48	1.70	2.15	2.45	Earnings per sh A	2.60
1.53	1.55	1.57	1.60	1.65	1.69	1.73	1.77	1.82	1.89	1.93	1.95	1.98	2.12	2.24	2.37	2.46	2.72	Div'ds Decl'd per sh B ■	3.12
20.32	22.73	22.31	25.88	26.53	31.79	35.11	36.92	40.31	43.08	42.04	42.32	39.72	40.95	46.06	47.68	48.30	49.20	Loans & Real Est per sh	54.25
24.72	28.02	31.61	32.16	35.89	39.15	40.08	39.57	38.47	40.07	45.90	47.38	52.14	52.89	53.47	56.54	59.00	62.00	Common Shs Outst'g C	65.00
147%	167%	121%	112%	126%	130%	126%	125%	112%	141%	167%	167%	247%	363%	415%	435%			Premium Over Book	355%
NMF	45.3	34.3	30.0	28.5	27.2	25.7	18.5	16.0	16.7	18.9	28.3	37.9	41.2	39.1	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
16.5	17.6	14.4	12.2	13.2	13.1	11.2	9.2	7.9	8.1	9.7	12.0	15.3	18.3	22.1	23.6			Avg Ann'l P/FFO	16.5
6.9%	5.7%	6.5%	7.4%	6.7%	6.3%	7.2%	8.1%	9.0%	8.8%	7.6%	6.0%	4.5%	3.8%	3.1%	2.8%			Avg Ann'l Div'd Yield	4.0%
						222.2	245.8	260.7	279.9	298.1	334.7	371.9	395.4	438.2	468.5	495	525	Rental Income ($mill)	640
						16.3	18.9	18.6	20.5	20.7	23.2	22.4	17.1	12.8	17.4	20.0	20.0	Other Income ($mill)	35.0
						61.9%	61.8%	63.1%	61.9%	60.2%	60.5%	60.2%	60.3%	65.8%	64.4%	67.0%	70.0%	Operating Margin	70.0%
						45.0	55.5	56.8	59.6	68.1	74.4	70.1	83.9	95.1	96.4	125	150	Net Profit ($mill)	170
						20.2%	22.6%	21.8%	21.3%	22.9%	22.2%	18.8%	21.2%	21.1%	19.6%	24.5%	27.5%	Net Profit Margin	25.0%
						--	67.1	3.7	9.2	9.4	20.1	14.1	30.7	23.6	99.2	25.0	25.0	Capital Gains ($mill)	30.0
						1407.2	1457.0	1551.0	1726.2	1891.7	2004.9	2070.9	2165.9	2463.8	2696.1	2850	3050	Loans & Real Est ($mill)	3525
						563.8	757.9	809.1	929.9	1003.2	1310.7	1304.1	1390.1	1587.9	1414.5	1515	1600	Long-Term Debt ($mill)	1850
						528.9	501.6	467.7	582.4	643.6	691.4	799.5	774.8	784.1	1114.6	1150	1225	Shr. Equity ($mill)	1425
						80.6%	74.2%	71.6%	72.7%	73.4%	72.2%	69.9%	70.9%	68.7%	65.3%	63.0%	65.0%	Div'ds Decl'd to FFO	66.5%
						5.7%	6.1%	6.2%	6.0%	5.9%	6.0%	6.5%	6.1%	5.7%	5.8%	6.0%	6.0%	Expenses to Assets	5.5%
						9.0%	9.3%	9.6%	8.6%	7.6%	7.5%	8.0%	8.0%	6.2%	6.0%	6.5%	6.5%	Return on Total Cap'l	7.0%
						8.5%	11.1%	10.1%	10.1%	10.6%	10.8%	12.5%	10.8%	12.1%	8.6%	11.0%	12.0%	Return on Shr. Equity	12.0%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1636.5 mill. Due in 5 Yrs $500.0 mill.
Total Interest $110.0 mill.

(Total interest coverage: 2.2x) (60% of Cap'l)

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 58,788,447 shares as of 2/22/08
MARKET CAP: $4.1 billion (Mid Cap)

FUNDS FLOW ($mill.)

	2006	2007	3/31/08
Net Profit Plus Noncash charges	183.4	198.1	55.4
Net New Debt	255.0	-56.1	-2.0
New Equity	26.3	170.9	2.2
Investments Funded	119.7	137.4	36.2
Dividends Declared	147.6	138.4	36.6

FINANCIAL POSITION

	3/31/07	3/31/08
Senior Debt (mill.)	1828.8	1636.5
Subordinated Debt (mill.)	--	--
Sr Debt/Cap'l Funds	.68:1	.60:1
Total Debt/Equity	2.11:1	1.47:1

PORTFOLIO CONDITION

	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	NA	NA
Non-Earn Assets—%/Invests.	NA	NA

Calendar	LOANS & REAL ESTATE ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	2128.0	2124.0	2124.0	2165.9
2006	2163.4	2156.0	2305.0	2463.8
2007	2679.7	2656.4	2674.8	2696.1
2008	2716.0	2760	2800	2850
2009	2900	2950	3000	3050

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.32	.35	.35	.34	1.36
2006	.37	.38	.41	.32	1.48
2007	.41	.43	.45	.45	1.70
2008	.51	.53	.54	.57	2.15
2009	.58	.60	.62	.65	2.45

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.49	.49	.49	.505	1.98
2005	.505	.505	.555	.555	2.12
2006	.555	.555	.555	.575	2.24
2007	.575	.575	.61	.61	2.37
2008	.61	.61			

BUSINESS: Federal Realty Investment Trust is an owner, operator, and redeveloper of community and neighborhood shopping centers and mixed-use properties in the Northeast, the mid-Atlantic states and CA, totaling 16.2 mill. sq. ft. As of 12/31/07, 90% of invested assets were in real estate (at depreciated cost). Revenues in '07: rents, 86%; interest, 1%; other, 3%. Major lessees include: Office Depot, Barnes & Noble, Toys 'R' Us, CVS Pharmacy, Pathmark, Staples. ING Groep NV owns 8.4% of common stock; Vanguard Group, 6.5%; Officers & Directors, 1.5% (3/08 proxy). Inc.: Maryland. President & Chief Executive Officer: Donald C. Wood. Address: 1626 East Jefferson Street, Rockville, Maryland 20852-4041. Telephone: 301-998-8100. Internet: www.federalrealty.com.

Federal Realty's operating performance has held up well thanks to its focus on top-tier markets. More than half the company's holdings are located in stalwart markets, such as Maryland, Virginia, and New York, leaving the company more insulated from the general condition of the economy. Too, its properties are typically anchored by a major supermarket, which provides some measure of downside protection. However, **Shopping centers — the company's specialty — may be vulnerable should the economy slide into a recession.** Although consumer spending on necessities such as groceries usually holds steady regardless of economic conditions, expenditures on entertainment and dining out may suffer and become a drag on leasing activity. Indeed, Federal's occupancy rates have regressed slightly, down to 96.2% at the close of the March quarter, versus 96.9% in the prior year.

Revenues and funds from operations (FFO) should make steady progress this year and next. After growing at an average rate of nearly 9.5% annually over the past three years, portfolio growth may slow to 5%–7% a year out to 2010. Another source of growth is redevelopment, which involves upgrading existing facilities, and typically provides the fastest returns of all. All told, revenues will likely advance 6% each of the next two years, while FFO may improve 7%–8% thanks to an uptick in operating margins.

The balance sheet is in good shape, leaving the company well positioned for the years ahead. Federal has chipped away at its debt load, and carries its lowest debt-to-equity ratio in a decade. This puts the company in a better position to meet its obligations, and may open the door for a few opportunistic acquisitions in the coming years.

At the current quotation, Federal Realty shares lack appeal from nearly all investment perspectives. Although we're optimistic about the company's long-term prospects, the stock is trading within our 3- to 5-year Target Price Range, discounting most of the capital gains potential we foresee over that time frame. Too, its dividend yield trails most of its peers' in the REIT group.

Sharif Abdou *July 18, 2008*

(A) Based on avg. shares. '07 qrtly egs. do not sum due to change in share count. Excl. non-rec. gains/(losses) and disc. ops.: '92, (3¢); '94, (3¢); '95, (2¢); '99, (17¢); '00, 9¢; '01, 23¢; '02, (50¢); '03, 41¢; '04, 27¢; '05, 59¢; '06, 52¢; '07, $1.75. Next egs. report due late July.
(B) Dividends historically paid in Jan., Apr., Jul., and Oct. Excl. spec. div'd 20¢ a sh. paid Dec. 20, '05. ■ Div'd reinvt. plan available.
(C) In millions.
(D) FFO '08: Q1, 94¢; '07: Q4, 92¢; Q3, 92¢; Q2, 91¢; Q1, 88¢.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	85
Earnings Predictability	90

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FEDERAL SIGNAL NYSE-FSS

RECENT PRICE 15.70 | P/E RATIO 17.6 (Trailing: 29.9 Median: 21.0) | RELATIVE P/E RATIO 1.14 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 3 Lowered 8/10/07
SAFETY 3 Lowered 1/15/04
TECHNICAL 1 Raised 8/22/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

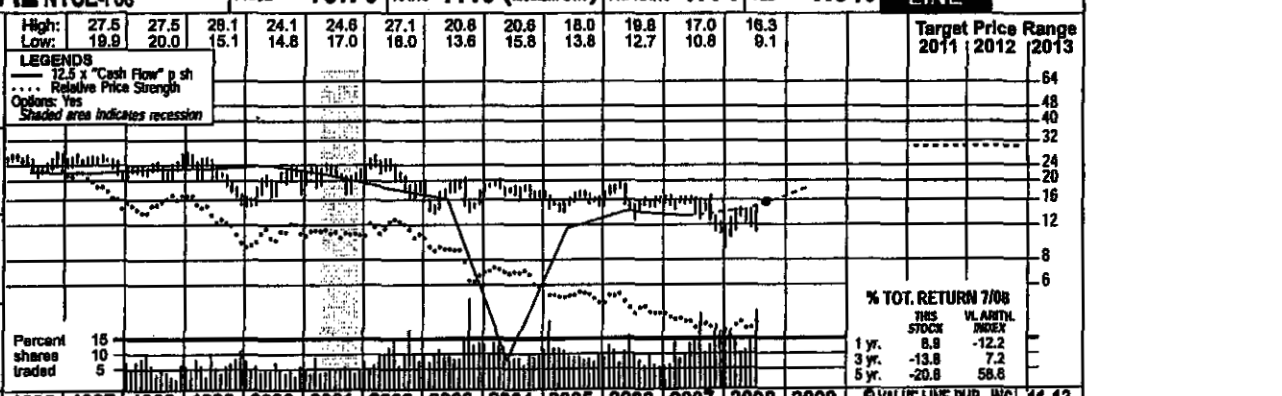
	Price	Gain	Ann'l Total Return
High	30	(+90%)	18%
Low	20	(+25%)	8%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	3	3	0	2	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	4Q2007	1Q2007	2Q2008
to Buy	68	70	58
to Sell	62	62	59
Hld's(000)	38836	38580	37343



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
11.36	12.36	14.94	18.02	18.78	20.28	22.12	23.03	24.42	23.92	22.18	25.18	23.63	25.03	25.43	26.54	*21.05*	*22.65*	Sales per sh	*28.20*
.95	1.07	1.26	1.49	1.78	1.74	1.83	1.84	1.91	1.71	1.47	1.30	.20	.92	1.13	1.07	*1.15*	*1.50*	"Cash Flow" per sh	*2.15*
.75	.86	1.02	1.13	1.35	1.29	1.30	1.26	1.27	1.03	1.01	.79	d.26	.47	.75	.62	*.80*	*1.10*	Earnings per sh [A]	*1.55*
.31	.36	.42	.50	.58	.67	.71	.74	.76	.76	.80	.70	.40	.28	.24	.24	*.24*	*.28*	Div'ds Decl'd per sh [Bm]	*.36*
.19	.22	.25	.35	.37	.43	.45	.53	.49	.41	.42	.37	.43	.41	.38	.49	*.60*	*.65*	Cap'l Spending per sh	*.75*
3.92	4.36	4.86	5.48	6.02	6.57	7.10	7.68	7.89	8.02	8.35	8.82	8.56	7.82	8.11	9.32	*7.70*	*8.65*	Book Value per sh [C]	*12.75*
45.62	45.74	45.34	45.30	45.32	45.61	45.33	46.11	45.30	44.82	47.66	47.92	48.20	48.12	47.65	47.79	*47.50*	*47.50*	Common Shs Outst'g [D]	*47.00*
20.1	21.5	19.1	19.3	18.5	19.3	17.6	17.0	15.2	20.8	21.4	21.4	--	34.2	21.7	24.1	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
1.22	1.27	1.25	1.29	1.16	1.11	.92	.97	.99	1.07	1.17	1.22	--	1.82	1.17	1.27	*Value Line*		Relative P/E Ratio	*1.15*
2.0%	1.9%	2.2%	2.3%	2.3%	2.7%	3.1%	3.5%	3.9%	3.6%	3.7%	4.1%	2.2%	1.7%	1.5%	1.6%	*estimates*		Avg Ann'l Div'd Yield	*1.5%*
1002.8	1061.9	1106.1	1072.2	1057.2	1206.8	1139.0	1204.4	1211.6	1268.1	*1000*	*1075*	Sales ($mill)	*1325*
12.5%	12.6%	13.2%	11.4%	10.0%	7.5%	1.9%	11.0%	7.4%	6.7%	*9.5%*	*11.5%*	Operating Margin	*12.0%*
23.6	27.2	29.1	30.3	24.0	24.4	22.4	21.5	17.9	21.2	*17.0*	*19.0*	Depreciation ($mill)	*25.0*
59.4	*67.5*	*57.7*	*48.6*	*46.2*	*37.7*	*d12.7*	*22.9*	*35.9*	*29.8*	*38.0*	*52.5*	Net Profit ($mill)	*75.0*
31.1%	31.8%	31.7%	27.7%	24.4%	18.1%	--	--	19.7%	12.4%	*28.0%*	*28.0%*	Income Tax Rate	*30.0%*
5.9%	5.4%	5.2%	4.3%	4.4%	3.1%	NMF	1.9%	3.0%	2.4%	*3.8%*	*4.9%*	Net Profit Margin	*5.5%*
d35.7	d96.0	d131.5	d51.1	35.9	82.9	136.6	164.9	144.9	187.7	*175*	*185*	Working Cap'l ($mill) [E]	*225*
137.2	134.4	125.4	232.7	344.5	359.1	342.0	362.6	309.3	378.1	*275*	*250*	Long-Term Debt ($mill) [F]	*200*
321.8	354.0	357.4	359.4	398.1	422.5	412.7	376.3	386.4	445.3	*365*	*410*	Shr. Equity ($mill)	*600*
14.0%	12.8%	12.9%	9.3%	7.5%	5.7%	NMF	4.4%	5.6%	4.9%	*7.5%*	*9.5%*	Return on Total Cap'l	*10.5%*
18.5%	16.3%	16.1%	13.0%	11.6%	8.9%	NMF	6.1%	9.3%	6.7%	*10.5%*	*12.5%*	Return on Shr. Equity	*12.5%*
8.5%	6.8%	6.5%	3.2%	2.6%	NMF	NMF	2.5%	6.3%	4.1%	*7.5%*	*9.5%*	Retained to Com Eq	*9.5%*
54%	58%	60%	75%	78%	102%	NMF	59%	32%	39%	*30%*	*25%*	All Div'ds to Net Prof	*23%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $321.2 mill.[F] Due in 5 Yrs $300.0 mill.[F]
LT Debt $285.0 mill.[F] LT Interest $20.0 mill.
(LT interest earned: 2.6x; total interest covered: 2.3x) (45% of Capital)

Pension Assets-12/07 $132.9 mill.
Oblig. $129.8 mill.

Preferred Stock None
Common Stock 47,503,025 shares as of 7/13/08
MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	19.3	16.0	16.6
Receivables[E]	192.1	176.1	155.8
Inventory (LIFO)	174.2	205.5	134.7
Other	33.2	*49.1*	*48.7*
Current Assets	418.8	446.7	353.8
Accts Payable	90.0	82.7	66.8
Debt Due	64.7	48.0	36.2
Other	119.2	128.3	96.3
Current Liab.	273.9	259.0	199.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.0%	2.0%	1.5%
"Cash Flow"	-4.5%	-9.5%	12.5%
Earnings	-7.0%	-11.0%	16.5%
Dividends	-8.0%	-20.0%	6.0%
Book Value	3.5%	1.0%	8.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	280.2	315.7	301.7	306.8	1204.4
2006	273.6	309.5	289.4	339.1	1211.6
2007	292.1	317.3	307.3	351.4	1268.1
2008	228.1	254.3	*247.6*	*270*	*1000*
2009	*245*	*275*	*265*	*290*	*1075*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.02	.08	.09	.28	.47
2006	.05	.24	.19	.27	.75
2007	.13	.23	.10	.17	.62
2008	.09	.17	*.24*	*.30*	*.80*
2009	*.18*	*.28*	*.29*	*.35*	*1.10*

Calendar	QUARTERLY DIVIDENDS PAID [Bm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.10	.06	.06	.06	.28
2006	.06	.06	.06	.06	.24
2007	.06	.06	.06	.06	.24
2008	.06	.06	.06		

BUSINESS: Federal Signal Corporation comprises four business segments: Safety/Security makes warning devices (sirens, horns, and flashers); parking/access control systems; and safety storage equipment. Fire/Rescue is a leading manufacturer of fire/rescue vehicles and ambulances. Environmental is a leading producer of street sweepers, sewer-cleaning trucks, and industrial vacuum loaders. Municipal/Government designs first-responder systems. Foreign sales: 37% in '07. Employs about 5,500. Officers & directors own 3.0% of common stock (3/08 proxy). Chairman: James C. Janning. Interim CEO: James E. Goodwin. Incorporated: DE. Address: 1415 West 22nd Street, Suite 1100, Oak Brook, IL 60523. Telephone: 630-954-2000. Internet: www.federalsignal.com.

A major shareholder has expressed interest in becoming CEO of Federal Signal. Warren Kanders, who owns a 6% stake in the company, recently went public with this intention. However, the inte im CEO has stated that Mr. Kanders is not a candidate for the position. Moreover, the board of directors adopted a revised set of by-laws, which appear to insulate the current members and make it exceedingly difficult for disgruntled shareholders like Mr. Kanders to take action. For what it's worth, more than eight months have passed since the abrupt termination of the previous CEO, and hiring an experienced candidate to work in the corner office as soon as possible is probably in the best interests of FSS shareholders.

Mr. Kanders also called for James Janning to resign as chairman, citing high executive turnover, declining sales and profitability, a "crisis" in employee morale, and underperformance of FSS stock relative to its peers during Mr. Janning's nine-year tenure on the board.

The company recently completed the sale of E-ONE, a manufacturer of fire apparatus, amid controversy. American Industrial Partners and E-ONE management paid about $20 million for the struggling enterprise. According to Federal management, the process was negotiated at arm's length. However, the price tag was well below our estimate, and the company was forced to write down $21 million in assets as a result of the transaction.

Meanwhile, Federal once again disappointed investors in the second quarter. Sales grew 5%, to $254.3 million, and share earnings from continuing operations fell 35%, to $0.17. Increased litigation expenses, elevated material costs, and a higher tax rate caused the reduction in income. On the bright side, new orders exceeded shipments in all segments, despite a difficult operating environment. The company is also set to raise product prices to help offset elevated material costs.

Investors should probably avoid this issue, at least until a CEO is hired and Federal starts moving in the right direction. The company has good long-term prospects and recent divestures should aid margin expansion, so interested investors may want to keep an eye on this issue.

Erik A. Antonson *August 29, 2008*

(A) Diluted earnings. Excludes nonrecurring: '02, d17¢; '08, d3¢. Excludes discontinued operations: '99, 2¢; '00, 2¢; '01, 8¢; '03, d1¢; '04, 14¢; '05, d83¢; '06, d25¢; '07, 53¢; '08, d$2.31. Totals may not sum due to rounding. Next earnings report due late Oct. (B) Dividends paid in Jan., April, July, Oct. ■ Dividend reinvestment plan available. (C) Includes intangibles. In '07: $472.7 million, $9.89 a share. (D) In millions. (E) Excludes lease-financing receivables. (F) Includes financial services debt.

Company's Financial Strength	B
Stock's Price Stability	55
Price Growth Persistence	10
Earnings Predictability	15

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HEARING EXHIBIT 00000354

GENZYME CORP. NDQ-GENZ

RECENT PRICE 76.88 | P/E RATIO 35.8 (45.5 NMF) | RELATIVE P/E RATIO 2.36 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 5/2/08
SAFETY 3 Raised 2/2/96
TECHNICAL 3 Lowered 5/23/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+65%)	13%
Low	85	(+10%)	3%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	5	2	2	3	0	1	0
to Sell	0	0	5	2	4	4	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	263	318	325
to Sell	244	244	256
Hld's(000)	229601	233725	235314

High:	16.5	25.0	31.8	51.9	64.0	58.6	52.4	59.1	77.8	75.3	76.9	82.1		
Low:	10.4	11.8	15.4	19.8	34.3	15.6	28.5	40.7	55.2	54.8	56.7	65.2		

LEGENDS
19.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 7/96
2-for-1 split 6/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08	THIS STOCK	VL ARITH. INDEX
1 yr.	11.6	-18.0
3 yr.	19.8	11.3
5 yr.	71.7	53.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
2.30	2.79	2.94	3.04	3.39	3.84	4.20	3.94	5.04	4.65	6.19	7.83	9.62	10.74	12.20	14.47	17.05	18.15	Sales per sh	23.30
.51	.81	.49	.53	.75	.90	1.04	1.47	1.06	.56	1.46	1.12	1.52	2.85	1.20	3.11	3.70	4.15	"Cash Flow" per sh	5.55
.42	.64	.33	.36	.56	.61	.74	.90	.68	.21	.81	.46	.63	1.65	d.06	1.74	2.15	2.50	Earnings per sh A	3.50
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.60	1.22	.96	.39	.28	.18	.35	.31	.42	.39	1.05	1.18	.82	.76	1.28	1.57	1.60	1.75	Cap'l Spending per sh	1.80
3.38	3.45	3.75	5.29	5.85	6.31	7.29	8.06	12.13	10.80	12.57	13.43	18.13	20.21	21.67	25.10	27.00	28.35	Book Value per sh	31.30
95.12	96.97	105.59	124.53	151.07	155.39	160.16	168.28	179.37	211.18	214.67	219.42	228.92	254.76	261.26	263.49	267.00	270.00	Common Shs Outst'g B	270.00
27.5	13.6	23.0	32.3	24.1	21.9	21.9	26.4	46.5	NMF	41.0	NMF	NMF	39.6	39.6	37.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
1.67	.80	1.51	2.16	1.51	1.26	1.14	1.50	3.02	NMF	2.24	NMF	NMF	2.11	2.11	1.96			Relative P/E Ratio	2.00
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						673.3	662.7	903.3	981.9	1329.5	1718.9	2201.1	2734.8	3187.0	3813.5	4550	4900	Sales ($mill)	6290
						29.5%	46.6%	45.8%	15.0%	25.6%	14.7%	18.3%	31.7%	37.4%	37.9%	37.5%	38.0%	Operating Margin	38.5%
						45.8	70.7	57.9	74.3	134.0	141.5	205.1	284.6	331.4	338.2	410	450	Depreciation ($mill)	650
						121.1	176.9	131.8	44.5	178.5	103.7	143.6	441.5	d18.8	480.2	575	675	Net Profit ($mill)	945
						26.0%	20.2%	29.6%	21.2%	19.4%	21.0%	36.9%	29.8%	29.8%	34.7%	32.0%	32.0%	Income Tax Rate	32.0%
						18.0%	26.7%	14.6%	4.5%	13.4%	6.0%	6.5%	16.1%	NMF	12.6%	12.5%	13.8%	Net Profit Margin	15.0%
						412.7	592.3	559.7	1286.5	581.2	1680.3	1009.2	1115.0	1338.1	1628.1	1600	1600	Working Cap'l ($mill)	1750
						274.8	290.6	391.6	397.2	600.0	601.3	811.0	615.7	809.8	113.7	110	110	Long-Term Debt ($mill)	950
						1167.1	1356.4	2175.1	2280.4	2697.8	2947.2	4380.2	5149.9	5660.7	6612.9	7205	7660	Shr. Equity ($mill)	8455
						8.9%	11.2%	5.6%	2.1%	5.8%	3.3%	3.1%	7.7%	NMF	7.2%	8.0%	9.0%	Return on Total Cap'l	10.0%
						10.4%	13.0%	6.1%	2.0%	6.6%	3.5%	3.3%	8.6%	NMF	7.3%	8.0%	9.0%	Return on Shr. Equity	11.0%
						10.4%	13.0%	6.1%	2.0%	6.6%	3.5%	3.3%	8.6%	NMF	7.3%	8.0%	9.0%	Retained to Com Eq	11.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $807.8 mill. Due in 5 Yrs $696.7 mill.
LT Debt $111.1 mill. LT Interest $47.6 mill.

(Total interest coverage: 4.1x) (16% of Cap'l)

Leases, Uncapitalized Annual rentals $19.0 mill.
Pension Assets-12/07 $32.2 mill. Oblig. $35.3 mill.

Common Stock 267,478,209 shs.
as of 4/27/08

MARKET CAP: $20.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	612.1	1460.4	961.6
Receivables	746.7	898.3	1031.1
Inventory (FIFO)	374.6	461.1	468.8
Other	256.1	270.4	318.7
Current Assets	1988.5	3090.2	2780.4
Accts Payable	98.1	777.8	121.2
Debt Due	6.2	6.7	696.7
Other	547.1	677.6	657.8
Current Liab.	651.4	1462.1	1475.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.0%	16.5%	11.0%
"Cash Flow"	12.5%	18.5%	15.0%
Earnings	8.0%	14.5%	21.0%
Dividends	--	--	Nil
Book Value	14.5%	13.5%	6.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	629.9	668.1	708.1	728.7	2734.8
2006	730.8	793.4	808.6	854.2	3187.0
2007	883.2	933.4	960.2	1036.7	3813.5
2008	1100.1	*1130*	*1150*	*1169.9*	*4550*
2009	*1150*	*1200*	*1250*	*1300*	*4900*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.36	.46	.43	.40	1.65
2006	.37	.49	.06	d.98	d.06
2007	.46	.51	.48	.29	1.74
2008	.52	.58	.60	.45	2.15
2009	*.65*	*.65*	*.65*	*.55*	*2.50*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

BUSINESS: Genzyme Corp. is a biotech company with strengths in pharmaceuticals, biotherapeutics (including treatments for cystic fibrosis), surgical products, diagnostic products (cholesterol testing), and services (genetic testing). (All data are for the General Division, excl. Tissue Repair, from 1994 on.) Acq. Vivagen, 10/02 and SangStat Medical Corp., 11/03. Eliminated tracking stocks on 7/1/03. 2007 depr. rate: 15.2%; R&D expense: 18.2% of 2007 sales. Clearbridge Advisors owns 8.3% of common; Marsico Cap. Man., 4.9%; UBS, 6.5%; officers/directors; 2.4% (5/08 Proxy). Has about 7,045 employees. Chairman, Pres. & CEO: Henri A. Termeer. Incorp.: MA. Addr.: One Kendall Square, Cambridge, MA 02139. Tel.: 617-252-7500. Internet: www.genzyme.com.

Genzyme's product portfolio is one of the broadest in the biotech industry. Less than 26% of revenue is likely to stem from any one product this year. Moreover, the fact that the company generates 52% of its sales overseas is a plus, since foreign markets for Genzyme's core products are growing faster than in the U.S. In addition, the favorable currency translation benefits earnings. Genzyme's portfolio is also relatively well insulated from generic threats as many of its treatments are difficult to emulate. Lastly, the company has widened its product base significantly over the past two years. This mitigates the risk from setbacks in clinical trials and unforeseen side effects.

Meanwhile, significant events anticipated in the second half of this year should impact the stock favorably. The next FDA regulatory decision regarding the scaling up of *Myozome* production is expected toward the end of the year. The highly anticipated U.S. launch of *Synvisc One*, an injectable osteoarthritis drug for the knee, is also expected by year-end. Favorable acceptance would encourage Genzyme to seek FDA approval for expanded use in the hip, ankle, and shoulder. Enrollment in the ongoing Phase III trials for key ms-drug *Campath* is another potentially beneficial event. Assuming all goes according to plan, the stock should be favorably affected.

Share earnings should rise at a hefty average annual clip to 2011-2013. The company is still heavily reliant on heavyweights *Cerezyme*, and *Renegal*, which together comprise about 48% of revenues. Sales growth of these products is liable to decline over the next few years, but the slack ought to be more than compensated for by *Fabrazyme*, *Myozyme*, *Synvisc*, and lesser products currently in clinical trials. Ongoing cost savings and licensing agreements should supplement profit growth.

We have raised this timely stock's 3- to 5-year Target Price Range, on the strength of the aforementioned variables. **Even so, it appears that much of the good news is already factored in.** As a result, we advise investors to remain nimble, and look for opportunities to accumulate this equity on weakness. No dividend is likely to be offered.

Jeremy J. Butler *July 18, 2008*

(A) Based on diluted shares. Average shares outstanding prior to 1995. Excl. nonrecurring gain & losses: '92, ($1.51); '93, ($1.40); '94, (4¢); '95, (2¢); '96, ($1.57); '97, (23¢); '98, 3¢; '01, (67¢); '03, (80¢). All earnings are U.S. GAAP, which reflect amortization and options expenses. Next earnings report due late July.

(B) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	15

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GRIFFON CORP. NYSE-GFF

RECENT PRICE 8.78 | P/E RATIO NMF | NMF 13.0 | RELATIVE P/E RATIO NMF | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Raised 7/25/08
SAFETY 3 New 1/31/03
TECHNICAL 3 Lowered 6/27/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+240%)	36%
Low	20	(+130%)	23%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	3	1	0	1	1	0	1
Options	1	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	54	64	56
to Sell	87	48	52
Hld's(000)	28499	29364	31450

	High:	15.9	15.9	10.3	7.8	15.2	20.6	21.2	27.2	27.8	28.5	28.1	12.7	
	Low:	10.8	6.9	5.7	4.7	6.0	10.1	12.2	19.7	18.3	21.5	12.0	7.4	

LEGENDS
6.0 x "Cash Flow" p sh
Relative Price Strength
10% Div 8/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 64, 48, 40, 32, 24, 20, 16, 12, 8, 6

Percent shares traded: 18, 12, 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-59.8	-18.0
3 yr.	-60.5	11.3
5 yr.	-45.3	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
11.63	11.16	13.13	16.06	20.36	22.39	27.34	29.58	32.02	35.44	36.06	42.59	48.08	46.36	54.83	52.92	43.20	42.35	Sales per sh A	59.30
.82	.91	1.05	.92	1.18	1.30	1.36	1.30	1.39	1.67	1.71	2.35	2.84	2.69	2.91	2.10	1.00	2.00	"Cash Flow" per sh	4.35
.60	.64	.73	.65	.80	.96	.85	.66	.75	.92	.97	1.28	1.71	1.55	1.65	.71	d.45	.50	Earnings per sh B	2.15
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.31	.22	.25	.24	.29	.75	1.43	.79	1.07	.81	.73	1.50	1.94	1.32	1.41	.99	.85	.90	Cap'l Spending per sh	1.35
2.96	3.69	4.28	4.56	4.87	5.87	6.88	7.17	7.56	8.98	8.86	9.64	11.00	11.97	13.82	15.28	15.15	15.60	Book Value per sh	20.35
43.02	38.16	37.24	34.01	32.18	34.41	33.46	34.91	34.92	32.74	33.07	28.46	28.99	30.24	29.85	30.55	29.75	29.50	Common Shs Outst'g C	29.00
8.9	9.4	10.3	11.5	10.2	12.2	14.9	11.5	8.8	8.7	15.9	11.3	12.3	15.1	14.9	31.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
.54	.56	.68	.78	.64	.70	.77	.66	.57	.45	.67	.64	.65	.80	.80	1.64			Relative P/E Ratio	.80
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
914.9	1032.7	1118.4	1160.1	1192.6	1254.7	1393.8	1402.0	1636.6	1616.6	1285	1250	Sales ($mill) A	1750
7.2%	6.3%	7.0%	8.2%	8.4%	9.0%	10.0%	8.0%	7.3%	5.0%	3.5%	6.0%	Operating Margin	8.5%
16.3	23.0	23.7	24.2	22.6	26.2	28.3	32.6	35.1	42.0	44.0	44.0	Depreciation ($mill)	48.0
29.3	22.5	24.9	30.6	34.1	43.0	53.9	48.8	51.8	22.1	d15.0	15.0	Net Profit ($mill)	65.0
37.0%	36.8%	40.0%	41.0%	34.9%	36.0%	37.0%	32.6%	34.2%	30.2%	NMF	30.0%	Income Tax Rate	35.0%
3.2%	2.2%	2.2%	2.6%	2.9%	3.4%	3.9%	3.5%	3.2%	1.4%	NMF	1.2%	Net Profit Margin	3.7%
168.5	189.0	191.6	205.8	193.1	249.6	270.0	273.2	308.7	343.0	310	340	Working Cap'l ($mill)	460
107.5	127.7	125.9	106.6	74.6	155.5	154.4	196.5	209.2	229.4	200	200	Long-Term Debt ($mill)	150
230.1	250.2	264.0	293.9	293.0	284.1	319.0	362.0	412.4	466.9	450	460	Shr. Equity ($mill)	600
9.3%	7.0%	7.9%	8.9%	9.9%	10.3%	12.0%	9.3%	9.0%	4.1%	NMF	3.0%	Return on Total Cap'l	9.5%
12.7%	9.0%	9.4%	10.4%	11.6%	15.1%	16.8%	13.5%	12.6%	4.7%	NMF	3.5%	Return on Shr. Equity	11.0%
12.7%	9.0%	9.4%	10.4%	11.6%	15.1%	16.9%	13.5%	12.6%	4.7%	NMF	3.5%	Retained to Com Eq	11.0%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $205.6 mill. Due in 5 Yrs $102.4 mill.

LT Debt $202.6 mill. LT Interest $12.5 mill.

(LT Interest earned: 3.6x; total interest coverage: 3.5x) (30% of Cap'l)
Leases, Uncapitalized: Annual rentals $32.0 mill.
Pension Assets-9/30/07 $24.3 mill. Oblig. $65.7 mill.

Pfd Stock None

Common Stock 29,908,813 shs.
MARKET CAP: $250 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	22.4	44.8	39.4
Receivables	247.2	210.3	177.4
Inventory (FIFO)	165.1	161.8	163.7
Other	110.3	128.0	134.3
Current Assets	545.0	544.8	514.8
Accts Payable	128.1	105.3	115.7
Debt Due	8.1	3.4	4.0
Other	100.1	93.2	81.7
Current Liab.	236.3	201.9	201.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	8.5%	3.0%
"Cash Flow"	8.5%	10.0%	7.0%
Earnings	5.0%	8.0%	9.0%
Dividends	--	--	Nil
Book Value	10.5%	10.0%	7.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	340.2	322.5	350.9	388.4	1402.0
2006	358.5	386.2	429.1	482.8	1636.6
2007	434.3	387.4	398.7	396.2	1616.6
2008	341.4	320.3	308.3	315	1285
2009	300	300	315	335	1250

Fiscal Year Ends	EARNINGS PER SHARE AB Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.29	.13	.41	.72	1.55
2006	.22	.23	.61	.60	1.65
2007	.27	.01	.14	.29	.71
2008	d.05	d.39	d.08	.07	d.45
2009	.05	.01	.12	.32	.50

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Griffon Corp. is a diversified manufacturer and service provider organized into four segments: Garage Doors (34% of sales and 39% of operating income in 2007), Installation Services (20%; 9%), Electronic Communications (23%; 38%), and Specialty Plastic Films (23%; 15%). International sales were roughly 24% of fiscal 2007 total. Acquired Clopay do Brasil, a Brazilian specialty plastic film producer, in 6/02. '07 depreciation rate 11.7%. Ownership: Officers & Directors own 14.7% of stock; NWQ Inv. Mgmt. Co., 15.3%; Clinton Group, 9.8% (Proxy, 12/07). Has about 5,700 employees. Chmn: Harvey R. Blau. CEO: Ronald Kramer. Incorporated: DE. Address: 100 Jericho Quadrangle, Jericho, NY 11753. Telephone: 516-938-5544. Internet: www.griffoncorp.com.

Griffon will likely continue to have a tough go of it for the foreseeable future. The company lost $0.39 a share in the second quarter (fiscal year ends September 30th), way off last year's disappointing share-net gain of $0.01. The slowdown in home construction and higher raw material costs have created a challenging operating environment for the diversified manufacturer. Indeed, its plastics division, which makes lining for diapers, is being hurt by higher resin prices, while the garage doors business remains troubled by the downturn in real estate and consumer spending. Meanwhile, the Telephonics franchise is feeling the effects of the maturation of its contract with Syracuse Research, which is coming to an end. Not much is likely to change in the months to come, prompting us to estimate that the company will lose $0.45 a share this year, $0.90 below our earlier call, on $1.285 billion in sales. Likewise, we've reduced our full-year 2009 earnings figure by $0.45 to $0.50, on lower sales. **Most investors will want to take a pass on this issue.** It garners a Below Average (4) rank for Timeliness and is likely to trail the broad market for the coming six to 12 months, given the operating difficulties we envision persisting. **Those willing to ride out the near-term volatility may want to consider being buyers, however.** The stock is trading roughly 60% off its 52-week high, but will likely return to the $20-plus range by 2012, given the better economic landscape and continued momentum in the Telephonics franchise that we anticipate. Indeed, Telephonics recently inked a $64 million contract with Lockheed Martin for radar systems, which augurs well for future deals, most importantly a bid with the U.S. Army to develop communication systems that has a potential revenue stream of over $3 billion. Meanwhile, the garage doors unit is still a top manufacturer, and is expected to flourish when construction levels rebound. The potential sale of the installation business should help lift profit margins in the interim. In all, we think these shares offer wide 3- to 5-year appreciation potential, a fact that recent institutional and insider trading activity seem to support.

Andre J. Costanza *July 25, 2008*

Company's Financial Strength	B+
Stock's Price Stability	55
Price Growth Persistence	65
Earnings Predictability	35

(A) Fiscal year ends September 30th.
(B) Excludes non-recurring gains/(losses): '91 $0.02; '93 ($0.22); '96 ($0.16); '99 $(0.07); '00 ($0.15); '02 ($0.69). Quarterly figures may not add due to rounding. Next earnings report due late October.
(C) In millions

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G&K SERVICES NDQ-GKSR

RECENT PRICE 34.41 | P/E RATIO 14.8 (Trailing: 15.0 Median: 20.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 0.6% | VALUE LINE

TIMELINESS 4 Lowered 6/6/08
SAFETY 3 New 2/14/97
TECHNICAL 3 Lowered 2/22/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+75%)	16%
Low	40	(+15%)	5%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	1	0	0	0	0	0	0
Options	0	2	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2007	3Q2007	4Q2007
to Buy	71	71	66
to Sell	46	54	56
Hld's(000)	20044	19188	19117

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	42.3	54.6	56.3	33.0	34.0	41.6	37.5	44.1	45.3	42.9	44.5	40.9								
Low:	28.8	35.4	29.0	14.8	17.0	27.0	21.6	34.5	35.3	31.1	34.8	28.1								
	9.61	10.23	11.08	12.86	14.94	17.15	24.53	25.34	28.12	29.24	30.23	34.04	35.08	37.36	38.70	43.66	*51.20*	*54.75*	Revenues per sh [A]	*61.00*
	1.12	1.22	1.50	1.75	2.11	2.49	3.30	3.56	3.73	3.52	3.57	3.44	3.57	3.86	3.74	4.17	*4.85*	*5.15*	"Cash Flow" per sh	*5.90*
	.43	.50	.73	.90	1.11	1.42	1.57	1.81	1.85	1.65	1.85	1.63	1.69	1.88	1.97	2.02	*2.30*	*2.50*	Earnings per sh [AB]	*2.90*
	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.07	.16	*.20*	*.24*	Div'ds Decl'd per sh [C]	*.36*
	.76	.85	.86	1.79	1.77	1.74	1.83	1.85	2.13	1.65	1.41	1.52	.83	.92	1.40	1.48	*1.30*	*1.45*	Cap'l Spending per sh	*1.80*
	4.07	4.44	4.96	5.81	6.88	8.26	9.67	11.48	13.22	14.60	16.43	18.34	20.35	22.52	24.05	27.60	*30.20*	*32.80*	Book Value per sh [E]	*41.00*
	20.25	20.32	20.32	20.41	20.44	20.46	20.49	20.52	20.54	20.64	20.71	20.73	20.91	21.11	22.76	21.29	*19.50*	*19.50*	Common Shs Outst'g [D]	*19.50*
	24.8	21.9	19.6	18.2	22.2	22.3	25.0	26.8	17.1	15.2	17.5	19.1	21.1	21.4	20.0	18.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	1.49	1.29	1.29	1.22	1.39	1.29	1.30	1.53	1.11	.78	.96	1.09	1.11	1.14	1.08	.96			Relative P/E Ratio	1.15
	.6%	.6%	.5%	.4%	.3%	.2%	.2%	.1%	.2%	.3%	.2%	.2%	.2%	.2%	.2%	.4%			Avg Ann'l Div'd Yield	.4%
	502.6	520.0	577.4	603.6	625.9	705.6	733.4	788.8	880.8	929.5	*1000*	*1070*	Revenues ($mill) [A]	*1190*
	21.5%	21.8%	20.2%	18.5%	18.0%	15.1%	14.8%	14.8%	13.4%	13.4%	*14.0%*	*14.3%*	Operating Margin	*14.5%*
	35.8	36.0	38.7	38.9	35.7	37.7	39.3	41.5	40.3	45.6	*47.0*	*49.0*	Depreciation ($mill)	*55.0*
	32.1	37.0	37.8	33.8	38.3	33.7	35.4	39.9	41.9	43.2	*47.0*	*52.0*	Net Profit ($mill)	*60.0*
	39.2%	39.5%	40.0%	40.1%	39.5%	39.0%	38.0%	37.7%	32.1%	34.0%	*37.5%*	*37.5%*	Income Tax Rate	*37.5%*
	6.4%	7.1%	6.5%	5.6%	6.1%	4.8%	*4.8%*	5.1%	4.8%	4.6%	*4.7%*	*4.9%*	Net Profit Margin	*5.0%*
	73.3	73.2	49.7	*49.6*	*95.6*	75.2	*79.0*	*93.9*	142.2	113.5	*205*	*275*	Working Cap'l ($mill)	*435*
	234.8	194.0	167.3	149.0	215.0	236.7	184.3	210.5	195.4	149.0	*200*	*225*	Long-Term Debt ($mill)	*250*
	198.1	235.6	271.5	301.3	340.2	380.3	425.4	475.4	547.4	592.0	*610*	*635*	Shr. Equity ($mill)	*710*
	9.9%	10.6%	10.4%	9.4%	8.1%	6.5%	6.7%	6.6%	6.4%	6.5%	*6.0%*	*6.0%*	Return on Total Cap'l	*6.5%*
	16.2%	15.7%	13.9%	11.2%	11.2%	8.9%	8.3%	8.4%	7.6%	7.3%	*8.0%*	*8.0%*	Return on Shr. Equity	*7.5%*
	15.5%	15.1%	13.4%	10.7%	10.8%	8.5%	8.0%	8.1%	7.4%	6.7%	*7.0%*	*7.5%*	Retained to Com Eq	*7.5%*
	4%	4%	4%	4%	4%	4%	4%	4%	4%	8%	*8%*	*9%*	All Div'ds to Net Prof	*12%*

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-9.2	-9.4
3 yr.	-17.0	30.2
5 yr.	17.2	96.8

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/29/08
Total Debt $288.9 mill. Due in 5 Yrs $140.0 mill.
LT Debt $281.5 mill. LT Interest $17.0 mill.
(LT Int coverage, 7.3x; Tot Int coverage, 5.9x) (31% of Cap'l)
Leases, Uncapitalized Annual Rentals $11.7 mill.
Pension Assets-6/07 $41.5 mill. Oblig. $51.6 mill.
Pfd Stock None

Common Stock 19,773,718 shares.
as of 4/28/08

MARKET CAP: $675 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	19.7	*22.6*	*18.0*
Receivables	95.0	98.3	112.7
Inventory (FIFO)	141.0	140.8	139.1
Other	15.5	14.1	20.6
Current Assets	271.2	276.0	290.4
Accts Payable	27.4	21.9	27.9
Debt Due	18.2	65.8	*7.4*
Other	83.4	74.8	88.4
Current Liab.	129.0	162.5	123.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	10.5%	6.5%	*6.5%*
"Cash Flow"	6.5%	1.5%	*7.0%*
Earnings	5.5%	2.0%	*12.0%*
Dividends	3.5%	7.5%	*17.0%*
Book Value	13.5%	11.0%	*9.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) [A] Sep.Per.	Dec.Per.	Mar.Per.	Jun.Per.	Full Fiscal Year
2005	182.5	195.1	203.8	207.4	788.8
2006	207.9	219.3	226.1	227.5	880.8
2007	223.1	230.8	235.2	240.4	929.5
2008	243.8	255.3	251.1	*249.8*	*1000*
2009	*260*	*272*	*270*	*268*	*1070*

Fiscal Year Ends	EARNINGS PER SHARE [AB] Sep.Per.	Dec.Per.	Mar.Per.	Jun.Per.	Full Fiscal Year
2005	.45	.48	.49	.46	1.88
2006	.49	.48	.49	.51	1.97
2007	.43	.45	.57	.57	2.02
2008	.58	.60	*.54*	*.58*	*2.30*
2009	*.60*	*.61*	*.64*	*.65*	*2.50*

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.018	.018	.018	.018	.07
2005	.018	.018	.018	.018	.07
2006	.018	.018	.018	.04	.09
2007	.04	.04	.05	.05	.18
2008	.05	.05			

BUSINESS: G&K Services, Inc. is the third-largest North American supplier of uniforms for corporate sale and lease, as well as facility services, including clean-room services for the technology sector. *The company operates* over 130 processing facilities (avg. size: 43,000 sq.ft.) and services over 160,000 customers in North America. Historically, more than half the company's top-line growth has been attributable to acquisitions. *Officers and directors* control 2.3% of voting power; T. Rowe Price, 11.4% (11/07 proxy). Has about 8,285 employees (20% of which are unionized). Chairman/President/CEO: Richard Marcantonio. Address: 5995 Opus Parkway, Suite *500, Minnetonka, MN 55343. Incorporated:* MN. Telephone: 952-912-5500. Internet: www.gkservices.com.

Many of G&K Services' customers have been reducing the number of uniformed employees. Most of the company's core uniform customers, within industries such as industrial and auto manufacturing, have been on the downturn for some time. The recent lethargy in the construction market has depressed the growth in general building and lumber & wood products that had previously been a boon to the company. These declines only heighten the importance of the non-uniform businesses to help diversify away from sluggish uniform sales and rentals. With that in mind, there are some uniform products that have shown potential for growth, including those aimed at more safety-minded consumers. The latest *BioSmart* offering will fare well in the food service industry. The fabric, when washed in chlorine bleach, kills 99.9% of common bacteria and viruses during the course of normal wear.

G&K aims to counter these pullbacks through cost reductions. A recently introduced sales automation system will trim selling expenses through the elimination of materials previously required in the sales process. A helpful byproduct of the new program will be its enhanced reporting capabilities, which should improve management's ability to monitor individual sales representative's productivity. Furthermore, the streamlined approach will allow management to cut 50 administrative positions.

We have tempered our earnings forecast, reducing our 2008 and 2009 estimates by $0.10 and $0.25 a share, to $2.30 and $2.50, respectively. Weakness within the company's core uniform rental business, along with increased energy costs and a higher tax rate, caused year-over-year earnings to fall 5% in the third quarter. Furthermore, we have lowered our 2011-2013 share-earnings estimate by 20%, to $2.90.

G&K Services does not hold much appeal for investors at this time. This issue is now a 4 (Below Average) on our Timeliness scale. Longer term investors will want to wait on the sidelines at this time as a weakening domestic environment will likely reduce earnings growth over the 3- to 5-year pull.

Christopher T. Wells *June 6, 2008*

Company's Financial Strength	B+
Stock's Price Stability	85
Price Growth Persistence	15
Earnings Predictability	90

(A) Fiscal year ends last Saturday in June. 53-week *fiscal year in* 2000. Sales reclassified starting in 2003 to reflect change in acctg. for lost or damaged goods.
(B) Average shares through '97, diluted thereafter. Next earnings report due late July.
(C) Dividends historically paid in early January, early April, mid-July, and early October.
(D) In millions, adjusted for split.
(E) Including intangibles: in '07: $380.1 million, $17.85/sh.

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P.H. GLATFELTER NYSE-GLT

RECENT PRICE 13.77 | P/E RATIO 13.8 (Trailing: 13.0 Median: 20.0) | RELATIVE P/E RATIO 0.88 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 2 Lowered 6/6/08
SAFETY 3 Lowered 7/22/94
TECHNICAL 4 Lowered 7/4/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+120%)	22%
Low	20	(+45%)	11%

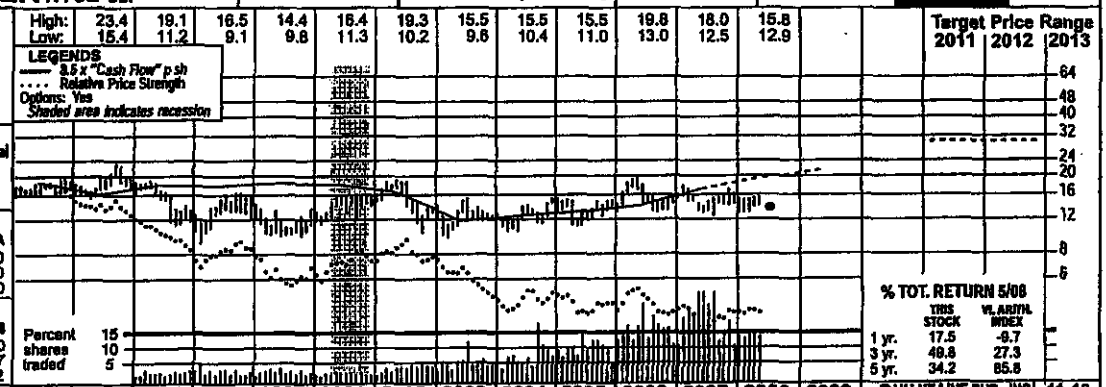
Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	46	60	60
to Sell	61	52	57
Hld's(000)	42980	41643	42792

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	23.4	19.1	16.5	14.4	16.4	19.3	15.5	15.5	15.5	19.8	18.0	15.8								
Low:	15.4	11.2	9.1	9.8	11.3	10.2	9.6	10.4	11.0	13.0	12.5	12.9								
	12.26	10.76	10.82	14.36	13.31	13.45	16.75	16.11	17.10	14.87	12.46	12.18	12.36	13.12	22.25	25.65	26.90	27.85	Sales per sh	29.55
	2.01	1.60	1.19	2.27	2.21	1.92	2.14	2.11	2.18	2.14	1.94	1.39	1.48	1.54	1.66	2.02	2.30	2.60	"Cash Flow" per sh	3.05
	1.27	.73	.22	1.49	1.41	1.07	1.00	.98	1.09	1.09	.90	.25	.30	.39	.55	.78	1.00	1.25	Earnings per sh A	1.60
	.70	.70	.70	.70	.70	.70	.70	.70	.70	.70	.70	.62	.36	.36	.36	.36	.36	.36	Div'ds Decl'd per sh B	.36
	2.05	2.56	1.89	.59	.88	1.37	.95	.57	.69	1.12	1.17	1.52	.42	.70	.99	.64	.75	.75	Cap'l Spending per sh	.95
	10.37	10.03	6.69	7.26	7.78	8.08	8.17	8.48	8.79	8.27	8.57	8.48	9.56	9.80	8.66	10.55	11.50	12.55	Book Value per sh	16.70
	44.06	43.99	44.20	43.44	42.54	42.15	42.08	42.25	42.39	42.75	43.64	43.78	43.97	44.13	44.82	45.14	45.50	45.75	Common Shs Outst'g C	46.50
	19.3	24.2	NMF	12.8	12.5	17.1	15.3	13.6	10.4	13.1	17.0	49.7	41.9	34.4	28.2	19.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.5
	1.17	1.43	NMF	.86	.78	.99	.80	.78	.68	.67	.93	2.83	2.21	1.83	1.52	1.01			Relative P/E Ratio	1.10
	2.8%	4.0%	4.2%	3.7%	4.0%	3.8%	4.6%	5.3%	5.2%	4.9%	4.6%	5.0%	2.9%	2.7%	2.3%	2.4%			Avg Ann'l Div'd Yield	1.4%
							705.1	680.6	724.7	635.7	543.8	533.2	543.5	579.1	997.1	1157.8	1225	1275	Sales ($mill)	1375
							17.8%	17.1%	16.5%	16.3%	19.6%	13.7%	13.6%	12.1%	10.7%	10.6%	12.1%	13.2%	Operating Margin	14.5%
							47.7	47.8	46.1	45.0	45.2	50.1	51.8	50.6	50.0	56.0	59.0	61.0	Depreciation ($mill)	65.0
							42.1	41.4	46.1	46.6	39.5	10.8	13.4	17.3	24.5	35.4	45.0	57.5	Net Profit ($mill)	75.0
							38.6%	36.4%	35.9%	35.9%	35.8%	38.1%	32.7%	35.8%	28.6%	14.2%	35.0%	35.0%	Income Tax Rate	35.0%
							6.0%	6.1%	6.4%	7.3%	7.3%	2.0%	2.5%	3.0%	2.5%	3.1%	3.7%	4.5%	Net Profit Margin	5.5%
							115.0	135.5	167.4	31.1	78.4	59.2	94.5	83.7	181.7	175.8	240	315	Working Cap'l ($mill)	575
							325.4	301.4	300.2	152.6	218.7	248.5	207.3	184.0	375.3	301.0	285	270	Long-Term Debt ($mill)	225
							343.9	358.1	372.7	353.5	373.8	371.4	420.4	432.3	388.4	476.1	525	575	Shr. Equity ($mill)	775
							7.8%	7.6%	8.0%	10.7%	7.9%	2.8%	3.2%	3.6%	4.4%	6.1%	7.0%	8.0%	Return on Total Cap'l	8.5%
							12.2%	11.6%	12.4%	13.2%	10.6%	2.9%	3.2%	4.0%	6.3%	7.4%	8.5%	10.0%	Return on Shr. Equity	10.0%
							3.7%	3.3%	4.4%	4.7%	2.5%	NMF	NMF	3%	2.2%	4.0%	5.5%	7.0%	Retained to Com Eq	8.0%
							70%	71%	64%	64%	77%	NMF	118%	91%	65%	46%	36%	29%	All Div'ds to Net Prof	22%



CAPITAL STRUCTURE as of 3/31/08
Total Debt $331.0 mill. Due in 5 Yrs $90.0 mill.
LT Debt $316.9 mill. LT Interest $21.5 mill.
(Total interest coverage: 2.4x)
(38% of Capital)

Pension Assets-12/07 $603.6 mill.
Oblig. $373.3 mill.

Preferred Stock None

Common Stock 45,233,696 shares

MARKET CAP: $625 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	22.0	29.8	37.6
Receivables	128.2	123.0	140.0
Inventory (LIFO)	192.3	193.0	197.9
Other	32.5	27.6	38.3
Current Assets	375.0	373.4	413.8
Accts Payable	86.5	73.2	76.0
Debt Due	22.3	12.1	14.0
Other	84.5	112.3	100.5
Current Liab.	193.3	197.6	190.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.0%	6.5%	6.5%
"Cash Flow"	-2.0%	-3.5%	10.0%
Earnings	-8.0%	-11.0%	18.5%
Dividends	-6.5%	-12.5%	Nil
Book Value	2.5%	2.5%	9.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	143.8	145.3	146.8	143.2	579.1
2006	163.0	282.6	280.2	271.3	997.1
2007	283.2	290.5	294.4	289.7	1157.8
2008	307.5	305	307.5	305	1225
2009	315	317.5	320	322.5	1275

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.14	.04	.09	.12	.39
2006	.15	d.05	.23	.22	.55
2007	.11	d.03	.41	.29	.78
2008	.25	.05	.35	.35	1.00
2009	.30	.08	.44	.43	1.25

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.09	.09	.09	.09	.36
2005	.09	.09	.09	.09	.36
2006	.09	.09	.09	.09	.36
2007	.09	.09	.09	.09	.36
2008	.09	.09			

BUSINESS: P. H. Glatfelter Company is one of the world's leading manufacturers of specialty papers and engineered products. It has paper mills in Pennsylvania, Ohio, Germany, the U.K., and France, as well as an abaca pulp mill in the Philippines. It serves the book publishing, carbonless & forms, envelope & converting, engineered products, food & beverage, and composite laminates markets. Employs about 3,655. Third Avenue Management owns 11.6% of common; Dimensional Fund, 8.5%; Mat Investors, 5.9%; NWQ, 5.7%; Franklin Resources, 5.5%; FMR, 5.1%; officers & directors, 1.5% (3/08 proxy). Chairman and CEO: George H. Glatfelter II. Incorporated: PA. Address: 96 South George Street, Suite 500, York, PA 17401. Tel.: 717-225-4711. Internet: www.glatfelter.com.

P. H. Glatfelter got off on the right foot this year, posting adjusted share net of $0.25 on revenues of $307.5 million. (Our earnings presentation excludes gains derived from timberland sales and costs associated with integrating recent acquisitions.) The hefty bottom-line improvement and margin expansion highlight the recent success of the specialty paper maker's profit improvement initiatives. Favorable demand trends and product price hikes also helped bolster profits in the interim. **We do not think the sluggish U.S. economy will slow down the company much in the June quarter.** (Glatfelter will complete its annually scheduled maintenance outages at both its Spring Grove and Chillicothe facilities in the second interim, which usually knocks share earnings down $0.20–$0.25.) Volumes are expected to be in line with the year-earlier figures for both the Specialty Papers and Composite Fibers businesses, and selling prices should be higher across the board. However, continuing increases in fiber and energy costs will probably offset most of the pricing gains, which will likely put a clamp on margin expansion.

We expect the remainder of the year to play out in similar fashion, and are leaving our estimates relatively unchanged at this time. However, management intends to aggressively manage Glatfelter's cost structure and intensify recent process-improvement and cost-reduction initiatives. The company also plans to make targeted investments in several facilities to increase productivity and output. These programs should allow Glatfelter to widen its margins some in 2008, though to a lesser degree than we previously anticipated. All told, we think the company will be able to sustain the momentum it generated in recent quarters. ***This issue has broad appeal at present.*** We rank it to outperform the broader market in the coming six to 12 months (Timeliness: 2), and believe it offers worthwhile 3- to 5-year price appreciation potential.

Erik A. Antonson *July 4, 2008*

CASH POSITION	5-Year Av'g	3/31/08
Current Assets to Current Liabilities:	178%	217%
Cash & Equiv's to Current Liabilities:	49%	20%
Working Capital to Sales:	15%	19%

Company's Financial Strength	C++
Stock's Price Stability	65
Price Growth Persistence	25
Earnings Predictability	35

(A) Primary earnings thru '96, diluted thereafter. Excludes nonrecurring items: '93, (36¢); '94, ($2.89); '98, (14¢); '00, 5¢; '01, (93¢); '02, (4¢); '03, 4¢; '04, $1.15; '05, 48¢; '06, (62¢); '07, 62¢; '08, 18¢. Quarterly figures may not sum to total due to rounding. Next earnings report due early August.
(B) Dividends historically paid in early February, May, August, and November.
(C) In millions.

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GENTEX CORP. NDQ-GNTX

RECENT PRICE 16.06 | P/E RATIO 16.9 (Trailing: 18.9 Median: 26.0) | RELATIVE P/E RATIO 1.04 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 3 Lowered 11/23/07
SAFETY 3 New 7/10/98
TECHNICAL 3 Raised 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+120%)	23%
Low	25	(+55%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	0	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	90	113	114
to Sell	122	106	111
Hld(000)	119746	122573	122104

	High:	7.1	11.0	17.4	19.9	17.1	16.8	22.5	23.5	20.3	21.0	22.6	19.5			Target Price Range 2011	2012	2013
	Low:	4.1	5.4	8.0	8.1	9.2	11.8	12.0	15.1	15.4	12.7	14.9	13.5					

LEGENDS
17.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/96
2-for-1 split 6/98
2-for-1 split 5/05
Options: Yes
Shaded area indicates recession

Percent shares traded 21 14 7

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	1.1	-8.7
3 yr.	5.0	27.3
5 yr.	24.3	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.36	.49	.68	.83	1.07	1.31	1.54	1.79	2.00	2.06	2.59	3.04	3.25	3.44	4.02	4.52	5.05	5.65	Sales per sh	7.50
.06	.11	.15	.16	.22	.29	.40	.51	.55	.53	.68	.83	.86	.85	.96	1.07	1.20	1.30	"Cash Flow" per sh	1.80
.04	.07	.12	.14	.19	.25	.34	.43	.47	.43	.56	.69	.72	.70	.73	.85	.95	1.05	Earnings per sh A	1.45
--	--	--	--	--	--	--	--	--	--	--	.08	.31	.35	.37	.40	.42	.46	Div'ds Decl'd per sh B	.60
.03	.03	.05	.04	.12	.11	.17	.15	.15	.30	.21	.14	.20	.34	.34	.38	.35	.40	Cap'l Spending per sh	.40
.28	.38	.54	.70	.92	1.21	1.64	2.16	2.71	3.19	3.76	4.50	5.03	5.39	4.93	5.57	6.20	6.85	Book Value per sh	8.75
127.02	129.69	132.08	135.17	139.00	142.60	144.52	146.82	148.58	150.34	152.44	154.08	155.73	156.04	142.48	144.75	143.00	142.00	Common Shs Outst'g C	140.00
31.6	36.7	25.6	19.9	25.3	21.5	23.4	27.9	29.1	30.7	26.2	24.5	26.2	25.1	21.4	22.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	21.0
1.92	2.17	1.68	1.33	1.58	1.24	1.22	1.59	1.89	1.57	1.43	1.40	1.38	1.34	1.16	1.16			Relative P/E Ratio	1.40
--	--	--	--	--	--	--	--	--	--	--	.4%	1.6%	2.0%	2.4%	2.1%			Avg Ann'l Div'd Yield	1.9%
						222.3	262.2	297.4	310.3	395.3	469.0	505.7	536.5	572.3	653.9	720	800	Sales ($mill)	1050
						33.7%	36.3%	34.2%	31.3%	33.9%	35.6%	34.0%	29.8%	26.9%	26.6%	28.0%	29.0%	Operating Margin	30.0%
						7.5	9.7	11.3	15.2	18.6	20.4	21.7	23.8	27.8	32.4	35.0	38.0	Depreciation ($mill)	50.0
						50.3	64.9	70.5	65.2	85.8	106.8	112.7	109.5	108.8	122.1	135	150	Net Profit ($mill)	200
						32.6%	32.6%	32.5%	32.5%	32.5%	32.5%	32.0%	31.5%	31.6%	32.1%	32.0%	32.0%	Income Tax Rate	32.0%
						22.6%	24.7%	23.7%	21.0%	21.7%	22.8%	22.3%	20.4%	19.0%	18.7%	18.8%	18.8%	Net Profit Margin	19.1%
						100.5	121.7	170.9	238.9	247.7	434.9	541.7	560.9	389.5	460.1	500	575	Working Cap'l ($mill)	810
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
						237.0	317.1	402.1	479.0	573.6	693.6	783.3	841.6	702.7	806.6	890	975	Shr. Equity ($mill)	1225
						21.2%	20.5%	17.5%	13.6%	15.0%	15.4%	14.4%	13.0%	15.5%	15.1%	15.0%	15.5%	Return on Total Cap'l	16.5%
						21.2%	20.5%	17.5%	13.6%	15.0%	15.4%	14.4%	13.0%	15.5%	15.1%	15.0%	15.5%	Return on Shr. Equity	16.5%
						21.2%	20.5%	17.5%	13.6%	15.0%	13.7%	8.3%	8.6%	7.7%	8.2%	8.5%	9.0%	Retained to Com Eq	10.5%
						--	--	--	--	--	11%	43%	49%	50%	46%	44%	43%	All Div'ds to Net Prof	42%

CAPITAL STRUCTURE as of 3/31/08

Total Debt None

Leases, Uncapitalized None

No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 142,803,907 shs.
as of 4/23/08

MARKET CAP: $2.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	328.2	398.0	400.4
Receivables	58.3	84.2	69.9
Inventory (FIFO)	48.8	48.0	47.0
Other	11.6	18.3	18.9
Current Assets	446.9	528.5	536.2
Accts Payable	23.9	30.5	34.4
Debt Due	--	--	--
Other	33.5	37.9	53.2
Current Liab.	57.4	68.4	87.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.0%	12.5%	13.0%
"Cash Flow"	15.5%	10.0%	12.0%
Earnings	14.5%	9.5%	11.5%
Dividends	--	--	9.5%
Book Value	19.0%	10.5%	9.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	127.6	132.4	136.1	136.4	536.5
2006	139.0	142.4	141.3	149.6	572.3
2007	157.2	163.5	162.5	170.7	653.9
2008	178.0	*180*	*180*	*182*	*720*
2009	*195*	*200*	*200*	*205*	*800*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.17	.17	.18	.18	.70
2006	.17	.18	.17	.21	.73
2007	.21	.21	.21	.22	.85
2008	.21	*.24*	*.24*	*.26*	*.95*
2009	*.25*	*.26*	*.26*	*.28*	*1.05*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.078	.075	.075	.085	.31
2005	.085	.085	.085	.09	.35
2006	.09	.09	.09	.095	.37
2007	.095	.095	.105	.105	.40
2008	.105	.105			

(A) Primary earnings through 1998; diluted thereafter. Next earnings report due in mid-July.
(B) Payments typically made in late January, April, July, and October.
(C) In millions, adjusted for stock splits.

BUSINESS: Gentex Corporation manufactures automatic-dimming automotive rearview mirrors (96% of 2007 sales). Its *Night Vision Safety* mirrors use sensors and electronic circuitry to detect glare from trailing approaching vehicles at night, and darken accordingly to protect the driver's vision. Sells to most of the major automakers (Revenues derived from top four customers represents approximately 59% of total). Also makes commercial fire protection products (roughly 4% of the top line). Has approximately 2,720 employees. Officers and directors own 5.4% of common stock, including 4.2% owned by Chairman & CEO Fred Bauer (3/08 proxy). Incorporated: MI. Addr.: 600 N. Centennial Street, Zeeland, MI 49464. Tel.: 616-772-1800. Internet: www.gentex.com.

Gentex posted solid first-quarter results. For the period, the company reported a 13% year-over-year rise in revenues, while share net came in at $0.21, flat from the prior year. Gentex benefited from its geographic diversity and increased sales of its new value-added features such as the *Rear Camera Display Mirror* and the *SmartBeam* high-beam headlamp. The success of these new products helped to more than offset reduced vehicle production levels at the Big Three automakers in North America. Margins during the quarter widened, thanks to purchasing cost reductions, product mix, and favorable foreign exchange rates.

We anticipate 2008 top- and bottom-line growth of 10% and 12%, respectively. Management now anticipates that it will ship between 350,000 and 400,000 *Rear Camera Display Mirrors* in 2008, a 100,000-unit increase over the company's estimate last quarter. This is largely due to increased estimated take rates on vehicle models offering these mirrors. However, there is still significant uncertainty regarding the health of the domestic economy.

Business prospects at Gentex might well expand significantly in 2009 and beyond. A recent bill signed by President Bush ordered the National Highway Traffic Safety Administration (NHTSA) to initiate rulemaking to revise the federal standard regarding the field of view so that drivers can detect objects directly behind vehicles. The requirement may be met by the use of additional mirrors, sensors, or cameras. We believe that, although it may take at least a couple of years for these rules to become enacted, several auto makers may adopt the changes earlier than required.

Shares of Gentex are ranked to track the broader market averages over the next six to 12 months. Although demand for some of the company's core rear camera mirror products remains solid, we are still concerned about the health of the North American auto industry during this time frame. Over the 3- to 5-year period, these shares offer above-average appreciation prospects, given the potential for significant sales gains if the above-mentioned NHTSA rules become effective.

Jason Dalavagas June 27, 2008

Company's Financial Strength	A
Stock's Price Stability	55
Price Growth Persistance	50
Earnings Predictability	90

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GLOBAL PAYMENTS NYSE-GPN

RECENT PRICE 47.61 | P/E RATIO 22.9 (Trailing: 24.3 Median: NMF) | RELATIVE P/E RATIO 1.42 | DIV'D YLD 0.2% | VALUE LINE

TIMELINESS 1 Raised 8/15/08
SAFETY 3 New 5/26/06
TECHNICAL 3 Raised 7/11/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+60%)	12%
Low	50	(+5%)	2%

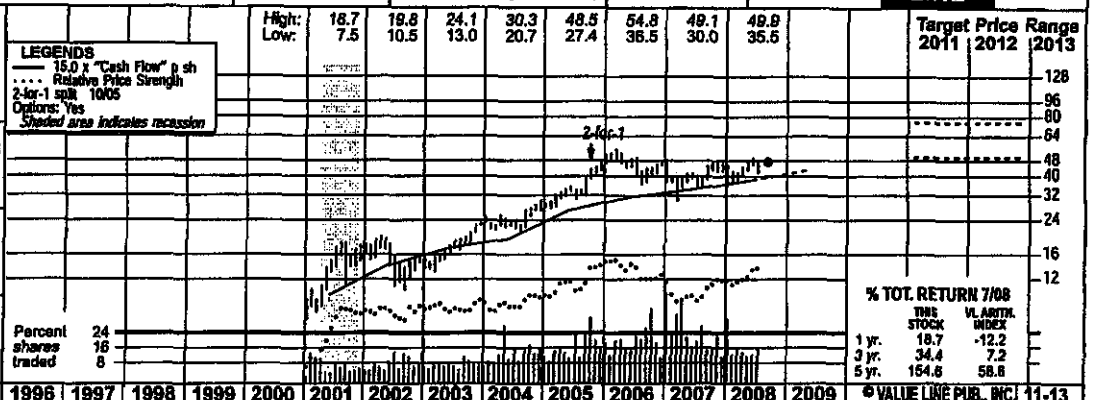
Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	5	5	3	2	1	2	1	0	0
to Sell	5	5	3	2	1	2	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	134	126	116
to Sell	105	104	125
Hld's(000)	74708	75902	77998

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 10/05
Options: Yes
Shaded area indicates recession



Target Price Range 2011 2012 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	18.7	-12.2
3 yr.	34.4	7.2
5 yr.	154.6	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	--	--	--	--	4.84	6.29	6.95	8.27	10.03	11.38	13.13	16.00	20.65	Revenues per sh [A]	29.40
--	--	--	--	--	--	--	--	--	.67	.94	1.15	1.29	1.80	2.10	2.29	2.55	2.80	"Cash Flow" per sh	4.10
--	--	--	--	--	--	--	--	--	.47	.53	.71	.80	1.21	1.54	1.78	1.98	2.25	Earnings per sh [A B]	3.35
--	--	--	--	--	--	--	--	--	.04	.08	.08	.08	.08	.08	.08	.08	.08	Div'ds Decl'd per sh [C]	.15
--	--	--	--	--	--	--	--	--	.19	.30	.24	.32	.44	.31	.44	.56	.70	Cap'l Spending per sh	1.10
--	--	--	--	--	--	--	--	--	3.72	4.03	4.93	5.90	7.40	9.65	11.64	14.15	16.15	Book Value per sh	21.75
--	--	--	--	--	--	--	--	--	72.95	73.57	74.26	76.14	78.20	79.81	80.88	79.64	80.00	Common Shs Outst'g [D]	85.00
--	--	--	--	--	--	--	--	--	21.6	30.9	20.5	26.3	22.4	27.6	23.1	21.1		Avg Ann'l P/E Ratio	18.5
--	--	--	--	--	--	--	--	--	1.12	1.69	1.17	1.39	1.19	1.49	1.21	1.2		Relative P/E Ratio	1.25
--	--	--	--	--	--	--	--	--	.4%	.5%	.6%	.4%	.3%	.2%	.2%	.2%		Avg Ann'l Div'd Yield	.2%
--	--	--	--	--	--	--	--	--	353.2	462.8	516.1	629.3	784.3	908.1	1061.5	1274.2	1650	Revenues ($mill)	2500
--	--	--	--	--	--	--	--	--	22.6%	24.2%	24.5%	25.1%	26.7%	26.8%	24.6%	23.3%	24.0%	Operating Margin	30.0%
--	--	--	--	--	--	--	--	--	21.8	29.6	32.1	35.5	45.3	40.5	40.4	44.0	48.0	Depreciation ($mill)	60.0
--	--	--	--	--	--	--	--	--	26.9	39.8	53.3	62.4	95.3	126.8	145.1	158.7	185	Net Profit ($mill)	290
--	--	--	--	--	--	--	--	--	38.1%	38.2%	37.4%	37.4%	34.7%	33.5%	32.4%	34.6%	35.0%	Income Tax Rate	35.0%
--	--	--	--	--	--	--	--	--	7.6%	8.6%	10.3%	9.9%	12.2%	14.0%	13.7%	12.5%	11.2%	Net Profit Margin	11.5%
--	--	--	--	--	--	--	--	--	4.0	d17.5	65.3	d82.9	7.2	198.7	301.5	399.6	500	Working Cap'l ($mill)	650
--	--	--	--	--	--	--	--	--	2.0	4.7	3.3	12.9	.7	--	--	--	Nil	Long-Term Debt ($mill)	5.0
--	--	--	--	--	--	--	--	--	271.0	296.3	366.4	449.4	578.4	770.2	957.8	1126.8	1290	Shr. Equity ($mill)	1850
--	--	--	--	--	--	--	--	--	9.9%	13.4%	15.0%	13.6%	16.5%	16.5%	15.1%	14.1%	14.5%	Return on Total Cap'l	15.5%
--	--	--	--	--	--	--	--	--	9.9%	13.4%	14.5%	13.9%	16.5%	16.5%	15.1%	14.1%	14.5%	Return on Shr. Equity	15.5%
--	--	--	--	--	--	--	--	--	9.4%	11.5%	12.9%	12.6%	15.4%	15.6%	14.5%	13.5%	14.0%	Retained to Com Eq	15.0%
--	--	--	--	--	--	--	--	--	5%	15%	11%	10%	7%	5%	4%	4%	4%	All Div'ds to Net Prof	4%

CAPITAL STRUCTURE as of 5/31/08
Total Debt $1.5 mill.

LT Debt None

Leases, Uncapitalized: Annual rentals $22.9 mill.

Pension Assets-5/08 $8.9 mill.
Oblig. $9.3 mill.

Pfd Stock None

Common Stock 79,656,560 shs.
as of 7/21/08
MARKET CAP: $3.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	218.5	308.9	456.1
Receivables	108.1	111.2	125.8
Inventory (Avg Cst)	3.3	3.4	3.8
Other	18.5	20.9	31.7
Current Assets	348.4	444.4	617.4
Accts Payable	105.7	122.3	147.5
Debt Due	.7	--	1.5
Other	43.3	20.6	68.8
Current Liab.	149.7	142.9	217.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '11-'13
Revenues	--	17.5%	14.0%
"Cash Flow"	--	20.0%	10.0%
Earnings	--	25.5%	11.5%
Dividends	--	3.5%	11.0%
Book Value	--	23.0%	10.5%

Calendar	QUARTERLY REVENUES ($ mil.) [A] Aug.31	Nov.30	Feb.28	May 31	Full Year
2005	192.6	188.6	195.5	207.6	784.3
2006	224.5	219.7	225.2	238.7	908.1
2007	260.3	260.7	260.4	280.1	1061.5
2008	311.0	308.8	310.6	343.8	1274.2
2009	410	407	408	425	1650

Calendar	EARNINGS PER SHARE [A B] Aug.31	Nov.30	Feb.28	May 31	Full Year
2005	.31	.30	.28	.32	1.21
2006	.39	.38	.36	.41	1.54
2007	.51	.42	.42	.43	1.78
2008	.54	.48	.44	.50	1.96
2009	.59	.55	.53	.58	2.25

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.02	.02	.02	.02	.08
2005	.02	.02	.02	.02	.08
2006	.02	.02	.02	.02	.08
2007	.02	.02	.02	.02	.08
2008	.02	.02	.02		

BUSINESS: Global Payments Inc. is a leading provider of electronic transaction processing services for consumers, merchants, financial institutions, government agencies, and other entities in the U.S., Canada, Latin America, Europe, and the Asia-Pacific region. It also provides consumer money transfer services from the U.S. and Europe to Latin America, Morocco, the Philippines, and other destinations. 2008 revenue breakdown by segment: Merchant Services, 89%; Money Transfer, 11%. Foreign operations generated 33% of 2008 revenues. Officers and directors own 3.2% of stock; T. Rowe Price, 10.1% (9/07 proxy). CEO: Paul R. Garcia. Inc.: GA. Address: 10 Glenlake Parkway, North Tower, Atlanta, GA 30328. Tel.: 800-560-2960. Internet: www.globalpaymentsinc.com.

We are upbeat about Global Payments' prospects in fiscal 2009 (which began on June 1st). The core Merchant Services unit ought to benefit, in part, from healthy expansion of the direct merchant channel in the United States, driven by initiatives to attract and retain customers in the Independent Sales Organization segment. A recently established United Kingdom joint venture with HSBC, discussed below, should help results here, too. Also within the Merchant Services division, good showings appear to be in store for the Canadian segment (reflecting favorable changes in the Canadian market interchange structure in April) and Asia-Pacific joint venture with HSBC (aided by sales force enhancements). Lastly, the domestic money transfer operation should benefit from the closing of underperforming branches during the last fiscal year, and the pricing environment has improved of late. But heightened immigration enforcement may continue to dampen results here a bit.

All told, earnings per share ought to advance nearly 15%, to $2.25, in fiscal 2009. Next year, the bottom line could climb at a similar rate, to $2.55 a share, assuming additional expansion in operating margins.

Global Payments formed a United Kingdom joint venture with HSBC. Under the terms of the deal, the company paid $439 million in cash for a 51% stake in HSBC's card payment processing business in the United Kingdom, which provides services to more than 135,000 merchant outlets. (Revenues for that unit were almost $230 million in 2007.) We estimate that the transaction will add a few pennies to Global's share net in fiscal 2009, and marketing initiatives ought to lead to more accretion to the bottom line in fiscal 2010 and afterward.

The stock is ranked 1 (Highest) for *Timeliness*. That's based, in part, on the company's good recent earnings momentum.

But long-term capital appreciation potential is not impressive because we think the good news regarding Global Payments is already factored into the current quotation. But future acquisitions could brighten things.

Frederick L. Harris, III August 22, 2008

(A) Fiscal year ends May 31st.
(B) Diluted earnings. Excludes nonrecurring gain (losses): 2001, ($0.06); 2002, ($0.21); 2005, ($0.03); 2006, ($0.02); 2007, ($0.03); 2008, $0.05. Next earnings report due late Sept.
(C) Dividends historically paid in Feb., May, Aug., and Nov.
(D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	95
Earnings Predictability	60

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HEARING EXHIBIT 00000360

GOODRICH NYSE-GR

RECENT PRICE 54.96 | P/E RATIO 12.2 (Trailing: 12.7, Median: 14.9) | RELATIVE P/E RATIO 0.75 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 3 Lowered 2/1/08
SAFETY 3 New 7/27/00
TECHNICAL 4 Lowered 5/30/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+100%)	20%
Low	75	(+35%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	1	0	0	0	0	0	1	0	
Options	0	2	0	2	8	0	0	0	0
to Sell	0	2	0	2	7	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	192	220	178
to Sell	161	164	214
Hld's(000)	102527	103679	101206

	High:	48.3	56.0	45.7	43.1	44.5	34.4	30.3	33.9	45.8	47.4	75.7	71.1
	Low:	35.1	26.5	21.0	21.6	15.9	14.2	12.2	26.6	30.1	37.2	45.0	54.7

LEGENDS
9.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 4/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

Percent shares traded: 24, 16, 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	10.4	-8.7
3 yr.	63.6	27.3
5 yr.	282.4	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
49.30	35.45	42.64	45.85	41.64	46.37	53.13	50.24	42.64	41.15	33.40	37.23	39.65	43.84	47.04	51.30	58.00	63.30	Sales per sh	77.65
2.16	2.08	3.29	4.06	4.18	4.37	5.24	5.18	4.99	4.72	3.65	2.18	3.32	3.81	4.61	5.99	6.65	7.35	"Cash Flow" per sh	9.45
d.35	.14	1.12	1.91	1.97	2.42	3.13	3.24	2.97	2.67	2.31	.33	1.43	1.97	2.86	3.88	4.50	5.05	Earnings per sh A	6.85
1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	.88	.80	.80	.80	.80	.80	.90	.90	Div'ds Decl'd per sh B=	1.00
3.91	2.85	2.51	2.81	3.42	2.20	2.80	2.23	1.45	1.87	.92	1.06	1.28	1.75	2.06	2.27	2.40	2.40	Cap'l Spending per sh	2.50
14.03	15.31	15.75	16.72	19.53	19.56	21.51	11.73	11.99	13.39	7.97	10.14	11.27	11.97	15.82	20.70	23.10	25.35	Book Value per sh C	35.90
51.24	51.29	51.58	52.53	53.76	72.74	74.37	110.23	102.33	101.76	117.06	117.73	119.14	123.11	124.95	124.61	125.00	124.00	Common Shs Outst'g	123.00
--	NMF	19.6	14.3	20.0	17.5	13.5	10.6	11.3	11.6	10.6	NMF	21.4	20.3	15.8	15.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
--	NMF	1.29	.96	1.25	1.01	.70	.60	.73	.59	.58	NMF	1.13	1.08	.85	.82			Relative P/E Ratio	.90
4.7%	4.8%	5.0%	4.0%	2.8%	2.6%	2.6%	3.2%	3.3%	3.3%	3.6%	3.8%	2.6%	2.0%	1.9%	1.3%			Avg Ann'l Div'd Yield	1.1%
3950.8	5537.5	4363.8	4184.5	3910.2	4382.9	4724.5	5396.5	5678.3	6392.2	7250	7950							Sales ($mill)	9550
16.5%	17.6%	19.0%	15.9%	16.8%	11.8%	13.5%	14.1%	15.1%	17.7%	17.9%	18.0%							Operating Margin	18.5%
165.4	230.6	192.5	173.8	183.5	219.1	222.9	225.8	240.1	250.2	260	270							Depreciation ($mill)	305
234.8	358.6	317.9	306.3	244.0	38.0	172.2	243.8	336.4	496.0	575	620							Net Profit ($mill)	855
39.0%	39.6%	37.2%	14.4%	36.6%	37.5%	20.1%	32.9%	27.2%	30.8%	34.0%	34.0%							Income Tax Rate	34.0%
5.9%	6.5%	7.3%	7.3%	6.2%	.9%	3.6%	4.5%	5.7%	7.8%	7.9%	8.1%							Net Profit Margin	8.9%
623.7	589.6	933.0	762.7	453.9	686.2	792.3	810.8	1374.9	1807.3	2100	2325							Working Cap'l ($mill)	3475
995.2	1516.9	1318.2	1307.2	2129.0	2136.6	1889.4	1742.1	1721.7	1562.9	1500	1425							Long-Term Debt ($mill)	1200
1589.6	1293.2	1228.6	1361.4	932.9	1193.5	1342.9	1473.0	1976.7	2579.4	2900	3150							Shr. Equity ($mill)	4425
9.7%	13.8%	13.4%	12.4%	8.7%	2.1%	6.3%	8.4%	10.8%	13.5%	14.5%	15.5%							Return on Total Cap'l	16.5%
14.7%	27.7%	25.9%	22.5%	26.2%	3.2%	12.8%	16.6%	17.0%	19.2%	20.0%	20.0%							Return on Shr. Equity	19.5%
9.3%	19.2%	16.3%	14.1%	15.6%	NMF	5.8%	9.9%	11.9%	15.3%	16.0%	16.5%							Retained to Com Eq	16.5%
37%	31%	37%	37%	40%	NMF	55%	40%	30%	20%	20%	18%							All Div'ds to Net Prof	15%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1728.5 Due in 5 Yrs $610.0 mill.
LT Debt $1565.3 mill. LT Interest $125.0 mill.
(Total interest coverage: 7.3x) (36% of Cap'l)

Leases, Uncapitalized Annual rentals $38.4 mill.

Pension Assets-12/07 $3.18 bill. Oblig. $3.23 bill.
Preferred Stock None

Common Stock 125,074,877 shs.
MARKET CAP: $6.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	201.3	406.0	463.2
Receivables	912.4	1008.2	1123.3
Inventory (LIFO)	1551.8	1775.6	1869.8
Other	342.0	360.6	323.5
Current Assets	3007.5	3548.4	3779.8
Accts Payable	584.8	586.7	723.0
Debt Due	13.2	184.8	163.2
Other	1034.8	969.6	980.6
Current Liab.	1632.8	1741.1	1866.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	.5%	4.0%	8.5%
"Cash Flow"	1.5%	1.5%	12.5%
Earnings	3.0%	1.0%	16.0%
Dividends	-3.0%	-5.0%	4.0%
Book Value	-1.5%	8.0%	14.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1275	1353	1371	1398	5397
2006	1424	1483	1496	1535	5878
2007	1547	1577	1601	1667	6392
2008	1745	1800	1830	1875	7250
2009	1885	1960	1980	2025	7850

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.46	.51	.49	.51	1.97
2006	.55	.64	.69	.78	2.66
2007	.77	.97	1.10	1.04	3.88
2008	1.21	1.06	1.09	1.14	4.50
2009	1.20	1.23	1.28	1.34	5.05

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.20	.80
2005	.20	.20	.20	.20	.80
2006	.20	.20	.20	.20	.80
2007	.20	.20	.20	.20	.80
2008	.225	.225			

BUSINESS: Goodrich is a major supplier of aerospace components, systems, and services. Includes landing systems, aerostructures and aviation services, engine and safety systems, and electronic systems. Acquired Rohr 12/97; Coltec 7/99; TRW Aeronautical Systems 10/02. Sold GEON 6/93, Performance Materials, 2/01. Spunoff Engineered Industrial Products 5/02. '07 depreciation rate: 8.5%. Foreign sales 46% of total; Has about 23,400 employees. Officers & directors own 1.6% of common stock; no persons or entities beneficially own more than 5% (3/08 Proxy). Chairman, President & CEO: Marshall O. Larsen. Inc.: NY. Addr.: Four Coliseum Center, 2730 West Tyvola Road, Charlotte, NC 28217. Tel.: 704-423-7000. Internet: www.goodrich.com.

Goodrich is likely headed for another year of double-digit earnings growth. Prospects for the aerospace supplier remain favorable, reflecting the continued rise in global air travel. Most of this demand is coming from overseas, namely in rapidly growing emerging markets, such as China and India. As a result, large backlogs at the major original equipment manufacturers (OEMs) suggest build rates could remain elevated for several years to come. Goodrich stands to benefit from both large commercial OEM sales and the increased number of planes requiring higher-margin aftermarket parts and services (more below). Regional, business, and general aviation demand also remain solid, and defense and space-related sales are rising as well. Overall, the upward trajectory in earnings is likely to be maintained out to 2011–2013, though at a slower pace than was evidenced over the last four years.

The company's aftermarket business is poised to continue growing. Although new aircraft orders are likely to moderate from the torrid pace of the last few years, the expanding global commercial aircraft base will require additional upkeep. Goodrich is well positioned to take advantage of this trend, thanks to its extensive worldwide network of maintenance, repair, and overhaul centers, and its replacement-parts business. This should support earnings expansion beyond the recent OEM surge.

Profitability is likely to edge higher. On top of the aforementioned increases in aftermarket business, margins should get an additional boost from the company's ongoing investment in lower-cost manufacturing facilities overseas. This should be supplemented by productivity and operational improvement initiatives.

These shares do not stand out right now. For the year ahead, they remain ranked to perform in line with the broader market averages. Longer term, the very large increase in Goodrich's share price over the last few years discounts a good portion of the continued earnings strength we project out to 2011–2013. Consequently, the issue's appreciation potential over that time frame falls around the *Value Line* median.

Mario Ferro *June 20, 2008*

(A) Dil. eqs. Excludes nonrecurring items: '92, ($11.90); '93, $4.32; '95, 48¢; '96, 2¢; '97, 89¢; '98, (9¢); '99, ($1.71); '00, (29¢); '01, ($1.22); '02, (74¢), '05, $1.15. Excl. discontinued operations: '93, 8¢; '94, 39¢; '96, 72¢; '97, $1.19; '98, (2¢); '99, ($1.71); '00, 36¢; '01, $1.11; '02, (9¢); '03, 52¢; '04, 11¢; '05, 16¢; '07, (10¢). Next earnings report due late July. (B) Div'ds. usually paid in early Jan., Apr., Jul. & Oct. = Div'd. reinv. plan avl. (C) Inc. Intang. '07, $1.8 bill., $14.56/sh. (D) Ex. GEON. (E) Pro forma Rohr. (F) Pro forma Coltec.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	40
Earnings Predictability	45

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GENCORP NYSE-GY

RECENT PRICE 7.46 | P/E RATIO 10.4 (10.3 NMF) | RELATIVE P/E RATIO 0.71 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/9/08
SAFETY 4 Lowered 1/27/06
TECHNICAL 3 Raised 7/25/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+300%)	41%
Low	17	(+130%)	23%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	65	54	56
to Sell	73	60	52
Hld's(000)	62698	63372	62422

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 12.4 10.8 14.5 16.3 11.3 18.8 21.3 20.8 15.3 12.3
Low: 7.8 6.6 9.1 6.4 6.0 10.2 17.0 12.0 10.5 6.9

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	0.0	-16.0
3 yr.	0.0	11.3
5 yr.	0.0	63.2

Noteworthy: When the company restated its financial results for the first half of fiscal 2004 to reflect operations (Fine Chemicals) reclassified as discontinued, we chose to include pension expense in our presentation, whereas we previously excluded it. This noncash expense ran at about $12 million per quarter in fiscal 2004, or about 27 cents a share. Our model currently assumes a *neutral* impact from this account in subsequent years.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	25.19	25.56	24.93	35.21	26.09	27.21	9.14	11.35	11.13	13.17	*14.05*	*15.95*	Sales per sh [A]	*20.95*
	1.97	1.96	2.50	2.77	1.77	2.35	d1.01	d.02	d.25	1.03	*1.30*	*1.20*	"Cash Flow" per sh	*1.90*
	.98	.90	1.31	.93	.30	.51	d1.91	d.53	d.73	.53	*.72*	*.65*	Earnings per sh [AB]	*1.30*
	.60	.48	.12	.12	.12	.12	.06	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh [C]	*Nil*
	--	2.32	1.95	1.16	1.03	1.12	.38	.36	.34	.39	*.45*	*.45*	Cap'l Spending per sh	*.55*
	8.27	1.91	4.64	7.35	8.28	9.77	2.58	d1.33	d1.72	d.92	*d.10*	*.80*	Book Value per sh	*5.35*
	41.60	41.90	42.00	42.20	43.50	43.80	54.60	55.00	55.80	56.60	*57.00*	*58.00*	Common Shs Outst'g [D]	*62.00*
	--	12.6	6.4	12.8	40.1	16.3	--	--	--	24.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
	--	.72	.42	.65	2.19	.93	--	--	--	1.29			Relative P/E Ratio	*1.15*
	--	4.2%	1.4%	1.0%	1.0%	1.4%	.5%	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	1048.0	1071.0	1047.0	1486.0	1135.0	1192.0	499.0	624.0	621.1	745.4	*800*	*925*	Sales ($mill) [A]	*1300*
	9.8%	10.0%	14.5%	11.0%	12.8%	10.6%	.6%	3.8%	4.4%	9.8%	*11.3%*	*9.7%*	Operating Margin	*13.0%*
	41.0	44.0	50.0	77.0	66.0	81.0	31.0	28.0	27.2	28.4	*31.0*	*32.0*	Depreciation ($mill)	*36.0*
	41.0	*38.2*	*55.0*	*40.0*	*11.0*	*22.0*	*d66.0*	*d29.0*	*d40.9*	29.7	*40.0*	*37.5*	Net Profit ($mill)	*80.0*
	36.9%	40.3%	40.2%	38.5%	21.4%	--	--	--	21.4%	NMF	*NMF*	*NMF*	Income Tax Rate	*30.0%*
	3.9%	3.6%	5.3%	2.7%	1.0%	1.8%	NMF	NMF	NMF	4.0%	*5.1%*	*4.1%*	Net Profit Margin	*6.2%*
	99.0	d8.0	18.0	d47.0	10.0	29.0	136.0	9.0	4.0	77.1	*130*	*190*	Working Cap'l ($mill)	*480*
	356.0	149.0	190.0	197.0	365.0	488.0	554.0	443.0	441.1	444.8	*440*	*440*	Long-Term Debt ($mill)	*430*
	344.0	80.0	195.0	310.0	360.0	426.0	141.0	d73.0	d96.0	d52.0	*d8.0*	*45.0*	Shr. Equity ($mill)	*330*
	6.0%	17.8%	16.2%	10.8%	2.6%	3.8%	--	--	--	11.2%	*12.0%*	*10.0%*	Return on Total Cap'l	*12.0%*
	11.9%	47.8%	28.2%	12.9%	3.1%	5.1%	--	--	--	NMF	*NMF*	*NMF*	Return on Shr. Equity	*24.5%*
	11.9%	22.8%	25.6%	11.3%	1.7%	4.0%	--	--	--	NMF	*NMF*	*NMF*	Retained to Com Eq	*24.5%*
	61%	52%	9%	13%	45%	23%	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 5/31/08
Total Debt $440.9 mill. Due in 5 Yrs $8.1 mill.
LT Debt $438.9 mill. LT Interest $23.0 mill.

Incl. $125.0 mill. 4% notes ('24), ea. cv. into 64.8088 shs. at $15.43; $146.4 mill. 2¼% debentures ('24), ea. cv. into 50 shs. at $20.00
Leases, Uncapitalized Annual rentals $6.5 mill.
Pension Assets-11/07 $1.71 bill. Oblig. $1.82 bill.
Pfd Stock None
Common Stock 57,200,000 shares as of 6/27/08
MARKET CAP: $425 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	61.2	92.3	58.8
Receivables	71.1	99.2	92.4
Inventory (LIFO)	69.5	67.5	74.3
Other	81.4	64.0	73.5
Current Assets	283.2	323.0	299.0
Accts Payable	32.6	28.9	26.9
Debt Due	21.3	1.5	2.0
Other	225.3	215.5	203.5
Current Liab.	279.2	245.9	232.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-7.5%	-16.0%	*10.0%*
"Cash Flow"	--	--	*40.0%*
Earnings	--	--	*NMF*
Dividends	--	--	*Nil*
Book Value	--	--	*NMF*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [AE] Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2005	140.0	145.0	134.0	205.0	624.0
2006	128.3	167.2	158.3	167.3	621.1
2007	150.8	192.3	198.5	203.8	745.4
2008	176.6	194.7	*210*	*218.7*	*800*
2009	*190*	*230*	*240*	*265*	*925*

Fiscal Year Ends	EARNINGS PER SHARE [ABE] Feb.28	May 31	Aug.31	Nov.30	Full Fiscal Year
2005	d.55	.06	d.08	.04	d.53
2006	d.27	d.19	d.26	d.02	d.73
2007	d.04	.24	.15	.17	.53
2008	.06	.34	*.14*	*.18*	*.72*
2009	*.09*	*.15*	*.18*	*.23*	*.65*

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.03	--	--	.06
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	--	--	--	--	--
2008	--	--			

BUSINESS: GenCorp designs and manufactures propulsion and electronic surveillance systems for aerospace and defense applications. Also owns 12,600 acres of land near Sacramento, CA, and is seeking zoning changes in order to develop this land. Sold GDX Automotive on 8/31/04. Fine Chemicals was reclassified as a discontinued operation in FY'04. '07 depr. rate: 5.2%. Employs 3,252.

Officers and directors own 15.9% of common shares, including Warren Lichtenstein, 14.1% (3/08 proxy). Chairman: James Henderson; Interim President & CEO: J. Scott Nelsh. Search for a permanent CEO and President is ongoing. Inc.: Ohio. Address: Hwy 50 & Aerojet Rd., Rancho Cordova, California 95670. Telephone: 916-355-4000. Internet: www.gencorp.com.

The makeup of GenCorp's upper management continues to change. Three members of the board of directors, including former chairman Timothy Wicks, resigned in May. The remaining directors selected James Henderson to replace Mr. Wicks. Mr. Henderson, who joined the board in March, is a managing director of Steel Capital, a private equity investment firm that has a 15% stake in GenCorp. Meanwhile, the company has not named a replacement for Terry Hall, who resigned as CEO in March.

A land sale caused an unexpected spike in earnings in the May period (fiscal year ends November 30th). The company sold 400 acres of land to Elliot Homes for $10 million. As a result, second-quarter earnings jumped 42%, to $0.34 a share. If this land sale were excluded, share net would have been $0.22, two pennies below the year-earlier result.

Despite GenCorp's wide appreciation potential over the coming 3 to 5 years, we see some reasons for concern. Upper management has been in a state of flux for quite some time now, as two major shareholders (Steel Capital and Pirate Capital) have tried to assume greater control of the company in the last two years. We think the boardroom machinations raise a red flag, and investors may want to wait until the board of directors exhibits more stability before opening a position. Too, much of the stock's appreciation potential is dependent on successful development of the company's land holdings in northern California. The real estate market in this region has been hit very recently, and if this weakness persists for an extended period, the company might not be able to reach our earnings projection for the 2011-2013 interim. Also, the stock carries a Below-Average (4) Safety rank and low ratings for Financial Strength and Earnings Predictability.

The Timeliness rank has dropped one notch since our April review. GY is now an average selection for the coming six to 12 months.

Tom Nikic *July 25, 2008*

CASH POSITION	5-Year Av'g	5/31/08
Current Assets to Current Liabilities:	111%	129%
Cash & Equiv's to Current Liabilities:	20%	25%
Working Capital to Sales:	7%	8%

(A) Fiscal years end November 30th.
(B) Diluted egs. per share. Excl. nonrecurring items: '99, 82¢; '00, 16¢; '01, $2.07; '02, (9¢); '04, ($6.91); '05, (44¢); '07, 18¢. Excl. disc. ops.: '05, ($3.24); '06, 4¢; '07, 43¢; '08, Q2, (24¢). Excl. 50¢ in pension income in '02. Quarterly results may not sum to total due to rounding. Next egs. report due mid-October.
(C) Div'd susp. 7/19/04.
(D) In millions.
(E) 2004 figures adjusted to reflect operations reclassified as discontinued.

Company's Financial Strength	C+
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	10

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HAEMONETICS CORP. NYSE-HAE

RECENT PRICE 62.00 | P/E RATIO 25.8 (Trailing: 28.3 Median: 23.0) | RELATIVE P/E RATIO 1.92 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/15/08
SAFETY 3 New 3/12/99
TECHNICAL 3 Raised 7/25/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+85%)	17%
Low	75	(+20%)	5%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	6	0	0	0	0	1	1	0
Options	0	2	0	1	1	1	2	1	2
to Sell	0	2	0	1	1	1	2	2	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	81	100	95
to Sell	79	75	86
Hld's(000)	26815	27762	27914

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
High:	21.1	23.4	24.3	31.9	41.9	34.8	24.8	37.3	52.8	55.7	64.3	64.5							Target Price Range 2011	2012	2013
Low:	13.7	13.4	12.7	19.6	27.1	18.0	16.3	23.5	34.1	40.7	42.6	51.2									
	7.76	8.85	9.24	10.24	11.58	10.79	10.47	11.00	11.40	12.48	14.02	14.52	14.65	15.84	16.96	20.10	23.40	26.50	Sales per sh A	35.40
	1.19	1.50	1.67	1.81	1.69	1.49	1.70	1.98	2.08	2.36	2.30	2.37	2.57	2.88	2.94	3.35	3.75	4.35	"Cash Flow" per sh	6.35
	.87	1.09	1.18	1.30	1.20	.62	.78	.96	1.14	1.29	1.07	1.19	1.52	1.90	1.83	2.10	2.40	2.85	Earnings per sh B	4.35
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.63	.82	.88	.73	1.20	.77	.83	.92	.86	.84	.56	.55	.67	1.26	1.53	2.20	2.40	2.65	Cap'l Spending per sh	3.75
	4.54	5.73	6.80	7.99	8.41	7.35	8.23	8.17	8.36	9.24	9.29	11.15	13.57	16.46	18.09	19.25	20.70	22.90	Book Value per sh C	33.90
	27.87	28.06	28.40	27.16	26.80	26.48	26.95	25.28	25.78	25.64	24.04	25.08	26.18	26.83	26.52	25.70	25.00	24.50	Common Shs Outst'g D	24.00
	21.9	21.3	14.9	14.2	15.3	27.2	23.1	21.4	21.8	25.7	23.6	19.3	21.8	24.1	25.8	25.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
	1.33	1.26	.98	.95	.96	1.57	1.20	1.22	1.42	1.32	1.29	1.10	1.15	1.28	1.39	1.35			Relative P/E Ratio	1.45
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	282.2	277.9	293.9	320.0	337.0	364.2	383.6	419.7	449.6	516.4	585	645	Sales ($mill) A	850
	19.9%	21.1%	20.8%	22.5%	19.6%	20.9%	22.8%	23.3%	20.9%	20.6%	21.0%	21.5%	Operating Margin	23.0%
	24.6	24.9	24.5	25.6	26.4	30.1	27.6	25.2	27.5	31.2	32.0	33.0	Depreciation ($mill)	40.0
	21.2	25.2	29.1	34.9	26.9	29.3	39.6	52.2	50.5	56.2	65.0	75.0	Net Profit ($mill)	110
	35.0%	31.6%	28.2%	28.0%	30.3%	36.0%	33.8%	35.1%	33.5%	32.8%	33.5%	33.0%	Income Tax Rate	33.0%
	7.5%	9.1%	9.9%	10.9%	8.0%	8.0%	10.3%	12.4%	11.2%	10.9%	11.0%	11.5%	Net Profit Margin	13.0%
	162.2	121.4	139.7	148.7	122.9	185.7	255.7	330.3	321.7	261.7	255	270	Working Cap'l ($mill)	400
	52.5	41.3	47.3	40.8	31.6	25.4	19.2	13.0	6.7	6.0	6.0	6.0	Long-Term Debt ($mill)	6.0
	221.9	206.4	215.5	236.8	223.2	279.7	355.1	441.7	479.6	494.2	520	560	Shr. Equity ($mill)	615
	8.5%	10.8%	11.6%	13.2%	11.1%	9.9%	10.8%	11.6%	10.4%	11.0%	12.0%	13.0%	Return on Total Cap'l	13.5%
	9.5%	12.2%	13.5%	14.7%	12.1%	10.5%	11.2%	11.8%	10.5%	11.5%	12.5%	13.0%	Return on Shr. Equity	14.0%
	9.5%	12.2%	13.5%	14.7%	12.1%	10.5%	11.2%	11.8%	10.5%	11.5%	12.5%	13.0%	Retained to Com Eq	14.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	17.6	-12.2
3 yr.	37.6	7.2
5 yr.	176.6	58.6

CAPITAL STRUCTURE as of 6/28/08
Total Debt $14.9 mill. Due in 5 Yrs $14.9 mill.
LT Debt $5.9 mill. LT Interest $1.0 mill. (1% of Cap'l)

Leases Uncapitalized: Annual rentals $7.0 million
Pension Assets-3/08 $3.6 mill. Oblig. $6.9 mill.

Pfd Stock None

Common Stock 25,394,824 shares as of 6/28/08

MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/28/08
Cash Assets	229.2	133.6	120.3
Receivables	91.8	120.2	127.9
Inventory (FIFO)	61.8	85.4	71.2
Other	20.9	40.2	34.4
Current Assets	403.7	359.4	353.8
Accts Payable	17.2	19.7	21.3
Debt Due	22.2	6.3	9.0
Other	42.6	71.7	57.0
Current Liab.	82.0	97.7	97.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	4.5%	6.5%	12.0%
"Cash Flow"	5.0%	5.5%	12.5%
Earnings	3.5%	9.0%	14.5%
Dividends	--	--	--
Book Value	7.5%	13.5%	12.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jun.Per	Sep.Per	Dec.Per	Mar.Per	Full Fiscal Year
2005	103.2	100.5	105.7	110.3	419.7
2006	110.7	108.5	113.5	116.9	449.6
2007	121.9	121.2	134.6	138.7	516.4
2008	144.1	138	147	155.9	585
2009	155	155	160	175	645

Fiscal Year Begins	EARNINGS PER SHARE A B Jun.Per	Sep.Per	Dec.Per	Mar.Per	Full Fiscal Year
2005	.47	.40	.41	.62	1.90
2006	.41	.37	.48	.57	1.83
2007	.50	.45	.57	.58	2.10
2008	.59	.52	.64	.65	2.40
2009	.70	.66	.74	.75	2.85

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Haemonetics Corp. operates two main divisions: Donor Products (65% of 2007 sales) provides disposable supplies used in the collection of plasma, whole blood, platelets, and red blood cells. Patient division (21%) offers disposable products used in blood salvage during surgery, and blood loss management. Equipment & Tech. services (14%). Int'l business: 54.9% of sales. R&D, 5.3% of sales. Acq'd Arryx, 6/06; Fifth Dimension Info. Sys., 1/02; Transfusion Tech, 9/00. Has 1,826 employees. Officers and directors own 4.3% of shares; other major investors, 37.7% (6/08 proxy). Chairman: R.A. Matricaria. Pres. & CEO: B. Nutter. Inc.: Mass. Address: 400 Wood Rd., Braintree, MA 02184. Telephone: 781-848-7100. Internet: www.haemonetics.com.

Haemonetics got off to a strong start in fiscal 2008 (ends March 28, 2009). First-quarter revenue advanced 18% (13% excluding currency gains), led by continued robust demand for plasma collection products, which surged 30%. Share net for the period rose 17% to $0.59, as margins remained strong despite an increase in SG&A spending for recently acquired businesses. Meanwhile, the software and services segment posted only a 1.4% sales increase, but this was due to comparisons to a large service contract in the previous year. The software business by itself improved 29%, which though less than in previous quarters, was still very solid.

We've raised our fiscal 2008 and 2009 share-net estimates by $0.05 and $0.15, respectively. The strong trend in plasma collection has allowed HAE to more than double its installed devices over the past three years. These systems provide a higher future revenue stream as they eventually necessitate the replacement of disposable parts, which is the real profitable part of the business. Around 2,300 devices were installed last year, and management expects another 1,800 to be installed during this year.

Smaller, higher-margin segments will need to make larger contributions to improve overall profitability. Although recent performance has been solid across all divisions, the lower-margin plasma business has been the real strong point. Revenue visibility is strongest at this segment, as contracts are long term in nature. Yet, other segments will need to play a larger, more consistent role to counter the margin declines from the greater mix of plasma revenue. The software segment, which is a major part of HAE's plan to become a full-service blood management provider, should continue to expand and boost profitability in the coming years. HAE has negotiated price-per-procedure contracts with much of its software business, which should provide a continuous revenue stream beyond the initial agreement.

We've raised the Timeliness rank of this stock to 2 (Above Average). We also anticipate strong earnings gains over the coming 3 to 5 years. However, the current valuation provides limited appreciation potential out to 2011-2013.

Joel Schwed *August 29, 2008*

(A) Fiscal year ends on the Saturday closest to March 31st of the next calendar year.
(B) Diluted EPS. Excl. nonrecur. gain (losses): '97, ($1.55); '99, (24¢); '00, (88¢); '01, (17¢); '02, 6¢; '05, 61¢; '06, (5¢); '07, (16¢). Next earnings report due late October.
(C) Includes intangibles. In '07: $118.5 million, $4.61 a share.
(D) In millions.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	70
Earnings Predictability	80

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HALLIBURTON NYSE-HAL

RECENT PRICE 43.40 | P/E RATIO 15.0 (Trailing: 16.0 / Median: 28.0) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 1 Raised 5/23/08
SAFETY 3 Raised 2/21/03
TECHNICAL 2 Raised 8/15/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+85%)	17%
Low	50	(+15%)	5%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	3	0	0	1	2	5	2
to Sell	0	2	2	0	0	2	1	5	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	351	393	347
to Sell	296	279	346
Hld's(000)	721041	742948	749189

	High:	31.6	28.6	25.9	27.6	24.6	10.6	13.6	20.8	34.9	42.0	41.9	55.4
	Low:	14.8	12.5	14.1	16.1	5.5	4.3	8.6	12.9	18.6	26.3	27.7	30.0

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 7/97
2-for-1 split 7/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	25.6	-12.2
3 yr.	84.3	7.2
5 yr.	331.5	58.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006 D	2007	2008	2009	© VALUE LINE PUB., INC	11-13
15.32	13.92	12.56	12.44	14.73	16.81	19.72	16.85	13.99	15.03	14.42	18.53	23.15	20.42	14.28	17.35	20.05	23.55	Sales per sh	21.70
.78	.93	.82	1.04	1.13	1.46	1.50	1.01	.89	1.25	.18	1.03	1.01	2.12	2.92	3.38	3.80	4.40	"Cash Flow" per sh	5.25
.11	.23	.25	.51	.60	.88	.83	.34	.29	.64	d.40	.44	.44	1.60	2.25	2.55	2.90	3.45	Earnings per sh A	4.10
.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	.30	.35	.38	.38	Div'ds Decl'd per sh B	.50
.74	.54	.51	.63	.79	1.10	1.04	.67	.68	.92	.88	.59	.65	.83	.92	1.80	2.15	2.30	Cap'l Spending per sh	1.70
4.45	4.14	4.25	3.82	4.31	4.93	4.62	4.85	4.60	5.47	4.08	2.90	4.45	6.20	6.39	7.80	10.90	13.45	Book Value per sh	21.70
428.53	456.36	456.87	458.00	501.20	524.60	880.00	884.00	854.00	868.00	872.00	878.00	884.00	1026.0	907.00	880.00	890.00	870.00	Common Shs Outst'g C	885.00
65.7	39.1	32.0	19.4	23.1	24.6	24.5	59.1	74.6	25.9	--	25.9	36.6	16.2	15.2	13.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
3.98	2.31	2.10	1.30	1.45	1.43	1.27	3.37	4.85	1.33	--	1.48	1.93	.86	.82	.71			Relative P/E Ratio	1.05
3.5%	2.8%	3.1%	2.5%	1.8%	1.2%	1.2%	1.3%	1.2%	1.5%	3.2%	2.2%	1.6%	1.0%	.9%	1.0%			Avg Ann'l Div'd Yield	.8%
17353	14898	11944	13046	12572	16271	20466	20994	12955	15264	17850	20500							Sales ($mill)	26750
11.3%	8.1%	9.0%	12.4%	2.9%	7.8%	6.3%	14.2%	28.3%	26.4%	26.0%	26.0%							Operating Margin	25.0%
587.0	598.0	503.0	531.0	505.0	518.0	509.0	504.0	480.0	583.0	720	800							Depreciation ($mill)	1000
731.3	298.0	257.5	551.0	d346.0	387.0	385.0	1678.0	2169.0	2391.0	2650	3025							Net Profit ($mill)	3650
38.0%	38.6%	38.5%	40.3%	--	38.2%	37.0%	24.5%	31.6%	30.1%	30.0%	32.0%							Income Tax Rate	35.0%
4.2%	2.0%	2.2%	4.2%	NMF	2.4%	1.9%	8.0%	16.7%	15.7%	14.8%	14.8%							Net Profit Margin	13.6%
2079.4	2329.0	1742.0	2665.0	2288.0	1377.0	2898.0	4890.0	5389.0	5162.0	5000	5250							Working Cap'l ($mill)	4500
1369.7	1056.0	1049.0	1403.0	1181.0	3415.0	3593.0	2813.0	2784.0	2627.0	1500	1500							Long-Term Debt ($mill)	1500
4061.2	4287.0	3928.0	4752.0	3558.0	2547.0	3932.0	6372.0	5796.0	6866.0	9700	11700							Shr. Equity ($mill)	19200
14.7%	6.9%	6.6%	10.0%	NMF	7.6%	6.6%	19.4%	26.3%	26.0%	24.5%	23.5%							Return on Total Cap'l	18.0%
18.0%	7.0%	6.6%	11.6%	NMF	15.2%	9.8%	26.3%	37.4%	34.8%	27.0%	26.0%							Return on Shr. Equity	19.0%
11.7%	1.8%	.9%	7.1%	NMF	6.6%	4.2%	22.3%	32.1%	30.3%	23.5%	22.5%							Retained to Com Eq	16.5%
35%	74%	86%	39%	NMF	57%	57%	15%	14%	13%	12%	11%							All Div'ds to Net Prof	12%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2565 mill. Due in 5 Yrs $932 mill.
LT Debt $2565 mill. LT Interest $105 mill.
(Total interest coverage: 24.3x) (25% of Cap'l)
Includes $1.2 bill. of 3¼% sr. cv notes due 2023, ea. cv. into 53.4 shs. at $18.72 Redeemable 7/08.

Leases, Uncapitalized Annual rentals $180 mill.
Pension Assets-12/07 $831 mill. Oblig. $984 mill.

Pfd Stock None
Common Stock 876,875,508 shs.
as of 7/17/08
MARKET CAP: $38.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	2918	2235	1880
Receivables	2629	3093	3581
Inventory (LIFO)	NA	1459	1736
Other	1742	786	748
Current Assets	7289	7573	7945
Accts Payable	655	768	954
Debt Due	45	159	--
Other	1200	1484	1652
Current Liab.	1900	2411	2606

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	1.5%	3.5%	4.0%
"Cash Flow"	9.0%	29.5%	11.0%
Earnings	12.5%	NMF	11.5%
Dividends	2.0%	3.5%	9.0%
Book Value	4.5%	7.5%	21.5%

Calendar	QUARTERLY SALES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	4938	5163	5095	5798	20994
2006	2938	3116	3392	3509	12955
2007	3422	3735	3928	4179	15264
2008	4029	4487	4600	4734	17850
2009	4625	5150	5275	5450	20500

Calendar	EARNINGS PER SHARE AD Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.29	.38	.41	.52	1.60
2006	.48	.50	.61	.66	2.25
2007	.52	.63	.66	.74	2.55
2008	.64	.68	.76	.82	2.90
2009	.75	.85	.90	.95	3.45

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.063	.063	.063	.063	.25
2005	.063	.063	.063	.063	.25
2006	.075	.075	.075	.075	.30
2007	.075	.09	.09	.09	.35
2008	.09	.09			

BUSINESS: Halliburton Co. is one of the world's largest energy services providers, operating in about 70 countries. Completion and Production division offers well cementing, well stimulation, intervention, and completion services. Drilling and Evaluation division provides services to model, measure, and optimize well construction activities. Sold Dresser Equipment Group, '01. Fully separated KBR engineering and construction unit, 4/07. 2007 foreign sales: 53% of total. 2007 R&D expenses were 2% of revenues. Has 51,000 employees. Wellington Management owns 5.5% of stock (4/08 Proxy). Chairman, Pres., & CEO: David J. Lesar. Inc.: DE. Addr.: 5 Houston Center, 1401 McKinney, Suite 2400, Houston, TX 77010. Tel.: 713-759-2600. Internet: www.halliburton.com.

Halliburton is turning in a solid performance. Top-line growth of 26% outside North America in the latest quarter reflects strong underlying demand. Business is up notably in Norway, Saudi Arabia, Angola, Oman, Mexico, Brazil, Colombia, and Venezuela. The common theme is that these are all oil-producing countries and, with oil over $100 a barrel, drillers are more confident about initiating projects. That's a plus for Halliburton, which has been seeking more business abroad, and for its bottom line. International revenue growth of 20%, or better, appears sustainable in the coming 12-18 months. Margins should hold up here.

North American prospects have improved. Activity is picking up as producers go after opportunities in shale rock formations. Pricing pressures have eased in certain product lines, too, although it is too early to tell if any meaningful price hikes for 2009 will be possible. Margins are being helped by the addition of fuel surcharges, but hurt by the rising cost of materials. Operations in the United States and Canada still carry a lot of weight for Halliburton, as it is one of the largest service providers in those markets. Meanwhile, natural gas prices — a leading indicator for business — are off their recent highs, but remain strong overall.

The company is positioning itself for the next leg of the drilling cycle. Part of the strategy entails ramping up the budget to make extra gear available as more oilfield projects get going. Overall capacity is up 10%-15% this year, and will climb again in 2009 on the heightened spending now occurring. There is about a nine-month lead time for new plant deliveries. Halliburton also continues to boost the technology content of its product line both through niche acquisitions and R&D. That's important because product designs that save on labor and time usually sell well. The new shale formations are not yet completely understood, either, meaning they may require more of the methodologies now being developed.

The stock remains highly ranked (1) for Timeliness. Profit growth should stay strong, although the shares have come off their best levels as oil and gas prices have pulled back sharply.

Robert Mitkowski, Jr. *August 15, 2008*

(A) Based on diluted earnings. Excludes net nonrecurring gains (losses): '92, (88¢); '93, ($1.18); '94, 26¢; '95, (29¢); '98, (85¢); '99, 16¢; '00, 28¢; '01, 30¢; '02, (76¢); '03, ($1.38); '04, ($1.55); '05, 68¢; '06, 7¢; '07, $1.11; '08, (12¢). Next earnings report due late October.
(B) Dividends historically paid in late February, May, August, and November.
(C) In millions, adjusted for stock splits.
(D) 2006 data are pro forma to reflect separation of KBR engineering and construction unit.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	50
Earnings Predictability	20

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HASBRO, INC. NYSE-HAS

RECENT PRICE 40.18 | P/E RATIO 17.9 (Trailing: 19.0 / Median: 19.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 2.0% | VALUE LINE

TIMELINESS 2 Raised 5/2/08
SAFETY 3 New 7/27/90
TECHNICAL 2 Lowered 8/15/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

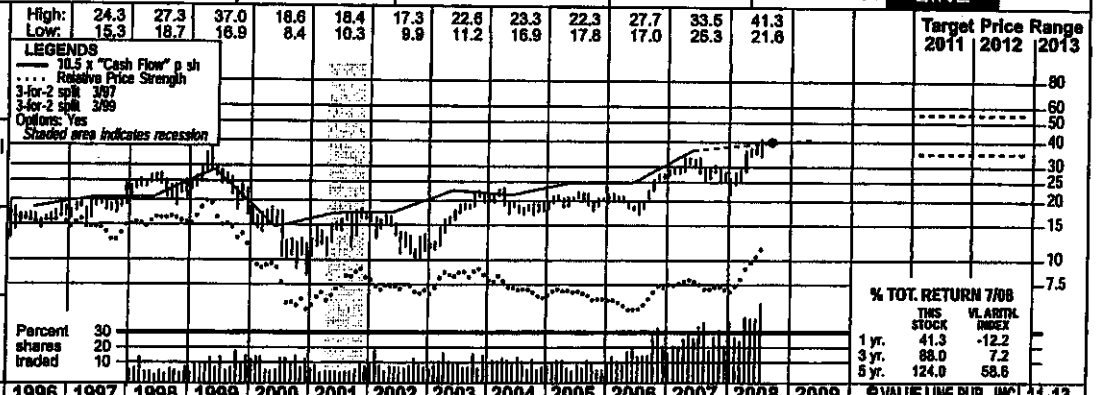
	Price	Gain	Ann'l Total Return
High	55	(+35%)	10%
Low	35	(-15%)	-1%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	2	0	0	0
Options	0	2	1	0	1	2	1	4	4
to Sell	0	1	1	0	0	2	1	2	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	133	154	146
to Sell	173	159	164
Hld's(000)	148948	134455	125613



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
12.96	13.91	13.56	14.54	15.53	15.93	16.84	21.93	21.96	16.51	18.26	17.88	16.91	17.35	19.62	26.43	30.20	31.95	Sales per sh A	36.35
1.40	1.57	1.50	1.55	1.75	1.97	1.99	2.73	1.40	1.65	1.67	2.16	2.05	2.35	2.35	3.47	3.70	3.95	"Cash Flow" per sh	4.25
.89	1.04	.86	.88	1.01	1.13	1.08	1.42	d.13	.35	.62	1.20	1.08	1.22	1.29	2.05	2.25	2.50	Earnings per sh B	2.80
.09	.11	.12	.14	.18	.21	.21	.24	.24	.12	.12	.12	.24	.36	.45	.64	.76	.80	Div'ds Decl'd per sh C ■	.86
.46	.51	.56	.51	.53	.50	.72	.56	.73	.29	.34	.36	.45	.40	.51	.63	.70	.75	Cap'l Spending per sh	.75
5.64	6.46	7.09	7.76	8.55	9.18	9.91	9.74	7.70	7.82	6.88	8.01	9.25	9.69	9.57	9.54	9.00	9.90	Book Value per sh D	13.50
196.15	187.54	196.94	196.53	193.29	200.16	196.17	192.98	172.44	172.66	173.17	175.50	177.32	177.85	160.62	145.21	135.00	133.00	Common Shs Outst'g E	130.00
14.8	15.2	16.8	15.8	16.2	16.7	21.9	17.9	--	41.7	22.0	14.3	18.1	16.6	16.7	14.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
.89	.90	1.09	1.06	1.01	.96	1.14	1.02	--	2.14	1.20	.82	.96	.88	.90	.75			Relative P/E Ratio	1.05
.7%	.7%	.9%	1.0%	1.1%	1.1%	.9%	.9%	1.7%	.8%	.9%	.7%	1.2%	1.8%	2.1%	2.2%			Avg Ann'l Div'd Yield	1.9%
3304.5	4232.3	3787.2	2856.3	2816.2	3138.7	2997.5	3087.6	3151.5	3837.6	4075	4250	Sales ($mill) A	4725
15.6%	16.7%	11.2%	15.2%	14.6%	16.2%	15.5%	15.9%	16.6%	16.8%	17.0%	17.5%	Operating Margin	16.5%
169.2	238.9	264.2	225.9	183.8	164.1	146.2	180.1	146.7	156.5	150	155	Depreciation ($mill)	170
220.7	288.0	d22.9	59.7	105.7	214.4	218.0	237.9	230.1	346.7	345	370	Net Profit ($mill)	380
31.8%	30.7%	--	49.1%	31.6%	34.2%	23.7%	23.5%	32.6%	31.8%	32.0%	32.0%	Income Tax Rate	32.0%
6.7%	6.8%	NMF	2.1%	3.8%	6.8%	7.3%	7.7%	7.3%	9.0%	8.5%	8.6%	Net Profit Margin	8.1%
423.7	60.4	340.4	610.0	484.7	579.2	569.6	919.5	812.4	1000.5	900	1075	Working Cap'l ($mill)	1450
407.2	420.7	1167.8	1165.6	857.3	686.9	302.7	495.8	494.9	709.7	700	675	Long-Term Debt ($mill)	600
1944.8	1879.0	1327.4	1352.9	1191.4	1405.2	1639.7	1723.5	1537.9	1385.1	1225	1325	Shr. Equity ($mill) D	1750
9.7%	13.1%	NMF	3.2%	5.9%	10.7%	12.0%	11.4%	12.0%	17.4%	19.5%	19.5%	Return on Total Cap'l	17.5%
11.4%	15.3%	NMF	4.4%	8.9%	15.3%	13.3%	13.8%	15.0%	25.0%	29.0%	28.0%	Return on Shr. Equity	22.0%
9.2%	12.9%	NMF	2.9%	7.1%	13.8%	11.0%	10.4%	10.1%	18.2%	19.0%	19.0%	Retained to Com Eq	15.0%
19%	16%	NMF	35%	20%	10%	17%	25%	33%	27%	34%	32%	All Div'ds to Net Prof	31%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1016.3 mill. Due in 5 Yrs $135.0 mill.
LT Debt $709.7 mill. LT Interest $45.0 mill. (36% of Cap'l)
(Total interest coverage: 13.0x)

Leases, Uncapitalized Annual rentals $27.2 mill.
Pension Assets-12/07 $283.5 mill. Oblig. $288.0 mill.
Pfd Stock None

Common Stock 139,605,165 shs.
Market Cap: $5.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	715.4	774.5	832.2
Receivables	556.3	554.8	388.7
Inventory (FIFO)	203.3	259.1	291.2
Other	243.3	199.8	210.7
Current Assets	1718.3	1888.2	1722.8
Accts Payable	160.0	186.2	163.6
Debt Due	10.6	145.5	306.6
Other	735.3	556.0	425.7
Current Liab.	905.9	887.7	895.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	3.0%	9.5%
"Cash Flow"	4.5%	11.5%	7.5%
Earnings	4.0%	40.5%	10.5%
Dividends	10.5%	24.5%	10.0%
Book Value	1.0%	5.0%	6.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	454.9	572.4	988.1	1072	3087.6
2006	468.2	527.8	1039	1116	3151.5
2007	625.2	691.4	1223	1297	3837.6
2008	704.2	784.3	1250	1336.5	4075
2009	725	825	1300	1400	4250

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	d.02	.13	.47	.61	1.19
2006	d.03	.07	.58	.62	1.24
2007	.19	.24	.78	.84	2.05
2008	.25	.25	.87	.88	2.25
2009	.30	.34	.92	.94	2.50

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.06	.06	.06	.21
2005	.06	.09	.09	.09	.33
2006	.09	.12	.12	.12	.45
2007	.12	.16	.16	.16	.60
2008	.16	.20			

BUSINESS: Hasbro, Inc. is one of the world's largest toy makers. Manufactures and markets preschool toys (*Playskool*), girls' toys, boys' action toys, and games (*Milton Bradley, Parker Bros.*). Core brands include: *G.I. Joe, My Little Pony,* and *Monopoly.* Acquired Waddington Games and game & puzzle assets of Western Publishing, '94; OddzOn and Cap Toys, '97; Tiger Electronics, 4/98, Wizards of the Coast, 9/99. International: 42% of '07 sales. Alan G. Hassenfeld owns 11.5% of stock; other officers & directors, 2.7%; Barclays Global Investors, 9.5%; State Street Bank and Trust Company, 5.7%; (4/08 Proxy). Chairman: Alan G. Hassenfeld. CEO: Alfred J. Verrecchia. Inc.: RI. Addr.: 1027 Newport Ave., Pawtucket, RI 02862. Tel.: 401-431-8697. Internet: www.hasbro.com.

Hasbro remains on course to show about 10% earnings growth for 2008. The company was up against difficult comparisons with last year, its strongest in over a decade. However, share net was up 16% in the first half, on a 13% increase in sales. Strength was reported in all segments. But a good portion of the performance reflects solid contributions from toys tied to entertainment properties, such as *Indiana Jones, Star Wars,* and the Marvel super hero movies (more below). Core brands like *Nerf* and *Littlest Pet Shop* are also doing well. We look for the upward trajectory to carry into 2009, with support coming from a second *Transformers* movie, as well as a *G.I. Joe* cinematic release.

The company's Marvel-related lines remain strong performers. The *Iron Man* and *Hulk* movies were out in the second quarter, with the former doing very well at the box office and in terms of toy sales for Hasbro, with even some spot shortages reported. Hasbro has shipped out new product to restock the shelves in time for the DVD release this fall.

***Star Wars* remains an evergreen property,** with related sales up 82% in the June interim. Moreover, strong momentum should carry through for the rest of the year, supported by the theatrical release of the animated *Clone Wars,* to be followed in the fall by a TV version.

Rising input costs remain a challenge. Higher oil prices, in particular, have increased the costs of plastic resin, ocean freight, and transportation to retailers. So far, the company has been largely able to offset these through cost-cutting and process improvement efforts as well as selling price increases. A second round of modest hikes is planned to go into effect in September.

These shares have had a good run, rising about 40% over the past 12 months. Moreover, recent price and earnings momentum suggests the stock will likely continue doing better than the overall market for the year ahead. The issue is somewhat less appealing as a long-term holding, however. Even though we've increased our 3- to 5-year earnings projections by about 10%, the shares are already trading within our Target Price Range for 2011–2013.

Mario Ferro *August 15, 2008*

(A) Fiscal year ends last Sunday in December. (B) Primary earnings until '98. Diluted earnings thereafter. Quarterly earnings may not sum to total due to rounding. Excludes net nonrecurring items: '93, d7¢; '94, 1¢; '95, d15¢; '98, d10¢; '98, d49¢; '00, d95¢; '02, ($1.60); '03, (32¢); '04, (12¢); '05, (10¢); '07, (8¢). Next egs. report due late Oct. (C) Dividends historically paid mid-February, May, August, and November. ■ Div'd reinvestment plan avail. (D) Incl. intangibles. In '07: $957.4 mill., $6.59/sh. (E) In mill., adj. for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	30

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HAIN CELESTIAL GRP. NDQ-HAIN

RECENT PRICE 25.35 | P/E RATIO 16.7 (Trailing: 21.8 Median: 27.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 2/16/07
SAFETY 3 Raised 8/10/01
TECHNICAL 3 Raised 8/1/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+115%)	22%
Low	35	(+40%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	1
Options	0	0	0	3	0	1	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	94	99	89
to Sell	80	79	91
Hld(000)	41141	41973	40916

	12.8	26.6	28.6	40.1	38.4	27.3	25.0	24.2	22.6	31.9	35.1	32.3	Target Price Range
High:	3.4	9.0	14.9	20.8	17.8	12.0	11.6	15.0	16.8	19.9	28.1	22.8	2011 / 2012 / 2013
Low:													120 / 100 / 80 / 64 / 48 / 32 / 24 / 20 / 16 / 12 / 8

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded: 45 / 30 / 15

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-13.5	-18.0
3 yr.	20.4	11.3
5 yr.	47.0	63.2

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	9.02	14.69	12.55	12.26	11.73	13.64	14.95	16.93	19.07	22.50	25.70	29.00	Sales per sh A	37.50
	.54	1.09	1.01	1.08	.82	1.03	.97	1.25	1.35	1.58	1.95	2.15	"Cash Flow" per sh	3.00
	.39	.71	.91	.68	.57	.79	.74	.87	1.02	1.16	1.40	1.65	Earnings per sh B	2.40
	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
	--	--	--	--	--	--	--	--	--	--	--	--	Cap'l Spending per sh	.50
	.05	.07	--	.40	.53	.27	.27	.27	.37	.29	.45	.45	Book Value per sh D	27.15
	4.61	7.85	10.94	11.78	11.96	12.89	13.65	14.43	15.92	17.41	18.65	20.65	Common Shs Outst'g E	42.00
	11.56	14.02	32.15	33.67	33.77	34.20	36.39	36.61	38.72	40.02	40.50	40.50	Avg Ann'l P/E Ratio	19.0
	35.0	27.3	29.1	44.2	37.8	19.2	26.9	21.2	21.8	24.3	20.7		Relative P/E Ratio	1.25
	1.82	1.56	1.89	2.27	2.06	1.09	1.42	1.13	1.18	1.28	1.15		Avg Ann'l Div'd Yield	Nil
	--	--	--	--	--	--	--	--	--	--	--			
	104.3	206.0	403.5	412.9	396.0	466.5	544.1	620.0	738.6	900.4	1040	1175	Sales ($mill) A	1575
	11.6%	14.2%	8.2%	12.6%	8.0%	11.4%	10.0%	10.2%	11.1%	11.1%	12.0%	12.5%	Operating Margin	13.5%
	1.5	4.2	5.0	12.7	7.9	7.8	8.3	13.8	12.5	15.7	19.0	19.0	Depreciation ($mill)	22.0
	4.6	11.0	27.4	23.6	19.6	27.5	27.0	31.9	39.8	47.5	60.0	69.0	Net Profit ($mill)	105
	41.2%	43.2%	--	42.0%	8.5%	37.8%	37.8%	30.4%	37.5%	38.4%	37.5%	38.0%	Income Tax Rate	38.0%
	4.4%	5.4%	6.8%	5.7%	5.0%	5.9%	5.0%	5.1%	5.4%	5.3%	5.8%	5.9%	Net Profit Margin	6.7%
	14.5	18.9	89.8	92.3	71.0	83.3	129.9	124.3	174.5	198.5	265	275	Working Cap'l ($mill)	350
	16.6	130.7	5.6	10.7	10.3	59.5	104.3	92.3	151.2	215.4	300	285	Long-Term Debt ($mill)	250
	53.3	110.0	351.7	398.7	403.8	440.8	496.8	528.3	616.4	697.0	755	835	Shr. Equity ($mill)	1140
	8.2%	5.7%	8.6%	5.9%	4.8%	5.6%	4.7%	5.4%	5.6%	5.8%	6.0%	7.0%	Return on Total Cap'l	8.0%
	8.7%	10.0%	7.8%	5.9%	4.9%	6.2%	5.4%	6.0%	6.5%	6.8%	8.0%	8.5%	Return on Shr. Equity	9.0%
	8.7%	10.0%	7.8%	5.9%	4.9%	6.2%	5.4%	6.0%	6.5%	6.8%	8.0%	8.5%	Retained to Com Eq	9.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

The Hain Celestial Group was incorporated in Delaware in May 1993 under the name 21st Century Food Products. On Nov. 12, 1993, 1,076,923 shares were offered at $3.25 a piece, by Lew Lieberbaum & Co., Inc. Upon completion of the IPO, the co. acquired Kinert Foods Corp. for $2.2 million. Since then, Hain has acquired several niche players in the natural foods industry. Namely, on May 30, 2000, Hain merged with Celestial Seasonings in a deal valued at about $390 million forming the current concern.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $299.2 mill. Due in 5 Yrs $.4 mill.
LT Debt $298.8 mill. LT Interest $9.0 mill. (29% of Cap'l)
Leases, Uncapitalized: Annual rentals $7.2 mill.

No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 40,519,317 shs. as of 5/6/08
Options Exercisable: 14.4%
MARKET CAP: $1.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	48.9	60.5	86.7
Receivables	80.6	95.4	131.8
Inventory (FIFO)	105.9	129.1	158.6
Other	24.9	31.0	29.8
Current Assets	260.5	316.0	406.9
Accts Payable	81.9	112.5	137.4
Debt Due	1.1	.6	.4
Other	3.0	4.4	6.4
Current Liab.	86.0	117.5	144.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	10.0%	11.5%
"Cash Flow"	16.5%	7.5%	13.5%
Earnings	17.0%	7.0%	15.5%
Dividends	--	--	Nil
Book Value	19.0%	6.5%	9.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A C Sep.30	Dec. 31	Mar.31	Jun. 30	Full Fiscal Year
2005	137.8	169.8	161.3	151.3	620.0
2006	161.1	186.2	196.4	194.9	738.6
2007	209.9	230.2	236.0	222.3	900.4
2008	237.2	276.2	264.6	262	1040
2009	270	305	305	295	1175

Fiscal Year Ends	EARNINGS PER SHARE A B C Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.18	.31	.19	.19	.87
2006	.20	.33	.25	.24	1.02
2007	.22	.34	.30	.30	1.16
2008	.29	.43	.36	.32	1.40
2009	.34	.50	.43	.38	1.65

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: The Hain Celestial Group, Inc. markets and sells natural and organic food and personal care products under brand names that are sold as "better for you" items. Sells mainly to specialty and natural food distributors and markets to supermarkets and natural foods stores. Products: *Health Valley, Celestial Seasonings, Hain Pure Foods, Westbrae, Westsoy, Terra Chips, Earth's Best, Arrowhead Mills, Casbah, DeBoles, Garden of Eatin', Imagine, Estes, Yves Veggie Cuisine,* & others. Has about 2,130 employees. Off./dir. own 10.7% of common; Cooke & Bieler LP, 7.6%; Dimensional Fund Advisors, 6.9% (as of 1/08). Chmn., CEO & Pres.: Irwin D. Simon. Address: 58 South Service Road, Melville, NY 11747. Tel.: 631-730-2200. Internet: www.hain-celestial.com.

Hain Celestial has performed well of late, despite a very difficult operating landscape. We continue to look for the company to report earnings in the $1.40-a-share range for fiscal 2008 (ended June 30*th*). (*Note:* Year-end results are scheduled to be released in late August.) The natural/organic foods company has successfully used selective price increases (discussed below) and productivity initiatives to offset inflationary pressures on the cost side of the business. If not for such measures, the soaring prices of wheat, corn, soybeans, and diesel fuel would have choked margins. As it stands, we believe the operating margin expanded in the recently completed fiscal year.

The company's selective price increases appear to be sticking. Hain has implemented nine price increases in selective categories since 2005, with the latest being a 4%-5% hike across the grocery and snacks category. In early January, Hain executed a similar hike in the personal care segment. Management has hinted that additional price increases may also be forthcoming in fiscal 2009. The decision to raise prices was made to simply maintain margins, which appears to be working. More important, the price increases have not hurt sales volume yet.

Rationalization of the personal care segment is under way. All told, Hain plans to eliminate 30%-40% of its lower-margined and redundant products. Indeed, several acquisitions in recent years have led to some overlapping of products. Near term, the company believes that the lost volume from the discontinued lines will be offset by focusing on higher-margined products. The ongoing restructuring, combined with the recent revamping of the Celestial Seasonings business, should position Hain well for the 3- to 5-year pull.

This issue has worthwhile long-term appreciation potential. We believe that the recent pullback in price offers an excellent entry point for investors. Studies now suggest that consumers are continuing to make eating healthier a high priority, even with recent concerns about consumer spending. In fact, mass merchandisers and supermarkets are ramping up their natural and organic food offerings, much to the delight of Hain Celestial.

William G. Ferguson *August 1, 2008*

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	35
Earnings Predictability	80

(A) FY ends June 30th. (B) Diluted earnings. Excl. nonrecurring charge: '02, 48¢; '05, 26¢; '06, 7¢; '08 Q1, 3¢; '08 Q2, 6¢; '08 Q3, 16¢. Egs. may not total due to change in share count. Next egs. rpt. due late August. (C) 2000 results include pro forma data related to the merger with Celestial Seasonings on 5/30/00. (D) Incl. intangibles. At 3/31/08: $656.3 mill., $16.20/shr. (E) In mill. (F) In 2002, sales were restated to reflect an accounting change (FASB EITF 00-14).

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HANCOCK HOLDING NDQ-HBHC

RECENT PRICE 43.90 | P/E RATIO 16.9 (Trailing: 18.3 Median: 16.0) | RELATIVE P/E RATIO 1.04 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 3 Raised 5/2/08
SAFETY 3 Lowered 6/22/07
TECHNICAL 3 Lowered 6/13/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+70%)	16%
Low	50	(+15%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	3	5	0	3	1	0	0	2	0
Options	0	1	1	1	0	2	1	0	0
to Sell	0	1	1	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	45	72	54
to Sell	45	37	63
Hld's(000)	13167	14731	17051

	High:	21.2	21.2	16.0	14.0	15.0	25.2	29.3	34.8	39.9	57.2	54.1	45.7
	Low:	13.1	13.3	12.4	9.8	11.7	13.8	21.0	25.0	28.3	37.5	32.8	33.4

LEGENDS
16.0 x Earnings p sh
Relative Price Strength
15% Div 12/98
3-for-2 split 6/02
2-for-1 split 3/04
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	15.3	-9.7
3 yr.	46.8	27.3
5 yr.	107.9	85.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	.79	.91	.83	.88	1.03	.94	.93	.97	1.06	1.18	1.50	1.65	1.77	1.64	2.67	2.35	2.60	2.85	Earnings per sh A	4.00
	.20	.26	.27	.28	.29	.33	.33	.33	.42	.37	.40	.44	.58	.72	.90	.96	1.08	1.16	Div'ds Decl'd per sh B	1.52
	5.18	5.81	6.39	7.20	8.02	8.69	8.96	9.35	10.41	11.48	12.44	12.95	14.32	14.78	17.09	17.71	20.90	23.80	Book Value per sh D	34.95
	24.76	24.76	26.58	31.13	32.66	33.22	32.01	33.21	32.80	32.34	31.45	31.03	32.44	32.30	32.67	31.29	31.00	31.00	Common Shs Outst'g C	31.00
	8.9	10.1	10.1	10.6	10.8	16.7	19.2	14.6	10.5	11.4	13.6	14.9	17.1	20.7	18.8	17.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
	.54	.60	.66	.71	.68	.96	1.00	.83	.68	.58	.74	.85	.90	1.10	1.02	.92			Relative P/E Ratio	1.05
	2.8%	2.8%	3.2%	3.0%	2.6%	2.1%	1.9%	2.4%	3.8%	2.8%	2.0%	1.8%	1.9%	2.1%	1.8%	2.4%			Avg Ann'l Div'd Yield	2.4%
							2814.7	2991.9	3013.4	3679.8	3973.1	4150.4	4664.7	5850.2	5984.6	6056.0	6620	7400	Total Assets ($mill)	9800
							1283.8	1491.1	1671.2	1855.6	2070.2	2411.9	2707.9	2914.6	3219.8	3549.4	3780	4100	Loans ($mill)	6100
							111.9	123.7	122.7	133.5	158.7	160.2	169.5	188.8	224.5	265.6	220	250	Net Interest Inc ($mill)	350
							6.2	7.8	11.5	9.1	18.5	15.2	16.5	42.6	42.6	7.8	20.0	14.0	Loan Loss Prov'n ($mill)	14.0
							32.3	45.6	48.7	54.3	71.6	74.8	85.0	98.3	103.8	118.1	125	135	Noninterest Inc ($mill)	165
							93.8	115.4	109.9	121.7	138.3	140.2	155.0	171.5	200.7	210.8	220	240	Noninterest Exp ($mill)	320
							29.8	31.7	34.4	39.3	51.0	55.0	58.3	54.0	88.8	76.4	82.0	90.0	Net Profit ($mill)	125
							32.6%	31.5%	31.2%	31.3%	30.6%	30.9%	29.8%	25.9%	30.4%	27.5%	28.0%	30.0%	Income Tax Rate	30.0%
							1.06%	1.06%	1.14%	1.07%	1.28%	1.32%	1.25%	.91%	1.49%	1.26%	1.25%	1.20%	Return on Total Assets	1.30%
							--	--	--	51.8	51.0	50.4	50.3	50.3	.3	.8	Nil	Nil	Long-Term Debt ($mill)	Nil
							286.8	310.4	341.4	404.8	424.6	434.9	464.6	477.4	558.4	554.2	650	740	Shr. Equity ($mill)	1085
							10.2%	10.4%	11.3%	11.0%	10.7%	10.5%	10.0%	8.0%	9.4%	9.2%	10.0%	10.0%	Shr. Eq. to Total Assets	11.0%
							45.6%	49.8%	55.5%	50.4%	52.1%	58.1%	58.1%	49.0%	54.0%	58.6%	57.0%	55.5%	Loans to Tot Assets	52.0%
							10.4%	10.2%	10.1%	9.7%	12.0%	12.6%	12.5%	11.3%	15.9%	13.8%	12.5%	12.0%	Return on Shr. Equity	11.5%
							6.6%	6.7%	6.1%	6.9%	9.1%	9.6%	8.5%	6.4%	10.7%	8.2%	7.5%	7.5%	Retained to Com Eq	7.5%
							36%	35%	40%	34%	30%	29%	33%	43%	33%	41%	41%	40%	All Div'ds to Net Prof	37%

CAPITAL STRUCTURE as of 3/31/08
LT Debt $0.8 mill. LT Interest $0.1 mill.
Due in 5 Yrs. $0.8 mill.

Leases, Uncapitalized Annual rentals $6.4 mill.
Pension Assets-12/07 $59.7 mill. Oblig. $73.2 mill.

Pfd Stock None

Common Stock 31,379,371 shares as of 4/30/08

MARKET CAP: $1.4 billion (Mid Cap)

ASSETS($Mill.)	2006	2007	3/31/08
Loans	3219.8	3549.4	3586.1
Funds Sold	212.2	117.7	358.1
Securities	1903.7	1677.6	1765.4
Other Earning	10.2	8.6	8.7
Other	618.7	702.7	706.8
LIABILITIES($Mill.)			
Deposits	5031.0	5009.5	5143.6
Funds Borrowed	222.4	371.6	558.8
Long-Term Debt	.3	.8	.8
Shr. Equity	558.4	554.2	577.4
Other	152.5	119.9	144.5
Total	5964.6	6056.0	6425.1
Loan Loss Resrv.	46.8	47.1	53.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	11.0%	11.5%	8.5%
Earnings	9.0%	12.5%	8.0%
Dividends	11.0%	16.5%	12.0%
Book Value	7.5%	7.5%	11.5%
Total Assets	10.0%	11.0%	12.0%

Calendar	LOANS ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	2750	2820	2906	2914	--
2006	2897	2973	3093	3219	--
2007	3252	3370	3467	3549	--
2008	3586	3640	3720	3780	
2009	3840	3920	3980	4100	

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.47	.55	.04	.58	1.64
2006	.67	.66	.69	.65	2.67
2007	.58	.62	.55	.60	2.35
2008	.63	.62	.65	.70	2.60
2009	.66	.68	.73	.78	2.85

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.125	.125	.165	.165	.58
2005	.165	.165	.195	.195	.72
2006	.195	.22	.24	.24	.90
2007	.24	.24	.24	.24	.96
2008	.24	.24			

BUSINESS: Hancock Holding Company is a bank holding company that operates in the states of Mississippi, Louisiana, and Florida. As of 12/31/07 it had 160 banking offices, more than 130 ATMs, $6.1 billion in assets, and 1,868 full-time employees. The company's regional banks are community-oriented, and focus primarily on offering customers commercial, consumer, and mortgage loans. Loan portfolio (12/31/07): real estate, 65%; consumer, 16%; commercial, 17%; other, 2%. Officers and directors own 18.0% of common shares; Hancock Bank of Mississippi, 9.5% (3/08 proxy). Chairman: George Schloegel. Co-CEO's: Carl Chaney & John Hairston. Inc: MS. Address: One Hancock Plaza, Gulfport, MS 39501. Telephone: 228-868-4727. Internet: www.hancockbank.com.

We expect Hancock Holding's earnings to rebound this year. In 2007, the flattened yield curve compressed the net interest margin, thereby hurting net interest income and earnings. And even though net interest income declined further in the first quarter of this year, we believe that a greater normalization of the yield curve will benefit net interest income by year-end. Specifically, we expect net interest income to climb 7% this year, to around $220 million. Driving this growth will probably be a higher level of earnings assets and lower deposit rates.

The bottom line should rise another 10% in 2009. Indeed, we believe that net interest income will continue benefiting from a higher level of earning assets. In particular, we anticipate an uptick in commercial and commercial real estate loans, especially if the economic landscape improves. Moreover, we think that deposit growth will be fairly modest, as an influx of public funds slightly outpaces the level of withdrawals for the ongoing rebuilding efforts in the GulfSouth region. Meanwhile, an ongoing rise in noninterest expenses, caused by increased personnel costs, will probably be partly offset by stronger noninterest income.

Credit quality will likely remain healthy over the coming years. Net charge-offs, as a percentage of average loans, in the first quarter, were 0.32%, which is still relatively decent compared to Hancock's rivals. Meanwhile, nonperforming assets as a percentage of total loans and foreclosed assets deteriorated by three basis points from a year earlier, to 0.46%, but we believe the bank can maintain its good asset quality by allocating adequate provisions for loan losses.

These shares have moved up one notch in Timeliness from our March review, to 3 (Average). Specifically, the stock has inched its way up since the beginning of this year and is up over 10% since our last coverage. Nevertheless, it is a riskier investment and holds a lower dividend yield when compared to many of its peers. Thus, we would not recommend it to conservative income-oriented investors at this time. An improvement in the credit markets and overall economy, though, may brighten our view.

Randy Shrikishun *June 20, 2008*

(A) Diluted earnings. Excludes nonrecurring gains (losses): 98', 11¢; 00', 22¢; 04', 10¢. Next earnings report due mid-July.
(B) Dividends historically paid in mid-March, June, September, and December.
(C) In millions, adjusted for stock splits.
(D) Includes intangibles. In 2007: $70.6 million, $2.26/share.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	80
Earnings Predictability	75

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HARTE-HANKS, INC. NYSE-HHS

RECENT PRICE 13.04 | P/E RATIO 11.3 (Trailing: 11.0 Median: 20.0) | RELATIVE P/E RATIO 0.72 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 4 Raised 8/1/08
SAFETY 3 Lowered 2/15/08
TECHNICAL 2 Lowered 8/15/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+205%)	34%
Low	25	(+80%)	19%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	1	0	0	0
Options	1	0	2	0	4	0	0	0	0
to Sell	0	0	2	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	75	62	72
to Sell	75	83	63
Hld's(000)	44400	42087	40103

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	5.68	6.22	5.92	6.03	5.81	7.00	8.12	9.90	9.85	10.07	10.80	12.13	13.99	15.81	17.12	17.95	18.40	Sales per sh	21.40
	--	d.24	.61	.64	.73	.61	.90	1.05	1.28	1.38	1.37	1.34	1.49	1.80	1.95	1.90	1.80	1.85	"Cash Flow" per sh	2.55
	--	d.78	.28	.34	.43	.38	.59	.67	.79	.82	.96	.97	1.11	1.34	1.40	1.28	1.15	1.15	Earnings per sh A	1.75
	--	--	--	.02	.02	.03	.04	.05	.07	.08	.10	.12	.16	.20	.24	.28	.30	.32	Div'ds Decl'd per sh B	.40
	--	.27	.17	.19	.25	.30	.23	.28	.38	.28	.19	.36	.41	.35	.45	.42	.50	.50	Cap'l Spending per sh	.55
	--	1.03	1.30	1.83	2.29	5.16	5.40	5.65	5.68	5.93	5.90	6.35	6.73	6.92	6.58	6.01	6.35	6.75	Book Value per sh C	9.55
	--	81.58	82.54	89.98	110.41	109.79	106.89	102.16	97.03	93.21	90.20	87.49	84.98	81.15	74.95	67.94	63.00	63.00	Common Shs Outst'g D	63.00
	--	--	15.4	16.4	19.4	27.2	26.0	23.9	20.4	19.2	20.6	19.7	21.6	20.3	19.1	18.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
	--	--	1.01	1.10	1.22	1.57	1.35	1.36	1.33	.98	1.13	1.12	1.14	1.08	1.03	.99			Relative P/E Ratio	1.25
	--	--	--	.4%	.3%	.3%	.3%	.3%	.4%	.5%	.5%	.6%	.7%	.7%	.9%	1.2%			Avg Ann'l Div'd Yield	1.2%
							748.5	829.8	980.8	917.9	908.8	944.6	1030.5	1135.0	1184.7	1162.9	1130	1160	Sales ($mill)	1350
							17.5%	18.4%	18.9%	20.5%	20.1%	18.7%	18.8%	19.5%	18.6%	17.3%	16.5%	17.0%	Operating Margin	17.5%
							29.0	34.8	43.7	48.9	32.7	30.0	28.8	31.3	34.0	36.7	38.0	40.0	Depreciation ($mill)	45.0
							67.1	72.9	81.9	79.7	90.7	87.4	97.6	114.5	111.8	92.8	75.0	75.0	Net Profit ($mill)	115
							41.2%	40.6%	40.2%	39.8%	38.4%	39.3%	40.1%	38.6%	37.6%	38.7%	35.0%	35.0%	Income Tax Rate	35.0%
							9.0%	8.8%	8.5%	8.7%	10.0%	9.2%	9.5%	10.1%	9.4%	8.0%	6.6%	6.5%	Net Profit Margin	8.5%
							209.3	66.1	85.9	81.0	76.8	83.2	68.3	78.3	108.8	85.8	100	120	Working Cap'l ($mill)	150
							--	5.0	65.4	48.3	16.3	5.0	--	62.0	205.0	259.1	310	325	Long-Term Debt ($mill)	350
							577.1	577.6	551.0	552.4	532.5	555.6	571.8	561.3	493.5	408.5	400	425	Shr. Equity ($mill)	600
							11.6%	12.6%	13.4%	13.5%	16.6%	15.7%	17.2%	18.5%	16.5%	14.8%	10.5%	10.0%	Return on Total Cap'l	12.0%
							11.6%	12.6%	14.9%	14.4%	17.0%	15.7%	17.1%	20.4%	22.7%	22.7%	19.0%	17.5%	Return on Shr. Equity	19.0%
							10.8%	11.7%	13.6%	13.1%	15.3%	13.8%	14.7%	17.4%	18.8%	17.7%	14.0%	13.0%	Retained to Com Eq	15.0%
							7%	8%	8%	9%	10%	12%	14%	15%	17%	22%	26%	27%	All Div'ds to Net Prof	23%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $321.3 mill. Due in 5 Yrs $250 mill.
LT Debt $321.3 mill. LT Interest $15 mill. (48% of Cap'l)

Leases, Uncapitalized $24.0 million
Pension Assets-12/07 $115.0 mill. Oblig. $131.1 mill.

Pfd Stock None

Common Stock 63,168,048 shs. as of 4/30/08

MARKET CAP: $825 million (Small Cap)

CURRENT POSITION ($MILL.)	2005	2007	3/31/08
Cash Assets	38.3	22.8	27.6
Receivables	169.4	199.2	171.5
Inventory (FIFO)	8.0	6.0	5.9
Other	44.3	37.7	39.4
Current Assets	260.0	265.7	244.4
Accts Payable	58.9	67.2	54.2
Debt Due	--	--	--
Other	112.3	112.9	111.3
Current Liab.	171.2	180.1	165.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	9.5%	5.5%
"Cash Flow"	11.0%	7.0%	5.0%
Earnings	13.5%	9.5%	4.5%
Dividends	25.5%	24.0%	9.0%
Book Value	7.5%	2.0%	6.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	268.3	284.0	281.7	301.0	1135.0
2006	278.3	298.4	294.7	313.3	1184.7
2007	283.0	290.2	286.7	303.0	1162.9
2008	268.5	274.8	285	301.7	1130
2009	275	280	295	310	1160

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.29	.33	.34	.38	1.34
2006	.29	.37	.35	.39	1.40
2007	.27	.31	.30	.38	1.26
2008	.21	.29	.29	.36	1.15
2009	.20	.30	.30	.35	1.15

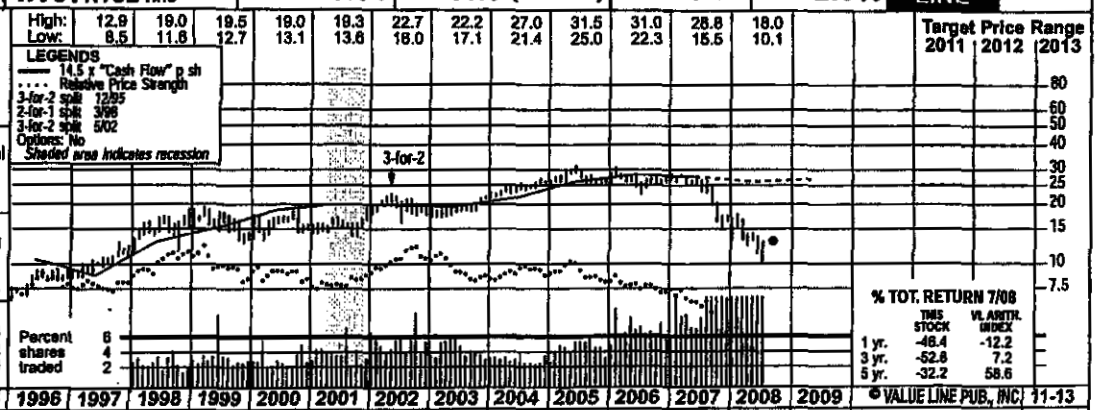
Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.04	.04	.04	.04	.16
2005	.05	.05	.05	.05	.20
2006	.06	.06	.06	.06	.24
2007	.07	.07	.07	.07	.28
2008	.075	.075			

(A) Diluted earnings from continuing operations. Excl. non-recurring loss: '98, $0.02. Next earnings report due late Oct.

(B) Dividends historically paid in mid-Mar., June, Sept., and Dec.

(C) Incl. intang. At 12/31/07: $564.5 mill., $8.31/sh.

(D) In millions, adjusted for stock splits.



BUSINESS: Harte-Hanks, Inc. provides direct marketing and shopper advertising svcs. Its Direct Marketing (DM) unit (63% of '07 sales) builds customized databases and generates sales leads for retailers, healthcare orgs., drug, tech., telecom, and fin'l services firms, among others. The Shoppers unit (37%) publishes over 1,100 local edition, weekly advertising circulars (including *PennySaver* and *The Flyer*), reaching over 13 mill. homes in CA. and FL. Sold newspaper/TV assets, 10/97. About 6,580 empls. Off./dir. own 41.9% of common; Cooke & Bieler, 7.8%; Blackrock, 6.5% (4/08 Proxy). Chairman: Larry Franklin. CEO: Richard M. Hochhauser, Inc.: DE. Address: 200 Concord Plaza Drive, San Antonio, TX 78216. Tel.: 210-829-9000. Internet: www.harte-hanks.com.

Harte-Hanks' is facing tough times. Both the top and bottom lines receded 6% during the June period. Much of the weaker results were logged by its Shoppers unit. The advertising company's local weekly circulars were hard hit by the economic malaise at its target markets, mostly due to the real estate and housing-related financial troubles that Florida and California have been facing. But the Direct Marketing (DM) part of its business may soon feel the pinch, as well. The DM segment posted healthy gains during the front half of the year. But management offered a more subdued tone when discussing near-term prospects. Its customers, across various sectors, are reevaluating their marketing expenditures. And in leaner times, we may see part of its clientele take a more cautious approach and cut their advertising budgets. All told, we think that HHS will continue to struggle during the back half of the year, and believe that revenues and earnings will come in 3% and 10% lower than last year's tallies, respectively. Yet,

There should be some rays of light peeking through the clouds. Indeed, during the June quarter, revenues at the Shoppers unit showed some sequential improvement. What's more, recent cost reductions helped to widen margins, somewhat offsetting profit declines resulting from the deteriorating advertising market. The company also paused its share-repurchase program, utilizing available resources to help cut costs and improve other business fundamentals instead. Even so . . .

We have lowered our 2009 estimate by a nickel. In our view, share net is likely to show little improvement from this year's total, partly reflecting our expectations that the economy will make only halting progress.

This issue is ranked 4 (Below Average) for Timeliness. HHS shares have sunk to levels not seen in a decade. Given the current economic backdrop and dismal operating environment, investors will likely be best served remaining on the sidelines for now. Still, those with a longer-term view may want to take a closer look here, as this equity offers wide capital gains potential out to 2011-2013.

Orly Seidman *August 15, 2008*

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	55
Earnings Predictability	95

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HCP, INC. NYSE-HCP

RECENT PRICE 32.80 | P/E RATIO 43.7 (40.9 NMF) | RELATIVE P/E RATIO 2.88 | DIV'D YLD 5.6% | VALUE LINE

TIMELINESS 3 Raised 11/9/07
SAFETY 3 Lowered 4/18/08
TECHNICAL 4 Lowered 7/18/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+50%)	15%
Low	30	(-10%)	4%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	1	2	0	0
to Sell	0	0	0	0	0	0	2	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	150	178	209
to Sell	154	126	119
Hld's(000)	137608	154312	176384

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	20.2	20.0	16.8	15.2	19.5	22.5	25.8	29.7	28.9	37.8	42.1	38.8
Low:	15.9	14.1	10.8	11.8	14.8	17.9	16.5	20.0	23.1	25.1	25.1	26.8

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	16.8	-18.0
3 yr.	40.1	11.3
5 yr.	104.3	53.2

HCP, Inc. was founded as Healthcare Property Investors, Inc. In 1985, when the company was spun off from National Medical Enterprises (currently Tenet Healthcare) with approximately $90 million in gross real estate assets. Since that time, HCP has acquired a diversified portfolio of real estate assets in four healthcare real estate classes. Acquired properties are leased long term to established health care providers. HCP is currently the largest healthcare real estate investment trust.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $7570 mill. Due in 5 Yrs $3850 mill.
Total Interest $415 mill.
(Total interest covered: 1.5x) (65% of Cap'l)

Pfd Stock $285.2 mill. (2% of Cap'l)
11.8 million shares, liquidation value $25 per sh.
Preferred dividends: $21.1 mill.
Common Stock 234,894,583 shares as of 4/16/08
MARKET CAP: $7.7 bill. (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit plus noncash charges	271.7	317.3	449.7
Net New Debt	459.7	4117.2	1416.6
Net New Equity	47.8	989.0	618.9
Investments Funded	500.4	4272.9	4331.7
Dividends Declared	248.4	266.8	393.6

FINANCIAL POSITION

	12/31/06	12/31/07
Senior Debt	6094.0	7510.9
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.65:1	.65:1
Total Debt/Equity	1.86:1	1.66:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter ($mill.)	NA	NA
Loss Reserve—%/Invests.	NA	NA

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	9.60	11.68	11.13	11.05	8.45	8.81	8.62	8.19	15.16	17.61	17.95	18.00	Book Value per sh	20.05
	1.53	1.61	1.66	1.66	1.72	1.67	1.72	1.83	1.98 E	2.14	2.30	2.45	Funds from Ops per sh D	3.00
	1.23	1.11	1.07	.90	1.04	1.11	1.06	1.05	.96 E	.74	.75	.90	Earnings per sh A	1.25
	1.31	1.39	1.47	1.55	1.63	1.66	1.67	1.68	1.70	1.78	1.82	1.86	Div'ds Decl'd per sh B	2.04
	21.88	24.02	23.33	19.46	19.94	19.12	21.07	23.80	38.98	51.67	48.95	51.00	Loans & Real Est per sh	60.85
	62.00	102.80	102.80	112.78	118.94	131.04	133.66	135.19	198.60	216.82	235.00	245.00	Common Shs Outst'g C	260.00
	135%	43%	23%	58%	158%	138%	201%	218%	NMF	90%	Bold figures are Value Line estimates		Premium Over Book	100%
	18.4	15.0	16.5	19.0	21.0	18.9	24.5	24.8	29.5	45.1			Avg Ann'l P/E Ratio	32.0
	7.9	8.4	9.0	10.3	11.8	11.7	15.1	13.2	14.7	15.6			Avg Ann'l P/FFO Ratio	13.5
	7.5%	10.1%	10.7%	8.6%	8.0%	8.0%	6.4%	6.4%	5.6%	5.3%			Avg Ann'l Div'd Yield	5.1%
	161.5	224.7	329.9	295.6	332.6	348.7	388.6	452.2	557.0	893.4	910	1000	Rental Income ($mill)	1300
	--	--	--	21.8	27.0	51.5	40.1	25.1	62.1	157.0	125	150	Other Income ($mill)	250
	46.1%	65.0%	67.0%	63.0%	64.1%	61.2%	78.8%	80.9%	78.6%	73.8%	76.0%	76.0%	Operating Margin	76.0%
	87.2	78.5	108.9	96.3	112.5	158.4	161.8	162.9	166.8	175.3	195	240	Net Profit ($mill)	345
	53.0%	34.9%	33.0%	29.0%	31.3%	39.5%	37.8%	34.1%	26.9%	16.7%	18.8%	20.9%	Net Profit Margin	22.3%
	--	--	--	d6.2	d10.3	.2	7.2	10.2	269.3	413.7	300	200	Capital Gains ($mill)	300
	1356.4	2469.4	2398.7	2194.6	2371.4	2505.8	2818.4	3241.9	7741.7	11204	11500	12500	Loans & Real Est ($mill)	16000
	220.6	1015.5	923.5	648.2	855.1	1407.3	1486.2	1957.0	6094.3	7510.9	7000	7500	Long-Term Debt ($mill)	10000
	595.4	1200.3	1144.6	1248.7	1280.9	1440.6	1419.4	1399.8	3294.0	4103.7	4500	4700	Shr. Equity ($mill)	5500
	85%	86%	88%	93%	95%	101%	100%	91%	84%	88%	88%	87%	Div'ds Decl'd to FFO	85%
	3.9%	4.7%	8.3%	8.1%	7.7%	7.7%	8.2%	8.5%	NMF	7.1%	6.0%	6.0%	Expenses to Assets	8.0%
	10.6%	6.0%	7.8%	7.1%	7.0%	7.0%	7.0%	6.4%	NMF	3.0%	3.5%	3.5%	Return on Total Cap'l	4.0%
	14.6%	6.5%	9.5%	7.7%	8.8%	10.8%	11.1%	11.6%	NMF	4.3%	4.5%	5.0%	Return on Shr. Equity	6.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	107.7	118.0	123.9	127.7	477.3
2006	126.5	127.5	130.2	234.9	619.1
2007	250.4	242.7	264.2	273.1	1050.4
2008	252.2	255	260	267.8	1035
2009	275	285	290	300	1150

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.26	.25	.29	.25	1.05
2006	.27	.25	.26	.15	.96
2007	.17	.26	.15	.16	.74
2008	.16	.18	.19	.22	.75
2009	.20	.22	.23	.25	.90

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.4175	.4175	.4175	.4175	1.67
2005	.42	.42	.42	.42	1.68
2006	.425	.425	.425	.425	1.70
2007	.445	.445	.445	.445	1.78
2008	.455	.455			

BUSINESS: HCP, Inc., the largest healthcare REIT, had interests in 744 properties in 44 states as of 12/31/07. 2007 operating profits: senior housing, 45%; medical office buildings, 24%; acute care hospitals, 16%; life science, 9%; and skilled nursing facilities, 6%. Major tenants include Sunrise Senior Living (15% of revenues), Horizon Bay, (9%), and Brookdale Senior Living (8%). Acquired American Health Properties, 11/99; CNL Retirement Properties, 10/06; Slough Estates, 8/07. Vanguard owns 6.0% of common; Fidelity, 5.8%; officers & directors, 2.5% (4/08 proxy). Has 152 employees. Chairman & CEO: James F. Flaherty. CFO: Mark Wallace. Inc.: MD. Address: 3760 Kilroy Airport Way, Suite 300, Long Beach, CA 90806. Telephone: 562-733-5100. Internet: www.hcpi.com.

HCP's year is shaping up as rather less active than 2007. Last year, the company closed three major acquisitions, raising over $6 billion to make a similar amount of investments, including a major position in life science real estate. In 2008, HCP plans to dispose of around $750 million of properties and has already raised over $500 million of equity, returning leverage to roughly where it was a year ago. In contrast to last year, property purchases will likely be much smaller. The difference between bid and offered prices has shrunk in recent months, but it remains considerable. We expect HCP to acquire a few properties, but new construction and redevelopment will probably be relatively more important in 2008.

Seasonal items held back first-quarter results a bit. In the March period, same store operating profits rose 2.3%, led by a 5.1% gain in senior housing results. Medical office comparable profits were up just 1.2%, despite 2.3% higher rents, due to collections of past due rents in the prior-year period. And higher than normal sales and general costs reduced the first quarter's net by around a penny a share.

The picture is mixed for the balance of the year. The life science segment should do better as HCP re-leases space coming off five-year leases signed during the last recession; rent increases on some of these properties should be as high as 30%. The other segments, however, will probably show little change from the first quarter, in the absence of substantial acquisitions.

Results should pick up next year. With its debt paid down, HCP is now ready to make large property purchases again, and we think prices will moderate to the point where acquisitions again make financial sense. Redevelopment of the life science portfolio should help, since much of that segment is around San Francisco, where there is a lack of available space.

Looking ahead, HCP should profit from the graying of America. As the baby boomers retire and need more health care, they will probably make increasing use of property owned by HCP.

These neutrally ranked shares offer decent dividends and modest capital appreciation potential.

Sigourney B. Romaine, CFA July 18, 2008

(A) Primary egs. through '97, diluted thereafter. Excl. nonrecurring items: '06, $1.70; '05, 7¢; '04, 5¢; '03, (9¢). Next earnings report due early August. Quarters may not add to annual figure due to changing number of shares outstanding. (B) Dividends historically paid in mid-Feb., May, Aug., and Nov. = Div. reinvestment plan available. (C) In mill., adjusted for split. (D) Funds from ops. per share: 2006: 1Q, 50¢; 2Q, 51¢; 3Q, 52¢; 4Q, 45¢. 2007: 1Q, 50¢; 2Q, 58¢; 3Q, 52¢; 4Q, 54¢. 2008: 1Q, 56¢ (E) Based on 153 mill. diluted shares.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	85

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HEWITT ASSOC. INC. NYSE-HEW

RECENT PRICE 37.16 | P/E RATIO 20.5 | NMF NMF | RELATIVE P/E RATIO 1.35 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/17/07
SAFETY 3 New 10/25/02
TECHNICAL 4 Lowered 7/4/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+115%)	21%
Low	55	(+50%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	2	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	104	113	101
to Sell	80	69	99
Hld's(000)	84994	88961	87541

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded 30 20 10

	High:	36.4	34.6	35.8	31.8	30.2	38.8	43.0
	Low:	21.2	20.7	24.4	23.9	19.0	25.4	32.5

Target Price Range 2011 2012 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	19.8	-16.0
3 yr.	44.8	11.3
5 yr.	82.8	63.2

Hewitt Associates, Inc. was formed through a corporate structure transition on 5/31/02, in which Hewitt Holdings LLC transferred its ownership interests of Hewitt Associates LLC to HEW. On 6/27/02, HEW consummated its IPO of ab't 11.2 mill. Class A comm. shs. at $19 a sh. Upon completion of the IPO, Hewitt Holdings LLC owned ab't 70.8 mill. Class B shs. Lead underwriters: Goldman Sachs & Co., Banc of America, JP Morgan, Salomon Smith Barney, UBS Warburg, and Wachovia Securities.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $426.8 mill. Due in 5 Yrs $297.0 mill.
LT Debt $269.1 mill. LT Interest $20.0 mill. (26% of Cap'l)
Leases, Uncapitalized Annual rentals $95.4 mill.
Pension Assets-9/07 $193.6 mill. Oblig. $211.6 mill.
Pfd Stock None

Common Stock 97,397,198 shs. (All Class A shs.)
MARKET CAP: $3.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	449.5	596.4	189.6
Receivables	622.3	632.0	653.7
Inventory (Avg Cst)	--	--	--
Other	173.0	252.5	234.9
Current Assets	1244.8	1479.9	1078.2
Accts Payable	31.3	21.3	32.3
Debt Due	67.0	54.6	157.7
Other	717.4	868.7	719.1
Current Liab.	815.7	944.6	909.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	8.5%	7.0%
"Cash Flow"	--	-11.5%	29.0%
Earnings	--	--	NMF
Dividends	--	--	Nil
Book Value	--	15.5%	5.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	710.4	697.1	711.9	720.9	2840.3
2006	701.0	676.2	698.2	713.3	2788.7
2007	726.6	716.2	728.0	750.3	2921.1
2008	793.8	773.1	770	783.1	3120
2009	810	805	800	835	3250

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.30	.25	.33	.40	1.28
2006	.31	.31	d1.85	.21	d1.01
2007	.27	.12	.43	d2.51	d1.62
2008	.59	.43	.40	.43	1.85
2009	.55	.50	.50	.60	2.15

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	--	--	--	--	17.43	20.18	22.46	26.26	25.16	27.27	32.65	34.20	Revenues per sh A	39.45
	--	--	--	--	1.99	2.36	2.55	2.73	.36	.14	3.90	4.10	"Cash Flow" per sh	4.95
	--	--	--	--	1.20	1.19	1.33	1.28	d1.01	d1.62	1.85	2.15	Earnings per sh A B	3.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	--	--	--	.60	.44	.71	1.20	1.17	.83	1.15	1.25	Cap'l Spending per sh	1.60
	--	--	--	--	5.41	7.03	8.75	12.12	11.34	9.69	7.70	8.95	Book Value per sh D	14.75
	--	--	--	--	98.46	98.22	98.17	108.18	110.82	107.13	95.00	95.00	Common Shs Outst'g C	95.00
	--	--	--	--	21.9	22.9	21.8	22.0	--	--	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
	--	--	--	--	1.20	1.31	1.15	1.17	--	--			Relative P/E Ratio	1.45
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	--	--	--	--	1716.2	1981.7	2204.7	2840.3	2788.7	2921.1	3120	3250	Revenues ($mill) A	3750
	--	--	--	--	16.5%	16.7%	16.2%	14.1%	3.4%	1.6%	16.0%	17.0%	Operating Margin	18.0%
	--	--	--	--	96.6	114.4	118.2	149.7	149.0	190.4	175	170	Depreciation ($mill)	170
	--	--	--	--	99.7	117.8	132.5	145.3	d109.6	d175.1	195	220	Net Profit ($mill)	300
	--	--	--	--	41.0%	41.0%	41.0%	38.9%	--	--	40.0%	40.0%	Income Tax Rate	40.0%
	--	--	--	--	5.8%	5.9%	6.0%	5.1%	NMF	NMF	6.3%	6.8%	Net Profit Margin	8.0%
	--	--	--	--	196.4	290.2	417.7	321.4	429.1	535.3	250	425	Working Cap'l ($mill)	1000
	--	--	--	--	235.9	218.8	201.2	299.2	254.9	233.5	230	230	Long-Term Debt ($mill)	200
	--	--	--	--	532.6	690.1	859.4	1311.4	1256.4	1038.0	730	850	Shr. Equity ($mill)	1400
	--	--	--	--	13.8%	14.1%	13.4%	9.7%	NMF	NMF	21.5%	21.5%	Return on Total Cap'l	19.5%
	--	--	--	--	18.7%	17.1%	15.4%	11.1%	NMF	NMF	26.5%	26.0%	Return on Shr. Equity	21.5%
	--	--	--	--	18.7%	17.1%	15.4%	11.1%	NMF	NMF	26.5%	26.0%	Retained to Com Eq	21.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Hewitt Associates, Inc. is a global outsourcing and consulting co. Outsourcing segment administers benefit programs, incl. health/welfare plans, defined contribution (401(k)) plans, and defined benefit (pension) plans. Consulting unit offers actuarial services and consulting services incl. the design, implementation, and operation of health/welfare and compensation/retirement plans. The HR-BPO (Human Resources-Business Process Outsourcing) unit provides such services as workforce admin., recruit'g, staff'g, and payroll processing. Has ab't 23,000 emps. Ariel Cap'l Mgmt. owns 16.7% of comm.; off./dir., 10.0% (12/07 proxy). Chrmn. & CEO: Russell P. Fradin. Inc.: DE. Addr.: 100 Half Day Rd., Lincolnshire, IL 60069. Tel.: 847-295-5000. Web: www.hewitt.com.

Hewitt Associates appears to be making progress turning its business around, as evidenced by the strong share net posted in the second quarter of fiscal 2008 (ends September 30th). Granted, the result included a gain from the divestiture of the Cyborg unit (payroll and HR software services) offset by charges related to the restructuring of an HR-BPO contract and the real estate portfolio (discussed below). But even without those special items, operating performance seemed to improve. **Specifically, the company continues to focus on strengthening its core segments, while stabilizing the struggling HR-BPO unit.** Indeed, the latter has been hurting margins in the last couple of years or so. Although there is still work to be done within this ailing business, we note that losses have been narrowing of late, thanks to the renegotiation of underperforming HR-BPO contracts and the consolidation of property. In the meantime, new client additions, a ramp-up in project work, and contributions from acquisitions are helping to boost revenues in the core Benefits Outsourcing and Consulting divisions.

Hewitt remains active on the acquisition front. It aims to expand its core businesses globally, tapping into markets where demand is healthy. In fact, HEW just acquired CSi, a data, analytics, and compensation consultant in Australia and New Zealand. Too, it is in the process of buying LCG, a provider of employee absence management solutions. Terms were not disclosed. While these deals will be modestly dilutive to earnings this year, they should add to profits thereafter. In all, we've raised our fiscal 2008 share-net target by a nickel, on wider margins. Note that our estimate reflects $0.06 dilution from the loss of Cyborg and the recent acquisitions. We've also factored in real estate charges and stock repurchases. **Only momentum investors should take a look here.** The stock has had a good run over the past year and a half, likely reflecting Wall Street's expectation of a bottom-line comeback. And the issue is ranked favorably for the coming year too, assuming the profit outlook remains positive. Long-term appreciation potential is average, however, at the current price.

J. Susan Ferrara *July 18, 2008*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Represents core eps until FY'06, which excl. IPO-related adjustments. Based on GAAP thereafter. Qtly. egs. may not add to total due to difference in shares outstanding/rounding. Next earnings report due early Aug.
(C) In millions.
(D) Includes intangibles. At 9/30/07: $515.4 million, or $4.81 a share.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	15
Earnings Predictability	5

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HNI CORP. NYSE-HNI

RECENT PRICE 19.45 | P/E RATIO 10.8 (Trailing: 8.8 Median: 17.8) | RELATIVE P/E RATIO 0.69 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 5 Lowered 5/23/08
SAFETY 3 Lowered 7/4/08
TECHNICAL 5 Lowered 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

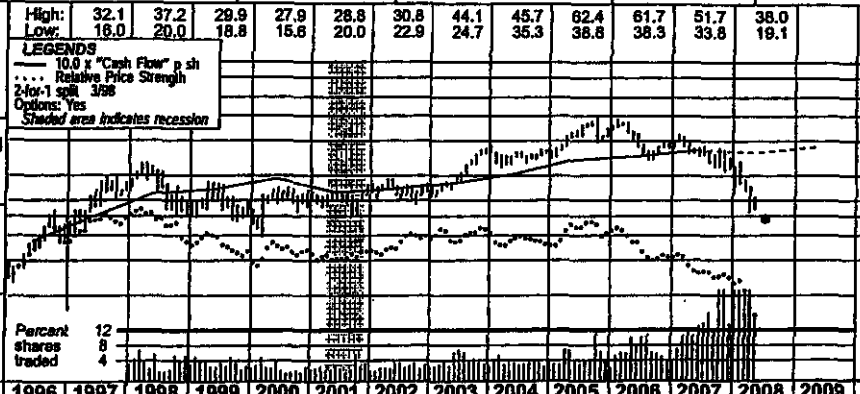
	Price	Gain	Ann'l Total Return
High	50	(+155%)	30%
Low	40	(+105%)	25%

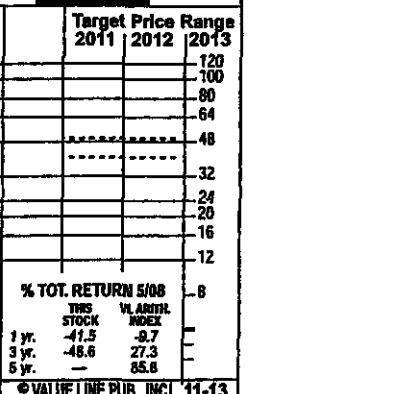
Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	1
Options	0	0	0	1	0	0	0	0	0
to Sell	0	0	0	2	0	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	82	85	81
to Sell	58	72	88
Hld's(000)	27366	33497	34164





1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
10.91	12.32	13.79	14.69	16.80	22.10	27.68	29.74	34.22	27.69	29.00	30.15	37.85	47.28	55.94	57.33	56.50	57.40	Sales per sh A	63.65
.84	.97	1.20	1.03	1.50	1.99	2.60	2.74	3.10	2.64	2.74	2.93	3.27	3.87	4.03	4.31	3.35	3.70	"Cash Flow" per sh	4.85
.59	.70	.87	.68	1.06	1.46	1.72	1.64	1.77	1.52	1.55	1.69	1.98	2.55	2.58	2.65	1.80	2.05	Earnings per sh A B	3.00
.19	.20	.22	.24	.26	.28	.32	.38	.44	.48	.50	.52	.56	.62	.62	.78	.86	.86	Div'ds Decl'd per sh C	.92
.45	.43	.57	.89	.75	1.39	2.44	1.19	1.00	.57	.44	.60	.59	.75	1.23	1.31	1.60	1.70	Cap'l Spending per sh	2.00
2.52	2.83	3.17	3.56	4.25	6.19	7.54	8.33	9.59	9.16	11.06	12.19	12.10	11.46	10.35	10.24	11.35	12.60	Book Value per sh	18.20
64.74	63.35	61.35	60.79	59.43	61.66	61.29	60.17	59.80	64.74	58.37	58.24	55.30	51.85	47.91	44.84	44.00	44.00	Common Shs Outst'g D	44.00
17.1	19.4	16.3	20.5	13.8	16.7	16.7	14.2	13.3	16.2	17.6	19.7	20.3	19.8	19.0	15.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
1.04	1.15	1.07	1.37	.86	.96	.87	.81	.86	.83	.96	1.12	1.07	1.05	1.03	.84			Relative P/E Ratio	1.00
1.6%	1.5%	1.6%	1.7%	1.7%	1.1%	1.1%	1.6%	1.9%	1.9%	1.8%	1.6%	1.4%	1.2%	1.3%	1.9%			Avg Ann'l Div'd Yield	1.3%
1698.4	1789.3	2046.3	1792.4	1692.6	1755.7	2093.4	2450.7	2679.8	2570.5	2485	2525	Sales ($mill) A	2800
13.7%	12.9%	12.6%	12.7%	12.5%	12.7%	11.8%	11.6%	10.1%	10.6%	8.5%	9.0%	Operating Margin	11.0%
53.0	65.5	79.0	81.4	68.8	72.8	66.7	65.5	69.5	68.2	68.0	70.0	Depreciation ($mill)	78.0
105.3	99.4	106.2	89.8	91.4	98.1	114.1	134.9	123.4	125.0	80.0	92.0	Net Profit ($mill)	135
37.5%	36.8%	36.0%	36.0%	35.0%	35.0%	35.5%	36.2%	34.6%	33.1%	35.0%	35.0%	Income Tax Rate	36.0%
6.3%	5.6%	5.2%	5.0%	5.4%	5.6%	5.5%	5.5%	4.6%	4.9%	3.2%	3.6%	Net Profit Margin	4.8%
72.9	91.5	85.2	89.3	106.4	216.3	108.3	128.4	145.7	104.6	145	195	Working Cap'l ($mill)	315
128.1	124.2	128.3	80.8	9.8	4.1	3.8	103.1	265.3	280.3	290	300	Long-Term Debt ($mill)	200
462.0	501.3	573.3	592.7	646.9	709.9	669.2	593.9	495.9	458.9	500	555	Shr. Equity ($mill)	800
18.9%	18.6%	16.0%	13.9%	14.0%	13.8%	17.0%	19.4%	16.3%	18.1%	11.0%	11.5%	Return on Total Cap'l	14.0%
23.0%	19.8%	18.5%	15.2%	14.1%	13.8%	17.1%	22.7%	24.9%	27.2%	16.0%	16.5%	Return on Shr. Equity	17.0%
18.7%	15.2%	13.9%	10.4%	9.6%	9.6%	12.3%	17.0%	17.6%	18.3%	8.5%	10.0%	Retained to Com Eq	12.0%
19%	23%	25%	32%	32%	31%	28%	25%	29%	29%	47%	41%	All Div'ds to Net Prof	30%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $338.0 mill. Due in 5 Yrs $184.0 mill.
LT Debt $287.0 mill. LT Interest $16.0 mill.
Includes $.7 mill. cap. leases
(Total interest coverage: 10.5x)
(39% of Cap'l)
Leases, Uncapitalized Annual rentals: $32.1 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 44,439,553 shares

MARKET CAP: $875 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	37.3	43.8	40.1
Receivables	316.8	288.8	251.9
Inventory (LIFO)	105.8	106.5	111.2
Other	44.5	48.0	48.3
Current Assets	504.2	489.1	451.5
Accts Payable	328.9	367.3	295.2
Debt Due	29.6	17.2	51.0
Other	--	--	--
Current Liab.	358.5	384.5	346.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	12.0%	3.0%
"Cash Flow"	10.5%	7.5%	3.0%
Earnings	9.5%	10.0%	2.5%
Dividends	10.0%	7.5%	5.5%
Book Value	8.5%	1.5%	9.5%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	562.3	594.2	632.3	661.9	2450.7
2006	645.6	667.7	684.3	682.2	2679.8
2007	609.2	618.2	674.6	668.5	2570.5
2008	563.4	600	660	661.6	2485
2009	570	610	675	670	2525

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.47	.63	.75	.70	2.55
2006	.55	.56	.72	.75	2.58
2007	.43	.57	.75	.90	2.65
2008	.21	.25	.60	.74	1.80
2009	.25	.35	.65	.80	2.05

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.14	.14	.14	.14	.56
2005	.155	.155	.155	.155	.62
2006	.18	.18	.18	.18	.72
2007	.195	.195	.195	.195	.78
2008	.215	.215			

BUSINESS: HNI Corporation is a manufacturer of metal and wood office furniture in the U.S. Sells a complete product line, including file cabinets, desks, chairs, wall systems, and credenzas. Major emphasis is on mid-priced products. Also manufactures gas- and wood-burning fireplaces. Bought Bevis Custom Furniture, Panel Systems, 11/97; Allsteel, 6/97; Heat-N-Glo, 10/98; Gunlocke, 10/99; AFC and Allied Group, 2/00. '07 depreciation rate: 8.1%. Has 13,300 employees. State Farm Insurance owns 16.6% of common stock; T.C. & L.B. Mealy, 7.7% (3/08 Proxy). President, Chairman & CEO: Stan A. Askren. Incorporated: IA. Address: 414 East Third Street, P.O. Box 1109, Muscatine, IA 52761-7109. Telephone: 563-272-7400. Internet: www.hnicorp.com.

HNI's shares have lost roughly a third of their market value since our last review. The stock has come under tremendous pressure from a slew of negative factors that have significantly hurt performance this year. The housing crisis and the subsequent credit crunch, along with the rising cost of energy and raw materials, have notably slowed the domestic economy. As a result, corporate spending has deteriorated. Hence, demand and volume have weakened considerably for the office furniture manufacturer, particularly from its small-office and home-office customers. In light of this, the near-term picture for this offering has dimmed. These shares are ranked at the bottom of the *Value Line* realm, as we expect profits to decline considerably year over year.

We look for unfavorable comparisons throughout 2008. Although this review will have already reached our subscribers by the time the company reports its second-quarter results, we anticipate that share earnings fell decisively. The company will likely continue to face challenges for the remainder of the year, as the aforementioned pressure on the top line and hefty raw material costs hurt margins. The home and hearth segment also buckled under strain from the adverse retail climate, particularly in the new construction channel. Alternative fuel products did well but were not enough to offset overall market conditions.

Still, we are cautiously optimistic that HNI can turn things around over the next couple of years. The ongoing troubles are industrywide factors that are not specific to the company. Moreover, management remains focused on offsetting market weakness by improving efficiency and productivity. This will likely entail cost restructuring and further streamlining of the business. Based on capital expenditure projections, we believe the company will continue to invest in growth initiatives and position itself to maximize the benefits of a likely market recovery. Indeed, HNI's business platforms remain strong.

These shares offer wide appreciation potential to 2011-2013. We believe the company's sales and profits will rally over the long term.

Simon R. Shoucair *July 4, 2008*

(A) Fiscal year ends Saturday nearest Dec. 31st of calendar year.
(B) Primary earnings through 1996, diluted thereafter. Excludes nonrecurring gains (loss): '96, 7¢; '94, (1¢); '89, 18¢; '99, ($0.20); '01, (26¢); '05, (5¢); '06, (12¢); '07, (8¢). Excludes FAS 109 charge: '93, (1¢). Next earnings report due early Aug.
(C) Dividend historically paid in late Feb., May, Aug., Nov.
(D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	60
Earnings Predictability	90

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HARLEY-DAVIDSON NYSE-HOG

RECENT PRICE 39.92 | P/E RATIO 12.7 (Trailing: 11.1 / Median: 22.0) | RELATIVE P/E RATIO 0.81 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 7/25/08
SAFETY 3 Raised 9/6/91
TECHNICAL 3 Lowered 9/15/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

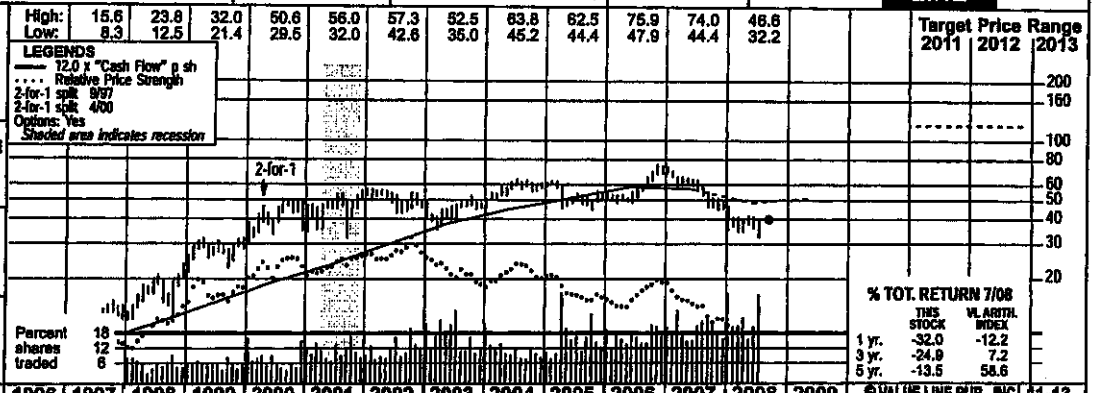
	Price	Gain	Ann'l Total Return
High	120	(+200%)	33%
Low	80	(+100%)	27%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	0	0
Options	0	0	0	0	0	3	0	0	2
to Sell	0	0	0	0	0	1	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	230	210	195
to Sell	312	295	276
Hld's(000)	183306	187086	190705



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-32.0	-12.2
3 yr.	-24.9	7.2
5 yr.	-13.5	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.65	4.01	5.00	4.51	5.06	5.79	6.75	8.10	9.62	11.11	13.52	16.34	17.04	19.50	22.48	24.01	*23.85*	*24.80*	Sales per sh	*35.55*
.28	.37	.46	.51	.66	.80	.98	1.26	1.58	1.95	2.50	3.18	3.75	4.25	4.87	4.77	*4.05*	*4.30*	"Cash Flow" per sh	*7.85*
.19	.24	.34	.37	.48	.57	.69	.87	1.13	1.43	1.90	2.50	3.00	3.41	3.93	3.74	*3.15*	*3.35*	Earnings per sh A	*6.70*
--	.02	.04	.05	.06	.07	.08	.09	.10	.12	.14	.20	.41	.63	.81	1.06	*1.29*	*1.36*	Div'ds Decl'd per sh B■	*1.60*
.16	.18	.31	.38	.59	.61	.60	.55	.67	.96	1.07	.75	.73	.72	.85	1.02	*1.05*	*1.10*	Cap'l Spending per sh	*1.40*
1.11	1.07	1.40	1.65	2.19	2.71	3.37	3.84	4.65	5.80	7.38	9.81	10.94	11.25	10.68	9.96	*11.50*	*13.05*	Book Value per sh	*20.00*
303.08	303.97	308.63	299.54	302.58	304.65	305.86	302.72	302.07	302.80	302.66	301.51	294.31	274.00	256.05	238.49	*235.00*	*230.00*	Common Shs Outst'g C	*225.00*
19.0	20.4	18.3	17.5	21.6	21.4	25.2	32.4	36.5	32.2	26.8	17.8	19.0	15.5	14.7	15.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
1.15	1.21	1.20	1.17	1.35	1.23	1.31	1.85	2.37	1.65	1.46	1.01	1.00	.83	.79	.81			Relative P/E Ratio	*1.00*
--	.3%	.6%	.7%	.5%	.6%	.4%	.3%	.2%	.3%	.3%	.4%	.7%	1.2%	1.4%	1.6%			Avg Ann'l Div'd Yield	*1.6%*
						2064.0	2452.9	2906.4	3363.4	4091.0	4624.3	5015.2	5342.2	5800.7	5726.8	*5600*	*5700*	Sales ($mill)	*8000*
						19.4%	20.5%	21.0%	22.4%	23.3%	25.5%	27.7%	27.9%	27.7%	24.8%	*22.0%*	*23.0%*	Operating Margin	*30.0%*
						87.4	113.8	133.3	153.1	175.8	196.9	214.1	205.7	213.8	204.2	*210*	*220*	Depreciation ($mill)	*260*
						213.5	267.2	347.7	437.7	580.2	760.9	889.8	959.6	1043.2	933.8	*740*	*770*	Net Profit ($mill)	*1510*
						36.5%	36.5%	36.6%	35.0%	34.5%	34.7%	35.5%	35.5%	35.8%	35.5%	*35.5%*	*36.0%*	Income Tax Rate	*36.0%*
						10.3%	10.9%	12.0%	13.0%	14.2%	16.5%	17.7%	18.0%	18.0%	16.3%	*13.2%*	*13.5%*	Net Profit Margin	*18.9%*
						376.5	430.8	799.6	949.2	1076.5	1773.3	2093.6	2272.1	1754.9	1562.2	*2500*	*2250*	Working Cap'l ($mill)	*2000*
						280.0	280.0	355.0	380.0	380.0	670.0	800.0	1000.0	870.0	980.0	*980*	*980*	Long-Term Debt ($mill)	*980*
						1029.9	1161.1	1405.7	1758.3	2232.9	2957.7	3218.5	3083.6	2756.7	2375.5	*2700*	*3000*	Shr. Equity ($mill)	*4500*
						16.3%	18.5%	19.7%	21.1%	22.3%	21.1%	22.3%	23.8%	29.2%	28.4%	*20.0%*	*19.5%*	Return on Total Cap'l	*27.5%*
						20.7%	23.0%	24.7%	24.9%	26.0%	25.7%	27.6%	31.1%	37.8%	39.3%	*27.5%*	*25.5%*	Return on Shr. Equity	*33.5%*
						18.4%	20.7%	22.6%	22.9%	24.1%	23.7%	23.9%	25.5%	30.1%	28.3%	*16.0%*	*15.5%*	Retained to Com Eq	*25.5%*
						11%	10%	9%	8%	7%	8%	13%	18%	20%	28%	*41%*	*41%*	All Div'ds to Net Prof	*24%*

CAPITAL STRUCTURE as of 6/29/08
Total Debt $2977.9 mill. Due in 5 yrs. $2770 mill

LT Debt $2050.0 mill. (45% of Cap'l)
All debt of Financial Services div.

Leases, Uncapitalized None
Pension Assets-12/07 $1067.9 mill. Oblig. $1033.6 mill.

Pfd Stock None

Common Stock 235,325,006 shs.
as of 7/25/08
MARKET CAP: $9.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/29/08
Cash Assets	896.5	405.3	803.9
Receivables D	2244.4	2537.8	3154.3
Inventory (LIFO)	287.8	350.0	341.4
Other	121.9	174.2	206.6
Current Assets	3350.6	3467.3	4506.2
Accts Payable	283.5	300.2	322.4
Debt Due	832.5	1120.0	927.9
Other	479.7	484.9	518.9
Current Liab.	1595.7	1905.1	1769.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	15.5%	14.0%	*8.5%*
"Cash Flow"	21.5%	16.0%	*9.0%*
Earnings	23.0%	20.0%	*10.5%*
Dividends	31.0%	47.5%	*11.5%*
Book Value	17.0%	12.5%	*11.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1235	1333	1431	1343.2	5342.2
2006	1285	1377	1636	1502.7	5800.7
2007	1178	1620	1541	1387.8	5726.8
2008	1306	1573	*1440*	*1281*	*5600*
2009	*1360*	*1480*	*1490*	*1370*	*5700*

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.77	.84	.96	.84	3.41
2006	.85	.91	1.20	.97	3.93
2007	.75	1.14	1.07	.78	3.74
2008	.79	.95	*.80*	*.61*	*3.15*
2009	*.62*	*.86*	*.88*	*.79*	*3.35*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.085	.10	.10	.125	.41
2005	.13	.16	.16	.18	.63
2006	.18	.21	.21	.21	.81
2007	.26	.25	.25	.30	1.06
2008	.30	.33			

BUSINESS: Harley-Davidson, Inc. manufactures heavyweight custom and touring motorcycles and related products. Also owns Buell Motorcycle (sport and performance motorcycles) and Eaglemark Financial, a wholesale and retail finance unit. Sold Holiday Rambler Corp. in 1995. Harley is the only major American manufacturer of heavyweight motorcycles. Has over 1,000 dealers worldwide. Foreign business is about 27% of sales; R&D, 3.2%. '07 depreciation rate: 7.9%. Has about 9,755 employees. Officers & directors own 1.2% of stock. (4/08 Proxy). Chairman: Jeffrey Bleustein. CEO and Pres.: James Ziemer. Incorporated: Delaware. Address: 3700 West Juneau Ave., Milwaukee, Wisconsin 53208. Telephone: 414-342-4680. Internet: www.harley-davidson.com.

Harley-Davidson registered a year-to-year earnings decline during the June quarter. Nevertheless, the company's share net of $0.95 was above our watered-down expectation. During the second period, Harley shipped 80,326 motorcycles, which was slightly above its guidance of 76,000–80,000. However, this represented a nearly 16% decrease from the year-earlier period. This decline reflects lackluster U.S. economic conditions, which have constrained consumers' buying habits.

Earnings comparisons might well remain weak for the remainder of this year, followed by a slight improvement in 2009. The company expects to ship 74,000–78,000 Harley motorcycles during the September period. We estimate that earnings will come in at $0.80 per share during the interim, which represents a year-over-year decline of 25%. It appears likely that motorcycle comparisons will remain subpar for the remainder of this year, owing to macroeconomic pressures. On the other hand, we look for growth, albeit slight, at the General Merchandise and Parts & Accessories divisions. The General Merchandise segment has a lower gross margin than the Bike group, while Parts & Accessories is the company's most profitable division. Next year's modest earnings recovery is based on our outlook for a slightly better economic backdrop. Harley has a healthy new product pipeline, which enables it to churn out successful new motorcycles and related products each year. What's more, Harley's international exposure (27% of 2007 revenues) should help it withstand the aforementioned pressures on the domestic front.

The company will likely continue to return capital to its shareholders in the years ahead. Stock repurchases will probably remain a part of the equation, while dividend hikes appear likely, given the company's strong cash flow prospects.

Harley stock is not on our recommended list for year-ahead price performance. However, price recovery potential for the pull to 2011–2013 is significant. Though Harley has hit a speed bump, we believe that its long-term earnings prospects remain intact.

Alan G. House *August 15, 2008*

(A) Prim. egs. through 1996, diluted thereafter. Excl. extra. gains (losses) per share: '93, (36¢); '94, 3¢. Excl. Accounting chrg.: '93, (20¢). Inc. from disc. ops.: '96, 15¢. Next egs. rpt. due late Oct.
(B) Div'ds. historically paid in late March, June, Sept. & Dec. ■ Dividend reinvestment plan available.
(C) In mill., adj. for stock splits.
(D) From 6/28/98 incl. finance receivables.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	45
Earnings Predictability	90

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HERCULES INC. NYSE-HPC

RECENT PRICE 20.39 | P/E RATIO 12.0 (Trailing: 13.4 Median: 15.0) | RELATIVE P/E RATIO 0.73 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 2 Lowered 6/1/07
SAFETY 3 Raised 3/22/02
TECHNICAL 3 Lowered 2/22/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

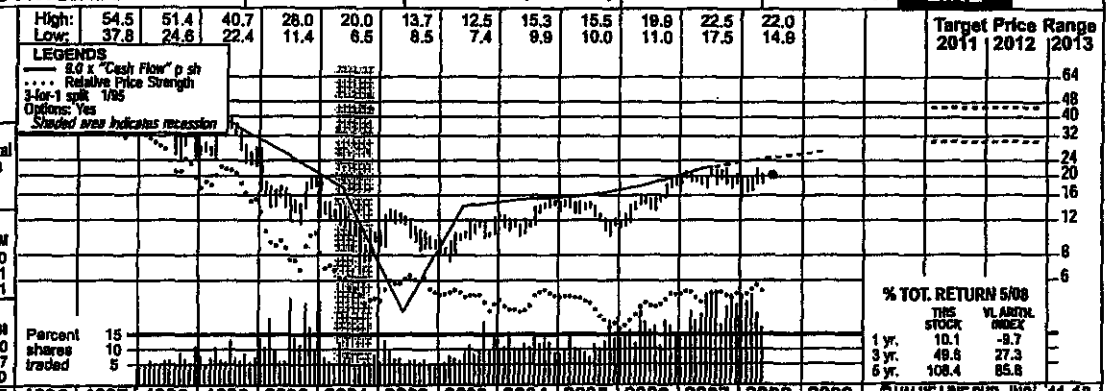
	Price	Gain	Ann'l Total Return
High	45	(+120%)	23%
Low	30	(+45%)	11%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	0	0	0	1
to Sell	0	2	0	0	0	0	1	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	112	142	110
to Sell	145	125	137
Hld's(000)	112538	110567	109140



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
21.94	22.84	24.19	22.37	20.32	19.42	21.27	30.53	29.31	24.08	15.59	16.63	17.66	18.33	17.54	18.74	20.95	22.75	Sales per sh	27.55
2.60	3.08	3.38	4.07	4.08	3.87	3.51	4.31	2.95	1.93	.47	1.57	1.70	1.77	2.00	2.46	2.75	3.00	"Cash Flow" per sh	3.90
1.23	1.61	2.05	2.72	2.88	2.98	2.54	2.01	.67	d.02	d.45	.69	.82	.85	1.23	1.48	1.70	1.95	Earnings per sh A	2.70
.75	.75	.75	.84	.92	1.00	1.08	1.08	.52	--	--	--	--	--	--	.10	.20	.20	Div'ds Decl'd per sh Dm	.20
1.15	1.22	1.41	1.08	1.18	1.24	1.56	1.84	1.74	.58	.39	.43	.68	.60	.81	1.04	.90	.85	Cap'l Spending per sh	.90
13.38	11.17	11.10	9.97	8.75	7.18	5.54	8.11	7.59	6.54	d1.12	.59	.86	d.22	2.09	4.19	5.45	6.95	Book Value per sh B	12.85
130.57	122.51	116.64	108.49	101.40	96.07	100.83	106.39	107.54	108.79	109.37	110.89	112.95	112.89	116.03	114.00	112.00	110.00	Common Shs Outst'g C	107.00
14.7	17.1	17.7	18.6	18.9	15.9	15.6	15.1	24.5	--	--	14.7	15.3	15.6	12.3	13.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
.89	1.01	1.18	1.24	1.18	.92	.81	.86	1.59	--	--	.84	.81	.83	.66	.70			Relative P/E Ratio	.90
4.1%	2.7%	2.1%	1.7%	1.7%	2.1%	2.7%	3.6%	3.6%	--	--	--	--	--	--	.5%			Avg Ann'l Div'd Yield	.6%
2145.0	3248.0	3152.0	2620.0	1705.0	1846.0	1997.0	2068.8	2035.3	2138.2	2345	2500	Sales ($mill)	2950
24.0%	23.9%	20.4%	17.9%	21.1%	19.2%	18.4%	16.7%	18.1%	19.7%	20.4%	20.8%	Operating Margin	21.5%
108.0	250.0	248.0	212.0	100.0	100.0	101.0	105.9	95.3	110.0	115	115	Depreciation ($mill)	125
246.0	209.0	72.0	d2.0	d49.0	74.0	91.2	93.8	137.3	169.9	190	215	Net Profit ($mill)	290
32.2%	30.3%	39.0%	--	--	22.1%	36.3%	--	NMF	12.5%	28.0%	32.0%	Income Tax Rate	35.0%
11.5%	6.4%	2.3%	NMF	NMF	4.0%	4.6%	4.5%	6.7%	8.0%	8.1%	8.6%	Net Profit Margin	9.8%
d77.0	d221.0	100.0	d75.0	291.0	363.0	285.0	331.0	354.9	260.1	390	380	Working Cap'l ($mill)	875
3096.0	1777.0	2342.0	1959.0	738.0	1326.0	1210.0	1092.3	958.7	762.3	750	590	Long-Term Debt ($mill)	475
559.0	863.0	816.0	712.0	d123.0	66.0	97.0	d24.7	242.9	478.0	610	765	Shr. Equity ($mill)	1375
8.0%	10.6%	4.3%	3.7%	1.8%	9.3%	11.0%	12.9%	14.2%	15.9%	16.0%	18.0%	Return on Total Cap'l	17.0%
44.0%	24.2%	8.8%	NMF	--	112.1%	94.0%	--	56.5%%	35.5%	31.5%	28.0%	Return on Shr. Equity	21.0%
25.4%	14.6%	NMF	NMF	--	112.1%	94.0%	--	56.5%	34.4%	28.0%	25.5%	Retained to Com Eq	19.5%
42%	40%	NMF	--	--	--	--	--	--	3%	12%	10%	All Div'ds to Net Prof	7%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $807.6 mill. Due in 5 Yrs $326.4 mill.
LT Debt $762.5 mill. LT Int. $55.0 mill.
(Total Interest Coverage: 3.8x. Includes $2.2 mill. 8% convertible notes due '10.) (60% of Capital)

Leases, Uncapitalized Annual rentals $21.2 mill.
Pension Assets-12/07 $1684.6 mill.
Oblig. $1837.6 mill.

Preferred Stock None
Common Stock 113,113,433 shares as of 4/25/08
MARKET CAP: $2.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	171.8	116.5	99.1
Receivables	326.6	366.8	390.2
Inventory (Avg Cst)	210.6	224.0	249.2
Other	275.5	107.0	107.6
Current Assets	984.5	814.3	846.1
Accts Payable	205.3	222.0	229.0
Debt Due	35.8	33.7	45.1
Other	388.5	278.5	255.4
Current Liab.	629.6	534.2	529.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-1.5%	-4.5%	7.0%
"Cash Flow"	-6.5%	3.0%	11.0%
Earnings	-8.5%	--	14.5%
Dividends	--	--	35.0%
Book Value	-13.5%	-14.0%	36.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	505.1	538.6	522.9	502.2	2068.8
2006	527.3	501.0	513.1	493.9	2035.3
2007	502.3	549.0	544.2	540.7	2136.2
2008	558.3	601.7	595	590	2345
2009	595	640	635	630	2500

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.19	.27	.22	.17	.85
2006	.24	.32	.36	.31	1.23
2007	.31	.40	.46	.31	1.48
2008	.35	.45	.48	.42	1.70
2009	.41	.51	.55	.48	1.95

Calendar	QUARTERLY DIVIDENDS PAID Dm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	--	--	--	.05	.05
2008	.05	.05			

BUSINESS: Hercules Incorporated is a leading manufacturer and marketer of specialty chemicals and related services for a broad range of business, consumer and industrial applications. Has significant operations in North America, Europe, Asia, and Latin America. Principal products are chemicals used by the paper industry to increase paper and paperboard performance and enhance the manufacturing process. Employs about 4,660. Officers and directors own 2.4% of common stock; Wellington, 8.9%; Sasco, 6.3%; State Street Bank, 5.9%; FMR, 5.3%; (3/08 Proxy). Chairman: John K. Wulff. President & CEO: Craig A. Rogerson. Incorporated: DE. Address: Hercules Plaza, 1313 North Market Street, Wilmington, DE 19894. Telephone: 302-594-5000. Internet: www.herc.com.

Hercules' March-quarter results were a mixed bag. The Aqualon Group reported a 17% sales increase, thanks to higher volume, recent acquisitions, improved pricing, and favorable rates of exchange. Profit growth from ongoing operations was negligible, though. Increased selling prices, lower pension expenses, and productivity gains were almost entirely offset by higher raw material, transportation, and utility costs. Planned and unplanned shutdowns also hurt the division's bottom line. In the Paper Technologies and Ventures Group, sales and profits from continued operations both rose 7%. The Paper Technologies business essentially treaded water in the period, posting modest top- and bottom-line gains. It seems as though growth in many of the global markets is moderating. However, the Ventures segment was able to make up the difference. This business achieved significant sales and earnings growth in the interim, thanks to higher volume of building products and synthetic lubricants.

The remainder of the year should play out in a similar fashion. We remain confident in Hercules' ability to post a 15% share-earnings advance in 2008, and are leaving our estimates largely unchanged at this time. Considerable raw material, freight, and utility cost headwinds will most likely remain a factor companywide, but announced and additional product price hikes should help to partially mitigate these costs. In addition, profitability ought to improve, thanks to higher utilization, recent capacity expansions, and product introductions.

The company's balance sheet remains in decent shape, and management is pursuing acquisition opportunities to expand Hercules' product portfolio. In the meantime, the chemical maker is repurchasing stock. It bought back 1.3 million shares at a cost of $23.3 million in the March interim, leaving a bit less than $125 million remaining on the current authorization.

These shares may warrant some consideration at this juncture. Despite the difficult investment climate, this timely issue has continued to rise. In addition, this stock offers worthwhile 3- to 5-year price appreciation potential.

Erik A. Antonson *June 13, 2008*

(A) Diluted earnings from '97. Excludes nonrecurring gains (losses): '93, ($1.88); '94, 24¢; '95, 21¢; '97, 26¢; '98, ($2.44); '99, (41¢); '00, 24¢; '01, (46¢); '02, ($6.13); '03, (25¢); '04, (66¢); '05 ($1.10); '06, 91¢; '07, 8¢; '08, d6¢. Next earnings report due late July.
(B) Includes intangibles. In '07: $689.1 million, $6.04 a share.
(C) In millions, adjusted for stock split.
(D) Quarterly dividend initiated 7/07. = Dividend reinvestment plan available.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	15
Earnings Predictability	25

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HEWLETT-PACKARD NYSE-HPQ

RECENT PRICE 44.21 | P/E RATIO 13.0 (14.4 / 19.0) | RELATIVE P/E RATIO 0.84 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 3 Lowered 7/11/08
SAFETY 2 Raised 1/11/08
TECHNICAL 4 Lowered 6/13/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+115%)	22%
Low	70	(+60%)	13%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	3	2	2	1	2	0	2	2	2
to Sell	3	4	3	3	5	0	4	2	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	460	570	462
to Sell	526	481	628
Hld's(sh)	1970877	1963118	1868366

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	36.5	41.2	59.2	77.8	37.9	24.1	23.9	26.3	30.3	41.7	53.5	51.0								Target Price Range
Low:	24.1	23.5	31.7	29.1	12.5	10.8	14.2	16.1	18.9	28.3	38.2	40.0								2011 2012 2013
	8.18	10.05	12.26	15.45	18.94	20.60	23.17	21.09	25.05	23.32	23.77	24.01	27.45	30.56	33.55	40.42	45.70	50.00	Sales per sh A	66.20
	.77	1.00	1.28	1.75	1.96	2.25	2.43	2.21	2.53	1.60	1.49	2.00	2.22	2.49	2.87	3.86	4.65	5.30	"Cash Flow" per sh	7.50
	.44	.58	.77	1.16	1.27	1.48	1.44	1.50	1.73	.89	.79	1.16	1.33	1.62	2.03	2.68	3.30	3.75	Earnings per sh B	5.25
	.09	.11	.13	.18	.21	.26	.30	.32	.32	.32	.32	.32	.32	.32	.32	.32	.32	.36	Div'ds Decl'd per sh Cm	.60
	.51	.70	.82	.78	1.09	1.12	.98	.56	.89	.79	.56	.66	.73	.70	.93	1.18	1.25	1.35	Cap'l Spending per sh	1.60
	3.74	4.21	4.87	5.80	6.63	7.76	8.33	9.11	7.30	7.20	11.91	12.40	12.90	13.10	13.96	14.93	16.90	18.65	Book Value per sh F	24.65
	2006.6	2021.7	2036.6	2039.8	2028.2	2082.1	2030.8	2009.1	1947.3	1939.0	3044.0	3043.0	2911.0	2837.0	2732.0	2580.0	2500.0	2400.0	Common Shs Outst'g D	2100.0
	16.6	15.7	13.4	14.2	18.2	19.5	21.1	27.7	33.3	31.7	22.4	16.3	15.9	14.1	16.2	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
	1.13	.93	.88	.95	1.14	1.12	1.10	1.58	2.16	1.62	1.22	.93	.84	.75	.87	.87			Relative P/E Ratio	1.05
	1.1%	1.2%	1.3%	1.1%	.9%	.9%	1.0%	.8%	.6%	1.1%	1.8%	1.7%	1.5%	1.4%	1.0%	.7%			Avg Ann'l Div'd Yield	.7%
							47061	42370	48782	45226	72346	73061	79905	86696	91658	104286	114300	120000	Sales ($mill) A	139000
							12.5%	11.9%	10.8%	7.6%	7.3%	9.7%	9.3%	9.1%	9.7%	12.0%	12.0%	12.5%	Operating Margin	13.0%
							1869.0	1316.0	1368.0	1369.0	2119.0	2527.0	2395.0	2344.0	2353.0	2705.0	2925	3210	Depreciation ($mill)	4130
							3065.0	3125.0	3561.0	1739.0	2409.0	3557.0	4067.0	4708.0	5781.0	7264.0	8675	9470	Net Profit ($mill)	11620
							28.1%	26.0%	23.0%	21.9%	23.7%	22.0%	18.7%	16.9%	19.9%	20.8%	21.0%	21.0%	Income Tax Rate	21.0%
							6.5%	7.4%	7.3%	3.8%	3.3%	4.9%	5.1%	5.4%	6.3%	7.0%	7.6%	7.9%	Net Profit Margin	8.4%
							8111.0	7321.0	8047.0	7341.0	11765	14366	14313	11874	12414	8142.0	10725	12425	Working Cap'l ($mill)	17885
							2053.0	1764.0	3402.0	3729.0	6035.0	6494.0	4623.0	3392.0	2490.0	4997.0	4695	4395	Long-Term Debt ($mill)	3495
							16919	18295	14209	13953	36262	37746	37564	37176	38144	38528	42200	44805	Shr. Equity ($mill)	51725
							16.4%	15.8%	20.8%	10.2%	5.9%	8.5%	9.9%	11.8%	14.3%	17.1%	19.0%	19.5%	Return on Total Cap'l	21.0%
							18.1%	17.1%	25.1%	12.5%	6.8%	9.4%	10.8%	12.7%	15.1%	18.9%	20.5%	21.0%	Return on Shr. Equity	22.5%
							14.4%	13.5%	20.6%	8.0%	4.4%	6.8%	8.2%	10.2%	12.8%	16.7%	18.5%	19.0%	Retained to Com Eq	20.0%
							20%	21%	18%	36%	33%	27%	24%	20%	16%	12%	9%	9%	All Div'ds to Net Prof	11%

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.6	-9.7
3 yr.	114.7	27.3
5 yr.	155.7	85.8

CAPITAL STRUCTURE as of 4/30/08
Total Debt $8399 mill. Due in 5 Yrs $4775 mill.
LT Debt $7688 mill. LT Interest $500.0 mill.
Includes $371 mill. (book value) zero coupon notes ('17) convertible into common at 15.09 shares per $1,000 face value, redeemable at book value at holders' or company's option for cash or stock. (Total interest coverage: 19.9x) (17% of Cap'l)
Pension Assets-10/07 $14.1 bill. Oblig. $12.4 bill
Pfd Stock None
Common Stock 2,485,298,316 shs.
as of 2/29/08
Options Exercisable 10.8%
MARKET CAP: $109 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/30/08
Cash Assets	16422	11445	11647
Receivables	13313	15927	16147
Inventory (FIFO)	7750	8033	7678
Other	10779	11997	11577
Current Assets	48264	47402	47049
Accts Payable	12102	11787	12425
Debt Due	2705	3186	711
Other	21043	24287	24010
Current Liab.	35850	39260	37146

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	7.5%	11.5%
"Cash Flow"	4.5%	10.5%	16.0%
Earnings	5.0%	13.0%	16.5%
Dividends	4.0%	--	11.0%
Book Value	7.5%	9.5%	10.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	21454	21570	20759	22913	86696
2006	22659	22554	21890	24555	91658
2007	25082	25534	25377	28293	104286
2008	28467	28262	27350	30221	114300
2009	30000	29500	29000	31500	120000

Fiscal Year Ends	EARNINGS PER SHARE A B Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	.37	.37	.36	.51	1.62
2006	.42	.51	.48	.60	2.03
2007	.55	.65	.66	.81	2.68
2008	.80	.80	.77	.93	3.30
2009	.90	.90	.85	1.10	3.75

Calendar	QUARTERLY DIVIDENDS PAID Cm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.08	.08	.08	.32
2005	.08	.08	.08	.08	.32
2006	.08	.08	.08	.08	.32
2007	.08	.08	.08	.08	.32
2008	.08	.08	.08		

BUSINESS: Hewlett-Packard Company provides computing and imaging solutions and services to consumers and businesses. Operates in 6 segments. Rev. as a % of total (and % of operating earnings) in '07: Imaging & Printing, 27% (41%); Personal Systems, 34% (16%); Enterprise Storage & Servers, 18% (19%); HP Services, 16% (17%); Financing, 2% (1%); Software, 2% (3%); Other, 1% (d1%). (May not add because of rounding.) R&D: 3.4% of '07 rev.; Foreign sales: 67% of '07 rev. '07 dep. rate: 16.5%. Acquired Compaq Computer 5/02. Has 172,000 employees. Off. & dir. own less than 1%, FMR Corp., 5.6%, of stock (1/08 proxy). Chairman, CEO, and President: Mark Hurd. Inc.: DE. Add.: 3000 Hanover St., Palo Alto, CA 94304. Tele.: 650-857-1501. Internet: www.hp.com.

Hewlett-Packard is making a big acquisition. In May, the information technology giant announced that it had agreed to acquire services provider Electronic Data Systems for $25 a share in cash, a total of $13.9 billion. That represents a premium of 28% over the EDS price before the news of the acquisition broke. The deal is subject to the usual regulatory and shareholder approvals, and is expected to close in the second half of 2008.

The deal would make Hewlett a more formidable competitor in the services field. The acquisition will more than double the size of H-P's services business, and move it into second place in the field, behind IBM. Importantly, there is little overlap between the two companies' customer bases. H-P will gain better access to large corporate accounts, which will give it an avenue to increase sales of hardware to EDS' corporate clients. On a less positive note, EDS' net margins are relatively narrow, just about half those of Hewlett. However, H-P expects to be able to achieve significant cost savings from reduced overhead, efficiencies of scale, and automating the delivery of services, as well as likely moving additional operations to lower-cost countries, such as India. We won't modify our projections until the deal is finalized, but Hewlett expects the acquisition to be accretive to earnings in fiscal 2009 (begins November 1, 2008) on a non-GAAP basis, and in fiscal 2010 on a GAAP basis.

Meanwhile, H-P's diversity is helping to keep operations on an even keel. The soft economy in the United States has slowed the company's domestic growth, but over 70% of revenues in the second quarter were from outside the U.S., and it is expanding rapidly in emerging markets. Too, it has a broad customer base, and less exposure than many of it peers to the struggling financial segment. What's more, the company continues to cut costs. It is consolidating data centers and applications, and trimming overhead. All told, we think that earnings will advance at a good annual pace over our 3- to 5-year investment horizon.

H-P shares have little appeal. They are ranked to move with the year-ahead market, and have about average appreciation potential for the haul to 2011-2013.

George A. Niemond *July 11, 2008*

Company's Financial Strength	A++
Stock's Price Stability	70
Price Growth Persistence	25
Earnings Predictability	65

(A) Fiscal year ends Oct. 31st. (B) Weighted average through '93, then diluted. Quarters may not add to total. Excludes nonrecurring losses: '92, 32¢; '98, 4¢; '98, 6¢; '99, 1¢; '01, 68¢; '02, $1.15; '03, 33¢; '04, 18¢; '05, 80¢; gain, '06, 15¢: gains from disc. ops.; '99, 18¢; '00, 7¢. Next earnings report due mid-Aug. (C) Dividends historically paid in early January, April, July, and October. ■Dividend reinvestment plan available. (D) In millions, adjusted for splits. (E) Compaq acquired 5/02. (F) Includes intangibles. In '07, $10.02 a share.

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HEARING EXHIBIT 00000374

HEALTHCARE REALTY NYSE-HR

RECENT PRICE 26.28 | P/E RATIO 58.4 (65.7 NMF) | RELATIVE P/E RATIO 3.84 | DIV'D YLD 6.0% | VALUE LINE

TIMELINESS 3 Raised 2/1/08
SAFETY 3 Lowered 10/21/05
TECHNICAL 3 Lowered 7/4/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

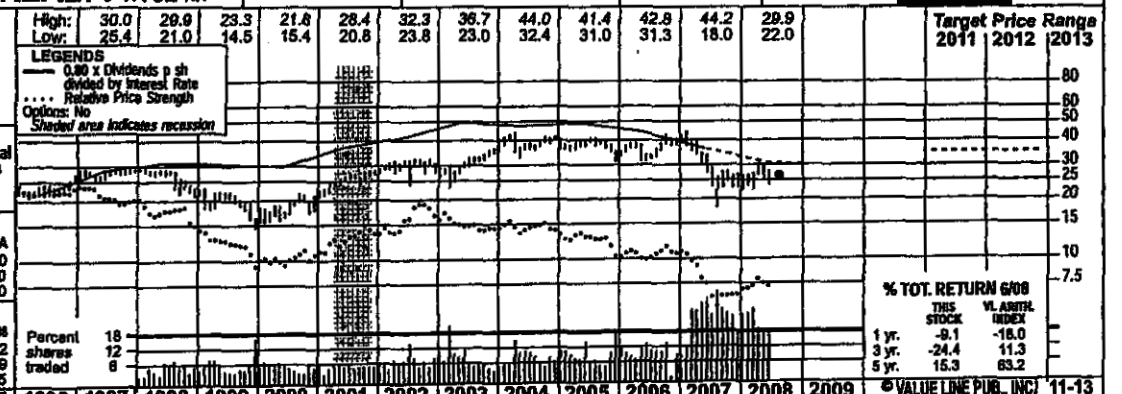
	Price	Gain	Ann'l Total Return
High	35	(+35%)	13%
Low	25	(-5%)	6%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	0	1	0	0	0	1	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	86	72	92
to Sell	91	79	69
Hld's(000)	40957	44981	45085



% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-9.1	-16.0
3 yr.	-24.4	11.3
5 yr.	15.3	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	17.47	18.46	18.76	17.69	19.52	25.58	25.26	25.01	24.40	21.70	21.07	20.56	19.10	17.27	12.47	12.50	12.95	Book Value per sh	15.00
--	1.01	1.79	1.97	2.12	2.28	2.44	2.66	2.62	2.64	2.66	2.73	2.46	2.28	2.13	1.51	1.55	1.65	Funds from Ops per sh C	2.20
--	.64	1.33	1.41	1.49	1.68	1.63	1.89	1.82	1.81	1.84	1.66	1.10	.78	.75	.35	.45	.55	Earnings per sh A	.95
--	.55	1.75	1.83	1.75	1.99	2.07	2.15	2.23	2.31	2.39	2.47	2.55	2.63	2.64	2.09	1.54	1.60	Div'ds Decl'd per sh B■	2.00
--	21.55	21.83	24.54	28.93	24.42	33.61	32.63	33.70	32.54	30.91	31.29	32.29	31.76	32.60	26.66	30.75	35.29	Loans & Real Est per sh	45.00
--	6.19	12.80	12.98	13.90	19.29	39.79	40.30	40.31	41.47	41.82	42.82	47.70	47.77	47.61	50.69	52.00	54.00	Common Shs Outst'g C	60.00
--	21%	11%	7%	30%	42%	2%	-22%	-28%	3%	38%	46%	88%	97%	111%	145%			Premium Over Book	115%
--	32.9	15.4	14.3	13.7	17.1	16.1	10.1	10.0	14.0	16.3	18.3	35.1	48.2	48.5	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
--	20.8	11.5	10.2	10.1	11.4	7.4	7.4	6.9	9.6	11.3	11.3	15.7	16.5	17.1	20.2			Avg Ann'l P/FFO Ratio	13.0
--	2.6%	8.5%	9.1%	7.6%	7.2%	10.5%	10.9%	12.3%	9.1%	8.0%	8.0%	6.6%	7.0%	7.3%	6.8%			Avg Ann'l Div'd Yield	7.0%
						91.2	185.4	193.4	192.2	192.2	192.0	267.6	254.5	264.9	212.6	225	250	Revenues ($mill)	350
						1.2	1.9	2.3	2.3	2.3	--	--	--	--	--	NIl	NIl	Other Income ($mill)	NIl
						74.7%	84.7%	83.3%	81.0%	80.3%	76.1%	55.0%	58.2%	57.9%	54.9%	56.0%	58.0%	Operating Margin	62.0%
						40.5	86.3	79.8	79.9	81.9	69.2	49.0	37.1	35.5	16.7	25.0	30.0	Net Profit ($mill)	60.0
						44.4%	46.5%	41.3%	41.5%	42.6%	36.0%	18.3%	14.6%	13.4%	7.9%	11.1%	12.0%	Net Profit Margin	17.0%
						0.7	4.8	d0.7	1.2	3.4	d1.1	d1.2	6.8	3.2	40.4	NIl	NIl	Capital Gains (mill)	NIl
						1337.4	1315.2	1358.8	1349.7	1292.6	1340.0	1564.2	1517.2	1558.6	1351.2	1800	1900	Loans & Real Est ($mill)	2700
						499.2	536.9	536.8	505.2	545.1	590.3	719.3	778.4	850.0	785.3	900	1050	Long-Term Debt ($mill)	1400
						1017.7	1017.9	1008.0	1012.9	908.2	902.3	980.5	912.5	825.7	632.0	650	700	Shr. Equity ($mill)	900
						84.8%	80.8%	85.1%	87.5%	89.8%	90.5%	NMF	NMF	NMF	NMF	99.5%	97.0%	Div'ds Decl'd to FFO	91.0%
						3.8%	6.1%	8.4%	8.5%	9.8%	9.2%	7.7%	7.0%	7.1%	7.1%	6.0%	5.5%	Expenses to Assets	5.0%
						3.0%	6.7%	6.5%	6.4%	5.6%	5.8%	4.1%	3.6%	3.7%	3.0%	3.0%	3.5%	Return on Total Cap'l	4.0%
						3.9%	8.5%	8.0%	7.9%	9.0%	7.7%	5.0%	4.1%	4.5%	2.6%	4.0%	4.5%	Return on Shr. Equity	6.5%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $782.4 mill. Due in Five Yrs $485.0 mill
Total Interest $48.0 mil. (56% of Cap'l)
(4.9x interest coverage)
No Defined Benefit Pension Plan
Pfd. Stock None

Common Stock 50,735,092 shs.

MARKET CAP: $1.3 Billion (Mid Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus			
Noncash charges	101.7	109.1	90.9
Investments Repaid	187.3	287.0	511.4
Net New Debt	59.1	71.5	-64.7
New Equity	NMF	NMF	-193.8
Investments Funded	--	--	--
Dividends Declared	125.3	126.2	101.1

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	850.0	785.3
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.50:1	.55:1
Total Debt/Equity	1.03:1	1.24:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	N/A	N/A
Real Estate Acq.	N/A	N/A
Develop. Inv.	N/A	N/A

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	60.6	60.6	66.4	66.9	254.5
2006	64.0	67.0	68.1	65.8	264.9
2007	52.7	52.4	53.6	53.9	212.6
2008	55.0	*56.0*	*56.0*	*58.0*	225
2009	*60.0*	*60.0*	*65.0*	*65.0*	250

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.21	.17	.17	.23	.78
2006	.17	.25	.17	.16	.75
2007	.05	.08	.10	.09	.35
2008	.11	*.10*	*.12*	*.12*	*.45*
2009	*.12*	*.14*	*.14*	*.15*	*.55*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.63	.635	.640	.645	2.55
2005	.65	.655	.66	.66	2.63
2006	.66	.66	.66	.66	2.64
2007	.66	.66	.385	.385	2.09
2008	.385	.385			

BUSINESS: Healthcare Realty Trust Inc. is a *self-administered and* self-managed real estate investment trust (REIT) that owns and operates real estate properties and mortgages in the healthcare services sector. The company's properties are located in 24 states throughout the *United States. As of 12/31/07, the company* had about $1.7 billion invested in 187 income producing properties, *totaling* about 10.9 million sq. ft. The company also provides management services to about 142 healthcare providers nationwide. Officers and directors own about 2.4% of common shares. (3/08 Proxy). Chairman and CEO: David R. Emery. Address: 3310 West End Ave. Suite 700. Nashville, Tennessee 37203. Telephone: (615) 269-8175. Internet Address: www.healthcarerealty.com.

Healthcare Realty Trust reported mixed results for the March quarter of 2008. Although revenues rose about 4.5% during the period, much of the advance was offset by higher property operating expenses. Consequently, funds from operations (FFO) declined about 9% during the quarter. We are lowering our FFO estimates by $0.05 per diluted share for both 2008 and 2009.

Healthcare Realty is actively pursuing property acquisitions. A selective credit environment, a weaker real estate market, and fewer speculators have made the medical office building market more attractive. The REIT will likely make about $50 million in acquisitions annually. *This will probably include properties with* strong development potential.

Development efforts are progressing well. Healthcare Realty currently has *about nine properties under construction,* requiring a capital investment of about $260 million. We expect these projects to be completed within the next two years. *Development costs* remained stable during the first quarter. Higher raw material prices have largely been offset by more-attractive financing and labor costs. The REIT's strategy of developing medical office space *adjacent to large hospitals* should provide an ample supply of tenants. Moreover, medical office buildings will likely remain attractive real estate investments, *given the country's* large aging population, and the need for a lower-cost settings for healthcare services.

The balance sheet remains healthy. Healthcare Realty *will likely fund its* development pipeline and acquisitions with income from its operations and with proceeds from the sale of older properties. Moreover, the REIT's *conservative debt-to-capital* level leaves room for additional debt issuances.

These neutrally ranked shares have declined slightly in price since our April report. This likely reflects investors' concerns about the outlook for the remainder of the year. The issue's dividend yield has risen. But the payout *ratio* remains high. Moreover, our projections indicate the stock offers below-average appreciation potential for the next 3 to 5 years

Adam Rosner *July 18, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	45
Earnings Predictability	65

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(A) Diluted egs. per share. Includes gains from prop. sales through 2002, excl. after. Excl. Disc. Ops.'07, $0.89; '06, $0.09; '05, $0.33, '04, $0.13; '03, $0.03. Excl. nonrecurring gains/(losses): '02, ($0.28). Egs. do not sum due to roundng. *Next earnings report early August.* (B) Dividends historically paid early March, June, Sep., and Dec. ■Dividend reinvestment plan available. (C) In millions. (D) *FFO:* '08, Q1, $0.39. '07, Q4, $0.39, Q3, $0.31, Q2, $0.40, Q1, $0.43. '06; Q4, $0.52, Q3, $0.50, Q2, $0.58, Q1 $0.53.

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BLOCK (H&R) NYSE-HRB

RECENT PRICE 24.70 | P/E RATIO 17.5 (Trailing: 17.9 / Median: 16.0) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 2 Raised 7/11/08
SAFETY 3 Lowered 5/30/03
TECHNICAL 3 Lowered 9/1/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+125%)	23%
Low	35	(+40%)	11%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	1	1	0	
Options	0	1	0	0	0	0	0	0	
to Sell	1	1	1	1	0	0	0	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	126	148	132
to Sell	166	154	176
Hld's(000)	312222	305592	294298

	High:	11.4	12.3	14.9	12.4	23.2	26.8	27.9	30.5	30.0	25.8	25.0	25.6
	Low:	7.0	8.8	9.5	6.7	9.2	14.5	17.6	22.1	23.0	19.8	17.6	16.9

LEGENDS
10.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/01
2-for-1 split 8/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	25.5	-12.2
3 yr.	-8.0	7.2
5 yr.	27.9	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	'11-'13
3.59	2.92	3.24	2.16	2.66	3.05	4.21	6.25	8.17	9.16	10.52	12.15	13.34	14.83	12.44	13.51	*14.45*	*15.65*	Revenues per sh [A]	*23.25*
.55	.58	.62	.38	.47	.54	.80	1.02	1.31	1.63	2.18	2.53	2.47	2.19	1.62	1.84	*2.10*	*2.35*	"Cash Flow" per sh	*3.50*
.42	.45	.45	.30	.34	.41	.59	.64	.75	1.16	1.69	1.95	1.88	1.58	1.15	1.39	*1.65*	*1.85*	Earnings per sh [B]	*2.75*
.24	.27	.31	.32	.26	.20	.24	.28	.28	.32	.35	.39	.43	.49	.54	.56	*.59*	*.63*	Div'ds Decl'd per sh [C]	*.75*
.17	.20	.28	.09	.11	.11	.20	.29	.25	.31	.42	.37	.63	.76	.50	.32	*.50*	*.50*	Cap'l Spending per sh	*.50*
1.53	1.67	1.64	2.51	1.15	3.14	2.72	3.11	3.20	3.78	4.63	5.48	5.97	6.54	4.38	3.03	*4.10*	*4.70*	Book Value per sh [D]	*7.35*
425.44	424.60	419.45	413.67	416.27	427.82	390.52	392.14	367.22	362.25	359.20	346.19	331.24	328.51	323.22	326.01	*325.00*	*320.00*	Common Shs Outst'g [E]	*290.00*
21.4	22.5	22.6	33.0	21.9	24.9	18.7	18.2	25.3	16.7	12.7	12.3	12.9	15.9	19.7	14.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
1.30	1.33	1.48	2.21	1.37	1.44	.97	1.04	1.64	.86	.69	.70	.68	.85	1.06	.78			Relative P/E Ratio	*1.15*
2.7%	2.7%	3.0%	3.2%	3.5%	2.0%	2.1%	2.3%	1.5%	1.6%	1.6%	1.9%	1.8%	1.9%	2.4%	2.7%			Avg Ann'l Div'd Yield	*2.0%*
1644.7	2451.9	3001.6	3317.7	3779.8	4205.6	4420.0	4872.8	4021.3	4403.9	*4700*	*5000*	Revenues ($mill) [A]	*6400*
27.2%	28.7%	30.4%	29.7%	34.7%	33.5%	28.0%	22.9%	20.1%	19.7%	*21.5%*	*24.0%*	Operating Margin	*23.5%*
74.6	147.2	205.6	155.4	161.8	172.0	183.9	191.7	150.2	146.0	*150*	*155*	Depreciation ($mill)	*170*
237.8	251.9	276.7	434.4	619.5	704.3	635.9	528.1	374.3	454.5	*535*	*600*	Net Profit ($mill)	*800*
38.0%	38.9%	41.5%	39.4%	41.2%	39.5%	37.5%	41.3%	41.1%	39.0%	*39.0%*	*39.0%*	Income Tax Rate	*39.0%*
14.5%	10.3%	9.2%	13.1%	16.4%	16.7%	14.4%	10.8%	9.3%	10.3%	*11.4%*	*12.0%*	Net Profit Margin	*12.5%*
533.6	343.0	282.8	365.4	850.2	489.3	861.7	d69.5	d1722	d714.8	*d525*	*d325*	Working Cap'l ($mill)	*200*
249.7	872.4	871.0	868.4	822.3	545.8	923.1	417.5	519.8	1031.8	*1025*	*1025*	Long-Term Debt ($mill)	*1000*
1062.0	1218.6	1173.7	1369.4	1663.7	1897.0	1976.4	2147.8	1414.5	987.8	*1325*	*1500*	Shr. Equity ($mill)	*2025*
18.8%	13.4%	15.9%	21.2%	26.4%	30.2%	23.0%	21.5%	20.6%	22.6%	*24.5%*	*25.0%*	Return on Total Cap'l	*27.5%*
22.4%	20.7%	23.6%	31.7%	37.2%	37.1%	32.2%	24.6%	26.5%	46.0%	*40.5%*	*40.0%*	Return on Shr. Equity	*39.5%*
13.4%	12.0%	14.3%	23.3%	29.7%	29.8%	24.9%	17.1%	14.3%	27.4%	*26.0%*	*26.5%*	Retained to Com Eq	*29.0%*
40%	42%	39%	27%	20%	20%	22%	30%	46%	40%	*36%*	*34%*	All Div'ds to Net Prof	*27%*

CAPITAL STRUCTURE as of 4/30/08
Total Debt $1168.1 mill. Due in 5 Yrs $760.0 mill.
LT Debt $1031.8 mill. LT Interest $75.0 mill (51% of Cap'l)

Leases, Uncapitalized Annual rentals $265.0 mill.

Pension Liability None - no defined benefit plan

Pfd Stock None

Common Stock 326,010,986 shs.

MARKET CAP: $8.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2005	2006	4/30/08
Cash Assets	1086.4	921.8	726.8
Receivables	999.8	966.8	991.8
Other	735.7	1565.7	663.0
Current Assets	2823.9	3454.3	2381.5
Accts Payable	1549.8	1152.3	1341.9
Debt Due	507.0	1576.4	136.3
Other	836.6	2447.7	1618.2
Current Liab.	2893.4	5176.4	3096.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	16.0%	8.0%	*9.5%*
"Cash Flow"	15.0%	2.0%	*11.0%*
Earnings	15.0%	3.0%	*12.5%*
Dividends	7.5%	10.5%	*6.0%*
Book Value	7.5%	3.5%	*8.0%*

Fiscal Year Begins	QUARTERLY REVENUES ($ mill.) [A] Jul.31	Oct.31	Jan.31	Apr.30	Full Fiscal Year
2005	615.0	605.0	1156.8	2496.0	4872.8
2006	342.8	396.1	931.2	2351.2	4021.3
2007	381.2	434.9	972.6	2615.2	4403.9
2008	*400*	*450*	*1025*	*2825*	*4700*
2009	*425*	*475*	*1075*	*3025*	*5000*

Fiscal Year Begins	EARNINGS PER SHARE [ABF] Jul.31	Oct.31	Jan.31	Apr.30	Full Fiscal Year
2005	d.09	d.26	.17	1.76	1.58
2006	d.36	d.38	.07	1.81	1.15
2007	d.34	d.42	.03	2.11	1.39
2008	*d.37*	*d.42*	*.09*	*2.35*	*1.65*
2009	*d.40*	*d.45*	*.10*	*2.60*	*1.85*

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.11	.11	.11	.43
2005	.11	.11	.11	.125	.46
2006	.125	.135	.135	.135	.53
2007	.135	.135	.143	.143	.56
2008	.143	.143	.143	.15	

BUSINESS: H&R Block, Inc. largest business is income tax return preparation (Tax Services). Block is also active in financial services (Consumer Financial Services) and operates a national accounting practice (Business Services). Its mortgage operations (Mortgage Services) have been discontinued, with the sale of Option One's servicing portfolio completed on 5/1/08. Acq'd McGladrey & Pullen, 8/99; Olde Financial, 12/99. Permanent employees as of 4/30/08: 9,700. Stock ownership: Davis Select Advisors, 13.7%; T. Rowe Price, 10.9%; Harris Associates, 6.4%; Officers & directors, 5.1% (7/08 proxy). Chrmn: Richard Breeden, Pres. & CEO: Russ Smyth. Incorporated: MO. Address: 4400 Main Street, Kansas City, MO 64111. Telephone: 816-753-6900. Web: www.hrblock.com.

H&R Block should be a more profitable company this fiscal year (ends April 30, 2009). The company recently divested its mortgage operations, which relieved it of a major financial burden and paved the way for renewed attention on its three remaining businesses, most notably Tax Services. Indeed, although this segment's operating margin held steady last year versus the previous 12-month period, this measure had been in decline for some time. Our sense is that increased competition and a marketing strategy aimed at too-broad a client base were primary factors in this regard. Current management seems set on streamlining the cost structure of the Tax Services group while also upgrading the segment's information systems to more efficiently handle the needs of its clients.

In addition, we expect Block to continue to focus on its core client base (including the so-called early filers who often partake in Block's RAL and associated programs) while also providing service to those whose returns are more complex. Accordingly, we estimate that Tax Services' revenues are likely to advance by about 8% this year, with its operating margin widening by some 60-80 basis points. Meanwhile,

We are also looking for better performances from the Business and Financial Services groups. Business Services (national accounting practice) should be a solid contributor to corporate earnings, though its recent record has been inconsistent. Block's new emphasis on profitability may well have a positive effect on the segment's contribution in the current year, as well as the future. Elsewhere, Consumer Financial Services may continue to find its bank charter an advantage, particularly as it relates to financial products offered to its tax clients.

Block shares are favorably ranked for Timeliness. Moreover, Block's earnings should be able to advance at a 10%-15% annual rate, reflecting more-effective operations and benefit of its share-buyback program (which may recommence at the end of this fiscal year). In addition, the likelihood of an increasing dividend makes this stock a good vehicle for total return over the longer term, in our view.

Charles Clark *August 22, 2008*

(A) Fiscal yr. ends Apr. 30th. (B) Dil. egs. Excl. nonrec. items: FY'94, 5¢; '96, d40¢; '96, 25¢; '97, d46¢; '98, $1.04, '99, d11¢; '01, 3¢, '03, d11¢; '04, d2¢; '07, d$2.50; '08, d$2.33. Next egs. rpt. mid-Oct. (C) Div'ds paid in early Jan., Apr., Jul., and Oct. =Div. reinvest. plan. (D) Incl. intang. In FY'08, $1005.3 mill., or $3.08/sh. (E) In mill., adj. for stk. splits. (F) Qtrs. may not sum due to changes in shs. outstanding.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	45
Earnings Predictability	65

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HEARTLAND EXPRESS NDQ-HTLD

RECENT PRICE 15.35 | P/E RATIO 21.9 (Trailing: 21.9 Median: 20.0) | RELATIVE P/E RATIO 1.34 | DIV'D YLD 0.5% | VALUE LINE

TIMELINESS 3 Raised 2/1/08
SAFETY 3 New 9/19/97
TECHNICAL 2 Raised 5/9/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+65%)	14%
Low	17	(+10%)	3%

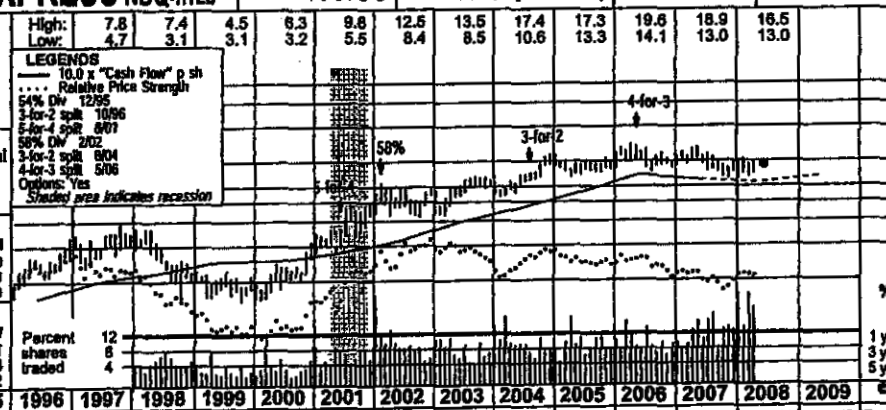
Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	61	57	61
to Sell	66	86	74
Hld's(000)	64243	64200	67932

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
54% Div 12/95
3-for-2 split 10/96
5-for-4 split 6/01
58% Div 2/02
3-for-2 split 6/04
4-for-3 split 5/06
Options: Yes
Shaded area indicates recession



Target Price Range 2011 | 2012 | 2013
40
32
24
16
12
10
8
6
4

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-8.7	-9.4
3 yr.	12.6	30.2
5 yr.	36.8	98.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.85	1.02	1.89	1.62	1.94	2.22	2.23	2.61	2.75	2.95	3.41	4.05	4.57	5.28	5.82	6.11	6.45	6.75	*Revenues per sh*	8.05
.17	.20	.25	.31	.33	.40	.44	.51	.51	.55	.63	.78	.92	1.11	1.37	1.29	1.25	1.35	"Cash Flow" per sh	1.80
.10	.12	.08	.17	.21	.25	.28	.29	.33	.38	.43	.52	.62	.73	.88	.78	.70	.80	Earnings per sh A	1.15
--	--	--	--	--	--	--	--	--	--	--	.02	.05	.06	.08	.08	.10	.10	Div'ds Decl'd per sh C	.14
.16	.14	.03	.00	.06	.19	.05	.19	.36	.29	.58	.47	.44	.50	.77	.45	.52	.54	Cap'l Spending per sh	.65
.46	.59	.66	.84	1.05	1.30	1.58	1.75	1.95	2.33	2.76	3.32	3.89	4.37	5.04	3.54	4.05	4.75	Book Value per sh	7.45
113.69	113.69	118.39	118.12	118.12	118.12	118.12	98.88	99.88	100.00	100.00	100.00	100.00	99.12	98.25	96.95	96.00	96.00	Common Shs Outst'g B	96.00
22.2	23.6	40.7	18.0	22.8	23.9	19.1	13.5	12.9	19.8	24.0	22.3	21.3	20.7	18.8	20.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	18.0
1.35	1.39	2.67	1.20	1.43	1.38	.99	.77	.84	1.01	1.31	1.27	1.13	1.10	1.02	1.07			Relative P/E Ratio	1.20
--	--	--	--	--	--	--	--	--	--	--	.2%	.4%	.4%	.5%	.5%			Avg Ann'l Div'd Yield	.7%
263.5	261.0	274.8	294.8	340.7	405.1	457.1	523.8	571.9	591.9	620	650	Revenues ($mill)	775
24.8%	23.8%	22.6%	23.9%	24.2%	25.5%	27.0%	27.2%	29.9%	26.9%	23.5%	25.4%	Operating Margin	29.6%
19.2	17.3	17.2	17.8	20.4	26.5	29.6	38.2	47.4	48.5	52.0	55.0	Depreciation ($mill)	67.5
33.1	33.1	33.3	37.7	42.8	51.8	62.4	71.9	87.2	76.2	68.5	77.5	Net Profit ($mill)	110
35.0%	34.6%	34.0%	34.0%	34.0%	34.3%	35.4%	35.5%	35.5%	36.9%	35.5%	35.5%	Income Tax Rate	35.5%
12.6%	12.7%	12.1%	12.8%	12.6%	12.8%	13.7%	13.7%	15.2%	12.9%	11.0%	11.9%	Net Profit Margin	14.4%
128.0	111.7	116.5	147.9	146.3	186.7	242.5	271.3	294.3	182.5	235	305	Working Cap'l ($mill)	490
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
186.8	174.8	195.1	232.8	275.9	331.5	389.3	433.3	495.0	342.8	390	455	Shr. Equity ($mill)	715
17.7%	18.8%	17.1%	16.2%	15.5%	15.6%	16.0%	16.6%	17.6%	22.2%	17.5%	17.0%	Return on Total Cap'l	15.5%
17.7%	18.9%	17.1%	16.2%	15.5%	15.6%	16.0%	16.6%	17.6%	22.2%	17.5%	17.0%	Return on Shr. Equity	15.5%
17.7%	18.9%	17.1%	16.2%	15.5%	15.3%	14.9%	15.2%	16.2%	19.9%	15.0%	14.5%	Retained to Com Eq	13.5%
--	--	--	--	--	--	2%	7%	8%	8%	NMF	15%	All Div'ds to Net Prof	13%

CAPITAL STRUCTURE as of 3/31/08

Total Debt None

Leases, Uncapitalized Annual rentals less than $.1 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 96,157,633 shs.

MARKET CAP: $1.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	331.3	196.6	16.2
Receivables	43.5	44.4	44.3
Other	35.9	36.9	43.6
Current Assets	410.7	277.9	104.1
Accts Payable	15.1	12.7	13.7
Debt Due	--	--	--
Other	101.3	82.7	93.4
Current Liab.	116.4	95.4	107.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	11.5%	13.5%	6.0%
"Cash Flow"	13.5%	17.5%	6.0%
Earnings	14.0%	16.0%	6.5%
Dividends	--	--	12.0%
Book Value	15.0%	13.0%	9.0%

Calendar	QUARTERLY REVENUES ($ mil.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	118.7	128.9	136.2	140.0	523.8
2006	135.0	143.1	147.0	146.8	571.9
2007	143.4	149.1	146.6	152.8	591.9
2008	149.0	*155*	*155*	*161*	*620*
2009	*150*	*160*	*165*	*175*	*650*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.15	.18	.18	.22	.73
2006	.20	.25	.23	.20	.88
2007	.23	.20	.16	.17	.76
2008	.15	*.18*	*.18*	*.19*	.70
2009	*.19*	*.20*	*.20*	*.21*	*.80*

Calendar	QUARTERLY DIVIDENDS PAID CD Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.01	.01	.01	.016	.05
2005	.015	.015	.015	.015	.06
2006	.015	.02	.02	.02	.08
2007	.02	.02	.02	.02	.08
2008	.02				

BUSINESS: Heartland Express, Inc. is a short- to medium-haul truckload carrier. Provides nationwide transportation services to major shippers, using late-model equip. and a combined fleet of company-owned and owner-operator tractors. Primary routes are btw. locations east of the Rocky Mountains, with selected service to the West. Co. targets customers in its operating area that require multiple, time-sensitive shipments. Avg. length of haul about 512 miles. Acq'd Great Coastal Express, 6/02; A & M Express, 7/97. '07 depr. rate: 13.1%. Has 3,291 employees. Off./dir. own 41.9% of common stock (3/08 proxy). Chmn. & Pres.: Russell A. Gerdin. Inc.: NV. Addr.: 2777 Heartland Drive, Coralville, IA 52241. Tel.: 319-545-2728. Internet: www.heartlandexpress.com.

Heartland Express got off to a rough start this year. First-quarter share earnings of $0.15 were 35% lower than a year earlier and *$0.04 below our estimate.* Although top-line performance was pretty good (4% higher), a difficult operating environment squeezed margins. Indeed, the company's average fuel cost rose 42%, to $3.40 a gallon. Some, but not all, of this expense was recouped in the form of fuel surcharges. In total, elevated fuel costs reduced the bottom line by about $0.03 per share. Also, industry competition was *heightened by the softening economy,* which reduced trucking demand. Thus, Heartland probably lost pricing power.

We have cut our full-year per-share earnings target by a dime. Our estimate now stands at $0.70. We think higher fuel costs will continue to weigh on the bottom line, *especially since they* are not toally offset by fuel surcharges. The company has tried to combat this expense by buying in bulk (at reduced prices) and doing the majority of refueling at terminal locations, which use this reduced-price fuel. This strategy has helped somewhat, but not quite enough to make up for the increased expense. *The industry environment should remain ultracompetitive as well.* The odds of an economic rebound in 2008 appear slim at this time. There is a chance that President Bush's economic stimulus package will provide a short-term pickup, but we think the effects of this plan may not be as enduring as hoped for. As a result, we reduced our current-year operating margin projection by about 260 *basis points.*

The bottom line should start to recover next year. The economy may take a turn for the better, we think, especially if the aforementioned stimulus package is successful. Heartland's earnings would benefit even more if fuel costs retreat from *their recent levels.* All told, we look for a double-digit gain in share net next year.

There's not much to be excited about here. The stock is only an Average selection for year-ahead performance relative to the broad market indices (Timeliness: 3). Looking further out, capital appreciation potential to the 2011-2013 interim is below the *Value Line* median.

Tom Nikic *June 6, 2008*

(A) Based on average shares outstanding through 1996, then diluted. Excludes nonrecurring gain: '00, $0.04; '03, *$0.11. Next* earnings report due late July.
(B) In millions, adjusted for splits.
(C) Dividends paid in early March, June, September, and December.
(D) Excludes special dividend of $2.00 a share paid May 30, 2007.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	65
Earnings Predictability	85

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IAC/INTERACTVCP, NDQ-IACI

RECENT PRICE 17.99 | P/E RATIO NMF (Trailing: NMF / Median: NMF) | RELATIVE P/E RATIO NMF | DIV'D YLD Nil | VALUE LINE

TIMELINESS — Suspended 7/29/05
SAFETY 3 Raised 2/25/00
TECHNICAL — Suspended 7/29/05
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+180%)	29%
Low	30	(+65%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	0	0	0	0
Options	0	1	0	0	0	0	0	0	1
to Sell	0	0	0	0	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	119	139	121
to Sell	209	169	184
Hld's(000)	212201	207131	187091

	High:	25.8	37.6	56.9	58.1	56.9	67.1	85.8	69.9	55.7	38.7	41.0	26.7
	Low:	10.0	13.8	31.1	32.4	32.9	30.6	41.5	38.3	23.5	23.5	25.1	16.8

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 3/96
2-for-1 split 2/00
1-for-2 Rev split 8/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

80 60 50 40 30 25 20 15 10 7.5

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-39.2	-12.2
3 yr.	-67.3	7.2
5 yr.	—	58.6

Percent shares traded 24 16 8

	1998	1999	2000	2001	2002	2003	2004[D]	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	16.59	19.53	24.98	19.94	18.64	18.19	16.29	16.18	19.58	21.93	22.95	24.00	Sales per sh [E]	26.40
	1.17	1.87	3.48	2.81	1.65	2.37	2.62	3.21	2.41	.74	.60	2.85	"Cash Flow" per sh	3.70
	d.03	d.16	d.50	d.66	d.04	.46	.40	1.68	.69	d.50	d.70	1.45	Earnings per sh [A]	2.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.55	.82	.96	.76	.67	.54	.59	.68	1.10	.80	.80	.80	Cap'l Spending per sh	.85
	16.19	16.44	18.67	20.89	31.99	29.43	38.42	25.96	27.36	29.54	30.20	30.25	Book Value per sh	34.80
	158.79	168.52	184.23	188.87	247.93	347.83	380.12	355.62	320.49	290.58	285.00	280.00	Common Shs Outst'g [B]	280.00
	--	--	--	--	--	NMF	NMF	37.4	48.9	48.9	Bold figures are		Avg Ann'l P/E Ratio	20.0
	--	--	--	--	--	NMF	NMF	1.99	2.64	2.64	Value Line		Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	--	--	--	estimates		Avg Ann'l Div'd Yield	Nil
	2634.1	3290.7	4601.5	3765.8	4621.2	6328.1	6192.7	5753.7	6277.6	6373.4	6545	6720	Sales ($mill) [E]	7390
	21.3%	18.3%	17.1%	14.1%	15.2%	26.3%	21.3%	27.4%	15.7%	11.2%	17.5%	21.0%	Operating Margin	23.5%
	246.1	342.9	730.8	655.8	430.3	683.1	657.3	542.6	578.4	358.4	375	395	Depreciation ($mill)	475
	d59.7	d27.6	d88.6	d125.1	d9.9	154.3	151.8	598.4	182.6	d144.1	d208	405	Net Profit ($mill)	560
	NMF	34.9%	NMF	--	--	16.4%	56.3%	39.4%	35.8%	35.8%	30.0%	33.0%	Income Tax Rate	38.0%
	NMF	NMF	NMF	NMF	NMF	2.4%	2.5%	10.4%	3.1%	NMF	NMF	5.8%	Net Profit Margin	7.6%
	404.7	356.7	602.5	1380.9	3080.7	2338.8	2239.1	1760.5	1559.1	1598.6	1225	1300	Working Cap'l ($mill)	1600
	775.7	575.0	552.5	544.7	1211.1	1120.1	796.7	959.4	857.1	834.6	835	835	Long-Term Debt ($mill)	1000
	2571.4	2769.7	3439.9	3945.5	7931.5	10238	14605	9230.8	8769.0	8583.7	8275	8470	Shr. Equity ($mill)	9050
	.0%	.4%	NMF	NMF	2.8%	3.7%	1.3%	6.2%	2.4%	NMF	NMF	4.5%	Return on Total Cap'l	5.5%
	NMF	NMF	NMF	NMF	NMF	1.5%	1.0%	6.5%	2.2%	NMF	NMF	5.0%	Return on Shr. Equity	6.0%
	NMF	NMF	NMF	NMF	NMF	1.4%	1.0%	6.5%	2.2%	NMF	NMF	5.0%	Retained to Com Eq	6.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

On 2/12/98, HSN, Inc. and Universal Studios announced that several of Universal's television components would merge with HSN. Under the terms of the deal, Universal received about $1.6 billion in cash. The company, which eventually changed its name to IAC/InterActiveCorp, was made up of the USA Network, the Sci-Fi Channel, USA Networks studios, USA Broadcasting, Ticketmaster, the Home Shopping Network, and the Internet Shopping Network.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $913.0 mill. Due in 5 Yrs $77.8 mill.
LT Debt $835.2 mill. LT Interest $49.3 mill. (9% of Cap'l)
Leases, Uncapitalized Annual rentals $122.1 mill.
Pension Liability No Defined Benefit Pension Plan.
Pfd Stock 13,093,198 shs. (div. $16 mill.)
Common Stock 279,638,105 shs.
as of 7/30/08
Liberty Media own 100% of class B common, 29.9% of class A common, and 61.6% of all voting shares.)
MARKET CAP: $5.0 billion (Large Cap)[C]

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Asset	2353.2	1935.8	1584.7
Receivables	526.5	483.3	427.7
Inventory (FIFO)	362.2	332.0	348.3
Other	568.4	536.3	466.1
Current Assets	3812.3	3287.4	2826.8
Accts Payable	592.4	692.8	744.3
Debt Due	358.8	111.9	77.8
Other	1302.0	884.1	774.2
Current Liab.	2253.2	1688.8	1596.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.5%	-2.0%	5.5%
"Cash Flow"	9.0%	-4.5%	9.5%
Earnings	--	--	22.5%
Dividends	--	--	Nil
Book Value	8.0%	3.0%	4.0%

Calendar	QUARTERLY SALES ($ mill.)[E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1054.7	1405.4	1483.3	1792.3	5753.7
2006	1238.4	1612.3	1603.0	1823.9	6277.6
2007	1485.1	1512.4	1515.8	1860.1	6373.4
2008	1602.3	1595.3	*1600*	*1747.4*	*6545*
2009	*1640*	*1650*	*1650*	*1780*	*6720*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.45	.47	.39	.37	1.68
2006	.14	.17	.24	.05	.60
2007	.20	.37	.24	d1.31	d.50
2008	.18	d1.51	*.30*	*.33*	*d.70*
2009	*.30*	*.30*	*.40*	*.45*	*1.45*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: IAC/InterActiveCorp (formerly USA Interactive Inc.) is an interactive conglomerate, operating more than 60 diversified brands in the media and electronic commerce markets. 2007 sales breakdown: Electronic Retailing—primarily HSN (48%), New IAC (post spinoff: includes Entertainment) (25%), Ticketmaster (19%), Tree.com (formerly Lending tree) (3%), Interval (5%). Spun-off Expedia Inc. and all travel-related companies 8/05. Lord, Abbet & Co. owns 15.5% of common stock; Clearbridge Advisors, 5.2%; Liberty Media, 29.9%; Barry Diller, 32.8%; All other dir. & off., 1% (5/08 proxy). Chairman & C.E.O.: Barry Diller. President: James Held. Incorp.: DE. Address: 555 West 18th St., New York, NY 10011. Tel.: 212-314-7300/7400. Internet:www.interactivecorp.com.

IAC/InterActiveCorp.'s spinoff will probably take longer than expected. IAC management was planning to spin off four subsidiaries (Tree.com — previously Lending Tree, HSN, Interval, and Ticketmaster) by the end of the second quarter. Earlier this year, a Chancery Court ruled in favor of allowing Barry Diller, the chairman of IAC to spin off these units. However, it will probably be some time before the board can agree upon how much corporate cash, debt, and overhead expense will be allocated to each of the new divisions. There is also the risk that major shareholder John Malone, the chairman of Liberty Media, will raise further objections to the terms of the agreement, in order to get some compensation for his loss of super-voting rights under the aforementioned ruling.

Meanwhile, most of the company's businesses are struggling in a difficult operating environment that is not conducive to capturing discretionary consumer income. Tree.com, the mortgage business, continues to suffer, due to fewer loans originated and sold into the secondary market, although it may finally have reached a bottom. Ticketmaster is having to discount heavily to maintain market share, and HSN (Home Shopping Network) is having to fend off stiff competition from QVC for shrinking discretionary income. The Travel segment, Interval, is the only division doing well, thanks to a contribution from ResortQuest Hawaii. The $1.51 bottom-line deficit in the second quarter was due to goodwill and intangible asset impairment charges of over $497 million associated with Cornerstone and Tree.com. Excluding these charges, share net would have been $0.35. Further such charges cannot be ruled out.

We advise investors to take a "wait and see" stance, until the four operations have been spun off. A dearth of clarity regarding a timeline for the disposition is weighing on the stock price. Further legal wranglings between Mr. Diller and Mr. Malone are possible, and it isn't clear where IAC will get equity backing for the spinoffs. Lastly, investors are wondering how much the divested units will be worth on a stand-alone basis, given their less-than-stellar prospects.

Jeremy J. Butler *August 15, 2008*

(A) GAAP Diluted earnings. Next earnings report due mid-October. Excludes nonrecurring gain: '98, $0.18. Includes nonrecurring losses: '07, $1.77; '08, $1.81, due to goodwill and intangible asset impairment charges.
(B) In millions, adjusted for stock splits. About 310 million shares outstanding when subsidiary shares are included (fully converted).
(C) Market capitalization includes 78 million subsidiary shares. (D) 2001 sales are pro forma for Vivendi joint venture. (E) Expedia spun off in 8/05. Timeliness rank suspended.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	NMF
Earnings Predictability	10

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INTEGRA LIFESCI. NDQ-IART

RECENT PRICE 47.63 | P/E RATIO 21.8 (Trailing: 33.6 Median: NMF) | RELATIVE P/E RATIO 1.42 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 7/25/08
SAFETY 3 New 6/2/06
TECHNICAL 2 Raised 8/29/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

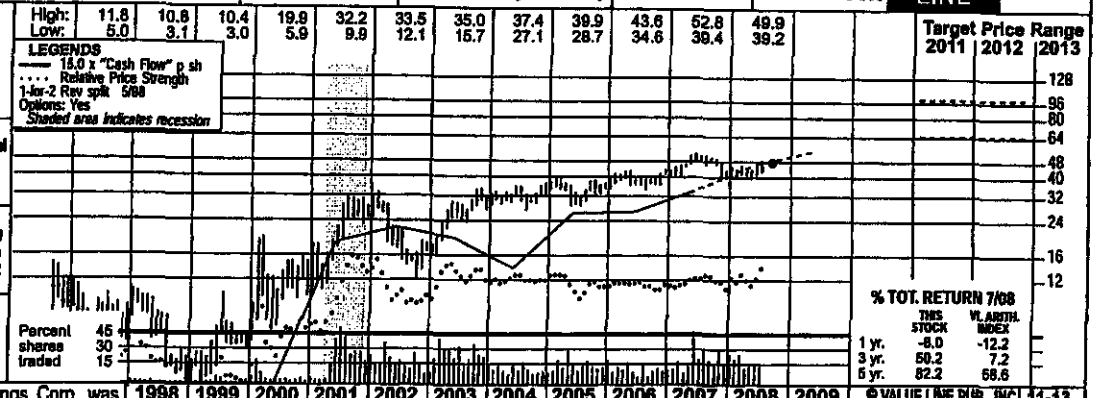
	Price	Gain	Ann'l Total Return
High	100	(+110%)	20%
Low	65	(+35%)	8%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	0	0	0	2	0	2
to Sell	0	0	1	0	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	77	65	57
to Sell	80	84	75
Hld's(000)	26262	26396	25474



Integra LifeSciences Holdings Corp. was founded in 1989. In 1999, Integra entered the neurosurgery market. The company went public in January of 1996, issuing 2.24 million shares at $16.50 a share through Salomon Brothers, Inc. A second public offering was conducted in 2001, when Integra issued 4.4 million shares at $25.50 a share. The lead underwriter was US Bancorp Piper Jaffray. (All numbers adjusted for splits).

CAPITAL STRUCTURE as of 6/30/08
Total Debt $450.0 mill. Due in 5 Yrs $450.0 mill.
LT Debt $330.0 mill. LT Interest $8.4 mill.
Incl. $165 mill. 2¾% senior conv. notes ('10), conv. at $66.26; $165 mill. 2¾% senior conv. notes ('12), conv. at $64.96.
(Total interest coverage: 3.4x) (50% of Capital)
Leases, Uncapitalized: Annual rentals $5.0 mill.
Pension Assets-12/07 $11.7 mill. Oblig. $13.7 mill.

Preferred Stock None
Common Stock 27,443,469 shares as of 8/7/08
MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	22.7	57.3	77.3
Receivables	85.0	103.5	108.1
Inventory (Avg Cst)	94.4	144.5	149.3
Other	19.7	34.7	44.9
Current Assets	221.8	340.0	379.6
Accts Payable	20.3	23.2	26.0
Debt Due	219.5	120.0	120.0
Other	34.2	48.5	43.2
Current Liab.	274.0	191.7	189.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	33.0%	31.0%	17.5%
"Cash Flow"	--	20.0%	21.0%
Earnings	--	21.5%	25.0%
Dividends	--	--	Nil
Book Value	16.0%	11.0%	13.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	65.8	69.8	69.3	73.0	277.9
2006	77.1	100.1	116.7	125.4	419.3
2007	123.0	134.8	135.0	157.7	550.5
2008	156.0	157.2	*161.3*	*180.5*	*655*
2009	*175*	*180*	*185*	*200*	*740*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.26	.23	.33	.33	1.15
2006	.28	.26	.09	.34	.97
2007	.30	.31	.33	.19	1.13
2008	.50	.49	*.48*	*.63*	*2.10*
2009	*.58*	*.59*	*.59*	*.74*	*2.50*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	1.11	2.63	4.14	3.58	4.33	6.54	8.07	10.12	15.35	21.25	*23.40*	*25.95*	Revenues per sh	*34.65*
	d.69	d.35	d.37	1.24	1.48	1.30	.92	1.76	1.77	2.28	*3.10*	*3.65*	"Cash Flow" per sh	*5.50*
	d.76	d.56	d.99	1.09	1.14	.88	.55	1.15	.97	1.13	*2.10*	*2.50*	Earnings per sh A	*4.25*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	.07	.14	.19	.11	.08	.14	.30	.29	.42	.87	*.55*	*.55*	Cap'l Spending per sh	*.65*
	1.99	2.35	2.09	7.57	9.10	9.46	10.81	10.56	10.84	10.06	*12.15*	*15.45*	Book Value per sh B	*28.65*
	15.78	16.13	17.31	26.12	27.19	26.39	26.48	27.46	27.32	25.90	*28.00*	*28.50*	Common Shs Outst'g C	*30.00*
	--	--	--	19.3	18.2	29.3	58.5	30.4	40.1	40.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*19.5*
	--	--	--	.99	.99	1.67	3.09	1.62	2.17	2.17			Relative P/E Ratio	*1.30*
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	17.5	42.5	71.6	93.4	117.8	185.6	229.8	277.9	419.3	550.5	*655*	*740*	Revenues ($mill)	*1040*
	NMF	NMF	NMF	21.7%	20.5%	26.8%	14.7%	24.2%	18.5%	16.9%	*20.0%*	*21.0%*	Operating Margin	*23.0%*
	1.4	3.1	5.4	6.0	5.0	10.1	9.1	11.1	19.0	25.6	*28.0*	*30.0*	Depreciation ($mill)	*35.0*
	d12.3	d8.7	d11.7	26.4	35.3	26.9	17.2	37.2	29.4	33.5	*59.0*	*74.0*	Net Profit ($mill)	*130*
	--	--	--	--	--	37.8%	38.6%	32.5%	39.1%	44.3%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
	NMF	NMF	NMF	26.3%	29.9%	14.5%	7.5%	13.4%	7.0%	6.1%	*9.0%*	*10.0%*	Net Profit Margin	*12.5%*
	23.9	28.0	25.2	89.0	130.4	167.3	192.0	234.7	d52.2	148.2	148.3	*160*	*185*	Working Cap'l ($mill)	*325*
	--	7.6	4.8	--	--	119.3	118.9	118.4	.5	330.0	*330*	*330*	Long-Term Debt ($mill)	*330*
	31.4	38.0	53.8	204.1	247.6	268.5	307.8	289.8	296.2	260.4	*340*	*440*	Shr. Equity ($mill)	*860*
	NMF	NMF	NMF	12.9%	14.2%	7.3%	4.4%	9.6%	10.0%	6.4%	*9.5%*	*10.0%*	Return on Total Cap'l	*11.5%*
	NMF	NMF	NMF	12.9%	14.2%	10.0%	5.6%	12.8%	9.9%	12.9%	*17.5%*	*17.0%*	Return on Shr. Equity	*15.0%*
	NMF	NMF	NMF	13.4%	14.2%	10.0%	5.6%	12.8%	9.9%	12.9%	*17.5%*	*17.0%*	Retained to Com Eq	*15.0%*
	NMF	NMF	NMF	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: Integra LifeSciences Holdings Corporation is a leader in regenerative medicine. It develops, manufactures, and markets medical instruments and surgical implants, for use in neurosurgery, extremity reconstruction, orthopedics, and general surgery. '07 U.S. sales accounted for 76% of total; Europe, 16%; Asia/Pacific, 4%; Other, 4%. '07 R&D: $30.7 mill., 5.6% of sales. Employs about 2500. Officers & directors own 33.1% of common; Provco, 24.2%; TRU ST, 24.1%; FMR, 12.6%; Neuberger Berman, 10.4%; T. Rowe Price, 8.1%; William Blair, 7.3%; Oz, 5.3% (5/08 proxy). Chairman: Richard E. Caruso, PhD. President & CEO: Stuart M. Essig. Incorporated: DE. Address: 311 Enterprise Drive, Plainsboro, NJ 08536. Telephone: (609) 275-0500. Internet: www.integra-ls.com.

Integra Lifesciences is having a banner year. The second-quarter top line was $157.2 million, 17% higher than the year-earlier figure. Neurosurgical and Orthopedic Implants revenues climbed by 37% in the interim. Demand for the company's extremity-reconstruction and bone-graft products remains very strong. In fact, sales of the *Integra Mozaik* osteoconductive scaffold have more than doubled over the past year. Elsewhere, the Medical Surgical Equipment business posted a 5% top-line gain. This was slightly below our target, but Integra has been slowly eliminating underperforming product lines. These actions tempered the unit's sales growth in the interim.

Second-quarter income surged 48%, to $13.8 million. It appears as though the company's efforts to integrate acquisitions and improve the profitability of the Medical Surgical Equipment segment are bearing fruit. Integra has also been able to leverage the increasing sales of its popular *Mozaik* bone-graft products. Owing to the solid first half and the likelihood of Integra's continued success, we have added $0.20 to our 2008 share-earnings estimate.

We expect share buybacks to slow to a halt. The company has about $54.5 million left on the current repurchase authorization, which expires at the end of this year. Integra will probably use available cash to streamline operations, fund R&D, and make acquisitions.

Integra purchased Theken Spine for $75 million in cash, subject to certain adjustments, and up to $125 million in future payments based on the revenue performance of the business in two years after closing. Theken, which specializes in pioneering spinal implant technologies, will be folded into the Neurosurgical and Orthopedic Implants group. While management will continue running the businesses in this group separately, Theken will benefit from Integra's leading position in the tissue engineering arena.

This timely issue offers worthwhile long-term capital gains potential. The company's regenerative products serve an important and growing part of the healthcare sector. Consequently, we expect profits to advance at a healthy clip out to 2011-2013.

Erik A. Antonson *August 29, 2008*

(A) Diluted earnings. Next earnings report due late October.
(B) Includes intangibles. In '07: $403.2 mill., $15.57 a share.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	100
Earnings Predictability	30

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IDEXX LABORATORIES NDQ-IDXX

RECENT PRICE 57.26 | P/E RATIO 29.4 (Trailing: 31.0 / Median: 25.0) | RELATIVE P/E RATIO 1.91 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 8/8/08
SAFETY 2 Raised 12/2/05
TECHNICAL 3 Raised 7/25/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+90%)	18%
Low	80	(+40%)	9%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	2	1	0	2	0	0	0
to Sell	0	1	2	1	1	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	116	128	126
to Sell	96	115	122
Hld's(000)	57052	56554	58425

High:	19.3	14.3	14.2	15.2	16.2	18.5	24.6	34.4	37.6	47.8	64.7	61.9
Low:	4.6	6.1	7.1	7.3	8.6	11.9	15.7	22.7	26.1	35.3	38.8	46.7

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/95
2-for-1 split 11/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.7	-12.2
3 yr.	68.6	7.2
5 yr.	164.4	58.6

IDEXX Laboratories was founded in 1983 by David E. Shaw. In June, 1991, the company completed an initial public offering, at which time, 120,000 shares of priority amount common stock along with 13,192,628 shares of preferred stock were converted into an equal number of shares of IDEXX common stock. An additional 6.4 million shares were sold through Lehman Bros., Cowen & Co., and Vector Securities Intl. for $3.75 each. Shares and prices have been adjusted for stock splits.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $164.0 mill. Due in 5 Yrs $164.0 mill.
LT Debt $5.3 million

Leases, Uncapitalized Annual rentals $9.5 mill.
No Defined Pension Benefit Plan

Pfd Stock None

Common Stock 59,436,722 shs.
as of 7/21/08
MARKET CAP: $3.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	96.7	60.4	75.3
Receivables	81.4	108.4	120.5
Inventory (FIFO)	96.0	98.8	106.2
Other	28.2	38.1	37.0
Current Assets	302.3	305.7	339.0
Accts Payable	24.4	32.5	25.3
Debt Due	.7	73.0	158.7
Other	99.6	117.9	115.0
Current Liab.	124.7	223.4	299.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.5%	16.5%	17.5%
"Cash Flow"	17.5%	16.5%	17.0%
Earnings	18.5%	18.5%	18.5%
Dividends	--	--	Nil
Book Value	5.0%	7.5%	16.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	152.4	160.6	158.1	167.0	638.1
2006	168.1	191.4	187.4	192.2	739.1
2007	211.2	237.0	229.4	245.0	922.6
2008	249.1	280.5	255.4	275	1060
2009	265	295	285	305	1150

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.25	.29	.30	.33	1.17
2006	.28	.37	.38	.30	1.33
2007	.33	.44	.41	.40	1.58
2008	.41	.63	.45	.41	1.90
2009	.46	.65	.53	.46	2.10

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	4.12	4.89	5.53	5.72	6.13	6.86	8.30	10.03	11.86	15.12	17.80	19.50	Sales per sh	32.35
	.49	.70	.84	.89	1.00	1.16	1.41	1.63	1.88	2.35	2.80	3.05	"Cash Flow" per sh	5.00
	.28	.41	.51	.55	.68	.86	1.05	1.17	1.33	1.58	1.90	2.10	Earnings per sh A	3.60
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.12	.12	.23	.26	.22	.24	.44	.38	.52	1.07	1.40	1.60	Cap'l Spending per sh	2.35
	3.96	3.98	3.94	4.47	5.06	5.96	6.01	5.80	6.58	7.19	8.40	10.30	Book Value per sh B	16.50
	77.66	71.37	66.46	67.48	67.36	69.36	66.18	63.64	62.33	61.00	59.50	59.00	Common Shs Outst'g C	55.00
	38.5	25.8	23.0	23.1	21.7	23.1	25.8	26.4	30.9	31.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	26.0
	2.00	1.46	1.50	1.18	1.19	1.32	1.36	1.41	1.67	1.68			Relative P/E Ratio	1.65
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	319.9	356.2	367.4	386.1	412.7	476.0	549.2	638.1	739.1	922.6	1060	1150	Sales ($mill)	1780
	14.1%	18.0%	19.8%	20.4%	21.5%	23.6%	23.0%	21.9%	21.3%	20.6%	21.5%	21.5%	Operating Margin	22.5%
	15.9	17.2	19.5	22.2	20.1	19.9	18.4	24.4	29.8	41.1	45.0	50.0	Depreciation ($mill)	55.0
	21.9	32.6	36.6	37.6	47.2	61.5	74.9	79.3	87.6	102.0	120	130	Net Profit ($mill)	220
	39.0%	38.0%	37.1%	36.1%	34.2%	32.2%	29.7%	33.5%	33.1%	30.8%	31.0%	32.0%	Income Tax Rate	35.0%
	6.9%	9.1%	10.0%	9.7%	11.4%	12.9%	13.6%	12.4%	11.6%	11.1%	11.3%	11.3%	Net Profit Margin	12.4%
	184.9	156.9	141.7	164.2	213.4	269.9	201.6	192.7	177.6	82.3	100	170	Working Cap'l ($mill)	260
	--	--	--	--	--	--	--	--	6.4	5.7	Nil	Nil	Long-Term Debt ($mill)	Nil
	307.8	284.3	261.8	301.7	341.0	413.3	397.7	369.9	409.9	438.3	500	610	Shr. Equity ($mill)	910
	7.0%	11.4%	14.0%	12.5%	13.8%	14.9%	18.8%	21.5%	21.1%	23.0%	24.0%	21.3%	Return on Total Cap'l	24.0%
	7.1%	11.5%	14.0%	12.5%	13.8%	14.9%	18.8%	21.5%	21.4%	23.3%	24.0%	21.3%	Return on Shr. Equity	24.0%
	7.1%	11.5%	14.0%	12.5%	13.8%	14.9%	18.8%	21.5%	21.4%	23.3%	24.0%	21.3%	Retained to Com Eq	24.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: IDEXX Laboratories, Inc., develops, manufactures, and distributes detection and diagnostic products for veterinary applications, the detection of contaminants in meat and dairy plants, and for soil and water testing. Also provides laboratory testing and consulting services to veterinarians. 2007 rev. by segment: Companion Animal Group, 82%; Water, 7%; Production Animal Segment, 8%; Other, 3%. Has about 4,700 employees. Foreign business: 40% of 2007 sales. R&D expense: 7.3%. 2007 depreciation rate: 16.1%. Ruane Cunniff & Goldfarb owns 14.6% of stock; Neuberger Berman, 7.0%; off. & dir., 4.0% (3/08 proxy). Chairman, Pres. and CEO: Jonathan Ayers. Inc.: DE. Add.: One IDEXX Drive, Westbrook, ME 04092. Tel.: 207-856-0300. Internet: www.idexx.com.

Current economic weakness did not dampen IDEXX Laboratories' second-quarter results. Despite waning disposable incomes, individuals have not yet greatly altered the level of care they provide for their pets. The company earned a solid $0.63 a share, well above our $0.50 estimate. It also reported sales growth in all three operating segments: Companion Animal Group (CAG), Water, and The Production Animal Segment (PAS). Sales increased 19%, 18% and 15%, respectively during the quarter.

Earnings ought to continue ascending. There is one downside though. Second-quarter share net was buoyed by sales of *PZI Vet*, IDXX's insulin treatment product for diabetic cats. The product, however, has been discontinued because the raw materials needed for production are no longer available. Because customers were aware that the product would no longer be sold, inventory was exhausted during the June period. This boosted share net by about $0.09. In view of the discontinuation, pharmaceutical sales are expected to decline sharply in the second half of this year. On the bright side, the company has a replacement product that, assuming regulatory approval, could be on the market by early next year.

Reduced operating expenses should play a role in boosting profits. R&D and SG&A costs were under control in the first half of the year, declining slightly from those of the year-ago period. Assuming management continues its current cost-control initiatives, operating margins ought to stay healthy for the rest of this year.

New products should aid share net, too. Controlled launches of *Catalyst* and *SNAPshot Dx* are progressing. Although sales of these products have not made any meaningful top-line contributions as yet, growing backlog suggests more-visible results in the second half of this year.

This timely issue may appeal to short-term investors as the stock is ranked to perform above average over the next 12 months. Capital appreciation to 2011-2013 is about average. Growth prospects are solid. The stock's current price fairly reflects the strong earnings growth we envision.

Nira Maharaj *August 29, 2008*

(A) Based on diluted shares. Primary shares before '97. Excludes net nonrecurring charges/gains: '98, $0.48; '02, $0.03; '03, $0.06; '04, $0.04; '08, $0.02. Next earnings report due late October.
(B) Includes intangibles. In 2007: $236.4 million, $3.88/share.
(C) In millions, adjusted for stock split.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	100
Earnings Predictability	100

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INGLES MARKETS, INC. NDQ-IMKTA

RECENT PRICE 25.55 | P/E RATIO 10.5 (Trailing: 11.6 Median: 14.0) | RELATIVE P/E RATIO 0.68 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 2 Raised 7/18/08
SAFETY 3 New 9/3/07
TECHNICAL 3 Lowered 6/27/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+155%)	27%
Low	45	(+75%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	1	0	1	1	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	44	39	38
to Sell	52	44	54
Hld's(000)	10158	10404	10237

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	16.9	14.6	17.3	11.9	13.6	13.0	12.1	13.4	17.5	30.4	42.7	27.1								
Low:	11.8	10.2	10.6	8.1	9.9	9.6	9.3	9.9	11.8	15.1	20.4	21.1								
	59.56	63.77	68.89	77.36	81.34	70.31	73.65	80.32	84.87	86.28	86.03	86.47	88.81	93.02	106.63	116.33	131.10	141.70	Sales per sh A	176.00
	1.40	1.82	2.18	2.45	2.96	2.70	2.65	2.70	2.86	2.79	2.79	2.98	3.65	3.42	4.18	4.50	5.00	5.40	"Cash Flow" per sh	7.00
	.31	.65	.90	.93	1.12	.96	.62	.83	.93	.79	.66	.74	1.22	1.10	1.74	2.04	2.35	2.65	Earnings per sh A	4.00
	.22	.25	.58	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	.66	Div'ds Decl'd per sh C	.66
	7.83	8.25	8.82	9.15	9.67	10.21	9.78	9.97	10.28	10.45	10.47	10.58	10.85	11.33	12.44	14.20	15.85	17.80	Book Value per sh	26.30
	17.90	17.90	17.90	17.90	18.10	21.85	22.37	22.48	22.58	22.64	22.79	23.03	24.07	24.45	24.50	24.51	24.60	24.70	Common Shs Outst'g D	25.00
	20.9	10.4	12.3	11.1	10.7	15.1	20.9	14.8	11.4	14.3	18.0	14.2	8.9	12.2	10.4	16.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
	1.27	.61	.81	.74	.67	.67	1.09	.84	.74	.73	.98	.81	.47	.65	.56	.86			Relative P/E Ratio	.95
	3.4%	3.7%	5.2%	6.4%	5.5%	4.6%	5.1%	5.4%	6.2%	5.8%	5.6%	6.3%	6.1%	4.9%	3.6%	2.0%			Avg Ann'l Div'd Yield	1.2%
							1647.2	1805.4	1916.2	1953.4	1960.5	1991.1	2137.4	2273.9	2612.2	2851.6	3225	3500	Sales ($mill) A	4400
							27.6%	27.3%	27.9%	28.5%	29.0%	28.8%	28.7%	28.1%	27.3%	28.2%	26.0%	25.8%	Gross Margin	25.5%
							5.9%	5.8%	5.3%	5.2%	5.5%	5.4%	6.5%	6.3%	6.7%	6.4%	6.3%	6.4%	Operating Margin	6.5%
							207	208	208	203	198	198	196	197	197	197	200	205	Number of Stores	225
							13.7	18.8	21.1	17.9	15.3	17.0	28.8	26.6	42.6	49.4	60.0	65.0	Net Profit ($mill)	100
							35.2%	37.8%	38.3%	36.7%	36.3%	36.6%	37.6%	38.0%	37.5%	39.3%	39.0%	39.0%	Income Tax Rate	39.0%
							.6%	1.0%	1.1%	.9%	.8%	.9%	1.3%	1.2%	1.6%	1.7%	1.9%	1.9%	Net Profit Margin	2.3%
							19.0	9.1	22.1	37.5	91.4	132.5	127.8	103.6	66.9	55.1	25.0	Nil	Working Cap'l ($mill)	Nil
							427.4	403.0	455.9	488.7	549.3	602.9	571.2	553.0	522.6	512.0	540	565	Long-Term Debt ($mill)	650
							218.2	224.1	232.1	236.5	238.6	243.6	261.2	276.8	304.7	348.1	390	440	Shr. Equity ($mill)	655
							5.2%	6.2%	6.1%	5.6%	5.2%	5.1%	6.7%	6.3%	8.2%	8.3%	8.5%	9.0%	Return on Total Cap'l	10.0%
							6.3%	8.4%	9.1%	7.5%	6.4%	7.0%	11.0%	9.6%	14.0%	14.2%	15.5%	15.0%	Return on Shr. Equity	15.5%
							NMF	2.1%	3.0%	1.6%	.4%	1.1%	5.4%	4.1%	8.9%	9.8%	11.0%	11.5%	Retained to Com Eq	13.0%
							101%	75%	67%	79%	93%	84%	51%	57%	36%	31%	28%	25%	All Div'ds to Net Prof	16%

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-30.6	-18.0
3 yr.	83.3	11.3
5 yr.	168.0	63.2

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/29/08
Total Debt $626.1 mill. Due in 5 Yrs $462.5 mill.
LT Debt $593.1 mill. LT Interest $40.0 mill.

(LT interest earned: 2.9x; total interest coverage: 2.7x) (62% of Cap'l)

Leases, Uncapitalized Annual rentals $16.7 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 24,512,259 shs.
(Incl. 12,058,001 Class B shares) E

MARKET CAP: $625 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	17.5	16.8	12.9
Receivables	43.6	44.6	49.9
Inventory (LIFO)	215.4	233.5	247.0
Other	9.3	10.7	10.1
Current Assets	285.8	305.6	319.9
Accts Payable	112.3	143.9	154.1
Debt Due	33.7	31.3	33.0
Other	72.9	75.3	61.4
Current Liab.	218.9	250.5	248.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	4.0%	9.0%
"Cash Flow"	4.0%	7.5%	9.5%
Earnings	5.0%	15.5%	16.0%
Dividends	--	--	Nil
Book Value	2.5%	4.0%	13.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	559.3	557.2	566.7	590.7	2273.9
2006	623.4	606.6	659.2	723.0	2612.2
2007	685.7	681.2	738.7	746.0	2851.6
2008	777.1	782.8	*830*	*835.1*	*3225*
2009	*850*	*840*	*900*	*910*	*3500*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	.21	.23	.27	.39	1.10
2006	.32	.38	.57	.47	1.74
2007	.46	.42	.59	.57	2.04
2008	.52	.53	*.68*	*.62*	*2.35*
2009	*.60*	*.60*	*.75*	*.70*	*2.65*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.165	.165	.165	.165	.66
2005	.165	.165	.165	.165	.66
2006	.165	.165	.165	.165	.66
2007	.165	.165	.165	.165	.66
2008	.165	.165	.165		

BUSINESS: Ingles Markets, Inc. operates 197 supermarkets in 6 states: GA, 75; NC, 64; SC, 35; TN, 20; VA, 2; AL, 1. Owns and operates 74 shopping centers, all but 19 of which contain an Ingles supermarket. In addition to grocery offerings, has dedicated sections for the sale of general merchandise, health & beauty care products, books, DVDs, flowers, bakery products, and prepared foods. Also operates 48 in-store pharmacies and 36 on-site fuel centers. Also engages in fluid dairy processing (4% of rev's, 10% of oper. inc.). Has about 17,000 empl's. Off./dir. own 49%/97% of Class A/B stock (1/08 proxy). CEO: Robert P. Ingle. Inc.: NC. Address: 2913 US Highway 70 W, Black Mountain, NC 28711-9103. Tel.: 828-669-2941. Internet: www.ingles-markets.com.

Ingles Markets continues to ring up double-digit sales growth. Most of this is coming from existing supermarkets. Rising fuel sales, reflecting both higher prices and increased gallons sold, are an important part of the equation. The company now operates gas stations at 49 of its stores, up from 37 a year ago. Business is vibrant inside the supermarkets, as well. Comparable-store sales, after adjusting for fuel purchases and the timing of the Easter holiday, increased 8.4% in the first half of fiscal 2008. (Fiscal years end on the last Saturday in September.)

The lackluster economy doesn't seem to be slowing the food retailer. Its recent results are certainly supportive of the view that supermarkets are relatively noncyclical. In fact, customers are perhaps more inclined to eat at home, rather than at restaurants. Too, stores like Ingles that allow shoppers to fill most of their needs at a single location may have added appeal with those looking to minimize gas consumption. One concern is that cash-strapped customers will do more of their shopping at discount-oriented competitors, though, at the moment, this doesn't appear to be a major issue.

We look for earnings to climb 15% in 2008, to $2.35 a share. The company's pursuit of higher sales and market share hasn't been coming at the expense of profits. Operating earnings, though not quite keeping pace with the growth rate on the top line, still increased at a low double-digit clip in the first half of the fiscal year. Meanwhile, interest costs have held relatively steady, with lower rates helping to offset increased borrowings.

Debt levels have been rising. Operating cash flow is unlikely to fully fund the company's capital spending and dividend. The 2008 capital budget will likely reach $200 million, up from $130 million last year. Ingles, though, only plans to open two new stores this year, with the remaining spending going toward replacing or remodeling older units, purchasing land for future projects, and other uses.

This timely stock offers good 3- to 5-year total return potential. Support for these shares has strengthened in calendar 2008, and we think considerable upside remains in the wake of last year's selloff.

Robert M. Greene, CFA *August 1, 2008*

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	70
Earnings Predictability	60

(A) Fiscal year ends on the last Saturday in September. (B) Primary earnings through '97; diluted thereafter. Excludes nonrecurring gain: '07, 35¢. Diluted share assumes 1-to-1 conversion of all Class B shares into Class A shares. Next earnings report due early August. (C) For A shares. Dividends historically paid late January, April, July, and October. (D) In millions. (E) Class B shareholders elect seven of nine members of board.

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INTUIT INC. NDQ-INTU

RECENT PRICE 30.47 | P/E RATIO 17.2 (Trailing: 18.2 Median: 30.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Raised 7/13/07
SAFETY 2 Raised 8/22/08
TECHNICAL 4 Lowered 8/1/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+180%)	30%
Low	65	(+115%)	21%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	3	0	1	1	0	0	0	0	0
to Sell	1	0	2	1	1	1	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	190	196	179
to Sell	200	190	220
Hld's(000)	288989	285136	285959

	High:	7.0	12.2	32.0	45.0	23.7	27.5	26.9	26.6	28.0	36.0	33.1	32.0
	Low:	3.5	5.6	11.1	12.9	11.3	17.3	16.7	17.9	18.6	24.0	26.1	25.1

LEGENDS
19.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/95
3-for-1 split 10/99
2-for-1 split 7/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128 / 96 / 80 / 64 / 48 / 40 / 32 / 24 / 16 / 12

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.6	-12.2
3 yr.	13.9	7.2
5 yr.	26.7	58.6

Percent shares traded: 45 / 30 / 15

Intuit Inc. was incorporated in 1984 in California and its first product was *Quicken 1.0*. Intuit became a publicly traded company on March 12, 1993. The initial public offering was for 2,290,000 (split adjusted) shares of common stock at an offering price of $10.00 per share. Intuit received proceeds of $20.6 million. At the closing of the IPO, all outstanding shares of convertible preferred stock were converted into shares of common stock.

CAPITAL STRUCTURE as of 4/30/08
Total Debt $998.0 mill. Due in 5 Yrs Nil
LT Debt $998.0 mill. LT Interest $55.0 mill. (34% of Cap'l)
Leases, Uncapitalized Annual rentals $43.9 mill.

Pension Liability None

No Defined Benefit Pension Plan

Common Stock 321,007,630 shs.

MARKET CAP: $9.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/30/08
Cash Assets	1197.2	1303.7	896.9
Receivables	97.8	131.7	225.5
Inventory (FIFO)	--	--	--
Other	522.0	516.5	506.1
Current Assets	1817.0	1951.9	1628.5
Accts Payable	70.8	119.8	156.5
Other	945.2	1040.3	1233.1
Current Liab.	1016.0	1160.1	1389.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.5%	18.0%	13.0%
"Cash Flow"	30.0%	17.5%	14.0%
Earnings	46.5%	24.0%	14.0%
Dividends	--	--	Nil
Book Value	15.5%	0.5%	15.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Oct.31	Jan.31	Apr.30	Jul.31	Full Fiscal Year
2005	266.0	662.6	849.5	301.8	2079.9
2006	304.1	742.7	952.6	342.9	2342.3
2007	350.5	750.6	1139.1	432.7	2672.9
2008	444.9	834.9	1313.0	472.2	3065
2009	480	910	1445	520	3355

Fiscal Year Ends	EARNINGS PER SHARE A Oct.31	Jan.31	Apr.30	Jul.31	Full Fiscal Year
2005	d.12	.38	.78	d.04	1.00
2006	d.13	.49	.90	d.03	1.23
2007	d.12	.45	1.13	d.03	1.43
2008	d.10	.40	1.39	d.04	1.65
2009	d.08	.50	1.45	d.02	1.85

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	1.66	2.26	2.68	3.00	3.22	4.14	4.91	5.80	6.78	7.89	9.60	10.50	Sales per sh A	13.90
	.21	1.06	.85	.54	.69	.92	1.04	1.32	1.55	1.77	2.00	2.40	"Cash Flow" per sh	3.45
	.15	.69	.32	.40	.54	.70	.84	1.00	1.23	1.43	1.65	1.85	Earnings per sh A	2.65
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.09	.21	.23	.16	.18	.13	.14	.11	.13	.31	.90	.60	Cap'l Spending per sh	.70
	3.05	4.03	5.07	5.13	5.25	4.93	4.79	4.73	5.03	6.00	6.25	6.90	Book Value per sh	11.30
	356.89	375.25	408.60	421.05	422.33	398.94	380.18	358.54	345.23	338.90	320.00	320.00	Common Shs Outst'g B	310.00
	45.4	17.5	66.9	53.2	36.8	32.6	27.2	21.6	21.0	21.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	28.0
	2.36	1.00	4.35	2.73	2.01	1.86	1.44	1.15	1.13	1.12			Relative P/E Ratio	1.85
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	592.7	847.6	1093.8	1261.5	1358.3	1650.7	1867.7	2079.9	2342.3	2672.9	3065	3355	Sales ($mill) A	4300
	12.4%	18.1%	32.4%	22.2%	24.1%	27.3%	29.0%	28.0%	32.3%	31.1%	31.5%	32.0%	Operating Margin	34.0%
	28.9	133.5	213.2	74.9	59.9	73.8	77.6	100.0	94.2	94.2	115	170	Depreciation ($mill)	200
	46.7	263.8	134.5	150.4	233.2	294.9	317.0	375.0	440.7	507.0	530	595	Net Profit ($mill)	825
	17.7%	--	29.1%	43.0%	20.6%	30.9%	30.0%	32.6%	38.2%	36.5%	36.0%	36.0%	Income Tax Rate	36.0%
	7.9%	31.1%	12.3%	11.9%	17.2%	17.9%	17.0%	18.0%	18.8%	19.0%	17.3%	17.8%	Net Profit Margin	19.1%
	605.4	804.7	1322.0	1359.9	1262.7	872.7	659.1	810.9	801.0	791.8	500	800	Working Cap'l ($mill)	1300
	35.6	36.3	.5	12.4	14.6	29.3	16.4	17.5	15.4	997.8	1000	1000	Long-Term Debt ($mill)	800
	1088.4	1510.8	2071.3	2161.3	2215.6	1964.8	1822.4	1695.5	1736.1	2035.0	2000	2200	Shr. Equity ($mill)	3500
	4.2%	17.1%	6.5%	6.9%	10.5%	14.8%	17.3%	21.9%	25.2%	17.2%	16.5%	19.5%	Return on Total Cap'l	19.5%
	4.3%	17.5%	6.5%	7.0%	10.5%	15.0%	17.4%	22.1%	25.4%	24.9%	26.5%	27.0%	Return on Shr. Equity	23.5%
	4.3%	17.5%	6.5%	7.0%	10.5%	15.0%	17.4%	22.1%	25.4%	24.9%	26.5%	27.0%	Retained to Com Eq	23.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Intuit Inc. develops, markets and supports personal finance, small-business accounting, tax prep. and other consumer software products and related services and supplies that enable individuals and businesses to automate commonly performed financial tasks. Sources of revenue as of 7/31/07: Quickbooks, 22%; Payroll Business, 19%; Consumer Tax, 31%; Prof. Tax, 11%; Other, 17%. R & D totaled 18% of 2007 revenues. Has about 8,200 employees. Officers & directors own 10.4% of common shares outstanding; Scott Cook (former Chairman of the Board) owns 7.4% (10/07 Proxy). CEO and President: Brad Smith. Incorporated: Delaware. Address: 2700 Coast Ave., Mountain View, California 94043. Telephone: 650-944-6000. Internet: www.intuit.com.

Intuit's fiscal 2008 earnings probably came in around $1.65 a share. (Years end July 31st). The company was set to release fourth-quarter figures as this report headed to press, but a successful tax season is already in the books. Strong performance from its consumer tax arm likely buoyed our expectation for a 15% year-over-year bottom-line advance. Elsewhere, INTU's TurboTax offering flourished at a most opportune time, as its Web-based software penetrated well. This campaign's showing becomes even more impressive considering the tough spending environment for small businesses, a group that Intuit relies on heavily. Still,

Intuit has decided on a corporate reorganization. The workforce will be trimmed by 7%, mainly on the general and administrative side, and a pretax charge of $22 million, roughly $0.04 a share, will be recognized in the final quarter of fiscal 2008. This figure will be excluded from our presentation due to the fact it is nonrecurring in nature. Many on the Street are viewing this maneuver as a not so discreet attempt to save costs in the face of a tough economic headwind, but

Management thinks the economic slowdown will not have the impact on results that most expect. We agree with them in this regard, as nearly 50% of the company's revenues present day are in services, like payroll, payments, online banking, etc. Too, a weak domestic economy will have more taxpayers looking to avoid higher-costing tax alternatives, placing them right in INTU's lap. Therefore,

We are assuming Intuit will not miss a beat in fiscal 2009. Our estimates call for revenues to climb 10% and share net to grow by a low double-digit percentage. The consumer tax unit should put up another solid year, led by improved efforts in customer retention and good category growth. Also, a new beta version of the QuickBase Web development program should help INTU bolster its market share in the small-business arena.

This stock merits consideration for momentum-based investors and those with a long-term view. However, these shares often trade in a rather narrow range during the company's slower (non-tax season) periods.

Erik M. Manning August 22, 2008

(A) Based on weighted average number of shares outstanding through 1996, diluted shares thereafter. Excludes nonrecurring gains and losses: 1999, $2.26; 2000, $0.06; 2002, ($0.06); 2003, $0.18; 2004, $0.05; 2005, $0.07; 2006, ($0.09); '07, ($0.20); '08 Q1-Q3, ($0.03). Next earnings report due late November. May not sum due to rounding.

(B) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	55
Earnings Predictability	95

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INTERPUBLIC GROUP NYSE-IPG

RECENT PRICE 8.96 | P/E RATIO 19.9 (Trailing: 33.2 Median: NMF) | RELATIVE P/E RATIO 1.28 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 11/9/07
SAFETY 3 Raised 2/16/07
TECHNICAL 2 Lowered 8/1/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	18	(+100%)	19%
Low	12	(+35%)	8%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	2	0	0	0	2	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	148	154	139
to Sell	143	140	143
Hld's(000)	526358	536474	520886

High: 26.5 40.3 58.4 55.9 47.4 35.0 16.5 17.3 13.8 12.8 13.9 10.5
Low: 15.7 22.6 34.4 32.7 16.3 9.9 7.2 10.5 9.1 7.8 7.9 7.1

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 7/97
2-for-1 split 7/99
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

Percent shares traded 15 10 5

40 32 24 16 12 10 8 6 4

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-16.2	-12.2
3 yr.	-29.7	7.2
5 yr.	-36.3	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
8.24	8.00	8.51	9.12	10.43	11.95	14.22	15.66	17.88	17.77	16.06	14.02	15.03	14.59	13.21	13.91	*15.20*	*16.55*	Revenues per sh [A]	*21.90*
.79	.87	.98	1.09	1.27	1.41	1.75	2.05	2.46	1.93	.82	d.66	d.77	d.29	.34	.65	*.85*	*1.05*	"Cash Flow" per sh	*1.50*
.50	.56	.67	.72	.85	.95	1.11	1.29	1.51	.96	.26	d1.43	d1.36	d.70	d.04	.26	*.45*	*.60*	Earnings per sh [B]	*1.00*
.15	.16	.18	.20	.22	.25	.29	.33	.37	.38	.38	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
.16	.35	.24	.29	.33	.37	.49	.52	.64	.71	.47	.38	.46	.33	.27	.31	*.30*	*.35*	Cap'l Spending per sh	*.40*
2.27	2.51	2.79	3.14	3.58	4.23	4.53	5.66	6.50	5.23	5.44	5.34	3.16	2.43	3.02	3.84	*4.40*	*5.10*	Book Value per sh [C]	*7.55*
225.19	224.34	233.11	238.89	243.40	261.64	279.07	287.66	314.67	378.50	386.20	418.10	424.90	429.90	468.60	471.20	*477.00*	*477.00*	Common Shs Outst'g [D]	*480.00*
20.1	17.9	15.9	17.3	18.0	22.0	26.7	31.4	27.9	33.3	89.9	--	--	--	--	43.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*15.0*
1.22	1.06	1.04	1.16	1.13	1.27	1.39	1.79	1.81	1.71	4.91	--	--	--	--	2.26			Relative P/E Ratio	*1.00*
1.5%	1.6%	1.7%	1.6%	1.5%	1.2%	1.0%	.8%	.9%	1.2%	1.6%	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
3958.7	4561.5	5625.8	6726.8	6203.6	5863.4	6387.0	6274.3	6190.8	6554.2	*7250*	*7900*	Revenues ($mill) [A]	*10500*
20.2%	20.9%	20.1%	17.1%	12.3%	13.5%	10.1%	2.5%	5.5%	8.0%	*9.5%*	*10.5%*	Operating Margin	*13.0%*
179.1	215.9	299.5	372.1	217.5	277.9	239.4	168.8	173.8	177.2	*180*	*185*	Depreciation ($mill)	*220*
309.9	373.3	473.2	359.2	99.5	d552.9	d544.9	d271.9	30.6	158.9	*250*	*325*	Net Profit ($mill)	*525*
41.2%	40.2%	39.0%	42.5%	52.9%	--	--	--	30.0%	25.9%	*45.0%*	*40.0%*	Income Tax Rate	*30.0%*
7.8%	8.2%	8.4%	5.3%	1.6%	NMF	NMF	NMF	.5%	2.4%	*3.4%*	*4.1%*	Net Profit Margin	*5.0%*
118.6	130.9	d80.0	33.3	d767.5	726.2	73.5	640.9	545.8	565.2	*400*	*415*	Working Cap'l ($mill)	*475*
506.6	867.3	1505.1	2480.6	1817.7	2191.7	1936.0	2183.0	2248.6	2044.1	*2050*	*2400*	Long-Term Debt ($mill)	*3500*
1265.1	1628.1	2046.4	1979.3	2100.0	2605.9	1718.3	1945.3	1940.6	2332.2	*2625*	*2950*	Shr. Equity ($mill) [C]	*4150*
18.7%	15.7%	14.4%	9.3%	4.2%	NMF	NMF	NMF	3.2%	6.2%	*7.5%*	*8.0%*	Return on Total Cap'l	*8.5%*
24.5%	22.9%	23.1%	18.1%	4.7%	NMF	NMF	NMF	1.6%	6.8%	*9.5%*	*11.0%*	Return on Shr. Equity	*12.5%*
18.4%	17.4%	17.8%	10.9%	NMF	NMF	NMF	NMF	NMF	7.3%	*10.5%*	*12.5%*	Retained to Com Eq	*14.0%*
25%	24%	23%	40%	NMF	--	NMF	NMF	NMF	17%	*10.0%*	*8%*	All Div'ds to Net Prof	*5%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $2137.6 mill. Due in 5 Yrs $1.49 bill
LT Debt $2045.8 mill. Est. LT Int. $160 mill.
Includes $475 mill. 4.25% conv. notes ('23), convertible at $14.38, first puttable in 2012. (46% of Cap'l)
Leases, Uncapitalized Annual rentals $390 mill.
Pension Assets-12/07 $497 mill. Oblig. $652 mill.

Pfd Stock $525.0 mill. Pfd Div'd $27.6 mill. (12% of Cap'l)

Common Stock 476,471,942 shares as of 7/18/08
MARKET CAP: $4.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1955.7	2014.9	1856.0
Receivables	3934.9	4132.7	3899.3
Other	1318.2	1538.2	1668.8
Current Assets	7208.8	7685.8	7424.1
Accts Payable	4124.1	4124.3	4138.4
Debt Due	82.9	305.1	91.8
Other	2456.0	2691.2	2550.6
Current Liab.	6663.0	7120.6	6780.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.0%	-4.0%	4.5%
"Cash Flow"	-15.5%	-33.0%	*NMF*
Earnings	--	--	*NMF*
Dividends	--	--	*Nil*
Book Value	-1.5%	-11.5%	*12.0%*

Calendar	QUARTERLY REVENUES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1330.3	1616.2	1442.4	1885.4	6274.3
2006	1327.2	1532.7	1453.4	1877.5	6190.8
2007	1359.1	1652.7	1559.9	1982.5	6554.2
2008	*1485.2*	*1835.7*	*1750*	*2179.1*	*7250*
2009	*1650*	*2025*	*1925*	*2300*	*7900*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	d.35	.02	d.24	d.13	d.70
2006	d.42	.08	d.06	.36	d.04
2007	d.29	.24	d.06	.31	.26
2008	d.15	.17	*.01*	*.40*	*.45*
2009	*d.10*	*.21*	*.04*	*.43*	*.60*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: The Interpublic Group of Companies, Inc. is one of the three largest organizations of advertising and marketing-services agencies in the world. International Agency Networks includes McCann Erickson WorldGroup, Draftfcb Group, Lowe Worldwide, and other agencies. Constituency Management Group provides public relations, events management, and other services. Has over 4,000 clients in over 100 countries. Foreign operations: 44% of revenues in 2007. Has about 43,000 employees. Off./dir. own less than 1% of stock; Franklin Resources, 11.6%; UBS, 11%; Dodge & Cox, 10.4%; Lord Abbett, 8.1% (4/08 proxy). Chmn. & CEO: Michael I. Roth. Inc.: DE. Addr.: 1114 Avenue of the Americas, New York, NY 10036. Tel.: 212-704-1200. Web.: www.interpublic.com.

Interpublic's recovery continued in the second quarter of 2008. Organic revenues grew 6.3%, up from 5.1% in the year's first quarter, with the balance of the top-line gain due to the weaker dollar. Revenues expanded well in most segments, geographical regions, and major subsidiaries. Salaries were up a bit less than revenues, while growth in other operating costs was noticeably less as Interpublic controlled noncompensation costs and continued to reduce professional fees. That produced a 42% jump in pretax income; results in the 2007 quarter reflected an income tax credit of around $0.15 a share. Adding some sauce to the good results, the company settled the SEC's charges relating to its financial statements for 1997-2002; IPG paid a fine of $12 million (which had no tax benefit) and "disgorgement" of $1 (sic).

Earnings will probably grow at a good clip for the balance of the year. In the year's first half, Interpublic saw more business from existing clients and also had positive net new business wins that should contribute to second-half results. There are comparatively few big accounts up for review, suggesting that the company will neither gain nor lose large pieces of business. Interpublic derives only about 7% of its revenues from the financial sector, but troubles at General Motors could reduce spending by that major client. Noncompensation expenses will probably continue to grow slowly and to decline as a percentage of revenue.

We look for another solid increase in 2009. To date, Interpublic has seen no effect of the current economic slowdown, although that could come by next year. Advertisers often use recessions to try to gain market share as competitors cut back outlays, and we think Interpublic's branding and other nontraditional activities should continue to do well. Moreover, international business will probably remain strong, though growth may fall from the second quarter's 21% pace.

These neutrally ranked shares have slightly below-average appreciation potential. Now that Interpublic has resolved its financial reporting problems, margins should continue to expand to approach those of its competitors.

Sigourney B. Romaine *August 15, 2008*

(A) Includes non-operating income.
(B) Primary earnings through 1996; diluted thereafter. Excl. extraordinary (losses)/gains: '92, (33¢); '94, (34¢); '95, (49¢); '96, 10¢; '00, (36¢); '01, ($2.33); '06, (15¢). Quarterly earnings may not sum to annual due to use of basic share count in loss quarters. Next earnings report due early November.
(C) Includes intangibles; at 12/31/07, $3.2 bill., $6.85 a share.
(D) In mill., adj. for stock splits.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	5
Earnings Predictability	10

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IRON MOUNTAIN NYSE-IRM

RECENT PRICE 29.04 | P/E RATIO 36.3 (Trailing: 34.9 Median: NMF) | RELATIVE P/E RATIO 2.21 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 3/7/08
SAFETY 3 New 9/14/01
TECHNICAL 5 Lowered 6/6/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+140%)	26%
Low	50	(+70%)	15%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	1	0	2
to Sell	0	0	0	0	0	0	0	0	2

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	111	100	135
to Sell	97	103	85
Hld's(000)	166826	166195	179741

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	4.26	4.17	5.29	6.17	6.89	7.80	9.33	10.52	11.80	13.60	15.20	16.65	Revenues per sh	22.70
	.47	.52	.65	.64	.92	1.12	1.32	1.52	1.69	2.01	2.20	2.55	"Cash Flow" per sh	3.75
	d.03	d.01	d.03	d.17	.35	.44	.48	.57	.63	.75	.80	1.05	Earnings per sh A	2.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.57	.79	.90	1.04	1.03	1.08	1.19	1.38	1.92	1.93	1.50	1.50	Cap'l Spending per sh	1.45
	3.41	3.92	4.96	4.67	4.94	5.54	6.26	6.94	7.80	8.85	9.85	11.00	Book Value per sh C	16.30
	99.33	124.68	186.57	189.66	191.36	192.54	194.73	197.49	199.11	200.69	202.00	203.00	Common Shs Outst'g B	205.00
	--	--	--	--	38.1	37.7	42.7	38.5	42.0	38.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
	--	--	--	--	2.08	2.15	2.26	2.05	2.27	2.05			Relative P/E Ratio	2.00
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	423.5	519.5	986.4	1171.1	1318.5	1501.3	1817.6	2078.2	2350.4	2730.0	3070	3380	Revenues ($mill)	4850
	23.0%	25.0%	26.1%	25.8%	27.6%	29.1%	27.9%	27.6%	25.8%	25.6%	25.0%	26.0%	Operating Margin	28.0%
	49.2	65.4	126.8	153.6	109.8	130.9	163.6	186.9	208.4	249.3	280	300	Depreciation ($mill)	360
	d3.0	d1.1	d5.9	d32.2	67.0	84.6	94.2	113.9	128.9	153.1	160	215	Net Profit ($mill)	405
	NMF	NMF	NMF	--	41.1%	42.5%	41.7%	41.4%	41.8%	30.9%	38.0%	38.0%	Income Tax Rate	42.0%
	NMF	NMF	NMF	NMF	5.1%	5.6%	5.2%	5.5%	5.5%	5.6%	5.2%	6.4%	Net Profit Margin	8.8%
	.4	d6.7	d77.4	d48.7	d61.0	d113.2	d14.3	d36.9	41.1	56.7	105	225	Working Cap'l ($mill)	1090
	454.4	603.1	1314.3	1460.8	1662.4	1974.1	2438.6	2503.5	2605.7	3232.8	3200	3150	Long-Term Debt ($mill)	3000
	338.9	488.8	924.5	886.0	944.9	1066.1	1218.6	1370.1	1553.3	1795.5	1985	2230	Shr. Equity ($mill)	3345
	2.5%	2.4%	2.4%	1.5%	5.2%	5.3%	5.1%	5.3%	5.4%	5.3%	5.5%	6.0%	Return on Total Cap'l	8.5%
	NMF	NMF	NMF	NMF	7.1%	7.9%	7.7%	8.3%	8.3%	8.5%	8.0%	9.5%	Return on Shr. Equity	12.0%
	NMF	NMF	NMF	NMF	7.1%	7.9%	7.7%	8.3%	8.3%	8.5%	8.0%	9.5%	Retained to Com Eq	12.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Iron Mountain was founded in 1951 in an underground facility near Hudson, NY. In 1996 the company went public via an initial public offering. On February 1, 2000 it completed a reverse merger with Pierce Leahy in a stock-for-stock deal valued at $1.0 billion, including the assumption of debt. Because the transaction was structured as a reverse merger, IRM merged with and into Pierce Leahy, and Pierce Leahy survived the merger. After the deal, Pierce Leahy changed its name to Iron Mountain.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3305.0 mill. Due in 5 Yrs $955.0 mill.
LT Debt $3279.2 mill. LT Interest $225.0 mill.
(LT Int. earned: 1.6x; total int. coverage: 1.6x)
(65% of Cap'l)
Leases, Uncapitalized: Ann'l rentals $209.1 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 200,296,554 shs.
MARKET CAP: $5.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	45.4	125.6	107.4
Receivables	473.4	564.0	645.8
Inventory	--	--	--
Other	160.9	132.8	132.8
Current Assets	679.7	822.4	860.3
Accts Payable	148.5	277.3	452.5
Debt Due	63.1	33.4	25.8
Other	427.0	455.0	203.0
Current Liab.	638.6	765.7	681.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	15.5%	14.5%	11.0%
"Cash Flow"	18.0%	18.5%	13.5%
Earnings	--	--	20.5%
Dividends	--	--	NMF
Book Value	18.0%	10.0%	13.0%

Calendar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	501.4	511.9	526.5	538.4	2078.2
2006	563.7	581.6	595.6	609.5	2350.4
2007	632.5	668.7	701.8	727.0	2730.0
2008	749.4	760	770	790.6	3070
2009	780	810	870	920	3380

Calendar	EARNINGS PER SHARE Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.11	.13	.18	.15	.57
2006	.13	.19	.13	.18	.63
2007	.17	.19	.25	.14	.75
2008	.16	.18	.22	.24	.80
2009	.20	.22	.29	.34	1.05

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Iron Mountain Incorporated is the leading provider of records, documents, and information-management services. The company services more than 90,000 corporate clients, operating more than 900 facilities in about 165 markets worldwide. Merged with Pierce Leahy Corp., 2/00. Since 1998 the company has acquired more than 44 records and information-management services providers. Has about 15,800 employees. Davis Selected Advisers owns 20.4% of common stock; Morgan Stanley, 5.1%; Officers & Directors, 11.6% (5/07 Proxy). Chairman, CEO & President: C. Richard Reese. Incorporated: Pennsylvania. Address: 745 Atlantic Avenue, Boston, Massachusetts 02111. Telephone: 617-535-4766. Internet: www.ironmountain.com.

Cost pressures have impacted results at Iron Mountain. Revenues for the company increased at an 18% clip during the 2008 first quarter, thanks to healthy demand for records management. Internal storage increased at a high single-digit pace. Acquisitions also played a part in revenue growth. The top-line success did not translate into higher profits, however. The company reported a small share-net decline, as inflated energy and labor costs have persisted. We anticipate more struggles in the upcoming quarters, since the domestic environment continues to falter. We target earnings of $0.80 a share this year, which represents a modest 7% advance.

The company continues to expand at a decent clip. It acquired a shredding company in New Zealand to bolster the services business in the Asia/Pacific region. Management also purchased a North American-based hard-copying firm. Additionally, Iron Mountain added to its position in a Brazilian records business and established operations in Switzerland through a joint venture.

Iron Mountain's digital segment is developing rapidly. The company made its largest acquisition in the segment in December by purchasing Stratify, which has advanced its capabilities in digital archiving. Iron Mountain is also introducing new services in the segment, including a medical records offering, which stores information such as CAT scans and MRIs.

This neutrally ranked stock has above-average appreciation potential out to the 2011–2013 time frame. Iron Mountain's extensive geographic footprint should result in healthy double-digit top-line advances over the next few years. This should translate into success at the bottom line, provided the company can contain costs and improve its execution across the globe.

However, there is a degree of risk here. The company's highly leveraged balance sheet is less than desirable at this point, given the tightening credit markets. The company lifted its debt position to over $3.2 billion to help to fund expansion, which will add to interest expenses moving forward.

Garrett Sussman *June 6, 2008*

(A) Primary egs. through 1997, dil. thereafter. Excl. non-rec. loss: '00, 10¢. Excl. extraordinary losses: '96, 13¢; '00, 3¢; '01, 22¢; '02, 10¢. Excl. loss from discont. item: '99, 26¢. Next egs. report due late July.
(B) In millions, adjusted for stock splits.
(C) Incl. intangibles. In 2007, $2574.0 mill., $12.85/sh.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	100
Earnings Predictability	40

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JOURNAL COMM. INC. NYSE-JRN

RECENT PRICE 4.88 | P/E RATIO 8.1 (Trailing: 8.1 Median: NMF) | RELATIVE P/E RATIO 0.52 | DIV'D YLD 6.6% | VALUE LINE

TIMELINESS 4 Lowered 10/5/07
SAFETY 3 Raised 8/15/08
TECHNICAL 4 Lowered 5/27/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	14	(+185%)	33%
Low	10	(+105%)	23%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	2	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	53	62	39
to Sell	59	51	67
Hld's(000)	44972	42812	39005

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 18.8 20.3 18.2 14.5 14.0 9.0
Low: 16.0 15.5 13.0 10.0 8.1 4.3

Target Price Range 2011 | 2012 | 2013

Percent shares traded: 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-53.3	-12.2
3 yr.	-57.8	7.2
5 yr.	—	58.6

Journal Communications, Inc. was founded in 1882 as a newspaper publisher serving the greater Milwaukee, WI area. The media mix was expanded in 1927 when it included WTMJ radio station, and again in 1947 with WTMJ-TV television station. The company was employee owned until its initial public offering in September, 2003. The company operates as a wholly owned subsidiary of The Journal Company. 70% of Matex, Inc. is owned by the family of Harry T. Grant, the company's former chairman.

CAPITAL STRUCTURE as of 6/29/08
Total Debt $215.8 mill. Due in 5 Yrs $115.0 mill.
LT Debt $211.5 mill. LT Interest $13.5 mill.
(LT Interest earned: 8.7x; total int. cov.: 8.6x)
(32% of Cap'l)
Leases, Uncapitalized: Annual rentals $5.3 mill.
Pension Assets-12/07 $138.4 mill.
Oblig. $128.9 mill.

Common Stock 56,131,560 shs.
as of 5/1/08

MARKET CAP: $275 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/29/08
Cash Assets	7.9	6.3	4.2
Receivables	92.2	86.2	80.2
Inventory (FIFO)	7.9	7.3	6.4
Other	114.8	19.8	16.2
Current Assets	222.8	119.6	107.0
Accts Payable	31.0	30.0	21.2
Debt Due	4.8	4.5	4.3
Other	91.0	50.2	46.4
Current Liab.	126.8	84.7	71.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	--	3.0%
"Cash Flow"	--	--	1.5%
Earnings	--	--	.5%
Dividends	--	--	4.0%
Book Value	--	--	7.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	184.2	197.6	187.4	195.3	764.5
2006	156.4	165.3	163.6	186.6	671.9
2007	143.2	147.5	144.4	147.6	582.7
2008	134.3	140.1	*143*	*147.6*	*565*
2009	*140*	*140*	*145*	*150*	*575*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.17	.24	.19	.22	.82
2006	.17	.19	.20	.29	.85
2007	.12	.19	.19	.15	.65
2008	.10	.16	*.19*	*.15*	*.60*
2009	*.11*	*.18*	*.19*	*.17*	*.65*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.065	.065	.065	.065	.26
2005	.065	.065	.065	.065	.26
2006	.065	.065	.065	.065	.26
2007	.075	.075	.075	.075	.30
2008	.08	.08			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	--	--	10.69	10.87	10.69	11.02	9.69	*10.25*	*11.05*	Sales per sh	*12.50*
	--	--	--	--	--	1.54	1.66	1.47	1.41	1.20	*1.25*	*1.30*	"Cash Flow" per sh	*1.50*
	--	--	--	--	--	.80	1.01	.82	.85	.65	*.60*	*.65*	Earnings per sh A	*.80*
	--	--	--	--	--	.07	.26	.26	.26	.30	*.32*	*.32*	Div'ds Decl'd per sh B	*.35*
	--	--	--	--	--	.53	.39	.48	.36	.60	*.65*	*.65*	Cap'l Spending per sh	*.70*
	--	--	--	--	--	6.21	6.48	6.77	7.89	8.11	*8.30*	*9.40*	Book Value per sh C	*11.25*
	--	--	--	--	--	74.71	75.49	71.50	60.96	60.14	*55.00*	*52.00*	Common Shs Outst'g D	*50.00*
	--	--	--	--	--	21.6	17.9	19.2	13.9	17.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*15.0*
	--	--	--	--	--	1.23	.95	1.02	.75	.93			Relative P/E Ratio	*1.00*
	--	--	--	--	--	.4%	1.4%	1.6%	2.2%	2.6%			Avg Ann'l Div'd Yield	*2.9%*
	--	--	--	--	--	798.3	820.8	764.5	671.9	582.7	*565*	*575*	Sales ($mill)	*625*
	--	--	--	--	--	20.3%	21.9%	19.5%	20.5%	18.6%	*18.2%*	*18.5%*	Operating Margin	*20.0%*
	--	--	--	--	--	48.6	46.6	44.2	30.0	*29.4*	*30.0*	*32.0*	Depreciation ($mill)	*35.0*
	--	--	--	--	--	66.8	78.5	61.1	55.7	43.0	*35.0*	*35.0*	Net Profit ($mill)	*40.0*
	--	--	--	--	--	40.3%	40.0%	39.8%	39.6%	38.2%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
	--	--	--	--	--	8.4%	9.6%	8.0%	8.3%	7.4%	*6.2%*	*6.1%*	Net Profit Margin	*6.4%*
	--	--	--	--	--	24.7	30.7	22.2	96.0	34.9	*75.0*	*115*	Working Cap'l ($mill)	*175*
	--	--	--	--	--	84.0	70.3	274.5	235.0	178.9	*215*	*210*	Long-Term Debt ($mill)	*200*
	--	--	--	--	--	463.8	489.5	484.1	480.9	487.6	*455*	*490*	Shr. Equity ($mill)	*545*
	--	--	--	--	--	12.4%	14.2%	8.3%	8.1%	7.1%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
	--	--	--	--	--	14.4%	16.0%	12.6%	11.6%	8.8%	*7.5%*	*7.0%*	Return on Shr. Equity	*7.5%*
	--	--	--	--	--	8.2%	11.8%	8.4%	7.5%	4.6%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
	--	--	--	--	--	43%	26%	33%	35%	48%	*50%*	*48%*	All Div'ds to Net Prof	*44%*

BUSINESS: Journal Communications, Inc. is a diversified media company with operations in publishing, radio and television broadcasting, interactive media, and printing services. The company publishes the *Milwaukee Journal Sentinel* and 52 community newspapers and shoppers in Wisconsin and Florida. Subsidiaries include: The Journal Broadcast Group which owns and/or operates 35 radio stations and 11 television stations in 12 states;, Primenet, a direct marketing group; and IPC Printing Services. About 4,500 employees. Off. & Dir. own 12.6% of stock; The Journal Company, 43.7% (4/08 Proxy). Chairman & CEO, Steven J. Smith; President, Douglas G. Kiel. Inc.: WI. Address: 333 W. State St., Milwaukee, WI 53203. Telephone: 414-224-2000. Internet: www.jrn.com.

Journal Communications is trying to navigate rough waters. The media conglomerate's top and bottom lines fell 5% and 16%, respectively, during the second quarter. Sluggish classified and advertising revenues have stifled growth in the radio and broadcast segments, and decreasing readership rates have hurt JRN's newspaper tallies. The difficult operating environment will likely persist over the next several quarters. For the full year, we expect revenues to fall flat and share net to decline between 5% and 10%. **Management's recent initiatives ought to help the company weather the storm.** Journal has implemented aggressive cost-cutting measures at its mainstay paper, the *Milwaukee Journal Sentinel*, and throughout the company. An ongoing stock-buyback program should aid per-share comparisons as well. Over the past few years, management has worked to diversify the portfolio, as its gazettes continued to lose steam. Indeed, the company has added several new assets, including Arizona television station KWBA. It soon plans to close on a similar purchase in Boise, Idaho. Such assets help JRN build local content, and a growing online presence has helped supplement its broadcasting units. Too, interactive media and commercial printing units have performed well over the past few quarters, helping to offset struggles elsewhere. Also, during the latter part of the year, Olympic and election coverage may somewhat shore up revenues in its television and broadcasting businesses.

Conservative accounts may want to wait on dry land, for now. This stock has been drifting downward since its initial public offering in 2003. Even now, it is ranked to trail the broader market averages in the year ahead. At the current valuation, however, JRN shares offer above-average long-term appreciation potential. Earnings figures remain under pressure through 2008, but management's initiatives ought to help buoy top- and bottom-line growth over the next 3 to 5 years. Still, investor concern regarding the prospects of the newspaper company may trigger erratic price movements and this issue's behavior may be slightly riskier than its Average Safety rank would imply.

Orly Seidman *August 15, 2008*

(A) Excl. nonrecurring and discontinued items: '02, (9¢); '05, 6¢; '06, 6¢; '07, $1.00; '08, 1¢. Next earnings report due late Oct.
(B) Approx. div'd payment dates: early March, June, September, and December.
(C) Incl. intangibles. In 2007: $497.1 mill.; $8.27/sh.
(D) In millions.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	5
Earnings Predictability	80

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KAYDON CORP. NYSE-KDN

RECENT PRICE 50.53 | P/E RATIO 19.8 (22.1 / 18.9) | RELATIVE P/E RATIO 1.35 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 3 Raised 2/29/08
SAFETY 3 New 7/27/90
TECHNICAL 2 Raised 7/25/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

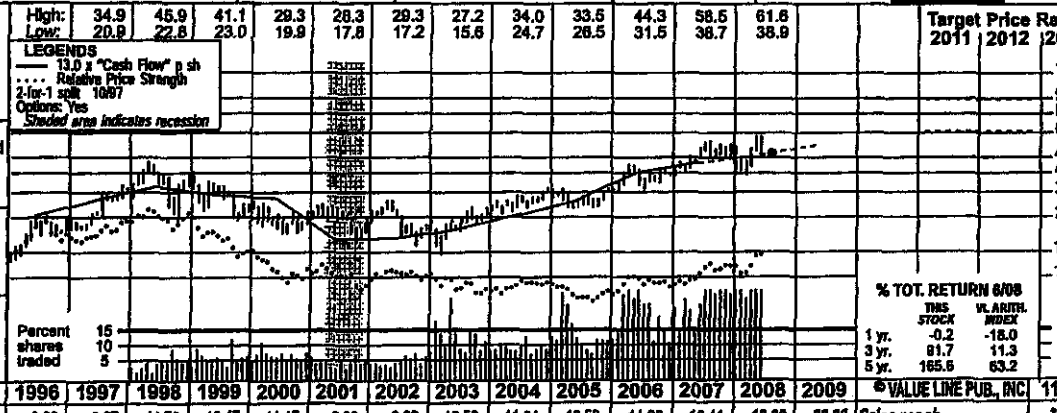
	Price	Gain	Ann'l Total Return
High	95	(+90%)	18%
Low	65	(+30%)	8%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	2	0	0	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	76	104	78
to Sell	101	89	106
Hld's(000)	32643	34130	32888



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.29	5.26	6.15	7.02	8.83	9.97	11.70	10.47	11.17	9.39	9.22	10.56	11.81	12.59	14.38	16.41	*19.80*	*22.20*	Sales per sh	*30.75*
1.06	1.06	1.26	1.51	1.89	2.26	2.65	2.39	2.32	1.44	1.45	1.60	1.88	2.24	3.09	3.48	*4.00*	*4.65*	"Cash Flow" per sh	*6.75*
.74	.80	.94	1.14	1.53	1.86	2.17	1.85	1.76	.95	1.01	1.07	1.27	1.56	2.17	2.33	*2.55*	*3.00*	Earnings per sh B	*4.35*
.16	.19	.21	.23	.25	.30	.37	.41	.45	.48	.48	.48	.48	.48	.48	.54	.60	.60	Div'ds Decl'd per sh C	.72
.17	.15	.20	.23	.28	.39	.79	.37	.39	.31	.29	.43	.44	.45	.94	1.87	*3.00*	*3.50*	Cap'l Spending per sh	*4.00*
3.92	4.11	5.00	5.74	7.05	8.60	9.69	10.19	10.62	9.98	9.86	10.07	10.92	12.78	15.42	16.41	*20.35*	*23.50*	Book Value per sh D	*36.15*
34.75	35.02	33.30	32.74	32.93	32.99	32.15	31.10	30.37	30.43	30.30	27.85	28.26	28.15	28.09	27.51	*27.00*	*27.00*	Common Shs Outst'g E	*26.00*
16.3	15.2	12.1	12.3	13.2	14.5	16.5	16.4	13.5	25.2	23.1	20.9	22.8	18.9	17.5	20.9	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
.99	.90	.79	.82	.83	.84	.86	.93	.88	1.29	1.26	1.19	1.20	1.01	.94	1.06			Relative P/E Ratio	*1.20*
1.3%	1.5%	1.8%	1.6%	1.2%	1.1%	1.0%	1.4%	1.9%	2.0%	2.1%	2.1%	1.7%	1.8%	1.3%	1.1%			Avg Ann'l Div'd Yield	.9%
376.2	325.7	339.2	285.6	279.4	294.1	333.8	354.6	404.0	451.4	*535*	*600*	Sales ($mill)	*800*
33.1%	32.2%	28.3%	21.3%	21.3%	22.1%	24.0%	24.4%	28.7%	32.3%	*29.0%*	*31.0%*	Operating Margin	*33.0%*
14.0	15.6	17.4	15.4	13.7	13.9	14.7	16.5	17.4	20.5	*23.0*	*26.0*	Depreciation ($mill)	*35.0*
71.2	58.8	53.0	28.5	30.2	30.7	38.4	46.5	69.5	75.1	*85.0*	*100*	Net Profit ($mill)	*140*
36.0%	37.5%	36.7%	37.0%	35.2%	35.1%	36.0%	32.9%	34.0%	35.1%	*35.0%*	*36.0%*	Income Tax Rate	*36.0%*
18.9%	18.0%	15.6%	10.0%	10.8%	10.4%	11.5%	13.1%	17.2%	16.6%	*15.9%*	*16.7%*	Net Profit Margin	*17.5%*
158.6	157.4	181.2	230.1	203.7	318.0	349.3	393.4	446.3	380.4	*390*	*405*	Working Cap'l ($mill)	*510*
--	--	47.5	112.2	72.4	200.1	200.1	200.0	200.0	200.0	*200*	*200*	Long-Term Debt ($mill)	*200*
311.7	317.0	322.4	303.8	298.7	280.5	308.7	359.7	433.2	483.4	*550*	*635*	Shr. Equity ($mill)	*940*
22.8%	18.5%	14.5%	7.4%	8.4%	7.0%	8.5%	9.2%	11.7%	11.7%	*12.0%*	*12.5%*	Return on Total Cap'l	*12.5%*
22.8%	18.5%	16.5%	9.4%	10.1%	10.9%	12.4%	12.9%	16.0%	15.5%	*15.5%*	*15.5%*	Return on Shr. Equity	*15.0%*
19.1%	14.5%	12.3%	4.6%	5.2%	5.9%	8.0%	9.2%	12.9%	12.7%	*12.5%*	*13.0%*	Retained to Com Eq	*13.0%*
17%	22%	25%	51%	48%	46%	35%	29%	19%	19%	*19%*	*16%*	All Div'ds to Net Prof	*13%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $200.0 mill. Due in 5 Yrs Nil
LT Debt $200.0 mill. LT Interest $9.6 mill.
Incl. $200 mill., 4% contingent cv. subordinated notes ('23), ea. cv. to 34.29 shs. at $29.16
(Total interest coverage: 12.8x)
(29% of Cap'l)
Leases, Uncapitalized Annual rentals $1.7 mill.
Pension Assets-12/07 $99.4 mill.
Oblig. $99.5 mill.
Pfd Stock None
Common Stock 27,675,843 shares
as of 5/5/08
MARKET CAP: $1.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	370.8	*287.0*	*276.2*
Receivables	54.1	67.6	75.9
Inventory (FIFO)	56.0	66.9	77.2
Other	17.0	15.4	12.3
Current Assets	497.9	436.9	441.6
Accts Payable	23.0	28.5	26.5
Debt Due	--	--	--
Other	28.6	30.0	34.2
Current Liab.	51.6	58.5	60.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	6.0%	4.5%	*12.0%*
"Cash Flow"	4.5%	3.0%	*12.5%*
Earnings	3.5%	2.0%	*13.0%*
Dividends	8.0%	1.5%	*4.5%*
Book Value	8.0%	5.0%	*15.0%*

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	84.6	94.5	85.9	89.6	354.6
2006	101.5	102.7	99.7	100.1	404.0
2007	106.9	113.4	107.4	123.7	451.4
2008	123.3	*136*	*130*	*145.7*	*535*
2009	*140*	*150*	*145*	*165*	*600*

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	.33	.40	.38	.47	1.58
2006	.52	.55	.55	.55	2.17
2007	.57	.61	.54	.61	2.33
2008	*.53*	*.65*	*.65*	*.72*	*2.55*
2009	*.65*	*.75*	*.75*	*.85*	*3.00*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.24	.12	.12	--	.48
2005	.12	.12	.12	.12	.48
2006	.12	.12	.12	.12	.48
2007	.12	.12	.15	.15	.54
2008	.15	.15			

BUSINESS: Kaydon Corporation designs, manufactures, and sells custom-engineered metal products for aerospace, construction, defense, electronic, material handling, marine equipment, medical, and other industrial customers. Products include bearings, filtration systems, rings, seals, video and data multiplexers, machine tool components, presses, and dies. International operations generated 32.0% of '07 sales. '07 depreciation rate: 6.4%. Has about 2,125 employees. Four institutional investors own more than 5% of stock (22.5% in aggregate); officers and directors own 2.0% (4/08 Proxy). President and CEO: James O'Leary. Incorporated: Delaware. Address: Suite 300, 315 East Eisenhower Pkwy., Ann Arbor, MI 48108. Telephone: 734-747-7025. Internet: www.kaydon.com.

Although Kaydon's sales growth has been strong, expansion efforts have proven costly. Higher capital expenditures to support capacity expansion projects have weighed on the operating margin in recent months. Year-to-year operating profit comparisons were unfavorable in the first quarter due in part to the direct and indirect costs associated with the Friction Control Products expansion efforts, the ongoing ramp-up of the wind energy expansion endeavors, and by relocation and workers' compensation costs incurred in the Sealing Products segment. Also, the integration of recently acquired Avon Bearings Corp. has been less than smooth, as acquisition accounting requirements are likely to continue to have a negative effect on gross margins in the short term. Meanwhile, lower interest income related to the company's fixed-income investments has also hurt the bottom line. Yields have been lower because of difficult market conditions of late.

Nonetheless, we believe the company's performance will improve. This review had already gone to press by the time the company reported its second-quarter earnings results. Still, we think that Kaydon's accelerated and increased expansion in the large-diameter bearing market, bolstered by last year's acquisition of Avon Bearings, should pay off. Too, management's renewed focus on boosting market share in high-growth developing countries, such as India and China, should yield considerable benefits in the second half of 2008 and into 2009. The record bookings achieved in the first quarter created the highest backlog level in the company's history. Meanwhile, strategic repositioning to emphasize the development of global alternative energy infrastructure also augurs well for growth. All told, we look for these costly efforts to translate into solid share-net gains over the next several quarters.

These shares are neutrally ranked for the year ahead. We look for growth initiatives to pay off in the long run, and a solid balance sheet offers promise for growth prospects. Although, the issue's 3- to 5-year price appreciation potential is below the lofty *Value Line* mean, it is worth considering.

Simon R. Shoucair *July 25, 2008*

(A) Quarters 1-3 end on the Saturday nearest to the last day of the month.
(B) Primary eps. through '96, then diluted. Excl. nonrecurring gain/(losses): '92, (94¢); '94, (12¢); '00, (46¢); '01, ($1.08); '02, (60¢); '03, 11¢; '07, 8¢. Next egs. report due late Oct.
(C) Dividends historically paid in early January, April, July, and October.
(D) Includes intangibles. In 2007: $178.1 million, $5.53 per share.
(E) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	45
Earnings Predictability	65

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KELLY SERVICES 'A' NDQ-KELYA

RECENT PRICE 19.65 | P/E RATIO 13.1 (12.6 / 26.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Lowered 5/4/07
SAFETY 3 Lowered 7/23/04
TECHNICAL 2 Raised 7/11/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+155%)	27%
Low	35	(+80%)	17%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	1	0	0	1	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	77	65	46
to Sell	73	82	87
Hld's(000)	26818	28869	27348

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	38.8	38.5	35.1	29.0	29.3	29.5	29.7	32.3	31.2	30.4	34.0	23.2								
Low:	23.3	23.8	22.9	20.3	17.8	17.9	19.0	25.3	25.3	25.5	18.2	15.0								
	45.42	51.77	62.23	70.75	86.77	100.89	114.28	119.00	125.56	118.68	121.69	124.38	140.38	147.86	154.03	161.67	164.85	167.85	Revenues per sh A	200.00
	1.41	1.62	2.06	2.42	2.61	2.86	3.17	3.38	3.35	1.70	1.80	1.52	1.87	2.27	2.72	2.75	2.80	3.00	"Cash Flow" per sh	4.05
	1.04	1.18	1.61	1.83	1.92	2.12	2.23	2.36	2.29	.46	.52	.14	.62	1.09	1.58	1.47	1.50	1.60	Earnings per sh A B	2.50
	.58	.63	.70	.78	.83	.87	.91	.95	.99	.85	.40	.40	.40	.40	.45	.52	.54	.54	Div'ds Decl'd per sh C=	.76
	.86	.43	.49	.69	.96	1.04	1.65	2.14	1.52	1.19	.94	.87	1.00	.80	1.25	1.31	1.00	1.15	Cap'l Spending per sh	1.55
	9.74	10.23	11.37	12.52	13.58	14.67	15.02	16.23	17.44	16.93	17.42	17.85	18.43	18.76	20.84	22.48	23.30	24.30	Book Value per sh	28.90
	37.71	37.76	37.96	38.02	38.06	38.15	35.81	35.87	35.74	35.87	35.53	34.77	35.50	35.82	36.39	35.06	35.00	35.00	Common Shs Outst'g D	36.00
	27.0	24.6	17.3	15.8	15.0	14.3	14.7	11.7	10.2	51.6	47.2	NMF	46.1	26.3	17.4	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	1.64	1.45	1.13	1.06	.94	.82	.76	.67	.66	2.65	2.58	NMF	2.44	1.40	.94	.92			Relative P/E Ratio	1.15
	2.1%	2.2%	2.5%	2.7%	2.9%	2.9%	2.8%	3.4%	4.2%	3.6%	1.6%	1.6%	1.4%	1.4%	1.6%	2.0%			Avg Ann'l Div'd Yield	1.8%
	4092.3	4269.1	4487.3	4256.9	4323.5	4325.2	4984.1	5289.8	5605.8	5667.6	5770	5875	Revenues ($mill)	7200
	4.1%	4.2%	4.1%	1.7%	1.8%	1.3%	1.6%	1.9%	2.2%	2.2%	2.2%	2.3%	Operating Margin	2.7%
	28.9	36.2	39.5	44.4	45.4	47.8	44.1	42.2	41.7	42.6	45.0	48.0	Depreciation ($mill)	55.0
	84.7	85.1	80.1	16.5	18.6	5.1	22.1	39.3	57.4	53.7	53.0	57.0	Net Profit ($mill)	90.0
	41.0%	40.8%	41.4%	40.0%	39.6%	41.0%	36.1%	29.9%	28.7%	35.5%	35.0%	35.0%	Income Tax Rate	35.0%
	2.1%	2.0%	1.8%	.4%	.4%	.1%	.4%	.7%	1.0%	.9%	.9%	1.0%	Net Profit Margin	1.3%
	293.4	284.9	288.5	322.0	352.2	374.4	408.3	428.0	463.2	478.6	500	550	Working Cap'l ($mill)	700
	--	--	--	--	--	--	--	--	--	48.4	55.0	55.0	Long-Term Debt ($mill)	Nil
	537.8	582.4	623.5	607.2	619.1	613.6	654.3	672.0	758.6	788.2	815	850	Shr. Equity ($mill)	1040
	15.8%	14.6%	12.8%	2.7%	3.0%	.8%	3.4%	5.8%	7.6%	6.5%	6.0%	6.5%	Return on Total Cap'l	8.5%
	15.8%	14.6%	12.8%	2.7%	3.0%	.8%	3.4%	5.8%	7.6%	6.8%	6.5%	6.5%	Return on Shr. Equity	8.5%
	9.4%	8.8%	7.2%	NMF	.7%	NMF	1.2%	3.7%	5.4%	4.5%	4.0%	4.5%	Retained to Com Eq	6.0%
	40%	40%	44%	NMF	77%	NMF	63%	36%	29%	34%	36%	33%	All Div'ds to Net Prof	31%

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.8	-18.0
3 yr.	-28.5	11.3
5 yr.	-11.5	63.2

Target Price Range 2011 | 2012 | 2013: 120 / 100 / 80 / 64 / 48 / 32 / 24 / 20 / 16 / 12 / 8

CAPITAL STRUCTURE as of 3/30/08
Total Debt $102.7 mill. Due in 5 Yrs $105.0 mill.
LT Debt $54.9 mill. LT Interest $1.0 mill.

Leases, Uncapitalized Annual rentals $51.5 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 34,660,772 shares
(31,201,187 Class A non-voting shs.; 3,459,585 Class B voting shs. cv. into Class A shs. on a 1-for-1 basis as of 1/1/08)
MARKET CAP: $675 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	118.4	92.8	87.9
Receivables	838.3	888.3	931.4
Other	74.8	82.7	85.3
Current Assets	1031.5	1063.8	1104.6
Accts Payable	132.8	171.5	218.3
Debt Due	68.9	49.7	47.8
Other	366.6	364.0	359.2
Current Liab.	568.3	585.2	625.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	4.0%	4.5%
"Cash Flow"	-0.5%	-4.0%	8.5%
Earnings	-5.0%	-8.5%	13.0%
Dividends	-6.0%	-15.0%	9.0%
Book Value	4.5%	3.0%	6.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1249.3	1311.9	1344.6	1384.0	5289.8
2006	1350.3	1407.9	1411.6	1436.0	5605.8
2007	1350.8	1415.7	1425.3	1475.8	5667.6
2008	1388.4	1440	1450	1491.6	5770
2009	1415	1450	1465	1545	5875

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.11	.26	.35	.37	1.09
2006	.23	.34	.46	.56	1.58
2007	.14	.41	.40	.52	1.47
2008	.23	.39	.41	.47	1.50
2009	.24	.40	.44	.52	1.60

Calendar	QUARTERLY DIVIDENDS PAID C= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.10	.10	.10	.10	.40
2006	.10	.10	.125	.125	.45
2007	.125	.125	.135	.135	.52
2008	.135	.135			

BUSINESS: Kelly Services, Inc. provides temporary and permanent staffing services to customers in various industries worldwide. Operates four major segments: Americas-Commercial; Americas-Professional, Technical, and Staffing Alternatives (PTSA); International-Commercial; and International-PTSA. It is one of the largest providers of staffing services in the U.S. Acquired Your Staff, a staff leasing firm, in January '04. Has approximately 10,000 permanent employees. Officers and directors own 16.9% of Class A stock and 93.0% of Class B stock (4/08 proxy). President & Chief Executive Officer: Carl T. Camden. Chairman: Terence E. Adderley. Incorporated: DE. Address: 999 West Big Beaver Road, Troy, MI 48084. Telephone: 248-362-4444. Internet: www.kellyservices.com.

Kelly Services had an impressive start this year. Indeed, despite the slowdown in the U.S. job market, per-share profit in the first quarter was strong due to margin improvement. Geographic diversification, a focus on higher-margin fee-based business, and expansion within the professional and technical sectors are apparently helping to offset the sluggishness in the commercial segment. Meanwhile, margins are benefiting from last year's restructuring initiatives within the commercial division in the U.S. and U.K.

But we're taking a guarded view with our 2008 and 2009 bottom-line forecasts, given the continued weakness in the U.S. staffing market, to which the company has a sizable exposure. Although demand for employees in the professional and technical disciplines has fared generally better than that in the commercial segment, the turmoil of late within the financial and credit markets renders the near-term earnings prospects somewhat uncertain. Too, while we're encouraged by the steps the company has taken to offset weakness on the domestic front (i.e., geographic diversification), the potential for a global slowdown gives us pause. Consequently, to be on the safe side, we've trimmed our share-net assessments for this year and next by a nickel and a dime, respectively.

The long-term outlook appears to be favorable, especially as the company further expands its global footprint. We applaud management's efforts to reduce its dependency on the U.S. staffing market and diversify its international operations in regions exhibiting healthy job growth trends. Specifically, we think earnings over the next few years stand to rise at a solid clip, as Kelly taps into emerging markets in Asia/Pacific and certain areas in Europe and the Middle East, where the demand for professional and technical employees is strong.

We like this issue for the long haul. Though not a standout for the year ahead, it offers attractive 3- to 5-year appreciation potential, based on the profit growth we envision, which is supported by a cyclical upturn in domestic labor market trends and global expansion. **A well-covered dividend adds appeal, too.**

J. Susan Ferrara *July 18, 2008*

(A) Fiscal year ends on Sunday nearest Dec. 31. (B) Based on diluted shares. Excludes one-time gains: '00, 14¢. Excl. inc. from disc. ops. in '06: $0.17; '07, $0.20. Qtly. egs. may not add to total due to rounding. Next earnings report due late July.
(C) Dividends historically paid in early March, June, September, and December. ■Dividend reinvestment plan available. (D) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	40

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KIRBY CORP. NYSE-KEX

RECENT PRICE 54.12 | P/E RATIO 18.3 (Trailing: 21.5 Median: 17.0) | RELATIVE P/E RATIO 1.12 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 1 Raised 3/28/08
SAFETY 3 New 9/13/02
TECHNICAL 3 Lowered 5/30/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+50%)	10%
Low	55	(Nil)	1%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	2	1	1	1	1	3	0
to Sell	0	3	3	6	5	12	1	2	1

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	83	106	115
to Sell	88	71	88
Hld's(000)	46883	45944	47849

High: 10.6 12.8 11.2 12.3 14.5 16.8 17.9 23.2 27.8 41.4 50.7 61.1
Low: 6.2 8.6 8.3 8.8 9.2 10.2 10.8 15.1 18.6 25.1 33.1 37.7

LEGENDS
— 12.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 6/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	45.1	-9.4
3 yr.	169.2	30.2
5 yr.	318.3	98.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.85	6.71	7.52	8.38	7.44	8.89	8.00	8.80	10.73	11.60	11.15	12.61	13.58	15.32	18.58	21.91	25.85	27.25	Revenues per sh	30.70
.77	.90	.88	.92	1.18	1.04	1.20	1.35	1.60	1.87	1.75	1.94	2.11	2.43	3.02	3.82	4.65	5.00	"Cash Flow" per sh	5.80
.30	.43	.29	.17	.53	.47	.51	.59	.70	.82	.79	.84	.99	1.34	1.79	2.29	2.95	3.20	Earnings per sh A	3.75
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.72	.81	1.38	.94	.71	.50	.66	.31	1.00	1.23	.99	1.49	1.88	2.35	2.63	3.07	2.85	2.80	Cap'l Spending per sh	3.05
2.71	3.75	3.87	3.91	3.92	4.47	3.40	5.78	5.50	6.27	6.73	7.65	8.76	10.35	11.93	14.38	17.30	20.35	Book Value per sh B	31.30
45.26	56.41	57.56	52.51	52.81	48.87	41.54	41.54	47.76	48.03	48.01	48.63	49.71	51.94	52.98	53.53	54.00	55.00	Common Shs Outst'g C	57.00
21.3	20.1	32.9	47.4	16.9	20.5	21.6	16.2	14.6	14.3	16.6	16.5	19.0	17.2	18.5	17.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
1.29	1.19	2.16	3.17	1.06	1.18	1.12	.92	.95	.73	.91	.94	1.00	.92	1.00	.91			Relative P/E Ratio	1.20
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						332.3	365.6	512.6	566.9	535.4	613.4	675.3	795.7	984.2	1172.6	1395	1500	Revenues ($mill)	1750
						24.2%	24.5%	23.5%	23.7%	22.7%	21.5%	21.9%	22.9%	23.8%	25.7%	26.5%	27.0%	Operating Margin	27.5%
						27.4	31.3	42.5	50.2	45.5	53.3	55.1	57.4	64.4	80.9	90.0	95.0	Depreciation ($mill)	110
						22.4	25.0	34.1	39.6	38.4	40.9	49.5	68.8	95.5	123.3	160	180	Net Profit ($mill)	220
						37.7%	37.4%	41.0%	41.0%	37.1%	38.0%	38.0%	38.1%	38.1%	38.3%	38.0%	38.0%	Income Tax Rate	38.0%
						6.7%	6.8%	6.7%	7.0%	7.2%	6.7%	7.3%	8.6%	9.7%	10.5%	11.5%	12.0%	Net Profit Margin	12.5%
						46.5	31.2	21.5	16.2	28.2	32.9	35.3	46.5	82.7	75.9	95.0	110	Working Cap'l ($mill)	185
						137.6	316.3	288.0	249.4	265.7	255.0	217.4	200.0	309.5	298.0	280	300	Long-Term Debt ($mill)	350
						141.0	240.0	262.7	301.0	323.3	372.1	435.2	537.5	632.0	769.8	935	1120	Shr. Equity ($mill)	1785
						10.2%	5.6%	8.4%	8.8%	7.7%	7.7%	8.5%	10.2%	10.9%	12.5%	14.0%	13.5%	Return on Total Cap'l	11.0%
						15.9%	10.4%	13.0%	13.2%	11.9%	11.0%	11.4%	12.8%	15.1%	16.0%	17.0%	16.0%	Return on Shr. Equity	12.5%
						15.9%	10.4%	13.0%	13.2%	11.9%	11.0%	11.4%	12.8%	15.1%	16.0%	17.0%	16.0%	Retained to Com Eq	12.5%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $283.2 mill. Due in 5 Yrs $97.4 mill.

LT Debt $281.8 mill. LT Interest $19.0 mill.

(Total interest coverage: 10.8x) (26% of Cap'l)

Leases, Uncapitalized: Annual rentals $60.2 mill.
Pension Assets-12/07 $103.4 mill. Oblig. $100.3 mill.
Pfd Stock None
Common Stock 53,724,000 shs.

MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2.7	5.1	3.7
Receivables	183.7	183.3	193.4
Inventory (Avg Cst)	41.8	53.4	49.5
Other	21.4	25.6	28.3
Current Assets	249.6	267.3	274.9
Accts Payable	88.2	100.9	100.5
Debt Due	.8	1.4	1.4
Other	77.9	89.1	94.1
Current Liab.	166.9	191.4	196.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	9.5%	10.5%	8.5%
"Cash Flow"	11.5%	12.0%	11.0%
Earnings	16.5%	18.5%	13.0%
Dividends	--	--	Nil
Book Value	11.5%	14.5%	17.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	184.4	199.3	198.7	213.3	795.7
2006	224.9	243.3	264.6	251.4	984.2
2007	274.2	288.0	302.5	307.9	1172.6
2008	330.6	345	360	359.4	1395
2009	350	375	385	390	1500

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.26	.36	.34	.38	1.34
2006	.43	.44	.48	.45	1.79
2007	.46	.56	.64	.64	2.29
2008	.68	.74	.77	.76	2.95
2009	.73	.81	.83	.83	3.20

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Kirby Corp. operates in marine transportation (79% of '07 revs.) and diesel engine services (21%). The marine trans. segment is involved in the inland transportation of various chemicals and petroleum products, as well as the offshore transportation of dry-bulk shipments. The diesel engine services segment overhauls and repairs diesel engines for the marine, railroad, and power generation/industrial markets. Acquired Hollywood Marine, Inc., 10/99. Has about 2,400 emplys. '07 depr. rate: 5.4%. Select Equity Group owns 10.5% of stock; Barclays, 7.5%; PRIMECAP, 5.7%; Off./Dir., 8.8% (3/08 proxy). Pres. & CEO: Joseph H. Pyne. Inc.: NV. Address: 55 Waugh Drive, Suite 1000, Houston, TX 77077. Telephone: 713-435-1000. Internet: www.kirbycorp.com.

Kirby Corp.'s earnings should continue to surge. We have raised our 2008 and 2009 share-net estimates by $0.35 and $0.40, respectively. Despite weakening economic conditions, solid top-line momentum ought to persist, thanks, in large part, to a strong petrochemical sector, marked by growing exports. That end market contributes about 66% of total marine transport revenue. Note, though, that second-quarter 2008 share net will likely take a hit of $0.02 to $0.03 from high water delays on the Mississippi River. Also, fuel escalators, added to shipping rates, typically lag price increases by 30 to 90 days, a factor that could hurt June- and September-period results.

Cargo rates will likely remain elevated. Revenues are receiving a boost from added vessel personnel and towboats, helping Kirby to meet rising demand. Still, barge utilization is running in the mid-90% range, allowing for price hikes. Recent first-quarter contract renewals were up approximately 10%, on average, year over year. In addition, spot rates climbed roughly 15%. The contract / spot mix has risen 5%, to 80%, enhancing predictability of the revenue stream.

Improved efficiencies are supporting margin expansion. A heightened level of time charter business within the contract area ought to help insulate Kirby from weather and navigational delays. Plus, increases in crew and horsepower should assist revenue potential.

The Diesel Engine Services business is in good shape. Revenue gains are coming from repair services in the medium-speed engine market. Profitability gains are likely, owing to a favorable demand environment, high labor utilization, and some service and parts price increases.

Capital spending is pegged to be about $155 million this year. Some $80 million will go toward the construction of 26 tank barges and five towboats. Since many of the vessels will be replacements, total fleet capacity is set to rise just 1% in 2008.

Kirby shares are recommended for year-ahead performance. But, based on a long-term moderation of earnings growth, and the stock's recent price run-up, its 3- to 5-year appeal is limited.

Damon Churchwell *June 6, 2008*

(A) Basic earnings through 1997. Diluted thereafter. 2006 and 2007 figures do not sum due to rounding or changes in shares outstanding. Excludes nonrecurring and extraordinary gains (charges): '92, ($0.29); '97, ($0.02); '98, ($0.28); '99, ($0.09); '02, $0.23. Excludes gains (losses) from discontinued operations: '97, ($0.02). Next earnings report due late-July.
(B) Includes intangibles. At 12/31/07: $229.3 mill., $4.28/sh.
(C) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	95
Earnings Predictability	90

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KIMCO REALTY CORP NYSE-KIM

RECENT PRICE 34.71 | P/E RATIO 27.8 (26.7 NMF) | RELATIVE P/E RATIO 1.83 | DIV'D YLD 4.8% | VALUE LINE

TIMELINESS 3 Raised 5/23/08
SAFETY 3 Lowered 4/18/08
TECHNICAL 3 Lowered 6/13/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+75%)	18%
Low	40	(+15%)	8%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	0	0	0	0	0	5	0
to Sell	0	2	0	0	0	0	0	5	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	153	184	158
to Sell	172	141	161
Hld's(000)	191068	197039	204949

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	12.1	13.9	13.6	14.9	17.0	16.9	22.9	29.6	33.3	47.1	53.6	42.3
Low:	10.1	11.1	10.3	10.9	13.6	13.0	15.1	19.8	25.9	32.0	33.7	29.0

Target Price Range 2011 | 2012 | 2013: 120 / 100 / 80 / 64 / 48 / 32 / 24 / 20 / 16 / 12 / 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.8	-18.0
3 yr.	30.9	11.3
5 yr.	124.0	63.2

LEGENDS
1.30 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 12/95
3-for-2 split 12/01
2-for-1 split 8/05
Options: Yes
Shaded area indicates recession

Percent shares traded: 18 / 12 / 6

Kimco Realty Corp. began operations through a predecessor company in 1966. Until 1981, the company focused on developing and building shopping centers. Since then, the company has grown primarily through improving its own properties and acquiring existing shopping center assets. In November 1991, Merrill Lynch & Co. lead-managed a 28.8 million-share initial public offering at $4.44 per share, both figures split-adjusted.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4539.1 mill. Due in 5 Yrs $1653 mill.
Total Interest $225 mill.
(Est'd total interest coverage: 2.5x) (54% of Cap'l)
Pfd Stock $635.0 mill. Pfd. Div'd $47.3 mill.
700,000 shs. 6.65% cum., liqu. val. $175 mill;
184,000 shs. 7.75% cum., liqu. val. $460 mill.
(8% of Cap'l)
No Defined Benefit Pension Plan
Common Stock 253,706,556 shares as of 4/30/08
MARKET CAP: $8.8 billion (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus Noncash charges	437.2	497.8	531.2
Investments Repaid	--	--	--
Net New Debt	572.6	895.1	629.3
Net New Equity	49.0	451.8	485.2
Investments Funded	884.2	1166.1	1718.1
Dividends Declared	300.0	347.6	403.3

FINANCIAL POSITION	12/31/06	12/31/07
Senior Notes	3587.2	4216.4
Subordinated Debt	--	--
Debt/Cap'l Funds	.52:1	.52:1
Total Debt/Equity	1.08:1	1.08:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	--	--
Non-Earn Assets—%/Invests.	--	--

Cal-endar	REAL ESTATE ASSETS($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	4360	4519	4617	4972
2006	5699	6013	6356	6877
2007	7176	7859	8233	8363
2008	8448	*8600*	*8800*	*9000*
2009	*9400*	*9600*	*9800*	*10000*

Cal-endar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.34	.33	.33	.39	1.39
2006	.35	.38	.35	.35	1.41
2007	.29	.43	.29	.24	1.25
2008	.33	*.29*	*.30*	*.33*	*1.25*
2009	*.32*	*.33*	*.35*	*.36*	*1.35*

Cal-endar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.285	.285	.285	.285	1.14
2005	.305	.305	.305	.33	1.25
2006	.33	.33	.33	.36	1.35
2007	.36	.36	.36	.40	1.48
2008	.40	.40	.40		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	6.95	8.83	8.69	7.95	9.93	8.69	9.16	9.70	12.72	12.88	*13.35*	*13.85*	Book Value per sh	*16.30*
	1.01	1.21	1.35	1.50	1.52	1.62	1.78	2.00	2.21	2.21	*2.65*	*2.80*	Funds from Ops per sh [D]	*3.45*
	.68	.82	.96	1.03	1.08	1.11	1.19	1.39	1.41	1.25	*1.25*	*1.35*	Earnings per sh [A]	*1.80*
	.83	.80	.91	.98	1.05	1.10	1.16	1.27	1.38	1.52	*1.66*	*1.80*	Div'ds Decl'd per sh [B]	*2.20*
	15.35	14.41	14.36	13.30	16.67	19.44	19.99	21.22	27.41	33.08	*36.55*	*40.40*	Real Est Assets per sh	*46.45*
	180.40	181.40	189.42	206.70	209.20	221.24	224.88	228.06	250.87	252.80	*260.00*	*265.00*	Common Shs Outst'g [C]	*280.00*
	79%	39%	97%	92%	72%	112%	166%	202%	209%	239%	*Bold figures are*		Premium Over Book	*205%*
	18.4	15.0	13.8	14.1	14.6	17.4	20.5	21.1	27.8	34.9	*Value Line*		Avg Ann'l P/E Ratio	*27.5*
	12.3	10.2	9.8	10.2	10.4	11.9	13.8	14.7	17.8	19.7	*estimates*		Avg Ann'l P/FFO	*14.5*
	5.3%	6.6%	6.9%	6.4%	6.9%	5.7%	4.7%	4.3%	3.5%	3.5%			Avg Ann'l Div'd Yield	*4.4%*
	339.0	433.9	459.4	468.6	458.5	479.7	517.0	522.5	583.9	681.6	*800*	*850*	Rental Income ($mill)	*1100*
	14.8	23.5	40.6	80.1	115.8	125.1	168.5	227.2	307.4	376.0	*450*	*525*	Other Income ($mill)	*750*
	73.1%	74.2%	75.6%	74.7%	71.7%	73.6%	74.2%	73.6%	72.6%	72.8%	*74.0%*	*74.0%*	Operating Margin	*73.0%*
	122.3	176.6	205.0	236.5	226.4	243.9	281.6	331.9	358.7	341.5	*370*	*400*	Net Profit ($mill)	*550*
	34.5%	38.6%	41.0%	43.1%	40.1%	41.1%	41.1%	44.3%	40.1%	32.2%	*29.6%*	*29.3%*	Net Profit Margin	*29.8%*
	.9	1.6	4.0	16.4	12.8	47.7	15.8	31.7	77.3	75.2	*100*	*125*	Capital Gains ($mill)	*175*
	2768.0	2627.0	2720.0	2749.0	3488.7	4264.0	4382.0	4971.8	6876.9	8363.3	*9000*	*10000*	Real Est Assets ($mill)	*13000*
	1289.6	1249.6	1325.7	1328.1	1577.0	2154.9	2118.6	2691.2	3587.2	4216.4	*5000*	*5500*	Long-Term Debt ($mill)	*7500*
	1585	1609.3	1704.3	1890.1	2132.1	2135.8	2236.4	2387.2	3367.0	3894.6	*4100*	*4300*	Shr. Equity ($mill)	*5200*
	65%	67%	68%	65%	69%	67%	64%	68%	69%	76%	*70%*	*71%*	Div'ds Decl'd to FFO	*70%*
	3.0%	3.7%	3.5%	3.5%	4.2%	3.6%	3.7%	3.5%	3.0%	3.2%	*3.3%*	*3.3%*	Expenses to Assets	*3.5%*
	9.0%	9.1%	8.3%	10.5%	7.7%	8.4%	7.7%	7.8%	6.4%	5.5%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
	10.5%	13.9%	12.0%	12.8%	10.8%	11.4%	12.6%	13.9%	10.6%	8.7%	*9.0%*	*9.0%*	Return on Shr. Equity	*10.5%*

BUSINESS: Kimco Realty Corporation is a self-administered and self-managed equity real estate investment trust and the largest owner of neighborhood and community shopping centers. As of 12/31/07, owned or had an interest in about 183 million sq. ft. of gross leasable area, comprising 1973 properties in 45 states, Puerto Rico, Canada, Mexico, and Chile. Major tenants (% of 2007 base rent revs.): Home Depot (3.2%); TJX (2.8%); and Sears (2.3%). Launched Kimco Income REIT, 4/99. Has about 650 employees. Vanguard owns 6.8% of stock; Barclays Global, 5.4%; Wellington, 5.3%; off./dir., 11.2% (4/08 proxy). Inc.: MD. Chmn. & CEO: Milton Cooper. Addr.: 3333 New Hyde Park Rd., New Hyde Park, NY 11042. Tel.: 516-869-9000. Web:: www.kimcorealty.com.

Kimco's first-quarter results largely reflected nonoperating items. March-period profits from owned and operated shopping centers declined a bit, despite a 3.3% gain in "same-store" profits. Income from other real estate investments, loans, and management fees was little changed, and equity in affiliates' results rose about 30%. But the major change from the year-ago quarter was in the interest, dividend, and other category, which was up $23 million. We include these gains in our figures, since they derive from continuing activities, though they don't happen every quarter. Much higher preferred dividends, though, offset some of these profits.

The slowing economy could affect Kimco some over the balance of the year . . . In the first quarter, the company rolled over leases at an increase of 11%, and that will probably continue, as expiring leases were signed years ago. Profits from owned centers should therefore rise steadily, if slowly, since most of Kimco's centers offer basic necessities, rather than "life style" products. New property acquisitions in the U.S., however, will likely be less than last year, as a result of current high domestic valuations that make it difficult for Kimco to earn its target return. And profits from development could suffer if the credit crunch continues for long, as that makes it harder for investors to finance purchases of the company's development centers.

. . . but things should pick up next year. In contrast to buying fewer centers this year, Kimco is investing more in redoing old shopping centers. These activities yield returns well above 10%, compared with 7% or so for purchasing existing centers. Rapidly expanding activities in Mexico, Chile, and soon, Brazil, should help by 2009. And the longer the economic downturn lasts, the more Kimco should profit by investing in special situations and distressed properties, such as Albertson's. Kimco made over $70 million from helping reorganize Albertson's in 2007.

These neutrally ranked shares have decent 3- to 5-year total return potential. With its size and skill in many types of retail real estate, and increasing involvement south of the border, Kimco should grow faster than most REITs.

Sigourney B. Romaine, CFA July 18, 2008

(A) Includes gains from property sales through '02, excl'd after. Quarterly numbers may not add to totals due to rounding. Next earnings report due early August. Excl. nonrec. items: 2007, 40¢; '06, 29¢; '05, 13¢; '04, 7¢.
(B) Div'ds historically paid in mid-Jan., Apr., July, and Oct. ■ Div'd reinvest. plan avail.
(C) In millions, adjusted for splits.
(D) FFO/share: 2005: Q1, 48¢; Q2, 49¢; Q3, 50¢; Q4, 53¢. 2006: Q1, 53¢; Q2, 54¢; Q3, 56¢; Q4, 58¢. 2007: Q1, 51¢; Q2, 65¢; Q3, 57¢; Q4, 48¢. 2008: Q1, 62¢.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	100
Earnings Predictability	95

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LAMAR ADVERTISING NDQ-LAMR

RECENT PRICE 39.46 | P/E RATIO NMF (Trailing: NMF / Median: NMF) | RELATIVE P/E RATIO NMF | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 5/16/08
SAFETY 3 Raised 5/20/05
TECHNICAL 4 Lowered 8/15/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

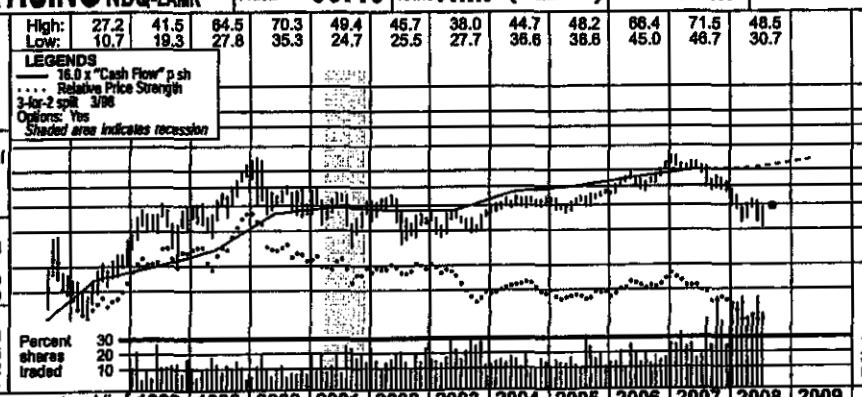
	Price	Gain	Ann'l Total Return
High	110	(+180%)	30%
Low	70	(+75%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	2	2	0	0	0	0	1	1	1
Options	0	0	0	0	0	0	1	0	0
to Sell	0	0	0	0	0	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	117	130	125
to Sell	112	112	112
Hld's(000)	81083	89824	99944



Target Price Range 2011 | 2012 | 2013
160
120
100
80
60
50
40
30
20
15

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-38.2	-12.2
3 yr.	-13.7	7.2
5 yr.	10.7	58.6

Lamar Advertising Company went public in August of 1996, when it sold 8.2 million shares at $10.70 a share, adjusted for split. Smith Barney was the lead underwriter. Then, in December of 1998, it had a secondary offering, led by Morgan Stanley Dean Witter, of six million shares at $32.50 a share.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2813.5 mill. Due in 5 Yrs $1155 mill.

LT Debt $2781.5 mill. LT Interest $167.0 mill.
(Total Interest Coverage: 1.1x) (74% of Cap'l)

Leases, Uncapitalized: Annual rentals $146 mill.

No Defined Benefit Pension Plan

Pfd. Stock None
Common Stock 92,364,528 shs.
Incl 15,372,865 class B shares each w/ 10 votes.

MARKET CAP: $3.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	11.8	76.0	18.9
Receivables	127.6	135.0	147.6
Inventory (Avg Cst)	--	--	--
Other	91.4	89.5	96.5
Current Assets	230.8	300.5	263.2
Accts Payable	14.6	19.6	21.1
Debt Due	8.7	31.7	32.0
Other	87.7	94.0	72.3
Current Liab.	111.0	145.3	125.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	12.5%	9.0%	10.5%
"Cash Flow"	15.0%	7.5%	10.0%
Earnings	11.0%	--	26.5%
Dividends	--	--	Nil
Book Value	32.0%	-3.5%	Nil

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	232.8	264.7	265.6	258.6	1021.7
2006	253.4	287.6	292.0	287.1	1120.1
2007	275.2	315.2	314.3	304.9	1209.6
2008	282.8	323.8	310	308.4	1225
2009	300	340	325	335	1300

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.05	.18	.11	.05	.39
2006	.01	.18	.16	.07	.42
2007	.09	.19	.15	.05	.48
2008	d.02	.15	.13	.09	.35
2009	.02	.17	.18	.08	.45

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	4.72	5.05	7.08	7.33	7.64	7.83	8.46	9.63	11.22	12.92	13.60	15.30	Revenues per sh	20.45
	1.25	1.51	2.30	2.48	2.38	2.37	2.94	3.13	3.46	3.77	3.85	4.30	"Cash Flow" per sh	6.20
	d.24	d.64	d1.05	d1.11	d.36	d.39	.12	.39	.42	.48	.35	.45	Earnings per sh A	1.75
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.90	.88	.81	.86	.77	.76	.79	1.14	2.24	2.36	2.40	2.50	Cap'l Spending per sh	3.00
	7.58	15.81	17.40	16.80	16.84	16.34	16.63	17.10	15.41	9.95	10.00	10.90	Book Value per sh B	14.30
	61.09	88.03	97.10	99.51	101.49	103.41	104.42	106.08	99.84	93.60	90.00	85.00	Common Shs Outst'g C	80.00
	--	--	--	--	--	--	NMF	NMF	NMF	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	NMF
	--	--	--	--	--	--	NMF	NMF	NMF	NMF			Relative P/E Ratio	NMF
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	288.6	444.1	687.3	729.1	775.7	810.1	883.5	1021.7	1120.1	1209.6	1225	1300	Revenues ($mill)	1740
	46.7%	46.5%	48.3%	44.8%	43.1%	42.8%	44.5%	44.8%	42.9%	43.9%	41.0%	43.0%	Operating Margin	46.0%
	88.6	177.1	318.1	355.5	277.9	284.9	294.1	290.1	301.7	306.9	315	325	Depreciation ($mill)	375
	d11.9	d43.6	d94.7	d108.6	d36.3	d39.8	13.2	41.8	43.9	46.2	30.0	40.0	Net Profit ($mill)	150
	--	--	--	--	--	--	46.2%	43.3%	43.8%	44.6%	44.0%	44.0%	Income Tax Rate	44.0%
	NMF	NMF	NMF	NMF	NMF	NMF	1.5%	4.1%	3.9%	3.8%	2.4%	3.0%	Net Profit Margin	8.6%
	94.3	40.8	67.4	21.3	95.9	69.9	34.5	93.8	119.8	155.2	175	200	Working Cap'l ($mill)	300
	827.5	1611.5	1671.5	1745.0	1734.7	1699.8	1587.4	1573.5	1981.8	2694.0	2400	2300	Long-Term Debt ($mill)	2000
	466.8	1391.5	1689.5	1672.2	1709.2	1689.7	1736.3	1817.5	1538.5	931.0	900	925	Shr. Equity ($mill) B	1215
	1.4%	.0%	NMF	NMF	.5%	.1%	1.2%	2.5%	2.8%	3.5%	1.0%	1.0%	Return on Total Cap'l	4.5%
	NMF	NMF	NMF	NMF	NMF	NMF	.8%	2.3%	2.9%	5.0%	3.5%	4.0%	Return on Shr. Equity	12.5%
	NMF	NMF	NMF	NMF	NMF	NMF	.7%	2.3%	2.9%	5.0%	3.5%	4.0%	Retained to Com Eq	12.5%
	NMF	NMF	NMF	NMF	NMF	NMF	3%	1%	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Lamar Advertising Company owns and operates outdoor advertising structures in the U.S. In 2007, it operated over 151,000 outdoor advertising displays in 44 states. The company also is the largest manager of highway logo signs in the United States, maintaining over 95,000 logo displays in 19 states and in Ontario, Canada. Sales breakdown by industry group: Restaurants (10% of 2007 total), Retailers (10%), Automotive (9%), Real Estate (9%), Other (62%). Has approximately 3,200 employees. Officers & directors control 19.0% of class A and B shares (4/08 Proxy). Chairman, President, and CEO.: Kevin P. Reilly, Jr. Incorporated: Delaware. Address: 5551 Corporate Blvd., Baton Rouge, Louisiana 70808. Telephone: 225-926-1000. Internet: www.lamar.com.

Lamar Advertising's bottom line will very likely fall this year. The advertising market's success hinges on the strength of the broader domestic economy. At this juncture, we look for unexciting gross domestic product growth for 2008. This is due to the credit crisis, inflated gasoline prices, and subpar labor and housing markets. Thus, we look for growth in advertising spending to be only modest, at best, this year. When economic times get more difficult, budgets are among the first segments to get trimmed. The corporate mentality during a downturn appears to be that consumers don't have excessive discretionary income levels, so it doesn't pay to boost advertising dollars.

We look for share earnings to increase by a dime next year. The company is currently benefiting from a pricing recovery in local advertising and a healthier billboard business. We look for this trend to continue into next year. A likely better economic backdrop in the latter stages of 2009 also adds to our cautiously optimistic outlook.

We like Lamar's long-term earnings growth prospects. The outdoor advertising industry will likely continue to grow at a good clip, as consumers spend an increasing amount of time away from home. The primary growth drivers over the next 3 to 5 years are digital billboards, which are a cost-effective advertising medium. The company should also be able to expand its presence in other fragmented segments of the advertising industry, as well as benefit from technological enhancements in the years ahead.

Lamar shares have fallen in price by approximately 10% over the past three months. That said, this equity offers significant turnaround potential for the pull to 2011–2013. We believe that ongoing share-repurchase activity will help support solid bottom-line gains over that time frame. Conservative accounts should note, however, that this stock's Earnings Predictability is less than average.

Alan C. House *August 15, 2008*

CASH POSITION	5-Year Av'g	3/31/08
Current Assets to Current Liabilities:	153%	210%
Cash & Equiv's to Current Liabilities:	15%	15%
Working Capital to Sales:	7%	11%

Company's Financial Strength	C++
Stock's Price Stability	75
Price Growth Persistence	35
Earnings Predictability	35

(A) Diluted earnings. Excludes 39¢ loss in '03 due to accounting change. Includes 19¢ debt extinguishment cost in '03. Next earnings report due early Nov.
(B) Includes intangibles. In 2007: $2,179 mill. $23.28/share.
(C) In millions, adjusted for stock split.

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RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
17.74	16.1 (Trailing: NMF Median: 19.8)	1.03	5.6%	

TIMELINESS 3 Raised 12/14/07
SAFETY 2 Raised 7/13/01
TECHNICAL 3 Raised 7/4/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+70%)	18%
Low	25	(+40%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	2	0
Options	0	0	0	0	0	2	2	1	0
to Sell	0	0	0	0	0	2	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	106	119	133
to Sell	149	160	127
Hld's(000)	123943	128700	143605

	High:	23.9	26.8	28.3	22.6	24.5	27.4	23.7	30.7	29.6	27.0	24.7	19.6
	Low:	15.8	16.9	18.6	14.2	16.8	18.6	17.2	21.2	18.2	21.9	17.1	14.1

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/95
2-for-1 split 6/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.3	-8.7
3 yr.	-20.7	27.3
5 yr.	0.2	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
7.87	9.47	11.17	12.29	13.39	15.09	17.04	19.19	21.81	20.96	21.96	22.84	26.64	29.02	30.93	25.53	26.10	28.05	Sales per sh	32.65
.66	.81	1.04	1.21	1.42	1.63	1.90	2.23	2.23	1.96	2.04	1.94	2.42	2.45	2.64	1.39	2.30	2.50	"Cash Flow" per sh	3.00
.41	.52	.70	.80	.93	1.08	1.24	1.45	1.32	.94	1.17	1.05	1.45	1.43	1.57	.28	1.10	1.25	Earnings per sh A	1.75
.11	.14	.18	.19	.23	.27	.32	.35	.42	.48	.50	.53	.58	.63	.67	.78	1.00	1.12	Div'ds Decl'd per sh B	1.48
.22	.34	.53	.56	.52	.62	.75	.81	.87	.85	.64	.71	.82	.90	.93	.88	.85	.85	Cap'l Spending per sh	.95
2.79	3.20	3.76	4.38	5.11	6.09	7.27	8.36	9.15	9.51	10.16	11.00	12.12	12.32	13.21	12.64	12.95	12.85	Book Value per sh C	13.30
152.66	161.27	166.39	167.52	184.22	192.75	197.77	196.88	196.10	196.30	194.50	192.10	190.90	182.60	178.00	168.70	160.00	155.00	Common Shs Outst'g D	150.00
15.0	18.8	14.2	13.9	14.6	18.4	18.6	15.7	13.5	22.6	20.0	19.9	17.7	17.8	15.4	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
.91	1.11	.93	.93	.91	1.06	1.02	.89	.88	1.16	1.09	1.13	.94	.95	.83	NMF			Relative P/E Ratio	1.05
1.8%	1.4%	1.6%	1.7%	1.7%	1.4%	1.3%	1.5%	2.4%	2.3%	2.1%	2.5%	2.3%	2.5%	2.8%	3.6%			Avg Ann'l Div'd Yield	5.4%
3370.4	3779.0	4276.3	4113.8	4271.8	4388.2	5085.5	5298.3	5505.4	4306.4	4175	4350	Sales ($mill)	4900
16.5%	18.0%	15.4%	13.6%	13.6%	11.9%	12.2%	12.4%	12.1%	12.6%	12.3%	12.6%	Operating Margin	13.5%
127.9	149.3	173.3	196.6	164.6	167.0	177.2	171.1	175.4	183.4	185	190	Depreciation ($mill) E	200
248.0	290.5	264.1	187.6	233.1	205.9	285.4	276.5	294.1	51.0	180	200	Net Profit ($mill)	270
37.3%	37.2%	36.9%	36.9%	35.9%	34.7%	32.5%	32.4%	31.2%	NMF	33.0%	33.0%	Income Tax Rate	33.0%
7.4%	7.7%	6.2%	4.6%	5.5%	4.7%	5.6%	5.2%	5.3%	1.2%	4.4%	4.6%	Net Profit Margin	5.5%
735.7	824.7	926.7	964.9	890.0	1183.5	1105.2	1025.3	1202.9	1034.6	1000	1025	Working Cap'l ($mill)	1100
574.1	787.4	988.4	977.6	808.6	1012.2	779.4	921.6	1060.0	1000.6	1000	1000	Long-Term Debt ($mill)	1200
1436.8	1646.2	1793.8	1866.6	1976.9	2114.0	2313.1	2249.0	2351.1	2132.7	2070	1990	Shr. Equity ($mill)	2000
13.2%	12.8%	10.7%	7.6%	9.1%	7.2%	9.8%	9.3%	9.2%	2.3%	5.0%	6.5%	Return on Total Cap'l	8.5%
17.3%	17.6%	14.7%	10.1%	11.8%	9.7%	12.3%	12.3%	12.5%	2.4%	9.0%	10.0%	Return on Shr. Equity	13.5%
13.1%	13.4%	10.3%	5.1%	6.9%	4.9%	7.6%	7.0%	7.4%	NMF	1.0%	1.0%	Retained to Com Eq	2.0%
24%	24%	30%	49%	41%	50%	39%	43%	41%	NMF	91%	90%	All Div'ds to Net Prof	85%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1170.0 mill. Due in 5 Yrs $325.8 mill.
LT Debt $1095.8 mill. LT Interest $65.0 mill.
(Total interest coverage: 3.2x) (34% of Cap'l)

Leases, Uncapitalized Annual rentals $41.7 mill.

Pension Assets—12/07 $263.0 mill.
Oblig. $239.4 mill.

Pfd Stock None

Common Stock 166,329,584 shs.
as of 4/30/08
MARKET CAP: $3.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	131.9	205.4	188.1
Receivables	853.6	640.2	666.4
Inventory (LIFO)	826.3	599.2	599.2
Other	82.1	389.6	416.9
Current Assets	1894.1	1834.4	1870.6
Accts Payable	259.0	227.6	242.2
Debt Due	52.0	88.7	74.2
Other	380.2	483.3	456.1
Current Liab.	691.2	799.6	772.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	5.5%	2.5%
"Cash Flow"	4.5%	1.0%	5.5%
Earnings	1.5%	-1.0%	8.0%
Dividends	11.5%	8.0%	13.5%
Book Value	9.5%	6.0%	.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1301.3	1309.8	1348.6	1339.6	5299.3
2006	1377.7	1402.6	1414.6	1310.5	5505.4
2007	1063.5	1083.0	1105.8	1054.1	4306.4
2008	998.3	1065	1095	1016.7	4175
2009	1075	1080	1115	1080	4350

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.37	.41	.33	.32	1.43
2006	.37	.42	.45	.33	1.57
2007	.31	.30	.36	d.71	.28
2008	.23	.26	.33	.28	1.10
2009	.30	.30	.35	.30	1.25

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.14	.14	.15	.15	.58
2005	.15	.15	.16	.16	.62
2006	.16	.16	.17	.17	.66
2007	.17	.18	.18	.25	.78
2008	.25	.25			

BUSINESS: Leggett & Platt, Inc. is a manufacturer of engineered products, including: bedding components, residential and office/instit. furniture, store fixtures, displays, die castings, custom tooling, machining, alum. raw materials, drawn wire, welded steel tubing, specialty wire pdcts., auto seating suspension, lumbar support and control cable systems. '07 sales by business segment: residential, 53%; commercial, 18%; industrial, 12%; specialized, 16%. Has about 24,000 employees. '07 depr. rate: 25%. Officers and directors own 7.6% of common stock (3/08 Proxy). Chairman: Felix E. Wright. CEO & President: David S. Haffner. Inc.: MO. Address: No. 1 Leggett Road, Carthage, Missouri 64836. Telephone: 417-358-8131. Internet: www.leggett.com.

Leggett & Platt shares have increased over 10% in price since our April review. Respectable first-quarter results and a decent outlook for the rest of 2008 led to the surge. Share earnings from continuing operations in the March interim were three cents below our estimate, but the company maintained its 2008 earnings guidance, which was a positive sign, especially in light of the difficult selling conditions that currently exist. Indeed, this appeared to be enough to encourage investors to jump on board.

The remainder of 2008 will likely be decent, if unimpressive. End-market demand for many of Leggett & Platt's products is weak, primarily owing to softness in the broader domestic economy. In fact, during the first quarter, sales in the residential furnishings segment fell about 11% from the year-earlier period. Additionally, operating costs are on the rise, as a result of elevated prices for steel and petroleum products. These factors will probably hamper margin expansion, at least in the near term. All told, we trimmed our 2008 share-net estimate by a nickel, to $1.10, and are maintaining our 2009 estimate of $1.25.

Stock repurchases should help support share earnings. In addition to Leggett & Platt's current authorization, the company's board of directors is allowing management to use divestiture proceeds to buy back even more shares. The aluminum products business and four other, smaller divisions are up for sale. Altogether, we look for about a 5% reduction in shares outstanding this year.

Given the stock's recent price increase, its long-term appeal is limited. We think that earnings will rebound, and eventually grow at a healthy pace, when the broader economy begins to improve and gain traction. However, the issue's recent quotation appears to already reflect much of our outlook. As a result, these neutrally ranked shares offer below-average share price appreciation potential over the pull to 2011-2013. Nonetheless, the stock's impressive dividend yield and above-average scores for Safety (2) and Financial Strength (A) make it an attractive choice for risk-averse investors with an appetite for current income.

Matthew E. Spencer *July 4, 2008*

(A) Primary earnings through 1996, diluted thereafter. Excludes nonrecurring gain/(loss): '98, (16¢); '05, (13¢); '06, 4¢. May not sum due to change in shares outstanding. Excludes discontinued gain/(loss): '07, (34¢); '08, 2¢. Next earnings report due late July.
(B) Dividends historically paid in mid-January, April, July, and October.
(C) Includes intangibles. In 2007: $1,163.5 million/$6.90 a share.
(D) In millions, adjusted for stock splits.
(E) Includes amortization of intangibles.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	25
Earnings Predictability	45

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HEARING EXHIBIT 00000391

LIZ CLAIBORNE NYSE-LIZ

RECENT PRICE 13.06 | P/E RATIO 9.0 (Trailing: 9.6 Median: 13.0) | RELATIVE P/E RATIO 0.58 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 5 Lowered 5/11/07
SAFETY 3 Lowered 8/8/08
TECHNICAL 3 Lowered 9/1/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+205%)	33%
Low	30	(+130%)	24%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	1	0	0
Options	1	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	103	124	105
to Sell	149	147	129
Hld's(000)	104099	106406	102537

	High:	29.0	27.4	20.3	24.2	27.5	33.3	38.9	42.5	43.8	44.5	46.8	22.8
	Low:	19.1	12.5	15.4	16.5	18.0	23.5	26.2	32.1	33.7	33.4	19.9	11.1

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/02
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-61.7	-18.0
3 yr.	-63.6	11.3
5 yr.	-58.4	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
13.25	13.98	14.04	14.12	15.62	18.25	19.82	24.74	30.31	32.77	34.73	38.71	42.61	46.18	48.42	48.31	47.85	50.00	Sales per sh	53.35
1.49	1.00	.89	1.13	1.40	1.74	1.89	2.29	2.63	2.88	3.13	3.51	3.95	4.24	4.38	3.08	3.35	3.65	"Cash Flow" per sh	4.80
1.31	.77	.65	.85	1.08	1.32	1.42	1.56	1.79	1.92	2.20	2.55	2.85	2.94	2.99	1.30	1.45	1.65	Earnings per sh A	2.50
.20	.22	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	.23	Div'ds Decl'd per sh B ■	.23
.21	.58	.46	.23	.16	.26	.69	.66	.85	.78	.75	.88	1.24	1.34	1.64	1.83	1.60	1.65	Cap'l Spending per sh	1.70
6.03	6.20	6.38	6.71	7.19	6.97	7.67	7.95	8.15	10.04	12.02	14.40	16.66	19.08	20.65	16.00	17.75	17.80	Book Value per sh C	25.20
165.56	157.69	154.01	147.38	142.01	132.20	127.90	113.44	102.42	105.23	107.04	109.57	108.73	104.99	103.16	94.74	92.00	90.00	Common Shs Outst'g D	90.00
14.8	18.9	17.1	12.8	16.5	17.8	14.3	11.5	11.2	12.6	13.2	13.0	13.1	13.4	12.9	27.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.90	1.12	1.12	.86	1.03	1.03	.74	.66	.73	.85	.72	.74	.69	.71	.70	1.45			Relative P/E Ratio	.95
1.0%	1.5%	2.0%	2.1%	1.3%	1.0%	1.1%	1.3%	1.1%	1.0%	.8%	.7%	.6%	.6%	.6%	.6%			Avg Ann'l Div'd Yield	.7%
2535.3	2806.5	3104.1	3448.5	3717.5	4241.1	4632.8	4847.8	4994.3	4577.3	4400	4500	Sales ($mill)	4800
13.4%	13.1%	12.7%	13.0%	13.3%	13.6%	13.3%	13.5%	13.3%	4.9%	9.3%	10.3%	Operating Margin	13.0%
55.8	67.8	77.0	101.5	96.4	105.0	115.6	127.5	140.4	162.2	165	170	Depreciation ($mill)	185
186.5	192.4	192.4	201.7	238.3	279.7	313.6	317.4	309.1	129.7	142	160	Net Profit ($mill)	245
36.5%	36.2%	36.0%	36.0%	35.5%	36.2%	34.7%	35.4%	37.3%	37.3%	35.0%	35.0%	Income Tax Rate	37.0%
7.4%	6.9%	6.2%	5.9%	6.4%	6.6%	6.8%	6.5%	6.2%	2.8%	3.2%	3.6%	Net Profit Margin	5.1%
711.9	506.3	552.7	658.7	612.2	821.8	871.5	848.8	796.2	794.4	800	800	Working Cap'l ($mill)	825
--	116.1	269.2	387.3	377.7	440.3	484.5	417.8	570.5	836.9	950	900	Long-Term Debt ($mill)	700
981.1	902.2	834.3	1056.2	1286.4	1578.0	1811.8	2002.7	2130.0	1515.6	1500	1600	Shr. Equity ($mill)	2270
19.0%	18.9%	18.4%	14.9%	15.1%	14.6%	14.4%	13.8%	12.1%	6.4%	6.0%	6.5%	Return on Total Cap'l	8.0%
19.0%	21.3%	23.1%	19.1%	16.5%	17.7%	17.3%	15.8%	14.5%	8.6%	9.5%	10.0%	Return on Shr. Equity	10.5%
16.0%	18.2%	20.2%	16.9%	16.7%	16.2%	16.0%	14.7%	13.4%	7.1%	8.0%	8.5%	Retained to Com Eq	9.5%
16%	14%	12%	12%	10%	8%	8%	8%	7%	17%	16%	14%	All Div'ds to Net Prof	9%

CAPITAL STRUCTURE as of 4/5/08

Total Debt $989.1 mill. Due in 5 Yrs $72.2 mill.
LT Debt $912.0 mill. LT Interest $55.0 mill.
(LT interest earned: 10.2x; total interest coverage: 10.2x)
(38% of Cap'l)
Leases, Uncapitalized Annual rentals $221.3 mill.

No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 94,782,920 shs.
as of 5/2/08
MARKET CAP: $1.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/5/08
Cash Assets	195.1	205.7	111.4
Receivables	499.0	440.2	566.7
Inventory (FIFO)	593.4	540.8	526.1
Other	182.6	378.1	417.9
Current Assets	1470.1	1564.8	1622.1
Accts Payable	281.4	223.5	225.4
Debt Due	22.3	50.8	77.1
Other	370.2	496.1	451.3
Current Liab.	673.9	770.4	753.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	8.0%	2.0%
"Cash Flow"	10.5%	6.0%	.5%
Earnings	8.5%	4.0%	.5%
Dividends	--	--	Nil
Book Value	10.5%	13.0%	5.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1212.4	1099.1	1336.7	1199.6	4847.8
2006	1171.2	1125.0	1369.5	1328.6	4994.3
2007	1073.5	1059.2	1236.5	1208.1	4577.3
2008	1121.5	970	1155	1153.5	4400
2009	1050	1050	1200	1200	4500

Calendar	EARNINGS PER SHARE A E Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.65	.50	1.05	.74	2.94
2006	.62	.46	.96	.95	2.99
2007	.22	.26	.62	.20	1.30
2008	.28	.02	.60	.55	1.45
2009	.19	.20	.65	.61	1.65

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.056	.057	.056	.057	.23
2005	.056	.057	.056	.057	.23
2006	.056	.057	.056	.057	.23
2007	.056	.057	.056	.057	.23
2008	.056	.057			

BUSINESS: Liz Claiborne, Inc. designs and markets over 20 labels, including *Juicy Couture, Kate Spade, Lucky Brand Jeans, Mexx, Liz Claiborne, Mac & Jac,* and *Narciso Rodriguez.* Sales are made primarily to department stores in the U.S. International sales: 32% of 2007 total. Partnered Brands (wholesale) were 51% of 2007 sales; Direct Brands (retail), 49%. All products are manufactured by outside sources, mainly in the Far East and Central America. Has about 16,500 employees. Officers & Directors hold 1.0% of stock; FMR Corp., 14.7%; Wellington Mgmt. Co., 13.9% (3/08 Proxy). Chairman: Kay Koplovitz. CEO: William L. McComb. Incorporated: Delaware. Address: 1441 Broadway, New York, NY 10018. Telephone: 212-354-4900. Internet: www.lizclaiborne.com.

Liz Claiborne is still trying to reinvent itself. Management is working to modernize the company's business model in an age of private-label brands and fast fashion retailers. The changes are happening slowly, but surely. A number of underperforming brands were recently sold, and management is focused on the company's more-profitable and faster-growing Direct Brands, as opposed to its Partnered Brands (wholesale) business.

Results in 2008 will probably be unimpressive. A restructuring of this magnitude can't happen overnight. Although share net should rebound somewhat from last year's dismal showing, substantial share-earnings growth will likely elude the company this year. Making things even more difficult is the weak selling environment that Liz Claiborne currently finds itself in. Consumers are being squeezed by the housing slump, the softening labor market, and elevated energy and food prices. As a result, people are tightening their belts and cutting back on discretionary purchases.

We recommend that momentum investors avoid these shares, for the time being. The combination of the sluggish economy and the company's turnaround plans makes this stock an unappealing selection for the year ahead, as it will probably remain under pressure for some time. Indeed, this issue carries our Lowest rank for Timeliness (5), and will probably underperform the broader market averages over the coming six to 12 months.

Long-term investors would probably be well served to take a wait-and-see approach. The stock has fallen even further since our May review, and is now trading at its lowest level in almost a decade. That said, the company should eventually be able to turn itself around. It will probably receive an additional boost when the broader economy rebounds and discretionary spending ticks up. Given the earnings advances we are forecasting over the pull to 2011-2013 and the issue's recent quotation, it offers impressive capital appreciation potential three to five years hence. However, we would advise waiting for more sustained improvement before committing funds, owing to the *murky near-term outlook.*

Matthew E. Spencer *August 8, 2008*

(A) Primary shares through 1996, diluted thereafter. Excludes nonrecurring gain (losses): '93, 2¢; '94, (24¢); '98, (26¢); '00, (15¢); '01, (9¢); '02, (4¢); '04, (1¢); '06, (53¢); '07, ($5.04); '08, (44¢). Next earnings report due early Nov.
(B) Dividends historically paid in mid-March, mid-June, mid-Sept., and mid-Dec. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In 2007: $1100.4 million, $11.61/share. (D) In millions, adjusted for stock split.
(E) May not sum due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	65

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LINEAR TECH CORP NDQ-LLTC

RECENT PRICE 32.57 | P/E RATIO 18.0 (20.2 / 36.0) | RELATIVE P/E RATIO 1.17 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 2 Lowered 7/11/08
SAFETY 2 Raised 7/11/08
TECHNICAL 3 Lowered 7/11/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+175%)	30%
Low	65	(+100%)	20%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	4	0	3	5	0	2	0	0	0
to Sell	5	0	4	6	0	2	2	0	2

Institutional Decisions

	1Q2007	4Q2007	1Q2008
to Buy	154	171	154
to Sell	222	222	206
Hld's(000)	232609	233723	232937

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	16.8	22.6	41.6	74.8	65.1	47.5	44.8	45.1	41.7	39.3	38.8	37.8								
Low:	10.1	9.8	20.9	35.4	29.5	18.9	24.8	34.0	32.8	27.8	29.6	25.9								
	.43	.53	.69	.90	1.27	1.25	1.58	1.85	2.24	3.05	1.62	1.94	2.62	3.42	3.61	4.72	5.30	5.70	Sales per sh A	8.25
	.11	.15	.22	.32	.49	.48	.65	.70	.99	1.45	.77	.90	1.22	1.57	1.58	2.01	2.10	2.45	"Cash Flow" per sh	3.65
	.09	.12	.19	.28	.43	.43	.57	.61	.88	1.29	.61	.74	1.02	1.38	1.37	1.39	1.70	1.90	Earnings per sh AB	3.05
	--	.02	.03	.03	.04	.06	.06	.07	.08	.13	.17	.21	.28	.36	.50	.66	.76	.76	Div'ds Decl'd per sh C	.90
	.04	.03	.06	.08	.24	.07	.06	.13	.25	.40	.06	.02	.07	.20	.23	.27	.20	.25	Cap'l Spending per sh	.35
	.44	.57	.77	1.05	1.48	1.94	2.46	2.85	4.20	5.58	5.63	5.80	5.87	6.55	6.94	d3.06	d2.40	d1.25	Book Value per sh	4.00
	280.09	285.39	290.47	294.35	297.32	303.62	307.29	307.29	315.17	318.91	316.15	312.71	308.55	306.59	303.09	229.66	220.00	225.00	Common Shs Outst'g D	230.00
	23.4	23.4	28.0	23.1	22.8	24.7	29.5	35.2	48.6	42.3	65.5	39.8	36.5	27.2	25.6	23.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
	1.42	1.38	1.71	1.55	1.43	1.42	1.53	2.01	3.16	2.17	3.58	2.27	2.03	1.45	1.44	1.24			Relative P/E Ratio	1.65
	--	.6%	.6%	.5%	.4%	.5%	.4%	.3%	.2%	.2%	.4%	.7%	.7%	1.0%	1.4%	2.0%			Avg Ann'l Div'd Yield	1.2%
							484.8	506.7	705.9	972.6	512.3	606.6	807.3	1049.7	1092.9	1083.1	1165	1285	Sales ($mill) A	1900
							55.2%	55.2%	56.8%	59.8%	53.0%	56.1%	60.1%	60.8%	56.1%	53.1%	50.0%	54.0%	Operating Margin	59.0%
							20.1	22.0	25.0	35.8	46.3	45.9	48.7	48.8	49.3	50.7	40.0	45.0	Depreciation ($mill)	55.0
							180.8	194.3	287.9	427.5	197.6	236.6	328.2	434.0	428.7	411.7	350	430	Net Profit ($mill)	715
							33.3%	32.0%	31.0%	30.0%	29.0%	29.0%	29.0%	30.0%	30.5%	27.8%	30.0%	30.0%	Income Tax Rate	30.0%
							37.3%	38.3%	40.8%	43.9%	38.6%	39.0%	40.7%	41.3%	39.2%	38.0%	30.0%	33.5%	Net Profit Margin	37.6%
							645.2	779.8	1141.4	1525.7	1558.6	1614.0	1629.5	1799.6	1840.3	681.2	440	595	Working Cap'l ($mill)	1470
							--	--	--	--	--	--	--	--	--	1700.0	1700	1700	Long-Term Debt ($mill)	1700
							755.9	906.8	1322.2	1782.0	1781.5	1814.9	1810.6	2007.0	2104.5	d708.0	d525	d280	Shr. Equity ($mill)	925
							23.8%	21.4%	21.8%	24.0%	11.1%	13.0%	18.1%	21.6%	20.4%	42.1%	29.5%	30.0%	Return on Total Cap'l	27.0%
							23.8%	21.4%	21.8%	24.0%	11.1%	13.0%	18.1%	21.6%	20.4%	NMF	NMF	NMF	Return on Shr. Equity	77.0%
							21.5%	19.0%	19.7%	21.7%	8.1%	9.4%	13.3%	16.1%	13.1%	NMF	NMF	NMF	Retained to Com Eq	50.5%
							10%	11%	10%	10%	27%	28%	27%	26%	36%	47%	48%	40%	All Div'ds to Net Prof	29%

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	4.9	-9.7
3 yr.	3.9	27.3
5 yr.	8.7	85.8

LEGENDS
22.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/95
2-for-1 split 2/99
2-for-1 split 3/00
Options: Yes
Shaded area indicates recession

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1700.0 mill. Due in 5 Yrs None
LT Debt $1700.0 mill. LT Interest $52.0 mill.
Incl. $1,000 mill. in 3.0% senior notes (2027) each conv. into LLTC stock at $50 a sh.; $700 mill. in 3.125% senior notes (also 2027) each conv. into LLTC stock at $50.47 a sh.
Leases, Uncapitalized Annual rentals $2.4 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 221,863,484 shs.
as of 4/25/08
MARKET CAP: $7.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1819.5	633.3	907.9
Receivables	154.3	130.5	150.2
Inventory (FIFO)	38.0	51.1	54.4
Other	64.3	46.2	48.9
Current Assets	2077.1	861.1	1161.4
Accts Payable	14.6	11.2	12.6
Debt Due	--	--	--
Other	222.2	168.7	145.0
Current Liab.	236.8	179.9	157.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.0%	11.0%	13.0%
"Cash Flow"	15.0%	10.0%	14.0%
Earnings	14.0%	8.5%	14.0%
Dividends	26.0%	32.0%	11.0%
Book Value	9.0%	-7.5%	3.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	253.1	250.1	290.7	255.8	1049.7
2006	256.0	265.1	278.9	292.9	1092.9
2007	292.1	267.9	255.0	268.1	1083.1
2008	281.5	288.7	297.9	296.9	1165
2009	310	315	325	335	1285

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	.32	.33	.39	.34	1.38
2006	.31	.33	.36	.37	1.37
2007	.37	.34	.32	.36	1.39
2008	.40	.41	.44	.45	1.70
2009	.45	.47	.48	.50	1.90

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.08	.08	.08	.32
2005	.10	.10	.10	.10	.40
2006	.15	.15	.15	.15	.60
2007	.18	.18	.18	.18	.72
2008	.21	.21			

BUSINESS: Linear Technology designs and manufactures high-end linear chips, which monitor, condition, amplify, or transform continuous analog signals associated with real-world phenomena (temperature, pressure, weight, position, light, sound, and speed). Markets about 4,700 products to more than 15,000 OEMs directly and via distributors. Rev's: telecom, 33%; indust'l, 32%; PC & consumer, 25%; autos, 6%; space, 4%. Sales: U.S., 32%; Europe, 18%; Japan, 13%; other, 37%. R&D, 16.9%. Had 3,837 empl. at 7/1/07. Ownership: Capital Research & Mgmt, 23.3%; off./dir., 3.2%. (9/07 proxy). Chmn: Robert Swanson; CEO: Lothar Maier; Pres.: David Bell. Inc.: CA. Addr.: 1630 McCarthy Blvd., Milpitas, CA 95035. Tel.: 408-432-1900. Internet: www.linear.com.

Things at Linear Technology seem to be going well. Indeed, share earnings rose a strong 38% on a 17% increase in the top line, both slightly besting our targets. Although optimistic, we still believe a somewhat cautious stance is prudent. It is likely that many customers are still skittish about demand, given the uncertainty of the direction of the global economy and, as a result, will be very careful about component purchases. This ought to be particularly the case for the domestic PC, industrial, and communications markets. Lead times for customers in these segments have shortened, which helps better match inventory purchasing with actual consumption. But the trend has made it a bit harder to forecast near-term business prospects. On balance, we look for Linear to post 11% higher revenues in fiscal 2009 (year began June 30th).

Distribution inventories still appear well-matched with end demand. Supply management tools are now more sophisticated than during the last economic slowdown. Additionally, distributor and OEM customers tend to be more circumspect these days when it comes to stocking shelves.

The margin outlook appears decent. Recently, the company has been able to raise the average selling price, which should offset higher operating expenses.

We look for share net to experience strong gains this year, thanks to rising volume and a very profitable and lean operation. Share earnings will probably climb 12%, to $1.90, in fiscal 2009.

The company's long-term prospects are good. The ever-growing performance levels demanded from electronic devices and systems will likely lead to new applications for analog chips. Linear's high-performance products lend themselves well to the kind of product differentiation present in this highly competitive market.

Linear Technology shares hold appeal. Value Line's Timeliness Ranking System still indicates that this equity is likely to outperform the broader market averages over the next six to 12 months. Additionally, the company's bright long-term profit outlook gives this stock strong capital gains potential over the pull to 2011–2013.

Warren Thorpe *July 11, 2008*

(A) Fiscal year ends on the Sunday nearest June 30th. (B) Based on primary shares through 1997, diluted thereafter. Includes stock-based compensation (calculated using Intrinsic Value Method prior to '08, Fair Value Method thereafter): '05, 5¢; '06, 7¢; '07, 13¢. Next earnings report due late July. (C) Dividends historically paid mid- to late February, May, August, and November. (D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	20
Earnings Predictability	65

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LOWE'S COS. NYSE-LOW

RECENT PRICE 21.91 | P/E RATIO 14.1 (Trailing: 12.2 / Median: 21.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 3 Raised 3/28/08
SAFETY 2 Raised 4/7/06
TECHNICAL 3 Lowered 7/4/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+130%)	24%
Low	35	(+60%)	13%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	1	0	0	0	0
Options	2	1	0	0	1	0	1	3	0
to Sell	2	1	0	0	1	0	1	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	298	324	354
to Sell	489	477	415
Hld's(000)	1212633	1187744	1181313

High:	6.1	13.0	16.6	16.8	24.4	25.0	30.2	30.3	34.8	34.8	35.7	27.2		
Low:	4.0	5.4	10.6	8.6	10.9	16.3	16.7	23.0	25.4	26.2	21.0	19.9		

Target Price Range 2011 | 2012 | 2013

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/99
2-for-1 split 7/01
2-for-1 split 7/06
Options: Yes
Shaded area indicates recession

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-25.9	-9.7
3 yr.	-14.2	27.3
5 yr.	16.8	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.29	3.84	4.79	5.50	6.21	7.23	8.68	10.40	12.25	14.25	16.94	19.57	23.54	27.58	30.77	33.03	34.30	35.65	Sales per sh A	43.30
.13	.18	.26	.29	.35	.43	.53	.67	.79	1.00	1.34	1.68	2.00	2.39	2.80	2.86	2.65	2.75	"Cash Flow" per sh	3.75
.07	.11	.17	.17	.21	.26	.34	.45	.53	.65	.93	1.16	1.36	1.73	1.99	1.86	1.55	1.60	Earnings per sh A B	2.05
.02	.02	.02	.02	.03	.03	.03	.03	.04	.04	.05	.05	.08	.11	.18	.29	.32	.32	Div'ds Decl'd per sh C ■	.40
.63	.74	1.11	1.29	1.60	1.85	2.22	3.07	3.58	4.30	5.31	6.54	7.45	9.14	10.31	11.01	12.35	13.65	Book Value per sh	18.25
1167.6	1183.1	1276.2	1287.3	1384.8	1402.5	1410.6	1528.4	1533.0	1551.4	1564.0	1576.1	1548.8	1568.2	1525.0	1461.8	1450.0	1450.0	Common Shs Outst'g D	1450.0
17.8	23.2	25.2	23.5	21.2	19.5	28.2	30.1	22.0	27.5	22.7	20.9	20.0	17.7	15.4	15.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	21.0
1.08	1.37	1.65	1.57	1.33	1.12	1.47	1.72	1.43	1.41	1.24	1.19	1.06	.94	.83	.82			Relative P/E Ratio	1.40
1.4%	.8%	.5%	.6%	.6%	.6%	.3%	.2%	.3%	.2%	.2%	.2%	.3%	.4%	.5%	1.0%			Avg Ann'l Div'd Yield	.9%
12245	15906	18779	22111	26491	30838	36464	43243	46927	48283	49730	51720	Sales ($mill) A	62755
26.9%	27.5%	28.2%	28.9%	30.3%	31.2%	33.8%	34.2%	34.5%	34.6%	34.5%	34.5%	Gross Margin	34.5%
9.6%	10.1%	9.6%	10.5%	12.0%	12.8%	12.7%	13.1%	13.5%	12.6%	11.0%	11.0%	Operating Margin	12.0%
484	576	650	744	854	952	1087	1234	1385	1534	1655	1760	Number of Stores	2025
482.4	690.0	809.9	1023.3	1471.0	1862.0	2176.0	2771.0	3105.0	2809.0	2300	2350	Net Profit ($mill)	3035
36.4%	36.6%	36.8%	37.0%	37.6%	37.9%	38.5%	38.5%	37.9%	37.7%	37.5%	37.5%	Income Tax Rate	38.5%
3.9%	4.3%	4.3%	4.6%	5.6%	6.0%	6.0%	6.4%	6.6%	5.8%	4.6%	4.5%	Net Profit Margin	4.8%
820.3	1323.5	1246.4	1903.6	1990.0	2318.0	1255.0	1999.0	1775.0	935.0	425	380	Working Cap'l ($mill)	1730
1283.1	1726.6	2697.7	3734.0	3736.0	3678.0	3060.0	3499.0	4325.0	5576.0	5550	5850	Long-Term Debt ($mill)	5850
3136.0	4695.5	5494.9	6874.4	8302.0	10309	11535	14339	15725	16098	17935	19825	Shr. Equity ($mill)	26450
11.8%	11.5%	10.6%	10.6%	12.9%	13.9%	15.5%	16.0%	15.9%	13.4%	10.5%	9.5%	Return on Total Cap'l	10.0%
15.4%	14.7%	14.7%	15.3%	17.7%	18.1%	18.9%	19.3%	18.7%	17.4%	13.0%	12.0%	Return on Shr. Equity	11.5%
13.8%	13.7%	13.8%	14.4%	16.9%	17.2%	17.9%	18.1%	18.0%	14.8%	10.5%	9.5%	Retained to Com Eq	10.0%
11%	7%	7%	6%	4%	5%	5%	6%	9%	15%	21%	20%	All Div'ds to Net Prof	20%

CAPITAL STRUCTURE as of 5/2/08
Tot. Debt $5757 mill. Due in 5 Yrs $598 mill.
LT Debt $5576 mill. LT Interest $265 mill.

(Total Int. coverage: 14.8x; LT Int. earned: 17.0x) (25% of Cap'l)
Leases, Uncapitalized Annual rentals $363.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 1,463,769,822 shs.
as of 5/30/08

MARKET CAP: $32.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/2/08
Cash Assets	796	530	1208
Receivable	--	--	--
Inventory (FIFO)	7144	7611	8438
Other	374	581	512
Current Assets	8314	8772	10158
Accts Payable	3524	3713	5345
Debt Due	88	1104	181
Other	2927	2949	3447
Current Liab.	6539	7766	8973

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	17.0%	16.0%	6.0%
"Cash Flow"	22.5%	20.5%	5.5%
Earnings	24.0%	21.5%	7.5%
Dividends	22.0%	36.0%	13.5%
Book Value	20.5%	18.0%	10.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	9913	11928	10592	10809	43243
2006	11921	13389	11211	10406	46927
2007	12172	14167	11565	10379	48283
2008	12009	14700	12181	10840	49730
2009	13140	14755	12355	11470	51720

Fiscal Year Begins	EARNINGS PER SHARE A B Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.37	.52	.41	.43	1.73
2006	.53	.60	.46	.40	1.99
2007	.48	.67	.43	.28	1.86
2008	.41	.55	.36	.23	1.55
2009	.42	.57	.37	.24	1.60

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.015	.015	.02	.02	.07
2005	.02	.02	.03	.03	.10
2006	.03	.03	.05	.05	.16
2007	.05	.06	.08	.08	.29
2008	.08	.08			

BUSINESS: Lowe's Companies, Inc. operates a chain of building materials and home improvement superstores in 49 states. Average store size (sq. ft.): 116,000 for large prototype and 94,000 for smaller store format. Product categories: appliances, 9%; lumber/plywood, 7%; paint, 7%; millwork, 7%; nursery, 3%; flooring, 7%; seasonal living, 5%; fashion plumbing, 6%; tools, 5%; building materials, 6%; hardware, 5%; other, 33%. Acquired Eagle Hardware, 4/99. Has about 216,000 employees. Cap'l Res. & Mgmt. owns 23.0% of common stock; State Street Bank & Trust Co., 7.4% (4/08 Proxy). Chairman & CEO: Robert A. Niblock. Incorporated: NC. Address: 1000 Lowe's Blvd., Mooresville, NC 28117. Telephone: 704-758-1000. Internet: www.lowes.com.

Lowe's Companies had a difficult fiscal first quarter (ended May 2nd). Earnings fell 15%, year over year, to $0.41 a share. Total revenues slipped 1.3%, while same-store sales fell 8.4%. Once again, sales were hurt by the weak housing market. Homeowners have been reluctant to invest in any large projects, other than basic maintenance, while their homes are losing value. These problems are compounded by rising food and fuel costs and eroding consumer confidence, which are conspiring to depress spending on non-essential items. Of course, these developments are not new; the company's first-quarter share net was in line with our previous estimate.

There is little reason to rush into these neutrally ranked shares . . . It appears that housing prices have yet to bottom out, even after two years of precipitous declines, and it will be some time yet before the market recovers. Moreover, management at both Lowe's and Home Depot have tempered store-opening plans in recent months, which signals that they do not anticipate a rapid recovery in the near future.

. . . but Lowe's does offer some long-term appeal to patient investors. We believe that the company is well positioned to gain market share during these lean times. It has the necessary cash to continue to expand (the planned locations that it has scratched are almost all in Florida and California, markets that were among the hardest hit by the housing crisis and are therefore most likely to remain sluggish). The same cannot be said of many smaller chains and local stores. Thus, we look for Lowe's to gain share in segments such as plumbing and paint, which are supplied by many smaller enterprises. Moreover, it appears that Home Depot is dramatically reducing its expansion plans (see that report for more details), which could help its smaller rival. This is not mere speculation, either; Lowe's gained share in 15 of its 19 product categories in the April quarter. Once the retail building supply market recovers, Lowe's ought to find itself in a stronger position, vis-a-vis its competition, than before the downturn. Once again, though, we caution that a recovery is not imminent.

Christopher Robertson *July 4, 2008*

(A) Fiscal year ends Friday nearest January 31 (on January 31, thru fiscal '96) of following yr.
(B) Diluted earnings. Excludes nonrecurring gain (loss): '99, (2¢). Excludes disc. operations: '03, 1¢. May not sum due to rounding. Next earnings report due in August.
(C) Dividends paid in Feb., May, August, and Nov. ■ Dividend reinvestment plan avail.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	60
Earnings Predictability	90

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RECENT PRICE 33.93 | P/E RATIO 22.6 | 25.7 NMF | RELATIVE P/E RATIO 1.49 | DIV'D YLD 7.4% | VALUE LINE

TIMELINESS 3 Raised 5/23/08
SAFETY 3 Lowered 1/18/08
TECHNICAL 2 Lowered 7/18/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+90%)	22%
Low	45	(+35%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	2	0	0	1	0	0	0	0	0
Options	1	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	101	126	132
to Sell	132	114	96
Hld's(000)	87297	85302	88965

	High:	28.4	28.8	25.9	29.1	31.2	35.4	39.2	45.5	46.1	52.6	54.7	38.0
	Low:	23.1	20.1	20.3	22.0	25.6	28.0	29.1	34.5	36.0	41.1	27.7	24.9

LEGENDS
— 6.00 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

120 100 80 64 48 32 24 20 16 12 8

Percent shares traded 18 12 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.6	-18.0
3 yr.	-10.1	11.3
5 yr.	27.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	21.71	11.86	15.84	17.46	19.33	17.59	17.68	17.68	18.61	18.63	19.34	20.59	20.06	19.70	19.80	Book Value per sh	23.45
--	--	--	2.04	2.22	2.51	2.56	2.89	3.17	3.42	3.45	3.38	3.25	3.20	3.12	3.18	3.20	3.35	Funds from Ops per sh [D]	4.20
--	--	--	.89	1.14	1.38	1.59	1.97	2.20	2.15	2.02	2.05	1.88	1.55	1.70	1.38	1.50	1.65	Earnings per sh [A]	2.50
--	--	--	1.60	1.61	1.65	1.71	1.87	2.13	2.30	2.38	2.41	2.44	2.45	2.47	2.49	2.51	2.53	Div'ds Decl'd per sh [B▪]	3.20
--	--	--	37.84	33.75	36.95	38.63	44.57	47.04	45.53	44.17	42.89	44.48	46.35	48.62	53.98	53.20	56.25	Loans & Real Est per sh	63.25
--	--	--	21.83	31.40	52.69	65.65	68.97	68.21	73.66	76.43	83.01	85.68	88.36	90.91	91.57	94.00	96.00	Common Shs Outst'g [C]	98.00
--	--	--	8%	79%	62%	44%	20%	46%	61%	77%	82%	116%	95%	125%	112%			Premium Over Book	135%
--	--	--	22.4	18.8	18.6	15.8	11.8	11.6	13.2	15.5	16.6	21.4	26.9	27.2	30.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
--	--	--	9.8	9.7	10.2	9.8	8.0	8.1	8.3	9.1	10.1	12.4	13.0	14.8	13.4			Avg Ann'l P/FFO Ratio	13.0
--	--	--	8.0%	7.5%	6.4%	6.8%	8.0%	8.3%	8.1%	7.6%	7.1%	6.1%	5.9%	5.3%	5.8%			Avg Ann'l Div'd Yield	5.8%
388.4	472.5	533.0	587.2	606.0	625.0	655.4	680.7	666.7	698.7	765	820	Revenues ($mill)	1100
--	--	--	--	7.4	7.4	6.6	8.6	9.6	11.7	14.0	16.0	Other Income($mill)	20.0
68.1%	69.2%	68.5%	67.8%	67.8%	65.6%	64.2%	63.3%	61.5%	60.6%	62.0%	62.0%	Operating Margin	64.0%
108.6	141.3	159.3	166.5	161.7	163.6	161.4	137.2	153.7	125.9	140	160	Net Profit($mill)	260
28.0%	29.9%	29.9%	28.4%	26.7%	26.2%	24.6%	20.2%	23.1%	18.0%	18.3%	19.5%	Net Profit Margin	23.6%
d1.3	13.2	18.4	2.1	d2.3	12.4	12.1	122.2	129.9	35.1	Nil	Nil	Capital Gains($mill)	Nil
2819.1	2984.6	3208.9	3353.9	3394.8	3560.6	3811.4	4095.2	4419.8	4942.9	5000	5400	Loans & Real Est($mill)	6200
1423.8	1491.2	1703.9	1753.1	1866.2	1718.9	1821.2	1993.7	2141.0	2398.2	2600	2700	Long-Term Debt ($mill)	3000
1267.0	1294.6	1320.8	1423.4	1351.6	1544.9	1596.3	1709.2	1871.6	1837.0	1850	1900	Shr. Equity ($mill)	2300
56.8%	64.7%	67.2%	67.3%	69.9%	71.7%	75.1%	76.6%	79.2%	78.3%	78.5%	75.5%	Div'ds Decl'd to FFO	76.0%
9.2%	10.6%	10.9%	11.4%	11.6%	9.6%	9.7%	9.7%	8.5%	8.2%	8.5%	8.5%	Expenses to Assets	9.0%
10.5%	8.8%	9.2%	9.0%	6.8%	7.0%	6.5%	5.5%	5.3%	4.5%	5.0%	5.0%	Return on Total Cap'l	7.0%
12.7%	11.0%	12.2%	12.1%	12.0%	10.6%	10.1%	8.0%	8.2%	6.9%	7.5%	8.5%	Return on Shr. Equity	11.5%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2656.1 mill. Due in 5 Yrs $1737.3 mill.
Total Interest $160.0 mill.
(Total interest coverage: 2.1x) (59% of Cap'l)
No Defined Pension Plan

Pfd Stock None

Common Stock 92,289,850 shs.

MARKET CAP: $3.1 billion (Mid Cap)

FUNDS FLOW ($mil.)	2005	2006	2007
Net Profit Plus			
Noncash charges	400.0	344.9	384.7
Investments Repaid	--	156.4	266.4
Net New Debt	172.5	147.3	257.2
New Equity	112.9	162.4	-34.6
Investments Funded	286.6	355.3	796.6
Dividends Declared	212.3	219.9	226.7

FINANCIAL POSITION	12/31/06	12/31/07
Senior Notes	2141.0	2398.2
Subordinated Debt	--	--
Debt/Cap'l Funds	.53:1	.56:1
Total Debt/Equity	1.28:1	1.64:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	--	--
Non-Earn Assets—%/Invests.	--	--

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	165.3	174.0	169.6	171.8	680.7
2006	160.2	163.8	167.0	175.7	666.7
2007	164.9	168.5	176.8	188.5	698.7
2008	193.5	190	190	191.5	765
2009	200	200	210	210	820

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.44	.43	.37	.31	1.55
2006	.35	.56	.39	.40	1.70
2007	.38	.37	.35	.28	1.38
2008	.32	.38	.40	.40	1.50
2009	.38	.40	.42	.45	1.65

Calendar	QUARTERLY DIVIDENDS PAID [B▪] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.61	.61	.61	.61	2.44
2005	.61	.61	.61	.615	2.45
2006	.615	.615	.615	.62	2.47
2007	.62	.62	.62	.625	2.49
2008	.625	.625	.625		

BUSINESS: Liberty Property Trust is a self-administered and self-managed real estate investment trust (REIT). The REIT owns office, distribution, and light manufacturing properties, located in throughout the United States and the United Kingdom. At 12/31/07, the REIT's real estate portfolio consisted of over 700 properties, and comprised about 74 million square feet of leasable area. Liberty Property Trust also had about 5.4 million square feet of properties under development. Has about 488 employees. Officers & directors own about 2.3% of common stock (4/08 proxy). Inc.: MD. Chairman and CEO: William Hankowsky. Address: 500 Chesterfield Parkway, Malvern, Pennsylvania 19355. Telephone: 610-648-1700. Internet: www.libertyproperty.com.

Liberty Property's office property business remains a bit sluggish. Occupancy levels were 92.2% at the end of March, which is a bit lower than last year. This likely reflects a difficult corporate environment, and reduced demand for office space in some of Liberty's markets. As a result, income from the REIT's property portfolio declined about 1% during the first quarter.

Profitability has also narrowed a bit. Although some operating costs were well controlled during the quarter, depreciation and interest expense rose dramatically. This reflects a higher debt level and a large development pipeline. These charges reduced GAAP earnings per-diluted share during the quarter. Funds from operations (FFO), which exclude noncash items, remained flat for the quarter. We are leaving our FFO estimates unchanged for 2008 and 2009 unchanged at this time.

The REIT's development efforts are progressing well. Liberty completed three properties during the March quarter, representing an investment of about $23 million. It also began construction on four properties, which represent a total investment of about $91 million. The development pipeline, including joint venture projects, currently contains about 34 projects in 18 markets. These projects will likely require about $750 million in capital to fully complete. We expect contributions from completed properties to support healthy FFO advances over the next few years.

There will probably be few property acquisitions for a while. During the first quarter, Liberty made no property purchases. However, it sold one property. Liberty says that real estate transactions have become difficult, owing to the challenging negotiating environment. Moreover, despite a decline in prices, many properties remain unattractively priced.

These shares are ranked 3 (Average) for Timeliness. However, the issue currently offers investors an attractive dividend yield. We expect Liberty's results to support regular increases in the annual dividend. Moreover, our projections indicate that Liberty stock holds worthwhile total return potential for the 3- to 5-year horizon.

Adam Rosner *July 18, 2008*

(A) Diluted earnings. Includes net gains on property dispositions through 2004. Excludes Disc. Ops.'07, $.42; '06, $1.25; '05, $0.40. Next earnings report due late July. (B) Dividends historically paid in mid-January, April, July, and October. ▪ Dividend reinvestment plan available. (C) In millions. (D) FFO: '08: Q1, $0.60; '07: Q4, $0.79, Q3, $0.80, Q2, $0.79, Q1, $0.80; '06: Q4, $0.76, Q3, $0.79, Q2, $0.80, Q1, $0.77; '05: Q4, $0.77, Q3, $0.78, Q2, $0.84, Q1, $0.81.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	55
Earnings Predictability	90

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LIMITED BRANDS NYSE-LTD

RECENT PRICE 16.71 | P/E RATIO 10.4 (Trailing: 13.5 Median: 17.0) | RELATIVE P/E RATIO 0.67 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 4 Raised 1/11/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 8/1/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

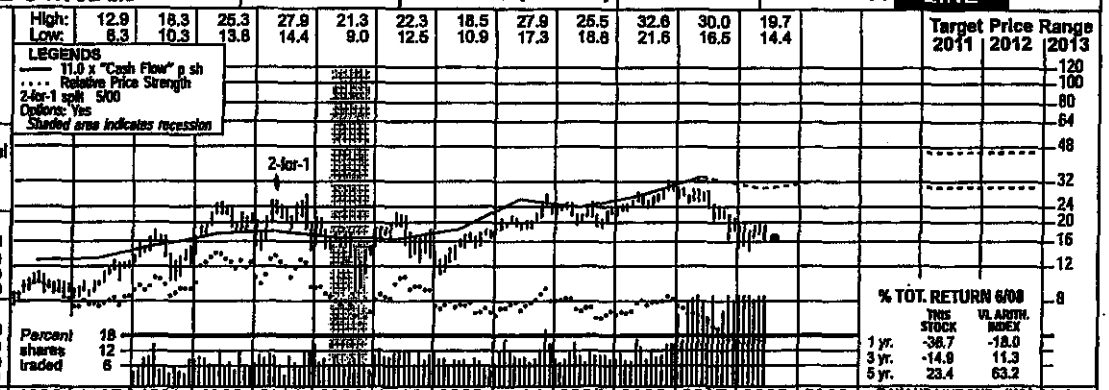
	Price	Gain	Ann'l Total Return
High	45	(+170%)	29%
Low	30	(+80%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	10	1	0	0	0	0	0
Options	0	1	0	0	4	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	147	157	170
to Sell	188	190	160
Hld's(000)	306786	299536	285840



% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-38.7	-18.0
3 yr.	-14.9	11.3
5 yr.	23.4	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
9.57	10.12	10.24	11.09	15.85	16.84	20.63	21.85	23.63	21.83	16.15	17.25	23.12	24.55	26.81	29.29	28.80	30.75	Sales per sh A	37.90
.97	.93	1.00	.84	1.17	1.20	1.40	1.60	1.65	1.53	1.51	1.67	2.39	2.17	2.49	3.09	2.70	2.95	"Cash Flow" per sh	3.70
.63	.54	.63	.44	.55	.62	.70	.97	.97	.87	.98	1.06	1.35	1.29	1.68	1.89	1.60	1.70	Earnings per sh AB	2.25
.14	.18	.18	.20	.20	.24	.26	.30	.30	.30	.30	.49	.48	.60	.60	.60	.60	.60	Div'ds Decl'd per sh C ■	.70
3.13	3.41	3.86	4.50	3.55	3.75	4.93	4.83	5.42	6.40	9.29	10.17	5.74	6.26	7.42	8.41	7.05	7.75	Book Value per sh	10.30
725.30	715.62	715.21	710.75	542.14	545.60	453.14	444.94	427.60	429.00	523.00	518.00	407.00	395.00	398.00	346.00	340.00	335.00	Common Shs Outst'g D	330.00
19.7	20.4	15.2	22.2	17.3	17.5	20.7	21.4	21.6	17.4	17.2	14.8	15.7	17.3	15.9	12.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.5
1.19	1.21	1.00	1.49	1.08	1.01	1.06	1.22	1.40	.89	.94	.84	.83	.92	.86	.66			Relative P/E Ratio	1.15
1.1%	1.6%	1.9%	2.1%	2.1%	2.2%	1.8%	1.5%	1.4%	2.0%	1.8%	2.5%	2.3%	2.7%	2.3%	2.5%			Avg Ann'l Div'd Yield	1.8%
9346.9	9723.3	10105	9363.0	8445.0	8934.0	9408.0	9699.0	10671	10134	9800	10300	Sales ($mill) A	12500
35.1%	37.3%	36.7%	37.7%	39.9%	39.6%	39.4%	39.0%	40.6%	38.4%	39.0%	39.0%	Gross Margin	39.0%
10.5%	12.0%	11.4%	10.9%	13.6%	13.9%	14.5%	13.2%	14.0%	12.2%	14.0%	14.0%	Operating Margin	14.0%
5382	5023	5129	4614	4036	3911	3779	3590	3798	2926	3050	3150	Number of Stores	3450
348.8	439.0	433.8	378.0	512.0	584.0	638.0	559.7	675.0	718.0	550	580	Net Profit ($mill)	750
44.1%	44.9%	43.6%	43.8%	41.2%	39.0%	36.7%	33.1%	38.5%	36.4%	39.0%	39.0%	Income Tax Rate	39.0%
3.7%	4.5%	4.3%	4.0%	6.1%	6.5%	6.8%	5.8%	6.3%	7.1%	5.6%	5.6%	Net Profit Margin	6.0%
1070.3	1008.1	1067.6	1363.0	2347.0	3041.0	1233.0	1209.0	1062.0	1545.0	1375	1250	Working Cap'l ($mill) H	1100
550.0	400.0	400.0	250.0	547.0	648.0	1646.0	1659.0	1665.0	2905.0	2900	2900	Long-Term Debt ($mill) G	2900
2233.3	2147.1	2316.5	2744.0	4860.0	5266.0	2335.0	2471.0	2955.0	2219.0	2400	2600	Shr. Equity ($mill)	3400
13.7%	17.8%	17.0%	13.0%	9.7%	10.4%	16.8%	14.7%	15.7%	15.5%	12.0%	12.0%	Return on Total Cap'l	13.5%
15.6%	20.4%	18.7%	13.8%	10.5%	11.1%	27.3%	22.7%	22.8%	32.4%	23.0%	22.5%	Return on Shr. Equity	22.0%
10.1%	14.4%	13.2%	9.1%	7.4%	7.1%	17.5%	12.9%	14.8%	23.0%	14.5%	14.5%	Retained to Com Eq	15.5%
36%	30%	29%	34%	29%	36%	36%	43%	35%	29%	37%	35%	All Div'ds to Net Prof	31%

CAPITAL STRUCTURE as of 5/3/08
Total Debt $2905.0 mill. Due in 5 Yrs $1067.0 mill
LT Debt $2905.0 mill. LT Interest $170.0 mill.
(57% of Cap'l)
Leases, Uncapitalized Annual rentals $425.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 340,337,259 shs.
as of 5/30/08
MARKET CAP: $5.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	500	1018	759
Receivables	176	355	320
Inventory (FIFO)	1770	1251	1224
Other	325	295	297
Current Assets	2771	2919	2600
Accts Payable	593	517	428
Debt Due	--	7	--
Other	1116	850	668
Current Liab.	1709	1374	1096

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	2.0%	6.0%
"Cash Flow"	9.0%	6.0%	6.5%
Earnings	10.5%	9.0%	6.5%
Dividends	11.0%	13.5%	3.0%
Book Value	5.0%	3.0%	7.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	1975	2290	1892	3542	9699.0
2006	2077	2453	2115	4026	10671
2007	2311	2624	1923	3276	10134
2008	1925	2325	2025	3525	9800
2009	2050	2450	2150	3650	10300

Fiscal Year Begins	EARNINGS PER SHARE A B Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.06	.27	d.03	.99	1.29
2006	.25	.28	.06	1.09	1.68
2007	.13	.67	.03	1.10	1.89
2008	.28	.18	.04	1.10	1.60
2009	.15	.25	.12	1.18	1.70

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.12	.12	.12	.12	.48
2005	.15	.15	.15	.15	.60
2006	.15	.15	.15	.15	.60
2007	.15	.15	.15	.15	.60
2008	.15	.15			

BUSINESS: Limited Brands is one of the largest companies specializing in men's and women's apparel, lingerie, and personal care products. It operates approx. 2,900 stores under the names *Victoria's Secret, Bath & Body Works, C.O. Bigelow, La Senza, White Barn Candle Co.*, and *Henri Bendel*. Also sells lingerie, swimwear, apparel, and shoes via the *Victoria's Secret Catalogue*. Acq'd Intimate Brands, 3/02. Divested 84% stake in Abercrombie & Fitch in mid-1998; 75% stake in Express, 7/07; 75% in Limited, 8/07. Has about 97,500 emplys. Off. & dir. own 17.6% of common stock (4/08 Proxy). *Chrmn. and CEO: Leslie H. Wexner. Inc.: Delaware.* Address: Three Limited Parkway, P.O. Box 16000, Columbus, OH 43216. Tel.: 614-479-7000. Internet: www.limited.com.

Same-store sales trends continue to suffer at Limited Brands. To be sure, customer traffic has remained sluggish at the company's main segments, namely the core Victoria's Secret and Bath & Body Works chains. In fact, comparable-store sales (a key metric that gauges the performance of stores open at least one year) has spiraled downward. But **that isn't surprising, given the weak economic conditions of late.** Indeed, in an environment in which the housing market remains in a slump, food and energy prices continue to escalate, credit woes are growing, and the labor market is softening, it is not unusual for many consumers to tighten their purse strings and keep visits to the mall to a minimum.

Margins stand to improve, though. Notably, leaner inventory levels and a reduction in promotional activity are providing a boost to gross margins. These factors, coupled with disciplined cost control, are benefiting the operating margin. Meanwhile, LTD's plan to scale back square footage expansion for this year should help keep SG&A expenses down.

We still figure share earnings will decline 15% in fiscal 2008 (began February 3rd), even though we've raised our forecast by $0.20 to $1.60, to include a net gain of $0.18 a share taken in the first quarter related to the sale of two noncore joint ventures. Our estimate reflects a lower top line and higher tax rate, offset by a lower share count (driven by share repurchases). Note: last year's results include gains and other items associated with the divestiture of the Limited and Express businesses.

Nonetheless, investors with a long-term strategy may want to consider these shares, based on the company's good growth prospects. For one thing, the retailer should benefit from its brand strength, once the macroeconomic picture brightens, possibly by next year. Also, initiatives such as expanding the core brands, widening the geographic footprint, enhancing operating efficiency, controlling costs, and making strategic acquisitions ought to drive profits at a solid clip beyond fiscal 2009. A well-covered dividend payout and prospects for increases, supported by good cash flow, add appeal here.

J. Susan Ferrara *August 8, 2008*

Company's Financial Strength	A
Stock's Price Stability	55
Price Growth Persistence	50
Earnings Predictability	80

(A) Fiscal year ends Saturday nearest to January 31 of following year. (B) Primary egs. thru '96, diluted thereafter. Based on GAAP. Excludes nonrecurring gains (loss): '95, $0.91; '96, $0.22; '97, ($0.23); '98, $3.46; '00, $0.01; '01, $0.32; '02, $0.03, '03, $0.31; '04, $0.08. Excl. disc'd oper.: '02, $0.01. Qtly. egs. may not sum due to round'g/diff. In sh. outst'g. Next egs. rpt. due late Aug. (C) Dividends historically paid in the middle of March, June, Sept., and Dec. ■ Div'd reinvestment plan available. (D) In mill., adj. for stock splits. (E) Incl. finance sub.

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SOUTHWEST AIRLINES NYSE-LUV

RECENT PRICE 12.62 | P/E RATIO 42.1 (Trailing: 28.0 Median: 27.8) | RELATIVE P/E RATIO 2.57 | DIV'D YLD 0.2% | VALUE LINE

TIMELINESS 3 Raised 8/24/07
SAFETY 3 New 7/27/90
TECHNICAL 4 Lowered 5/30/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+140%)	23%
Low	20	(+60%)	12%

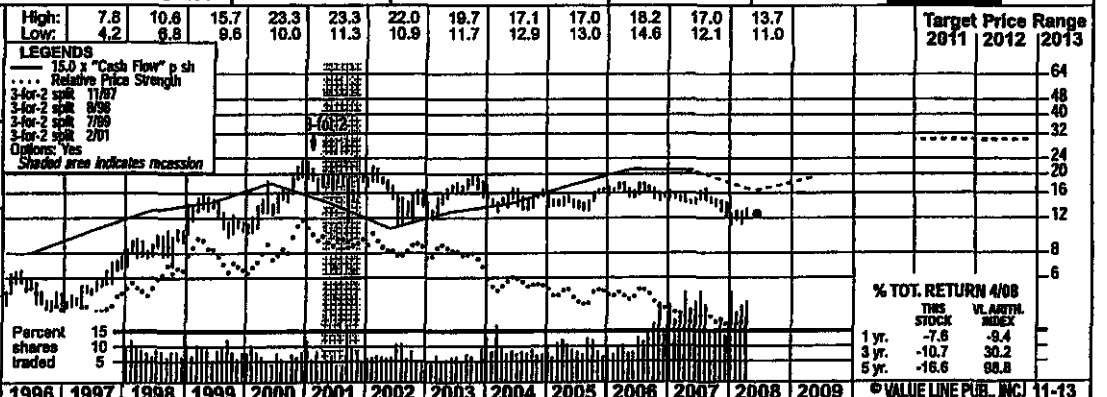
Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	1	2	2	1	0
to Sell	3	1	0	2	0	2	2	0	0

Institutional Decisions

	1Q2007	2Q2007	3Q2007
to Buy	173	140	190
to Sell	219	218	187
Hld's(000)	630674	599705	615131

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	2.40	3.18	3.57	3.94	4.64	5.11	5.51	6.32	7.47	7.24	7.11	7.52	8.32	9.52	11.60	13.42	*14.65*	*15.50*	Revenues per sh	*20.70*
	.27	.39	.44	.47	.54	.69	.87	.97	1.20	.95	.71	.86	.95	1.18	1.41	1.40	*1.10*	*1.30*	"Cash Flow" per sh	*2.00*
	.13	.22	.24	.24	.27	.41	.55	.59	.79	.51	.24	.36	.38	.57	.72	.61	*.30*	*.55*	Earnings per sh [A]	*1.20*
	.01	.01	.01	.01	.01	.01	.01	.01	.02	.02	.02	.02	.02	.02	.02	.02	*.02*	*.02*	Div'ds Decl'd per sh [B]	*.02*
	3.34	3.02	4.61	5.19	5.66	6.44	7.59	9.14	10.54	11.61	12.17	13.36	15.19	16.22	17.69	20.63	*22.10*	*23.50*	Gross Equipment per sh	*29.45*
	1.22	1.46	1.71	1.96	2.24	2.69	3.17	3.79	4.56	5.24	5.69	6.40	7.04	8.38	8.23	9.45	*9.70*	*10.25*	Book Value per sh	*12.95*
	702.19	722.70	725.23	728.17	734.63	746.57	755.76	748.14	756.24	766.77	776.66	789.39	784.98	796.44	783.31	734.80	*735.00*	*735.00*	Common Shs Outst'g [C]	*735.00*
	22.8	26.6	22.8	16.3	18.9	13.5	16.1	21.1	19.0	35.8	67.4	44.8	39.2	25.9	22.9	24.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	22.0
	1.38	1.57	1.50	1.22	1.18	.78	.84	1.20	1.24	1.83	3.68	2.55	2.07	1.38	1.24	1.27			Relative P/E Ratio	*1.45*
	.2%	.1%	.1%	.2%	.2%	.2%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%	.1%			Avg Ann'l Div'd Yield	.1%
	4164.0	4735.6	5649.6	5555.2	5521.8	5937.0	6530.0	7584.0	9088.0	9861.0	*10780*	*11390*	Revenues ($mill)	*15200*
	66.1%	69.0%	70.5%	68.1%	65.9%	66.8%	69.5%	70.7%	66.8%	72.6%	*72.0%*	*74.0%*	Load Factor	*78.0%*
	21.8%	21.8%	23.1%	17.1%	14.0%	14.6%	15.1%	17.0%	15.9%	10.4%	*9.0%*	*10.5%*	Operating Margin	*13.5%*
	225.2	248.7	281.3	317.8	356.3	384.0	431.0	469.0	515.0	555.0	*560*	*540*	Depreciation ($mill)	*550*
	433.4	474.4	625.2	412.9	193.0	298.0	313.0	469.0	592.0	471.0	*220*	*400*	Net Profit ($mill)	*890*
	38.5%	38.7%	38.5%	31.0%	38.9%	37.5%	36.0%	40.2%	36.8%	38.2%	*38.2%*	*38.2%*	Income Tax Rate	*38.2%*
	10.4%	10.0%	11.1%	7.4%	3.5%	5.0%	4.8%	6.2%	6.5%	4.8%	*2.0%*	*3.6%*	Net Profit Margin	*5.9%*
	623.3	871.7	761.0	1327.2	1552.8	1332.0	1700.0	1394.0	1567.0	2050.0	*2050*	*2050*	Long-Term Debt ($mill)	*2050*
	2397.9	2835.8	3451.3	4014.1	4421.6	5052.0	5524.0	6675.0	6449.0	6941.0	*7150*	*7535*	Shr. Equity ($mill)	*9530*
	15.2%	13.5%	15.6%	8.4%	3.9%	5.3%	4.9%	5.5%	8.1%	5.9%	*3.0%*	*4.5%*	Return on Total Cap'l	*8.0%*
	18.1%	16.7%	18.1%	10.3%	4.4%	5.9%	5.7%	7.0%	9.2%	6.8%	*3.0%*	*5.5%*	Return on Shr. Equity	*9.5%*
	17.7%	16.3%	17.8%	10.0%	4.1%	5.6%	5.4%	6.8%	9.0%	6.6%	*3.0%*	*5.5%*	Retained to Com Eq	*9.0%*
	2%	2%	2%	3%	7%	5%	4%	3%	2%	3%	*7%*	*4%*	All Div'ds to Net Prof	*2%*



CAPITAL STRUCTURE as of 3/31/08
Total Debt $2119.0 mill. Due in 5 Yrs $40.0 mill.
LT Debt $2079.0 mill. LT Interest $90.0 mill.
Incl. $75.0 mill. capitalized leases.

(22% of Cap'l)

Leases, Uncapitalized Annual rentals $400.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 731,757,810 shs.
as of 4/16/08
MARKET CAP: $9.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1759	2779	3122
Receivables	241	279	350
Inventory (Avg Cst)	181	259	265
Other	420	1126	1313
Current Assets	2601	4443	5050
Accts Payable	643	759	787
Debt Due	122	41	40
Other	2122	4038	4954
Current Liab.	2887	4838	5781

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	9.5%	9.5%	*13.0%*
"Cash Flow"	9.0%	7.0%	*9.0%*
Earnings	7.5%	4.5%	*14.0%*
Dividends	8.0%	2.5%	*6.0%*
Book Value	14.0%	11.0%	*9.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1683	1944	1989	1988	7584
2006	2019	2449	2342	2276	9086
2007	2198	2583	2588	2492	9861
2008	2530	*2850*	*2750*	*2650*	*10780*
2009	*2630*	*3000*	*2925*	*2835*	*11390*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.06	.20	.21	.10	.57
2006	.08	.33	.19	.12	.72
2007	.04	.24	.21	.12	.61
2008	.06	*.13*	*.08*	*.03*	*.30*
2009	*.04*	*.22*	*.20*	*.09*	*.55*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.009	.005	.005	--	.02
2005	.009	.005	.005	--	.02
2006	.009	.005	.005	--	.02
2007	.009	.005	.005	--	.02
2008	.009				

BUSINESS: Southwest Airlines is one of the largest carriers in the United States by revenues and the largest in the world by passengers flown. Specializes in low fares/no frills/short-hauls. Uses point-to-point, versus more common hub-and-spoke, model. At 12/31/07, served 64 cities; avg. trip, 816 mi.; avg. fare, $106.60. Fleet: 425 B-737s (95 leased); avg. age, 9.4 yrs. On order: 105 B-737-700s w/option for 84 more (2008-'14 delivery). 2007 labor exp. (34,378 empl's): 32.6% of revs.; fuel, 29.0%. '07 deprec. rate: 3.7%. Ownership: Capital Research., 11.0%; off./dirs., less than 1% (4/08 proxy). Chairman/CEO: Gary Kelly. Pres./COO: Colleen Barrett. Inc.: TX. Addr.: P.O. Box 36811, 2702 Love Field Drive, Dallas, TX 75235. Tel.: 214-904-4000. Internet: www.southwest.com.

The revenue outlook for Southwest Airlines doesn't look too bad. The carrier posted 2008 March-quarter receipts of more than $2.5 billion, 15% higher than last year's comparable-period level and 9% ahead of what we were looking for. We think that higher airfares will probably allow a decent top-line advance this year, probably somewhere in the neighborhood of 9%, to $10.8 billion. We expect fewer fare hikes next year, which will probably hold revenue growth to 6%, to $11.4 billion.

The cost picture is a little more unclear. Southwest has consistently managed one of the best hedging programs in the business. Investments in futures reaped savings of nearly $300 million in the March period, a much-needed benefit in a very difficult operating environment. Without this program, the airline surely would have recognized a substantial loss. Gains from hedging activities will probably total $750 million or more in 2008. Still, even with this sizable benefit, SW's fuel expenses are likely to rise about 30%, to $3.7 billion, assuming oil prices stay near the current level. Decent cost containment elsewhere has helped soften the blow to the bottom line. On balance we look for 2008 share earnings to be roughly half that of last year, down from our previous forecast of $0.65. Assuming no dramatic jump in the price of fuel, rising volume should allow for a partial profit recovery, to $0.55, in 2009.

Long-term expansion prospects appear good. With costs likely to be an issue for the foreseeable future, the need to increase revenue is clearly paramount. Because demand is weak, the airline won't likely add any cities to its system this year. Long-term growth opportunities are abundant, though. The airline accounts for less than 15% of domestic capacity, which leaves a lot of room for growth. Southwest has demonstrated that, with a low cost structure, it can move into a new market and immediately take share.

This issue has 3- to 5-year appeal. Good earnings growth potential makes this stock a worthwhile holding over the pull to 2011–2013. SW shares should keep in step with the broader market averages over the next six to 12 months.

Warren Thorpe *June 6, 2008*

(A) Diluted earnings, primary before 1997. Includes profits and losses from sale of operating equipment. Excludes nonrecurring gains: '92, 9¢; '93, 6¢; '01, 12¢; '05, 7¢. Next earnings report due mid-July. (B) Dividends historically paid in early January and late March, June, and September. (C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	35
Earnings Predictability	55

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HEARING EXHIBIT 00000397

MACY'S NYSE-M

RECENT PRICE 18.58 | P/E RATIO 10.0 (Trailing: 9.1 / Median: 13.0) | RELATIVE P/E RATIO 0.65 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 4 New 7/18/07
SAFETY 3 Raised 11/25/94
TECHNICAL 3 Lowered 7/25/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

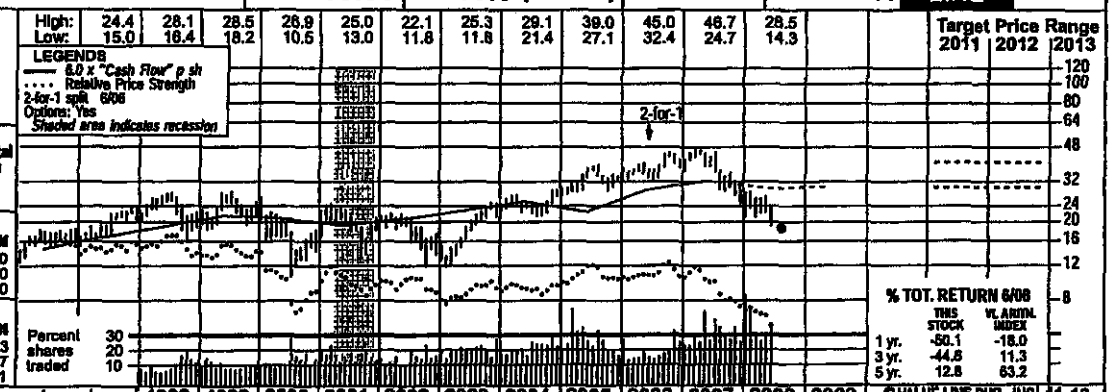
	Price	Gain	Ann'l Total Return
High	40	(+115%)	22%
Low	30	(+60%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	2	0	0	
Options	0	0	0	0	0	0	0	0	
to Sell	0	0	0	0	0	0	0	0	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	201	224	213
to Sell	270	234	237
Hld's(000)	423995	388566	380941



Macy's and its predecessors have been operating department stores since 1830. The current entity is a combination of two companies formerly owned by Campeau Corp. — Allied Stores Corp. (acquired in 1986) and Federated Department Stores (1988)—that emerged from bankruptcy proceedings on February 4, 1992. The common stock, which was held mainly by creditors, began trading at that time. In May, 1992, Macy's sold 46 million common shares at $11.50 per share.

CAPITAL STRUCTURE as of 5/3/08
Total Debt $9739 mill. Due in 5 Yrs $3650 mill.
LT Debt $8723 mill. LT Interest $600 mill.
(Total interest coverage: 3.6x) (47% of Cap'l)

Leases, Uncapitalized Annual rentals $225.0 mill.

Pension Assets-1/08 $2.3 bill. Oblig. $2.7 bill.
Pfd Stock None
Common Stock 420,477,000 mill. shs.
as of 5/31/08

MARKET CAP: $7.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	1211	583	366
Receivables	517	463	385
Inventory (LIFO)	5317	5060	5284
Other	377	218	313
Current Assets	7422	6324	6348
Accts Payable	4944	4127	4357
Debt Due	650	666	1016
Other	765	567	243
Current Liab.	6359	5360	5616

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	4.5%	*4.5%*
"Cash Flow"	7.0%	6.5%	*3.5%*
Earnings	9.0%	8.0%	*2.0%*
Dividends	--	--	*5.0%*
Book Value	8.0%	11.0%	*5.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	3641	3623	5555	9571	22390
2006	5830	5995	5866	9159	26970
2007	5921	5892	5906	8594	26313
2008	5747	*5750*	*5775*	*8478*	*25750*
2009	*5825*	*5825*	*5850*	*8600*	*26100*

Fiscal Year Begins	EARNINGS PER SHARE A B Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.36	.42	.41	1.37	2.56
2006	.01	.32	.20	1.60	2.13
2007	.16	.29	.10	1.63	2.18
2008	.02	*.19*	*.03*	*1.61*	*1.85*
2009	*.04*	*.23*	*.06*	*1.72*	*2.05*

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.063	.063	.068	.068	.26
2005	.068	.068	.068	.125	.33
2006	.125	.128	.128	.128	.51
2007	.128	.128	.128	.128	.51
2008	.128	.133	.133		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	37.01	41.49	46.58	38.97	40.58	42.76	46.77	40.95	54.28	62.69	*61.00*	*61.50*	Sales per sh A	*69.50*
	3.17	3.60	3.47	3.21	3.45	3.81	4.26	3.76	4.85	5.42	*4.95*	*5.05*	"Cash Flow" per sh	*5.70*
	1.53	1.81	1.54	1.52	1.61	1.76	1.93	2.56	2.13	2.18	*1.85*	*2.05*	Earnings per sh AB	*2.60*
	--	--	--	--	--	.19	.26	.33	.51	.51	.52	.54	Div'ds Decl'd per sh C	.60
	13.75	15.34	14.73	13.85	15.15	16.64	18.45	24.72	24.66	23.61	*24.55*	*25.90*	Book Value per sh D	*33.00*
	415.20	427.00	395.20	401.60	380.40	357.00	334.20	546.80	496.90	419.70	*422.00*	*424.50*	Common Shs Outst'g E	*400.00*
	15.3	12.6	10.8	13.0	11.1	11.6	13.0	13.0	17.7	16.4	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
	.80	.73	.71	.67	.61	.63	.69	.69	.96	.87	*Value Line*		Relative P/E Ratio	*.90*
	--	--	--	--	--	1.0%	1.0%	1.0%	1.3%	1.4%	*estimates*		Avg Ann'l Div'd Yield	*1.5%*
	15365	17716	18407	15651	15435	15264	15630	22390	26970	26313	*25750*	*26100*	Sales ($mill) A	*27800*
	43.9%	44.8%	44.5%	43.3%	44.4%	45.0%	45.2%	44.8%	45.3%	45.4%	*45.0%*	*45.0%*	Gross Margin	*45.2%*
	13.5%	13.8%	12.2%	12.6%	13.1%	13.4%	13.7%	13.8%	13.1%	12.9%	*12.3%*	*12.5%*	Operating Margin	*12.8%*
	401	404	440	459	455	459	459	621	858	852	*855*	*855*	Number of Stores	*865*
	685.0	795.0	636.0	605.0	638.0	655.0	689.0	1111.0	1147	970	*785*	*870*	Net Profit ($mill)	*1080*
	41.1%	*40.9%*	*40.7%*	*39.2%*	*39.1%*	*38.6%*	*38.3%*	*36.8%*	*37.3%*	*37.0%*	*37.0%*	*37.0%*	Income Tax Rate	*37.5%*
	4.5%	4.5%	3.5%	3.8%	4.1%	4.3%	4.4%	5.0%	4.3%	3.7%	*3.0%*	*3.3%*	Net Profit Margin	*3.8%*
	2904.0	3970.0	3831.0	3566.0	3553.0	3569.0	3209.0	2555.0	1063	964	*1050*	*1175*	Working Cap'l ($mill)	*1500*
	3057.0	4589.0	4374.0	3859.0	3408.0	3151.0	2637.0	8860.0	7847	9087	*8700*	*8300*	Long-Term Debt ($mill)	*7000*
	5708.0	6552.0	5822.0	5564.0	5762.0	5940.0	6167.0	13519	12254	9907	*10350*	*11000*	Shr. Equity ($mill)	*13200*
	9.3%	8.5%	8.0%	7.9%	8.4%	8.4%	9.1%	5.8%	6.9%	6.5%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.5%*
	12.0%	12.1%	11.0%	10.9%	11.1%	11.0%	11.2%	8.2%	9.4%	8.8%	*7.5%*	*8.0%*	Return on Shr. Equity	*8.0%*
	12.0%	12.1%	11.0%	10.9%	11.1%	9.9%	9.7%	7.1%	7.1%	7.5%	*5.5%*	*6.0%*	Retained to Com Eq	*6.0%*
	--	--	--	--	--	11%	13%	14%	24%	24%	*28%*	*26%*	All Div'ds to Net Prof	*23%*

BUSINESS: Macy's operated 750 department stores and a total of 102 furniture and clearance units in 45 states, the District of Columbia, and Puerto Rico at 2/2/08. Acquired May Department Stores on 8/30/05, and then divested Lord & Taylor (55 stores) and the Bridal Group, which were May subs., in late 2006. Main nameplates are Macy's (four divisions) and Bloomingdale's. Marshall Fields and five regional May chains changed nameplates to Macy's or Bloomingdales in 2006. Acquired Macy's chain in 12/94. Private-label and "exclusive" goods account for 19% of sales. Has about 182,000 employees. Off./Dir. own 1.6% of stock (4/08 Proxy). Chmn. & CEO: Terry Lundgren. Inc. DE. Addr.: 7 W. Seventh St., Cincinnati, OH 45202. Tel.: 513-579-7000. Internet: macysinc.com.

Macy's has made progress on the merchandising front in several key segments over the past year or so ... Since the mid-2005 acquisition of May Department Stores, management's main goals included improving productivity at former May units and reaping consolidation synergies. At this juncture, these targets have just about been reached. Key factors were the conversion of all of these stores to the Macy's or Bloomingdale's nameplates, the introduction of Macy's private-label goods into these units, and the closure of redundant distribution centers. Also, last year's introduction of the *Martha Stewart Collection* has bolstered the home goods department, and the pending launch of an exclusive line of *Tommy Hilfiger* goods augurs well for Macy's apparel sales.

... but decreases in the retailer's same-store sales will likely persist for a while. That key barometer was down 1.3% and 2.6% in fiscal 2007 (ended February 2, 2008) and this year's first quarter, respectively. Given a stream of negative economic news, including declining new home sales and rising fuel prices, the prospects for increased discretionary spending by the company's moderate-income customer base are poor. Too, competition in the department store sector from J.C. Penney and Kohl's has intensified in recent years due to the latter's aggressive store-opening program and improvements in Penney's merchandising. All told, we don't expect Macy's year-to-year sales comparisons to turn positive before fiscal 2009's first quarter.

The company recently suspended its aggressive stock-repurchase program. Moreover, management intends to use less than half of fiscal 2008's estimated free cash flow of about $875 million for debt repayment. That is, Macy's has refinanced $650 million of debt due later this year with a higher-yielding (7.875%) note due in 2015, and expects to do a similar transaction in fiscal 2009.

We think most investors should await positive year-to-year earnings comparisons before committing to this untimely stock. Our near-term and 3- to 5-year earnings forecasts have been reduced in each of the past six reports.

David R. Cohen *August 8, 2008*

(A) Fiscal year ends on the Sat. nearest Jan. 31st of the following cal. year.
(B) Excl. nonrecur. (losses) gains: '97, (9¢); '98, (5¢); '00, ($1.99); '01, (25¢); '03, 10¢; '05, 60¢; '06, (33¢); '07, (18¢). Excl. gains (losses) on discontinued oper.: '01, ($1.96); '02, 46¢; '05, 8¢; '06, 1¢; '07, (4¢). Next earnings report due late Aug. (C) Dividends historically paid in early Jan., April, July, and Oct.
(D) Incl. intang. At 2/2/08: $10.0 bill., $23.74 per share.
(E) In millions; adj. for split.

Company's Financial Strength	B
Stock's Price Stability	60
Price Growth Persistence	75
Earnings Predictability	85

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MANPOWER INC. NYSE-MAN

RECENT PRICE 56.54 | P/E RATIO 9.7 (10.4 / 17.0) | RELATIVE P/E RATIO 0.64 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 2 Raised 7/4/08
SAFETY 3 New 12/25/92
TECHNICAL 1 Raised 7/4/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	170	(+200%)	32%
Low	110	(+95%)	15%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	153	175	160
to Sell	178	157	169
Hld's(000)	79047	76039	76108

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
High:	50.4	45.8	39.5	40.3	38.0	43.3	48.1	51.2	48.9	77.1	97.3	70.7								
Low:	29.5	18.3	20.3	25.5	23.4	25.0	27.2	38.5	38.1	45.0	55.5	45.7								
	43.38	43.17	57.83	67.58	74.05	90.34	111.67	128.58	143.10	137.71	137.63	154.90	165.08	184.05	206.45	256.68	*304.50*	*333.35*	Revenues per sh	*414.30*
	.84	.83	1.41	1.92	2.29	2.56	2.39	2.81	3.14	2.69	2.32	2.57	3.70	4.04	4.92	6.85	*7.55*	*8.35*	"Cash Flow" per sh	*10.85*
	.54	.58	1.12	1.65	1.83	1.97	1.64	1.91	2.22	1.62	1.46	1.74	2.58	2.87	3.76	5.30	*5.80*	*6.40*	Earnings per sh A	*8.25*
	--	--	.11	.13	.15	.17	.19	.20	.20	.20	.20	.20	.30	.47	.59	.69	*.80*	*.90*	Div'ds Decl'd per sh B■	*1.25*
	.30	.24	.36	.54	.50	1.23	1.78	.98	1.08	1.15	.76	.71	.76	.89	.94	1.15	*1.20*	*1.35*	Cap'l Spending per sh	*1.95*
	2.17	1.39	2.74	5.61	7.32	7.69	8.48	8.56	9.77	10.70	12.97	16.66	24.16	24.57	29.08	33.42	*38.15*	*42.35*	Book Value per sh D	*58.20*
	73.45	73.68	74.29	81.15	82.10	80.35	78.93	75.99	75.77	76.13	77.10	78.66	89.89	87.37	86.07	79.87	*78.00*	*73.00*	Common Shs Outst'g C	*70.00*
	27.3	27.0	20.4	17.4	18.1	20.2	19.2	14.0	15.4	19.4	24.3	21.4	17.8	15.4	16.5	14.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*17.0*
	1.66	1.59	1.34	1.16	1.13	1.16	1.00	.80	1.00	.99	1.33	1.22	.94	.82	.89	.74			Relative P/E Ratio	*1.15*
	--	--	.5%	.5%	.5%	.4%	.6%	.7%	.6%	.6%	.6%	.5%	.7%	1.1%	1.0%	.9%			Avg Ann'l Div'd Yield	*0.9%*
							8814.3	9770.1	10843	10484	10611	12185	14930	16080	17563	20500	*23750*	*25000*	Revenues ($mill)	*29000*
							3.2%	3.0%	3.5%	3.0%	2.8%	2.6%	3.2%	3.3%	3.8%	4.2%	*3.8%*	*3.8%*	Operating Margin	*4.0%*
							55.6	63.7	66.8	80.2	65.4	64.4	86.5	92.9	88.8	99.0	*115.0*	*125.0*	Depreciation ($mill)	*160*
							132.8	150.0	171.2	124.5	113.2	137.7	245.7	260.1	329.8	448.4	*475*	*500*	Net Profit ($mill)	*600*
							35.5%	27.1%	35.4%	37.1%	39.8%	38.0%	33.5%	34.1%	36.6%	38.7%	*37.5%*	*37.5%*	Income Tax Rate	*37.5%*
							1.5%	1.5%	1.6%	1.2%	1.1%	1.1%	1.6%	1.6%	1.9%	2.2%	*2.0%*	*2.0%*	Net Profit Margin	*2.1%*
							650.5	839.2	874.5	1023.8	1091.0	1359.2	1415.6	1281.2	1800.4	1959.3	*2350*	*2600*	Working Cap'l ($mill)	*3575*
							154.6	357.5	491.8	811.1	799.0	829.6	676.1	475.0	791.2	*874.8*	*950*	*950*	Long-Term Debt ($mill)	*950*
							668.9	650.6	740.4	814.3	999.9	1310.3	2174.0	2146.6	2474.2	2669.3	*2975*	*3175*	Shr. Equity ($mill)	*4075*
							16.9%	15.6%	14.9%	8.8%	7.5%	7.4%	9.4%	10.8%	10.8%	13.1%	*12.0%*	*12.0%*	Return on Total Cap'l	*12.0%*
							19.8%	23.1%	23.1%	15.3%	11.3%	10.5%	11.3%	12.1%	13.3%	16.8%	*16.0%*	*15.5%*	Return on Shr. Equity	*14.5%*
							17.6%	20.7%	21.1%	13.4%	9.8%	9.3%	10.1%	10.2%	11.3%	14.7%	*14.0%*	*13.5%*	Retained to Com Eq	*12.5%*
							11%	10%	9%	12%	14%	11%	11%	16%	15%	13%	*13%*	*14%*	All Div'ds to Net Prof	*15%*

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-36.1	-18.0
3 yr.	50.6	11.3
5 yr.	64.0	63.2

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/31/08
Total Debt $998.5 mill. Due in 5 Yrs $650.0 mill.
LT Debt $946.0 mill. LT Interest $55.0 mill. (25% of Cap'l)

Leases, Uncapitalized Annual rentals $211 mill.

Pension Assets 12/07 $238 mill. Oblig. $294 mill.

Pfd Stock None

Common Stock 79,368,478 shs.
as of 4/29/08
MARKET CAP: $4.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	687.9	537.5	640.5
Receivables	3837.2	4478.8	4724.6
Other	156.9	198.5	225.4
Current Assets	4682.0	5214.8	5590.5
Accts Payable	889.9	1014.4	1176.7
Debt Due	32.0	39.7	52.5
Other	1958.7	2201.4	2219.8
Current Liab.	2881.6	3255.5	3448.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	11.0%	9.0%	*11.5%*
"Cash Flow"	9.0%	14.0%	*13.0%*
Earnings	8.0%	17.5%	*13.0%*
Dividends	14.5%	24.0%	*13.5%*
Book Value	15.5%	21.0%	*12.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3758	4053	4144	4123	16080
2006	*3877*	*4385*	*4580*	*4711*	*17563*
2007	4536	5034	5295	5635	20500
2008	*5387*	*6000*	*6150*	*6213*	*23750*
2009	*5750*	*6300*	*6450*	*6500*	*25000*

Calendar	EARNINGS PER SHARE A E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.35	.70	.87	1.01	2.87
2006	.48	.91	1.16	1.21	3.76
2007	.79	1.31	1.57	1.63	5.30
2008	*.94*	*1.50*	*1.65*	*1.71*	*5.80*
2009	*1.05*	*1.65*	*1.80*	*1.90*	*6.40*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.10	--	.20	.30
2005	--	.20	--	.27	.47
2006	--	.27	--	.32	.59
2007	--	.32	--	.37	.69
2008	--	.37			

BUSINESS: Manpower Inc. is the second-largest non-government employment services organization in the world, with about 4,500 offices (incl. 280 franchise units) in 80 countries. Major markets: the U.S. (10% of '07 revs. and 9% of operating profits); France (34%, 42%); Italy (7%, 11%); the balance of Europe, Middle East, and Africa (EMEA), (33%, 27%); other operations (16%, 11%). Acq'd Jefferson Wells in 2001 and Right Mgmt. Consultants in 2004. Has 30,000 full-time empls. Off. & dir. own 2.1% of common; Wellington Mgmt. Co., 11.7%; Barclays Global Investors, 8.3%; The Bank of New York Mellon Corp., 5.6% (3/08 proxy). Chmn. & CEO: Jeffrey A. Joerres. Inc.: WI. Addr.: 5301 N. Ironwood Rd, Milwaukee, WI 53217. Tel.: 414-961-1000. Internet: www.manpower.com.

We have raised our 2008 earnings outlook for Manpower by $0.40 a share, to $5.80, owing to the company's strong performance in the first quarter and management's increased guidance range. The Other EMEA (Europe, Middle East, and Africa) segment was the star performer in a better-than-expected first quarter, delivering 17% operating profit growth versus the prior-year period on a constant-currency basis. A weaker U.S. dollar made this gain even more significant. The strength of this division more than offset slowing French and American markets.

The U.S. market likely stabilized somewhat in the second quarter. Sales from Manpower's U.S. business probably advanced about 1% during the June interim, largely due to small, tuck-in acquisitions. This would mark the first period of growth in the domestic market since the December quarter of 2006. Excluding acquisitions, the U.S. business probably contracted somewhat, albeit at a lesser rate than the 11% decline of the March interim.

We look for 10% share-net growth in 2009. The U.S. market is likely to see continued improvements over the second half of 2008, giving Manpower momentum heading into next year. Further, demand for staffing services in Europe remains relatively strong (the company generated 91% of its operating profits outside of its U.S. staffing business in 2007) and should be the key to earnings gains. The company's permanent placement business should achieve particularly strong growth.

The price of these shares has fallen 5% since our April report and more than 40% from its high of a year ago. Record commodities prices and a slumping domestic economy have caused the company's P/E multiple to contract over the past several months. We feel Manpower has been overly affected by weakness at home (since it generates the vast majority of its income abroad and has actually benefited from the weakening dollar) and is undervalued at this time. Indeed, MAN is ranked to outpace the market in the year ahead. Further, the company's strong growth prospects internationally, particularly from continued expansion into emerging markets, provide this issue with wide appreciation potential to 2011–2013.

Jerry W. Gray Jr. *July 18, 2008*

(A) Based on average shares through '96; diluted thereafter. Excludes extraordinary losses: '92, 10¢; '93, 18¢; '98, 71¢. Excludes nonrecurring gains: '96, 12¢; '04, 20¢; '07, 45¢.
Next earnings report due late July.
(B) Div'ds paid in mid-June and mid-Dec.
■ Dividend reinvestment plan available.
(C) In millions.
(D) Includes intangibles. In 2007: $1410.7 mill., $17.66 per share.
(E) Earnings may not sum due to change in share count.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	80
Earnings Predictability	70

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MATTEL, INC. NYSE-MAT

RECENT PRICE 20.99 | P/E RATIO 14.5 (Trailing: 16.1 Median: 17.0) | RELATIVE P/E RATIO 0.93 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 3 Raised 9/1/08
SAFETY 3 Raised 11/22/91
TECHNICAL 2 Raised 7/25/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+115%)	23%
Low	30	(+45%)	12%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	1	0
Options	0	0	0	0	0	2	2	0	0
to Sell	0	0	0	0	0	2	2	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	144	182	161
to Sell	213	180	194
Hld's(000)	348038	340004	329306

	1992	1993	1994	1995	1996	1997	1998	1999	2000[F]	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:							42.3	46.6	30.3	15.1	19.9	22.4	23.2	19.8	21.6	24.0	29.7	22.0
Low:							23.4	21.3	11.7	8.9	13.5	15.0	18.6	15.9	14.5	14.8	18.8	16.4

LEGENDS
13.5 x "Cash Flow" p sh
Relative Price Strength
5-for-4 split 1/95
5-for-4 split 3/96
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-9.2	-12.2
3 yr.	18.3	7.2
5 yr.	18.6	58.6

	1992	1993	1994	1995	1996	1997	1998	1999	2000[F]	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	10.08	10.19	11.73	13.21	14.01	16.83	15.92	13.08	10.95	11.17	11.17	11.58	12.29	13.33	14.70	16.52	*17.50*	*18.20*	Sales per sh [A]	*21.65*
	1.13	1.21	1.55	1.77	2.03	2.36	1.90	1.13	1.29	1.44	1.55	1.72	1.66	1.70	1.88	2.14	*1.95*	*2.15*	"Cash Flow" per sh	*2.80*
	.71	.86	1.06	1.26	1.44	1.66	1.20	.43	.69	.81	1.10	1.25	1.19	1.18	1.41	1.54	*1.45*	*1.65*	Earnings per sh [B]	*2.20*
	.09	.12	.15	.18	.24	.27	.31	.35	.36	.05	.05	.40	.45	.50	.65	.75	*.75*	*.80*	Div'ds Decl'd per sh [Cm]	*.80*
	.41	.38	.60	.75	.77	.77	.92	.50	.38	.45	.38	.47	.35	.35	.35	.41	*.50*	*.50*	Cap'l Spending per sh	*.65*
	2.74	2.97	3.86	4.63	5.34	6.01	5.74	4.65	3.29	4.04	4.53	5.17	5.75	5.41	6.33	6.38	*6.60*	*7.10*	Book Value per sh [E]	*8.80*
	183.41	265.42	273.13	275.50	271.00	287.30	300.40	421.66	426.00	430.20	437.19	428.50	415.20	388.60	384.30	361.40	*356.00*	*354.00*	Common Shs Outst'g [D]	*345.00*
	16.9	15.3	15.8	16.5	18.8	19.4	31.1	50.2	17.4	21.5	17.5	16.2	15.2	15.4	13.1	15.9	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.5*
	1.02	.90	1.04	1.10	1.18	1.12	1.62	2.86	1.13	1.10	.96	.92	.80	.82	.71	.84			Relative P/E Ratio	*1.10*
	.8%	.9%	.9%	.9%	.9%	.8%	.6%	1.6%	3.0%	.3%	.3%	2.0%	2.5%	2.6%	3.5%	3.1%			Avg Ann'l Div'd Yield	*2.2%*
	4781.9	5515.0	4689.9	4804.1	4885.3	4960.1	5102.8	5179.0	5650.2	5970.1	*6225*	*6450*	Sales ($mill) [A]	*7475*
	17.6%	12.2%	15.1%	19.4%	19.8%	20.2%	17.9%	16.2%	15.9%	15.1%	*14.5%*	*15.5%*	Operating Margin	*17.0%*
	214.9	298.6	256.4	262.5	191.9	183.8	182.5	175.0	172.3	172.1	*175*	*185*	Depreciation ($mill)	*200*
	363.8	182.6	293.2	355.6	486.9	552.6	507.7	485.4	549.6	600.0	*525*	*575*	Net Profit ($mill)	*770*
	28.5%	22.4%	27.6%	26.8%	27.3%	26.0%	27.1%	25.6%	19.6%	14.7%	*22.5%*	*24.0%*	Income Tax Rate	*25.0%*
	7.6%	3.3%	6.3%	7.4%	10.0%	11.1%	10.0%	9.4%	9.7%	10.1%	*8.4%*	*8.9%*	Net Profit Margin	*10.3%*
	740.6	602.5	249.1	495.6	740.2	927.1	910.0	949.3	1267.6	1022.5	*1275*	*1300*	Working Cap'l ($mill)	*1600*
	983.5	1183.8	1242.4	1020.9	640.1	589.1	400.0	525.0	635.7	550.0	*750*	*725*	Long-Term Debt ($mill)	*650*
	1820.2	1952.7	1403.1	1738.5	1978.7	2216.2	2385.8	2101.7	2433.0	2306.7	*2425*	*2525*	Shr. Equity ($mill)	*3050*
	14.6%	9.3%	12.9%	14.7%	19.9%	20.6%	19.6%	19.9%	19.2%	22.2%	*17.5%*	*19.0%*	Return on Total Cap'l	*22.0%*
	20.0%	9.3%	20.9%	20.5%	24.6%	24.9%	21.3%	23.1%	22.6%	26.0%	*22.0%*	*23.0%*	Return on Shr. Equity	*25.0%*
	15.4%	2.9%	10.0%	19.2%	23.5%	17.2%	13.4%	13.6%	12.3%	14.2%	*10.5%*	*11.5%*	Retained to Com Eq	*16.0%*
	27%	69%	52%	6%	4%	31%	37%	41%	45%	45%	*52%*	*50%*	All Div'ds to Net Prof	*36%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1017.0 mill. Due in 5 Yrs $965.0 mill.
LT Debt $760.0 mill. LT Interest $67.0 mill.
(Total int. coverage: 10.1x) (25% of Cap'l)
Leases, Uncapitalized Annual rentals $86.0 mill.
Pension Assets-12/07 $330.4 mill.
Oblig. $442.0 mill.

Pfd Stock None

Common Stock 360,525,336 shs.
as of 7/22/08

Market Cap: $7.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1205.6	901.1	384.4
Receivables	943.8	991.2	977.4
Inventory (FIFO)	383.1	428.7	676.1
Other	317.6	271.9	340.0
Current Assets	2850.1	2592.9	2377.9
Accts Payable	375.9	441.1	374.5
Debt Due	64.3	399.0	257.0
Other	1142.3	730.3	530.1
Current Liab.	1582.5	1570.4	1161.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	6.0%	*6.5%*
"Cash Flow"	-1.0%	6.0%	*7.0%*
Earnings	-.5%	9.5%	*8.0%*
Dividends	10.5%	33.0%	*4.0%*
Book Value	1.5%	9.0%	*6.5%*

Calendar	QUARTERLY SALES ($ mill.)[A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	783.1	886.8	1666.2	1842.9	5179.0
2006	793.4	957.7	1790.3	2108.8	5650.2
2007	940.3	1002.6	1838.6	2188.6	5970.1
2008	919.3	1112.4	*1950*	*2243.3*	*6225*
2009	*970*	*1180*	*2000*	*2300*	*6450*

Calendar	EARNINGS PER SHARE [A B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.02	.05	.55	.58	1.20
2006	d.07	.08	.65	.75	1.41
2007	.03	.11	.64	.76	1.54
2008	d.13	.03	*.71*	*.84*	*1.45*
2009	*.02*	*.05*	*.73*	*.85*	*1.65*

Calendar	QUARTERLY DIVIDENDS PAID = [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	.45	.45
2005	--	--	--	.50	.50
2006	--	--	--	.65	.65
2007	--	--	--	.75	.75
2008	--	--			

BUSINESS: Mattel, Inc. is the largest U.S. toy maker. Brands and products are grouped into three categories: Girls & Boys (includes *Barbie, Polly Pocket, Little Mommy, Hot Wheels, Tyco,* and *Matchbox*); Fisher-Price (*Little People, View-Master, Dora the Explorer, See 'N Say,* and *Power Wheels*); American Girl (*Just Like You,* and *Bitty Baby.*). Acquired Fisher-Price, 11/93; Kransco, 5/94; J.W. Spear & Sons, 8/94; Tyco Toys, 3/97. In '07, foreign: 49% of sales. Advertising: 12% of sales. Has about 31,000 employees. Officers & Directors own 2.4% of common stock; Janus Capital Management, 6.2%; Franklin Mutual Advisors, 5.3% (3/08 Proxy). CEO: Robert A. Eckert. Inc.: DE. Addr.: 333 Continental Blvd., El Segundo, CA 90245. Tel.: 310-252-2000. Internet:www.mattel.com.

Mattel is making some headway. June-quarter sales climbed 11% year over year, which helped generate a $0.16 sequential improvement in share net. A big boost came from products tied to summer movies, including *Kung Fu Panda, Speed Racer,* and *The Dark Knight.* Overseas markets remain a key area of strength, with international sales up 15% in the period, versus a 3% gain on the domestic front. Currency gains were a big factor, adding 10 percentage points to the top-line growth. Elsewhere, price increases implemented in June should help ease input cost pressures, namely rising commodities and labor rates in China. Regarding the former, oil prices have backtracked some of late, which should help lower resin costs. All told, although we've added a nickel to our 2008 share-net estimate, an earnings rebound will likely not be in the cards until next year.

The American Girl business is expanding. The line is growing in both catalog and retail businesses, with sales up 10% in the quarter. Moreover, the momentum should carry through to the rest of the year. In July, the *Kit Kittredge* movie was released to generally favorable reviews, which is boosting demand for products tied into the movie characters. Also, the boutique stores in Atlanta and Dallas are doing well, and plans call for new locations to be added in Boston and at the Mall of America in Minneapolis.

Meanwhile, *Barbie* continues to underperform. Worldwide March-quarter sales were down 6%, even with a six-percentage-point assist from favorable currency. Declines in the *Collector* and *My Scene* lines offset gains in the *Fantasy* series. On the plus side, U.S. retail takeaway outpaced shipments, suggesting sales could pick up in the quarters ahead.

These shares are now an average selection all around. Reflecting a 10% increase in price since our May report, the stock has moved back up a notch, to 3 (Average), for year-ahead relative price performance. Longer term, we project low double-digit annual earnings growth out to 2011–2013. However, with the recent price action, the issue's appreciation potential over that period is now about even with the *Value Line* median.

Mario Ferro *August 15, 2008*

(A) Fiscal year ends Dec. 31. (B) Diluted earnings; Excl. nonrecurring items: '93, d44¢; '94, d17¢; '95, d8¢; '97, d72¢; '98, d10¢; '99, d64¢; '00, d$1.70; '01, d13¢; '02, d58¢; '03, d3¢; '04, 14¢; '05, d17¢; '06, 12¢. Quarterly earnings may not add to total due to rounding. Next earnings report due mid-Oct. (C) Dividend historically paid in early December.■ Div'd reinv. plan. (D) In mill., adj. for splits. (E) Incl. intang. '07: $845.6 mill.; $2.34/sh. (F) Learning Co. discont. op as of 1/1/00.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	15
Earnings Predictability	85

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MCKESSON NYSE-MCK

RECENT PRICE 56.54 | P/E RATIO 13.8 (Trailing: 16.2 Median: 20.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 3 Lowered 2/15/08
SAFETY 2 Raised 8/29/08
TECHNICAL 3 Raised 6/27/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+120%)	22%
Low	95	(+70%)	14%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	3	6	2	3	4	2	0	2	1
to Sell	3	6	2	3	4	2	0	3	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	173	233	212
to Sell	246	211	230
Hld's(000)	248234	250112	242866

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	143.80	153.06	148.61	152.92	138.87	194.36	112.03	129.39	109.26	127.88	145.22	239.43	269.01	289.64	315.18	367.16	*402.95*	*433.85*	Sales per sh AB	*537.75*
	2.08	2.33	2.06	2.30	2.00	2.81	2.12	1.63	1.81	2.21	2.63	2.99	3.02	3.30	3.99	5.03	*5.75*	*6.25*	"Cash Flow" per sh	*8.00*
	1.26	1.46	1.26	1.45	1.28	1.80	1.30	.94	.99	1.49	1.96	2.19	2.18	2.34	2.89	3.43	*4.10*	*4.50*	Earnings per sh AC	*6.05*
	.80	.83	.67	.50	.50	.50	.50	.24	.24	.24	.24	.24	.24	.24	.24	.24	*.48*	*.48*	Div'ds Decl'd per sh Dm	*.48*
	.86	1.23	.93	.88	.87	1.06	.92	.51	.56	.46	.40	.40	.47	.55	1.04	1.29	*1.40*	*1.40*	Cap'l Spending per sh	*1.60*
	6.07	6.81	11.42	11.87	13.59	15.06	9.90	11.87	11.52	13.00	14.88	17.12	17.62	19.43	21.26	22.10	*24.70*	*28.10*	Book Value per sh E	*42.20*
	81.15	81.20	88.75	89.70	92.80	93.40	271.20	283.90	286.30	287.93	291.20	290.30	299.30	304.00	295.00	277.00	*271.00*	*269.00*	Common Shs Outst'g F	*265.00*
	15.3	17.8	27.9	16.2	19.9	26.1	NMF	31.0	27.1	24.2	15.8	14.1	14.5	19.9	17.7	17.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
	.93	1.05	1.83	1.08	1.25	1.50	NMF	1.77	1.76	1.24	.86	.80	.77	1.06	.96	.93			Relative P/E Ratio	*1.20*
	4.2%	3.2%	1.9%	2.1%	2.0%	1.1%	.7%	.6%	.9%	.7%	.8%	.8%	.8%	.5%	.5%	.4%			Avg Ann'l Div'd Yield	*.4%*
	30382	36734	31280	36821	42288	69506	80515	88050	92977	101703	*109200*	*116700*	Sales ($mill) AB	*142500*
	2.9%	2.1%	2.6%	2.7%	2.7%	1.7%	1.6%	1.6%	1.7%	1.9%	*2.0%*	*2.0%*	Operating Margin	*2.0%*
	199.3	201.3	246.1	207.5	203.7	232.1	250.9	266.0	295.0	371.0	*420*	*440*	Depreciation ($mill)	*495*
	385.0	271.2	283.0	439.2	572.4	646.5	653.3	737.0	881.0	1021.0	*1145*	*1235*	Net Profit ($mill)	*1635*
	32.0%	38.4%	39.0%	36.0%	33.1%	29.1%	32.0%	36.4%	31.8%	31.8%	*33.0%*	*33.0%*	Income Tax Rate	*33.5%*
	1.3%	.7%	.9%	1.2%	1.4%	.9%	.8%	.8%	.9%	1.0%	*1.0%*	*1.1%*	Net Profit Margin	*1.1%*
	1699.4	2843.7	2614.3	3110.7	3279.2	3548.1	3539.7	3404.0	2730.0	2438.0	*2810*	*3445*	Working Cap'l ($mill)	*5615*
	945.5	1243.8	1035.6	1288.4	1290.7	1212.6	1201.7	965.0	1803.0	1795.0	*1750*	*1650*	Long-Term Debt ($mill)	*1000*
	2881.8	3565.8	3492.9	3940.1	4528.5	5165.3	5275.1	5907.0	6273.0	6121.0	*6695*	*7560*	Shr. Equity ($mill)	*11185*
	11.1%	6.7%	7.3%	9.4%	10.8%	11.1%	11.0%	11.3%	11.5%	13.7%	*14.5%*	*14.0%*	Return on Total Cap'l	*14.0%*
	13.4%	7.6%	8.1%	11.1%	12.6%	12.5%	12.4%	12.5%	14.0%	16.7%	*17.0%*	*16.5%*	Return on Shr. Equity	*14.5%*
	10.8%	5.7%	6.2%	9.6%	11.4%	11.4%	11.0%	11.2%	12.9%	15.5%	*15.0%*	*14.5%*	Retained to Com Eq	*13.5%*
	25%	29%	28%	18%	14%	12%	11%	10%	8%	7%	*11%*	*10%*	All Div'ds to Net Prof	*8%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $1794 mill. Due in 5 Yrs $1120 mill.
LT Debt $1794 mill. LT Interest $125 mill.
(22% of Capital)

Leases, Uncapitalized Annual rentals $114 mill.

Pension Assets-3/08 $501 mill.
Oblig. $543 mill.

Preferred Stock None
Common Stock 276,000,000 shares

MARKET CAP: $15.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1954	1362	1187
Receivables	6566	7213	7214
Inventory (LIFO)	8153	9000	9314
Other	1183	211	216
Current Assets	17856	17786	17931
Drafts & Accts Pay.	10873	12032	12421
Debt Due	1138	2	--
Other	3115	3314	3196
Current Liab.	15126	16348	15617

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	20.5%	*9.0%*
"Cash Flow"	5.5%	13.0%	*12.0%*
Earnings	6.5%	14.5%	*13.0%*
Dividends	-7.0%	--	*12.0%*
Book Value	4.5%	10.0%	*12.5%*

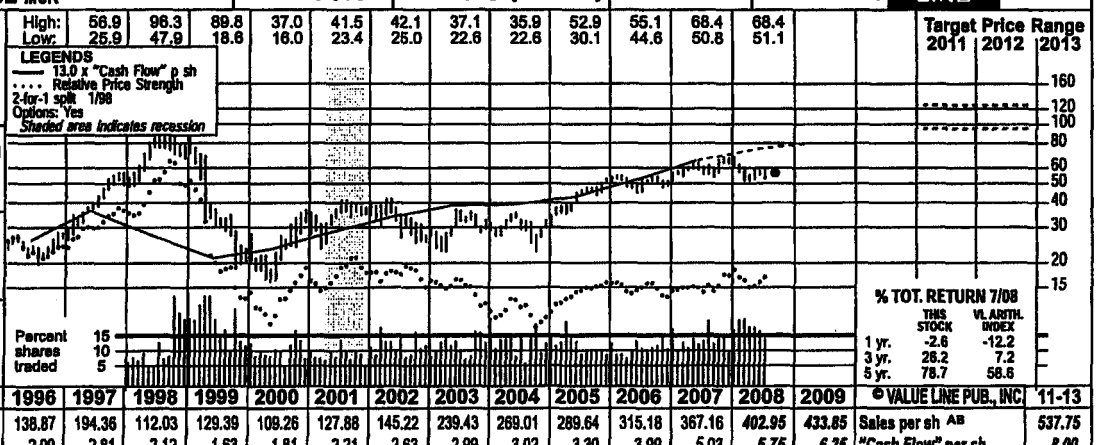
Fiscal Year Begins	QUARTERLY SALES ($ mill.) AB Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	*20968*	*21515*	*22510*	*23057*	*88050*
2006	23315	22386	23111	24165	92977
2007	24528	24450	26494	26231	101703
2008	26704	*26666*	*27600*	*28230*	*109200*
2009	*28200*	*28100*	*29950*	*30450*	*116700*

Fiscal Year Begins	EARNINGS PER SHARE AC Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.55	.49	.61	.69	2.34
2006	.60	.66	.79	.85	2.89
2007	.77	.83	.79	1.04	3.43
2008	.83	.97	*1.05*	*1.25*	*4.10*
2009	*.95*	*1.05*	*1.15*	*1.35*	*4.50*

Calendar	QUARTERLY DIVIDENDS PAID Dm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.06	.06	.06	.06	.24
2005	.06	.06	.06	.06	.24
2006	.06	.06	.06	.06	.24
2007	.06	.06	.06	.06	.24
2008	.06	.06	.12		

(A) Fiscal years end March 31st of following year. (B) Before FY'04, excl. sales to customer warehouses. (C) Primary earnings thru FY'97; diluted thereafter. Excl. nonrecurring: FY'94, $3.17; '97, 12¢; '98, (21¢); '99, (7¢); '00, $1.63; '01, ($1.30); '02, (8¢); '03, (8¢); '06, 4¢; '07, 28¢; '08, (11¢). Quarterly figures may not sum due to rounding. Next earnings report due late Oct. (D) Dividends paid in Jan., April, July, and Oct. • Dividend reinvestment plan available. (E) Incl. intang. In FY'08: $4.0 bill., $14.46 a share. (F) In mill., adj. for stock split.

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McKesson stormed out of the gates this fiscal year (began April 1st), continuing the positive momentum that has been building since 2005. In the June quarter, revenues increased 9%, driven primarily by solid growth in pharmaceutical direct distribution and services sales in both the U.S. and Canada. The acquisition of the Oncology Therapeutics Network (OTN) also aided the top-line advance. Share earnings advanced 8%, despite the difficult year-over-year comparison. Distribution Solutions generated most of the profit growth. A 7% reduction in the share count also helped.

Our full-year share-earnings target now stands at $4.10. This figure is a quarter higher than our previous call, and toward the high end of management's guidance. Revenues should continue advancing at a near double-digit clip as the fiscal year wears on. Specifically, U.S. pharmaceutical direct distribution and services sales growth ought to remain robust thanks to overall customer growth and the OTN acquisition. North of the border, top-line gains should easily stay above the double-digit threshold due to new and expanded distribution agreements and favorable exchange rates. Technology Solutions revenues will probably expand at a healthy clip, as well, thanks to an expanded customer base.

The company's strong balance sheet is allowing it to boost shareholder value. In the June quarter, McKesson bought back $130 million of common stock, leaving $1.2 billion on the current repurchase authorization. In addition, it recently paid out the recently doubled quarterly dividend in early July. Finally, management used available resources to deploy $242 million for acquisitions.

These shares offer good 3- to 5-year price appreciation potential. Owing to an aging population and the introduction of new drugs, we think pharmaceutical volume will continue growing over the long haul. This augurs well for McKesson's top line. Too, as generic versions of some notable drugs are rolled out, the company's operating and profit margins should expand slightly. Finally, we have raised the stock's Safety rank one notch, to 2 (Above Average).

Erik A. Antonson *August 29, 2008*

BUSINESS: McKesson Corporation provides supply, information, and care management products and services designed to reduce costs and improve quality across the healthcare industry. Distribution Solutions (97% of FY'08 sales): Distributes drugs and health and beauty care products throughout North America; manufactures automated dispensing systems for retail pharmacies; provides consulting and outsourcing services to pharmacies; etc. Employs about 32,900. AXA Financial own 11.3% of common stock; Wellington Management Company, 11.2%; officers & directors, 2.9% (6/08 Proxy). Chairman, President & CEO: John H. Hammergren. Incorporated: DE. Address: One Post Street, San Francisco, CA 94104. Telephone: 415-983-8300. Internet: www.mckesson.com.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	90

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HEARING EXHIBIT 00000401

MOODY'S CORP. NYSE-MCO

RECENT PRICE 34.87 | P/E RATIO 17.9 (Trailing: 14.8 Median: NMF) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 4 Raised 5/2/08
SAFETY 3 Lowered 9/7/07
TECHNICAL 3 Raised 3/7/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+145%)	25%
Low	55	(+60%)	13%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	1	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	183	203	225
to Sell	258	293	267
Hld's(000)	267006	280836	258822

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/05
Options: Yes
Shaded area indicates recession

Percent shares traded: 18, 12, 6

High:	14.4	20.5	26.2	30.4	43.9	62.5	73.3	76.1	46.4		
Low:	11.3	12.8	17.9	19.8	29.8	39.6	49.8	35.1	31.1		

Target Price Range 2011 | 2012 | 2013: 160, 120, 100, 80, 60, 50, 40, 30, 20, 15

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-43.7	-9.4
3 yr.	-8.5	30.2
5 yr.	56.8	98.8

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.52	1.74	1.88	2.58	3.44	4.19	4.83	5.87	7.31	8.99	7.90	8.70	Revenues per sh	14.00
.47	.52	.55	.74	1.05	1.30	1.64	2.03	2.50	2.87	2.25	2.50	"Cash Flow" per sh	4.05
.42	.48	.49	.66	.92	1.17	1.50	1.82	2.25	2.50	1.95	2.25	Earnings per sh A	3.75
--	--	.02	.09	.09	.09	.15	.20	.28	.32	.40	.40	Div'ds Decl'd per sh B	.48
.04	.04	.04	.05	.06	.06	.07	.11	.11	.72	.30	.20	Cap'l Spending per sh	.25
d.57	d.69	d.88	d.98	d1.10	d.11	1.07	1.07	.60	d3.12	d3.50	d2.55	Book Value per sh D	2.35
338.10	324.17	320.82	308.82	297.76	297.34	297.82	290.30	278.61	251.41	240.00	235.00	Common Shs Outst'g C	220.00
--	--	26.5	24.4	24.4	22.0	23.3	26.1	27.9	22.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
--	--	1.72	1.25	1.33	1.25	1.23	1.39	1.51	1.20			Relative P/E Ratio	1.25
--	--	.2%	.6%	.4%	.4%	.4%	.4%	.4%	.6%			Avg Ann'l Div'd Yield	.7%
513.9	564.2	602.3	796.7	1023.3	1246.6	1438.3	1731.6	2037.1	2259.0	1900	2050	Revenues ($mill)	3075
46.9%	50.2%	50.7%	52.2%	55.0%	55.8%	57.0%	56.3%	55.9%	54.2%	48.0%	49.0%	Operating Margin	51.0%
15.4	13.0	16.6	17.0	24.6	32.6	34.1	35.2	39.5	42.9	50.0	52.0	Depreciation ($mill)	70.0
142.0	155.6	158.5	212.2	288.9	354.8	455.1	554.7	657.8	679.8	485	535	Net Profit ($mill)	825
40.3%	44.2%	44.2%	44.4%	44.2%	45.2%	41.0%	40.3%	40.2%	41.7%	38.5%	38.5%	Income Tax Rate	42.0%
27.6%	27.6%	26.3%	26.6%	28.2%	28.5%	31.6%	32.0%	32.3%	30.1%	25.5%	26.1%	Net Profit Margin	26.8%
d167.3	d202.8	24.5	11.9	d189.7	136.9	185.4	472.9	301.9	d360.1	d450	d285	Working Cap'l ($mill)	250
--	--	300.0	300.0	300.0	300.0	--	300.0	300.0	600.0	600	600	Long-Term Debt ($mill)	600
d192.6	d223.1	d282.5	d304.1	d327.0	d32.1	317.5	309.4	167.4	d783.6	d835	d605	Shr. Equity ($mill)	510
--	--	NMF	--	--	NMF	NMF	92.8%	NMF	NMF	NMF	NMF	Return on Total Cap'l	76.0%
--	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	NMF
--	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	Retained to Com Eq	NMF
--	--	5%	13%	10%	8%	10%	11%	12%	13%	20%	18%	All Div'ds to Net Prof	13%

On September 30, 2000, The Dun & Bradstreet Corporation was separated into two independent publicly traded companies. Under terms of the transaction, Dun & Bradstreet changed its name to Moody's Corp. and through a tax-free dividend ($4.47 a share), the company spun off the D&B operating segment, which includes the information services business. Moody's Corporation, the surviving company, currently trades on the NYSE under the ticker symbol "MCO".

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1198.7 mill. Due in 5 Yrs $598.7 mill.
LT Debt $600 mill. LT Interest $40.0 mill.

Leases, Uncapitalized: Annual rentals $72.6 mill.

Pension Assets-12/07 $123.9 mill.
Pension Obligation $149.3 mill.

Common Stock 244,700,000 shs.
MARKET CAP: $8.5 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	483.5	441.0	349.6
Receivables	475.4	443.6	405.4
Other	43.0	104.5	97.5
Current Assets	1001.9	989.1	852.5
Accts Payable	339.7	371.3	256.5
Debt Due	--	551.9	598.7
Other	360.3	426.0	463.0
Current Liab.	700.0	1349.2	1318.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.5%	23.0%	11.0%
"Cash Flow"	19.5%	26.0%	8.5%
Earnings	19.5%	26.0%	9.5%
Dividends	--	31.5%	10.0%
Book Value	--	--	NMF

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	390.5	446.8	421.1	473.2	1731.6
2006	440.2	511.4	495.5	590.0	2037.1
2007	583.0	646.1	525.0	504.9	2259.0
2008	430.7	505	475	489.3	1900
2009	480	530	490	550	2050

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.39	.49	.44	.50	1.82
2006	.49	.59	.55	.64	2.25
2007	.62	.76	.51	.60	2.50
2008	.48	.47	.46	.54	1.95
2009	.50	.56	.54	.65	2.25

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.038	.038	.038	.038	.15
2005	.038	.055	.055	.055	.20
2006	.07	.07	.07	.07	.28
2007	.08	.08	.08	.08	.32
2008	.10	.10			

BUSINESS: Moody's Corporation is a provider of credit ratings, research, and analysis covering debt instruments and securities in the global capital markets. It also provides quantitative credit assessment services, credit training services, and credit process software to banks and other financial institutions. Moody's was formed as the result of the spin off of Dun & Bradstreet's two former businesses, The Dun & Bradstreet operating company and Moody's Investors Service, into stand-alone public companies. Has about 3,600 employees. Berkshire Hathaway owns 19.1% of the common stock (3/08 Proxy). Chairman & CEO: Raymond W. McDaniel, Jr. Inc.: DE. Addr.: 7 World Trade Center at 250 Greenwich Street, New York, NY 10007. Tel.: 212-553-0300. Internet: www.moodys.com.

The ongoing turmoil in the U.S. credit markets has taken its toll on Moody's. The credit ratings provider's first-quarter earnings shortfall marked the third consecutive year-over-year quarterly decline. Deteriorating conditions in both the structured and corporate finance markets have resulted in less debt issuance this year, severely reducing the revenue generated from rating these instruments. In fact, global structured and corporate rating revenue fell 57% and 31%, respectively, during the March period, with even more pronounced percentage declines on the domestic front. More significant, we don't expect much of a near-term pickup in the fixed-income sector.

We are once again lowering our 2008 earnings estimate. It now stands at $1.95 a share, the midpoint of Moody's recently revised guidance. The pessimistic outlook reflects much lower debt issuance by banks and financial firms that have become a bit gun-shy. The credit market crisis has led to more than $200 billion in writedowns over the last 12 months. We now estimate that Moody's structured finance revenues will plunge more than 50% in 2008, reflecting steep declines in residential mortgage-backed securities issuance. A pullback in commercial real estate and credit derivatives ratings revenue will also hurt near-term results.

The ongoing scrutiny of the credit ratings industry continues. SEC Chairman Christopher Cox recently said that the government may soon create new laws banning credit rating agencies from doing consulting work for issuers of debt. The commission plans to release a report on the ratings industry by early summer.

This stock is untimely. The continued problems in the residential and corporate real estate markets will likely hurt Moody's ratings business. Too, Moody's stock remains under pressure following a report in the *Financial Times* that said the ratings agency mistakenly gave triple-A ratings to billions of dollars worth of debt instruments, but didn't lower the ratings after a computer error was discovered in early 2007. That said, MCO offers above-average recovery potential to 2011-2013 for patient, venturesome investors willing to withstand the near-term volatility.

William G. Ferguson June 6, 2008

(A) Pro forma through 1999. Diluted earnings thereafter. Excludes nonrecurring gain (loss): '03, 3¢; '04, (10¢); '05, 2¢; '06, 33¢; '07, 8¢. Earnings may not sum to total due to share count change. Next earnings report due late July. (B) Dividends historically paid in early March, June, Sept., Dec. Paid a special dividend of $4.47 a share on 10/2/00 to complete the spin off of Dun & Bradstreet's D&B operations. (C) In millions, adjusted for stock split. (D) Includes intangibles. In '07: $236.8 mill., 94¢/share.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	90
Earnings Predictability	95

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MOHAWK INDUSTRIES NYSE-MHK

RECENT PRICE 66.00 | P/E RATIO 12.7 (Trailing: 10.8 Median: 13.0) | RELATIVE P/E RATIO 0.81 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 10/5/07
SAFETY 3 New 10/16/98
TECHNICAL 3 Raised 3/28/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+125%)	23%
Low	100	(+50%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	2	0	0	0	0	0	0	0	0
Options	1	0	2	0	0	0	0	0	0
to Sell	0	1	2	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	120	130	134
to Sell	141	121	127
Hld's(000)	67303	62935	66318

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	22.0	42.4	42.4	29.1	55.6	70.6	75.8	92.4	94.7	90.9	108.0	83.1		
Low:	12.9	20.5	18.4	18.9	25.5	40.3	41.0	66.8	74.6	62.8	73.4	63.0		
	45.99	54.37	62.25	65.40	68.14	75.22	88.08	98.08	116.67	110.97	*104.10*	*105.55*	Sales per sh	*127.55*
	3.32	4.63	4.68	5.18	5.82	6.26	7.37	7.85	10.66	10.89	*9.60*	*10.25*	"Cash Flow" per sh	*14.40*
	2.12	2.61	3.00	3.55	4.39	4.62	5.46	5.63	6.57	6.39	*5.20*	*5.70*	Earnings per sh A	*9.00*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	1.37	2.57	1.40	1.00	1.69	1.72	1.60	3.66	2.45	2.39	*3.30*	*3.65*	Cap'l Spending per sh	*3.60*
	10.22	12.21	14.42	18.00	29.88	34.54	39.94	44.85	54.83	68.86	*76.50*	*82.10*	Book Value per sh B	*106.00*
	57.38	56.71	52.30	52.69	66.37	66.54	66.76	67.50	67.77	68.36	*68.50*	*68.60*	Common Shs Outst'g C	*69.00*
	14.2	10.9	7.7	10.5	13.0	13.4	14.4	15.1	11.6	13.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*14.0*
	.74	.62	.50	.54	.71	.76	.76	.80	.63	.72			Relative P/E Ratio	*.95*
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	2639.2	3083.3	3255.8	3446.0	4522.3	5005.1	5880.4	6620.1	7905.8	7586.0	*7130*	*7240*	Sales ($mill)	*8800*
	11.4%	13.0%	12.3%	11.9%	13.7%	13.0%	12.9%	12.2%	14.1%	14.1%	*12.5%*	*13.0%*	Operating Margin	*15.0%*
	67.9	105.3	82.3	84.2	101.9	106.6	123.1	149.3	275.0	306.4	*290*	*300*	Depreciation ($mill)	*360*
	122.8	157.2	162.6	188.6	284.5	310.1	368.6	380.5	447.1	437.7	*355*	*395*	Net Profit ($mill)	*625*
	39.5%	39.5%	39.2%	35.3%	35.9%	36.5%	36.2%	35.6%	32.4%	28.2%	*26.0%*	*26.0%*	Income Tax Rate	*28.0%*
	4.7%	5.1%	5.0%	5.5%	6.3%	6.2%	6.3%	5.7%	5.7%	5.8%	*5.0%*	*5.5%*	Net Profit Margin	*7.1%*
	419.2	560.0	427.2	449.3	681.9	646.5	968.9	1228.6	784.1	1238.2	*1200*	*1250*	Working Cap'l ($mill)	*1450*
	321.8	562.1	365.4	150.1	793.0	763.6	700.0	3194.6	2207.6	2021.4	*1900*	*1750*	Long-Term Debt ($mill)	*1550*
	586.7	692.5	754.4	948.6	1982.9	2297.8	2666.3	3027.1	3715.3	4707.4	*5240*	*5630*	Shr. Equity ($mill)	*7315*
	15.1%	13.8%	16.2%	18.5%	11.5%	11.0%	11.8%	6.7%	9.1%	7.7%	*6.0%*	*6.0%*	Return on Total Cap'l	*7.5%*
	20.9%	22.7%	21.6%	19.9%	14.3%	13.5%	13.8%	12.6%	12.0%	9.3%	*7.0%*	*7.0%*	Return on Shr. Equity	*8.5%*
	20.9%	22.7%	21.6%	19.9%	14.3%	13.5%	13.8%	12.6%	12.0%	9.3%	*7.0%*	*7.0%*	Retained to Com Eq	*8.5%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-26.4	-9.7
3 yr.	-10.0	27.3
5 yr.	30.1	85.8

In 1988, Mohawk Industries was formed in Delaware to acquire Aladdin Manufacturing through a leveraged buyout. In April 1992, the company made an initial public offering of 7 million shares at $6.65 a share. A second issue of 4.725 million shares at $13.70 a share occurred in May 1993 (included 1.125 million shares by selling shareholders). The lead underwriter for the initial public offering was Credit Suisse First Boston. (All data adjusted for subsequent stock splits.)

CAPITAL STRUCTURE as of 3/29/08
Total Debt $2370.8 mill. Due in 5 Yrs $1469.6 mill.
LT Debt $2003.0 mill. LT Interest $135.1 mill.
(LT Interest earned: 5.2x; total interest coverage: 5.1x) (29% of Cap'l)

Leases, Uncapitalized Annual rentals $106 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 68,402,467 shs.
MARKET CAP: $4.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	63.5	89.6	73.3
Receivables	851.4	821.1	955.3
Inventory (FIFO)	1225.9	1276.6	1296.4
Other	239.1	262.4	270.9
Current Assets	2379.9	2448.7	2595.9
Accts Payable	1019.7	951.1	932.8
Debt Due	576.1	260.4	367.8
Current Liab.	1595.8	1211.5	1300.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	12.0%	10.5%	*5.0%*
"Cash Flow"	17.0%	13.5%	*9.0%*
Earnings	21.0%	11.0%	*7.5%*
Dividends	--	--	*Nil*
Book Value	24.0%	22.0%	*13.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1493	1624	1698	1805	6620.1
2006	1925	2058	2024	1898	7905.8
2007	1864	1977	1938	1807	7586.0
2008	*1738*	*1860*	*1820*	*1712*	*7130*
2009	*1680*	*1820*	*1890*	*1850*	*7240*

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1.03	1.39	1.61	1.60	5.63
2006	1.16	1.70	1.80	1.91	6.57
2007	1.23	1.68	1.91	1.57	6.39
2008	.95	*1.40*	*1.50*	*1.35*	*5.20*
2009	*1.00*	*1.45*	*1.65*	*1.60*	*5.70*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Mohawk Industries, Inc. designs and manufactures woven and tufted broadloom carpets/rugs and hard-surface flooring for residential and commercial use. Markets products through retailers, home centers, mass merchandisers, department stores, and commercial dealers. Acquired World Carpets, *11/98*; *Image* Inds., 1/99; Durkan Carpets, 3/99; Crown Crafts, 11/00; Dal-Tile, 3/02; Lees, 11/03; Unilin, 10/05; Columbia Forest Products, 8/07. Has 36,200 employees. Chairman & CEO Jeffrey S. Lorberbaum owns 17.1% of common; all officers and directors, 18.4%; Ruane, Cunniff, & Goldfarb 18.6%; Aladdin Partners, 12.3% (4/08 proxy). Inc.: DE. Addr.: P.O. Box 12069, 160 S. Industrial Blvd., Calhoun, GA 30703. Tel.: 706-629-7721. Internet: www.mohawkind.com.

The current environment is extremely challenging for Mohawk Industries. Historically, about 25% of Mohawk's sales are derived from commercial markets, which are holding up well. But new residential construction accounts for 20%, and activity there has been dismal. And the residential replacement business, representing the largest segment, is weak as home prices fall and consumer costs for energy and food are escalating. Mohawk is also facing higher costs for energy and raw materials. The company, however, recently completed the implementation of price increases on several products. All in all, we've lowered our 2008 share-net estimate by 7%, to $5.20, despite being short by a nickel on our first-quarter call. We think the housing market will solidify in 2009, but we have also taken that estimate down by 7%, considering the lag time between a housing start and flooring purchases.

The company has a lot of things going for it, though. Product and geographic diversity is a major plus. The acquisition of Unilin in 2005 helped Mohawk achieve both by giving it a large footprint in Europe and entrance into the laminated flooring market, which is growing faster than carpets. Sales into Eastern Europe and Russia have been strong. Unilin is now expanding laminate production in the U.S., cutting down on import expenses. Another competitive advantage is Mohawk's unmatched distribution network. Finally, the company is introducing new outdoor and commercial products.

The emergence of Columbia may take longer than expected. Mohawk purchased this wood flooring company last year to complete its product diversification strategy. Significant investments are being made to improve manufacturing efficiencies, quality, and utilization. However, Columbia has major exposure to the slumping housing market. We had expected it to be profitable in this year's fourth quarter, but are now looking for that to happen in the second quarter of 2009.

Though the issue is untimely, it has worthwhile 3- to 5-year appreciation potential. Earnings should improve quickly when housing activity recovers. We also like the strong cash flow and healthy balance sheet.

Craig Sirois *July 4, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	95

(A) Diluted earnings. Excludes nonrecurring items: '98, d26¢; '05, d33¢; '06, 13¢, '07, $3.93. Next earnings report due late July.
(B) Includes intangible assets. At 12/31/07, $3.97 billion, $58.07/shr.
(C) In millions, adjusted for stock split.

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MACQUARIE INFR. CO. NYSE-MIC

RECENT PRICE 32.00 | P/E RATIO NMF (Trailing: NMF / Median: NMF) | RELATIVE P/E RATIO NMF | DIV'D YLD 8.3% | VALUE LINE

TIMELINESS 4 New 9/7/07
SAFETY 3 New 3/9/07
TECHNICAL 4 Lowered 6/6/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+55%)	18%
Low	35	(+10%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	4	0	0	0	0	0	0	0	1
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	46	111	65
to Sell	85	33	82
Hld's(000)	11540	28081	29339

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 29.6 31.4 35.8 47.0 40.6
Low: 26.0 27.0 23.8 34.2 26.7

Target Price Range 2011 | 2012 | 2013

Percent shares traded 15 10 5

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-25.9	-9.4
3 yr.	32.5	30.2
5 yr.	—	98.8

Macquarie Infrastructure Company Trust was formed on April 13, 2004 in Delaware. Its businesses and investments are owned through Macquarie Infrastructure Company LLC, which was formed on the same day. The initial public offering of MIC trust shares was completed on December 21, 2004. The majority of the proceeds were used to acquire initial businesses and investments and to pay related expenses.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1,504.7 mill. Due in 5 Yrs $206.6 mill.
LT Debt $1,493.8 mill. LT Interest $85.0 mill.
Includes $3.0 mill. of cap'l leases.
(Total interest not covered) (62% of Cap'l)

Leases, Uncapitalized Annual rentals $43.6 mill.

Pension Assets-12/07 $24.4 mill.
Oblig. $30.7 mill.

Pfd Stock None

Common Stock 43,766,877 shs.
MARKET CAP: $1.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	37.4	57.5	61.3
Receivables	56.8	94.5	107.1
Inventory (FIFO)	12.8	18.2	19.5
Other	124.0	40.3	40.2
Current Assets	231.0	210.5	228.1
Accts Payable	29.8	59.3	68.9
Debt Due	8.4	5.3	10.9
Other	33.9	68.9	87.0
Current Liab.	72.1	133.5	166.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	--	12.0%
"Cash Flow"	--	--	6.5%
Earnings	--	--	7.0%
Dividends	--	--	5.5%
Book Value	--	--	d12.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.Per	Jun.Per.	Sep.Per	Dec.Per	Full Year
2005	65.7	72.5	79.9	86.6	304.7
2006	86.2	105.9	163.3	164.9	520.3
2007	169.0	177.2	221.5	263.7	831.4
2008	278.7	286.3	290	295	1150
2009	295	300	300	305	1200

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	d.01	.21	.05	.31	.56
2006	.28	.35	d.37	1.47	1.73
2007	.21	d.67	d.01	d.16	d.60
2008	d.04	Nil	.09	.10	.15
2009	.05	.10	.10	.15	.40

Calendar	QUARTERLY DISTRIBUTIONS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	1.09	.50	.50	2.09
2006	--	1.00	.53	.55	2.08
2007	--	1.16	.605	.62	2.39
2008	.635	.645			

VALUE LINE PUB., INC.	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
Revenues per sh	--	--	--	--	--	--	.19	11.27	13.85	18.50	25.55	26.65	28.80
"Cash Flow" per sh	--	--	--	--	--	--	d.64	1.63	3.07	.69	1.95	2.25	2.65
Earnings per sh A	--	--	--	--	--	--	d17.38	.56	1.73	d.60	.15	.40	.85
Div'ds Decl'd per sh B	--	--	--	--	--	--	--	2.00	2.08	2.39	2.60	2.70	2.95
Cap'l Spending per sh	--	--	--	--	--	--	.00	.25	.49	1.13	1.15	1.20	1.25
Book Value per sh C	--	--	--	--	--	--	22.41	20.99	23.01	21.51	19.00	16.75	10.05
Common Shs Outst'g D	--	--	--	--	--	--	26.61	27.05	37.56	44.94	45.00	45.00	46.00
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	51.6	17.7	NMF	Bold figures are Value Line estimates		50.0
Relative P/E Ratio	--	--	--	--	--	--	--	2.75	.96	NMF			3.35
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	6.9%	6.8%	6.0%			6.9%
Revenues ($mill)	--	--	--	--	--	--	4.9	304.7	520.3	831.4	1150	1200	1325
Operating Margin	--	--	--	--	--	--	NMF	17.8%	17.5%	12.4%	17.0%	17.5%	18.5%
Depreciation ($mill)	--	--	--	--	--	--	.7	28.9	65.2	66.8	82.0	83.0	85.0
Net Profit ($mill)	--	--	--	--	--	--	d17.6	15.2	49.9	d24.5	5.0	20.0	40.0
Income Tax Rate	--	--	--	--	--	--	--	--	NMF	NMF	30.0%	30.0%	35.0%
Net Profit Margin	--	--	--	--	--	--	NMF	5.0%	9.6%	NMF	.4%	1.7%	3.0%
Working Cap'l ($mill)	--	--	--	--	--	--	128.3	122.1	158.9	77.0	65.0	25.0	d25.0
Long-Term Debt ($mill)	--	--	--	--	--	--	436.1	632.0	963.0	1429.5	1500	1525	1650
Shr. Equity ($mill)	--	--	--	--	--	--	596.3	567.7	864.4	966.6	855	755	460
Return on Total Cap'l	--	--	--	--	--	--	NMF	2.7%	4.8%	.7%	2.5%	3.0%	4.5%
Return on Shr. Equity	--	--	--	--	--	--	NMF	2.7%	5.8%	NMF	.5%	2.5%	8.5%
Retained to Com Eq	--	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF
All Div'ds to Net Prof	--	--	--	--	--	--	--	NMF	124%	NMF	NMF	NMF	NMF

BUSINESS: Macquarie Infrastructure Company Trust LLC owns, operates, and invests in a diverse group of infrastructure businesses in the U.S. Businesses include airport services, airport parking, district energy, natural-gas distribution, and liquid-storage terminals (through its 50% stake in IMTT Holdings). Manager, Macquarie Infrastructure Management. (MIM), is paid a fee based primarily on MIC's market cap and can also earn a performance fee equal to 20% of outperformance of a U.S. utilities index. Consol'd businesses have about 4,000 empls. MIM owns 7.1% of trust shares; BlackRock, 5.9% (4/08 proxy). C.E.O.: Peter Stokes. Address: 125 West 55th Street, 22nd Floor, New York, NY 10019. Telephone: 212-231-1000. Internet: www.macquarie.com/mic.

Macquarie Infrastructure is providing shareholders with steadily rising income. The upcoming payout of $0.645 a share represents an increase of 9% from the June 2007 distribution. In all, the company has raised its dividend in each of the last eight quarters. With further, albeit more modest, increases likely, these untimely shares will probably be of interest to income-oriented accounts. Still, conservative investors, in particular, should consider the risks of a reduction in the payout (see below) before making commitments.

The company's businesses are turning in solid results. On a GAAP basis, the bottom line remains stuck in the red, largely due to noncash expenses, such as depreciation and amortization stemming from acquisitions, and derivative losses. The various infrastructure businesses in the Macquarie portfolio, though, figure to be relatively predictable cash flow generators. This has been the case of late, despite the economy flirting with recession in recent quarters. In fact, cash available for distribution (CAD), a calculation used by the company to evaluate its ability to fund the dividend, rose 10%, year over year, in the March quarter. Most notably, EBITDA (earnings before interest, taxes, depreciation & amortization) rose 53% during the period at Macquarie's largest business, airport services. Acquisitions are providing the biggest boost, though existing operations have held their own too, with EBITDA increases of 5%.

Investors, though, are clearly skittish. The share price has declined 20% so far this year. We think the current valuation, including a yield of over 8.0%, reflects concerns about the sustainability of the payout at current levels. The company typically distributes virtually all of its CAD each quarter, meaning even relatively mild setbacks at its larger businesses, especially airport services, could prompt a reduction in the payout. Management has indicated that it expects trends within the aviation industry to make the airport services division relatively immune to downturns in the broader economy. Given the company's limited operating history, however, the stock is likely to continue to exhibit a fair amount of volatility until the market gains more confidence in this thesis.

Robert M. Greene, CFA *June 6, 2008*

(A) Diluted earnings per share. Excludes nonrecurring loss: 07, 67¢. Quart. egs. may not add to total due to changes in shares out. Next earnings report due early August.
(B) Distributions are typically paid in early April, June, September, and December.
(C) Includes intangibles. In '07: $1.7 billion, $36.84 share. (D) In millions.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	NMF
Earnings Predictability	NMF

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MAXIMUS, INC. NYSE-MMS

RECENT PRICE 37.54 | P/E RATIO 14.4 (Trailing: 16.3 / Median: 20.0) | RELATIVE P/E RATIO 0.88 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 3 Lowered 2/1/08
SAFETY 3 New 6/15/01
TECHNICAL 3 Raised 5/23/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+140%)	25%
Low	60	(+60%)	13%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	0	3	3	0	3	0
to Sell	0	0	0	0	8	4	0	3	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	82	74	82
to Sell	51	62	62
Hld's(000)	24538	23976	22775

	High:	32.9	37.0	41.5	38.9	49.3	42.3	40.6	41.2	38.8	39.5	48.3	39.1
	Low:	17.0	20.4	20.8	18.0	26.6	18.2	17.7	26.3	28.6	22.3	26.7	33.8

LEGENDS
— 13.5 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

Percent shares traded 15 10 5

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	9.6	-9.4
3 yr.	27.8	30.2
5 yr.	63.4	88.8

MAXIMUS, Inc. was founded and incorporated in Virginia in 1975. The company went public on June 13, 1997, selling 6,037,500 shares of common stock priced at $16. The lead underwriter was Donaldson, Lufkin, & Jenrette (DLJ). A secondary offering, underwritten by DLJ, was held on December 16, 1998, for 4,200,000 shares (two million by the company; the remainder by insiders) at $32 a share.

CAPITAL STRUCTURE as of 12/31/07
Total Debt $2.0 mill. Due in 5 years $2.0 mill.
LT Debt None LT Interest None

Leases, Uncapitalized: Annual rental $21.8 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 18,647,089 shs.
as of 5/1/08

MARKET CAP: $700 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	156.6	196.7	63.4
Receivables E	201.1	175.2	175.0
Inventory (Avg Cst)	--	--	--
Other	25.8	26.8	25.6
Current Assets	383.7	398.7	264.0
Accts Payable	54.5	54.4	53.4
Debt Due	1.7	1.6	1.2
Other	72.7	75.6	62.6
Current Liab.	128.9	131.6	117.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	--	10.5%	12.5%
"Cash Flow"	--	1.0%	17.0%
Earnings	--	-5.0%	19.0%
Dividends	--	--	9.5%
Book Value	--	12.0%	4.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec. 31	Mar. 31	Jun. 30	Sep. 30	Full Fiscal Year
2005	152.5	154.1	173.7	167.3	647.6
2006	162.7	179.8	186.6	171.8	700.9
2007	161.1	179.1	196.5	201.9	738.6
2008	202.0	210.6	*214*	*218.4*	*845*
2009	*215*	*225*	*235*	*240*	*915*

Fiscal Year Ends	EARNINGS PER SHARE A Dec. 31	Mar.31	Jun. 30	Sep. 30	Full Fiscal Year
2005	.42	.44	.47	.34	1.67
2006	.41	.41	d.81	.09	.11
2007	d.48	.11	.65	.63	.91
2008	.51	.51	*.75*	*.73*	*2.50*
2009	*.61*	*.72*	*.84*	*.83*	*3.00*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	.10	.10	.10	.10	.40
2006	.10	.10	.10	.10	.40
2007	.10	.10	.10	.10	.40
2008	.10	.10			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	12.81	15.23	18.89	21.20	24.11	25.96	28.32	30.19	32.53	33.24	*45.70*	*50.85*	Revenues per sh A	*68.05*
	.92	1.44	1.85	2.18	2.21	2.17	2.44	2.39	.93	1.75	*3.80*	*4.85*	"Cash Flow" per sh	*6.30*
	.82	1.32	1.53	1.78	1.73	1.66	1.76	1.67	.11	.91	*2.50*	*3.00*	Earnings per sh A	*4.25*
	--	--	--	--	--	--	--	.30	.40	.40	*.40*	*.40*	Div'ds Decl'd per sh B	*.40*
	.06	.12	.24	.22	.37	.32	.30	.62	.53	.65	*.80*	*.90*	Cap'l Spending per sh	*1.10*
	4.65	8.36	9.89	13.11	14.05	15.49	17.52	18.92	18.79	18.00	*16.75*	*20.85*	Book Value per sh C	*23.90*
	18.23	20.99	21.13	22.99	21.51	21.51	21.32	21.45	21.55	22.19	*18.50*	*16.00*	Common Shs Outst'g D	*18.00*
	32.8	23.4	16.0	19.1	19.0	15.8	19.8	19.7	NMF	38.9	Bold figures are		Avg Ann'l P/E Ratio	*17.5*
	1.71	1.33	1.17	.98	1.04	.90	1.05	1.05	NMF	2.05	Value Line		Relative P/E Ratio	*1.15*
	--	--	--	--	--	--	--	.9%	1.2%	1.1%	estimates		Avg Ann'l Div'd Yield	*0.7%*
	233.5	319.5	399.2	487.3	518.7	558.3	603.8	647.5	700.9	738.6	*845*	*915*	Revenues ($mill) A	*1200*
	12.5%	14.6%	15.4%	15.8%	13.8%	12.2%	12.6%	12.1%	3.5%	7.7%	*11.5%*	*12.5%*	Operating Margin	*14.0%*
	2.4	2.7	6.2	10.1	7.3	11.2	13.2	15.1	17.6	15.2	*20.0*	*22.0*	Depreciation ($mill)	*28.0*
	14.5	27.6	32.8	40.1	40.3	35.3	38.8	36.1	2.5	19.9	*50.0*	*65.0*	Net Profit ($mill)	*85.0*
	41.9%	41.0%	43.6%	41.5%	40.2%	39.5%	39.5%	39.5%	39.0%	57.9%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
	6.2%	8.6%	8.2%	8.2%	7.8%	6.3%	6.4%	5.6%	.4%	2.7%	*5.9%*	*7.1%*	Net Profit Margin	*7.1%*
	77.0	150.5	127.8	214.5	185.9	201.3	229.5	248.4	247.1	267.1	*300*	*325*	Working Cap'l ($mill)	*400*
	.5	.6	--	--	--	3.8	5.1	3.6	2.0	2.0	*2.0*	*2.0*	Long-Term Debt ($mill)	*Nil*
	84.7	175.5	208.9	301.4	302.1	333.3	373.5	406.0	404.9	409.4	*310*	*375*	Shr. Equity ($mill)	*425*
	17.0%	15.7%	15.7%	13.3%	13.4%	10.5%	10.2%	8.8%	.6%	4.8%	*16.0%*	*17.5%*	Return on Total Cap'l	*20.0%*
	17.1%	15.7%	15.7%	13.3%	13.4%	10.6%	10.4%	8.9%	.6%	4.9%	*16.0%*	*17.5%*	Return on Shr. Equity	*20.0%*
	17.1%	15.7%	15.7%	13.3%	13.4%	10.6%	10.4%	7.3%	NMF	3.3%	*13.5%*	*15.5%*	Retained to Com Eq	*18.0%*
	--	--	--	--	--	--	--	18%	NMF	32%	*15%*	*12%*	All Div'ds to Net Prof	*9%*

BUSINESS: MAXIMUS, Inc. is a provider of program management to state and local governments in the U.S. Operates three units: Consulting (13% of '07 sales) helps state & local governments and schools to obtain federal funding reimbursements; Systems (19%) designs & implements software to improve efficiency & cost of program administration & provides systems products in justice & asset solutions; & Operations (68%), provides admin. services for health & human services programs. Has about 6,120 empls. Off./dir. own 3.6% of stock; JANA Ptnrs., 14.6%; Morgan Stanley, 8.2% Royce & Assoc., 7.9% (1/08 Proxy). Chairman: Peter Pond. CEO: Richard Montoni. Inc.: VA. Addr.: 11419 Sunset Hills Rd., Reston, VA 20190. Telephone: 703-251-8500. Internet: www.maximus.com.

MAXIMUS' earnings appear to have turned a corner. Following two consecutive quarters of notable year-to-year share-net advances, the consulting and IT services company is well positioned to have a stellar comeback year in fiscal 2008 (year ends September 30th). Marked revenue growth has considerably improved performance. The operations and systems segments were the primary contributors to the strong performance of late. Furthermore, we expect these divisions will drive profits. Indeed, management has closed a few key contracts in recent months, which augurs well for the company's earnings. We believe MAXIMUS will continue to report top-line growth as its new focus of competing on a variety of contracts to create a more diversified income stream takes hold. Too, cost containment has proven the primary contributor to the positive momentum in recent months. Lower legal expenses have substantially improved margins.

As legal issues subside, the company's prospects are improving significantly. The concentrated portfolio of large contracts proved detrimental when a dispute over a single project in Texas weighed heavily on performance and significantly dampened results. However, the company's cost structure has improved since the disagreement was resolved. Now, given the brighter environment, we believe MMS will post steady growth in its bottom line over the coming years.

Management has weathered the recent tumult in capital markets and will likely take further measures to return value to shareholders. This has been demonstrated by the aggressive $150 million accelerated share-repurchase program. All told, we believe the company's long-term revenue and earnings growth potential is bright.

These shares are neutrally ranked for price performance. We believe that MMS shares are undervalued, based on the current P/E multiple, which is below the 3- to 5-year average. Too, the wide appreciation potential to 2011–2013 further enhances the stock's investment appeal. Still, given the company's limited Earnings Predictability, the offering is best suited for venturesome investors.

Simon R. Shoucair *June 6, 2008*

(A) Fiscal year ends September 30th. Includes nonrecurring loss: '06, (26¢). Excl. nonrec. loss: '07, ($1.29). Next earnings report due early Aug.
(B) Dividends paid late Feb., May, Aug., and Nov.
(C) Includes intangibles. At 9/30/07: $89.7 mill., $4.04/sh.
(D) In millions.
(E) Includes unbilled accounts receivables. At 9/30/07: $42.2 million.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	5

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MCCLATCHY CO. NYSE-MNI

RECENT PRICE 4.10 | P/E RATIO 9.1 (Trailing: 4.1 Median: 20.0) | RELATIVE P/E RATIO 0.58 | DIV'D YLD 5.9% | VALUE LINE

TIMELINESS 5 Lowered 1/4/08
SAFETY 4 Lowered 8/15/08
TECHNICAL 3 Raised 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

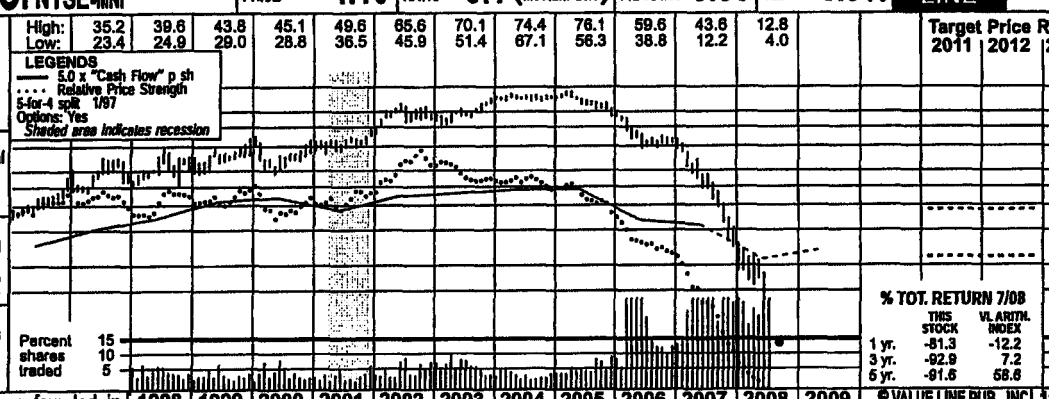
	Price	Gain	Ann'l Total Return
High	19	(+365%)	50%
Low	11	(+170%)	33%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	62	74	61
to Sell	101	86	73
Hld's(000)	65948	59841	58667



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-81.3	-12.2
3 yr.	-92.9	7.2
5 yr.	-91.6	58.8

The McClatchy Company was founded in 1857 by James McClatchy, first editor of The Sacramento *Bee*, and has since remained under family control. The company went public in February, 1988, issuing 3,000,000 split-adjusted shares of Class A common stock at $13.20 a share through a syndicate headed by Goldman Sachs. Initially traded on the ASE, the stock was listed on the NYSE in 12/88. Class A shares elect 25% of directors, Class B shares, 75%. Dividends per share are equal.

CAPITAL STRUCTURE as of 3/30/08
Total Debt $2396.4 million Due in 5 Yrs $1.85 bill.
LT Debt $2396.4 million LT Interest $145 mill.
(total interest coverage: 2.0x) (85% of Cap'l)
Leases, Uncapitalized Annual rentals $17.1 mill.
Pension Assets-12/07 $1.38 bill. Oblig. $1.55 bill.

Pfd Stock None
Common Stock 82,317,582 shs.
(Incl. 25,050,962 Class B shares; holders elect 75% of directors.)
as of 5/6/08
MARKET CAP: $325 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	19.6	25.8	12.3
Receivables	311.8	289.6	236.7
Inventory (FIFO)	52.1	36.2	44.8
Other	1191.8	490.6	466.7
Current Assets	1575.3	842.2	760.5
Accts Payable	39.5	93.6	74.2
Debt Due	530.0	--	--
Other	442.6	295.9	271.2
Current Liab.	1112.1	389.5	345.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	4.5%	--	7.0%
"Cash Flow"	4.0%	-2.0%	-1.0%
Earnings	7.0%	4.0%	-6.0%
Dividends	7.5%	12.0%	5.5%
Book Value	6.5%	3.0%	-4.0%

Calendar	QUARTERLY REVENUES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	280.9	302.8	292.6	309.8	1186.1
2006	194.5	212.0	595.1	673.6	1675.2
2007	566.6	580.0	540.3	573.5	2260.4
2008	488.3	489.7	*460*	*512.0*	*1950*
2009	*460*	*475*	*475*	*540*	*1950*

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.69	.94	.82	.97	3.42
2006	.46	.69	.58	.94	2.67
2007	.18	.42	.29	.49	1.38
2008	.02	.05	*.10*	*.28*	*.45*
2009	*.05*	*.15*	*.15*	*.30*	*.65*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.11	.12	.12	.13	.48
2005	.13	.13	.18	.18	.62
2006	.18	.18	.18	.18	.72
2007	.18	.18	.18	.18	.72
2008	.18	.18	.18		

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	21.68	24.20	25.24	23.69	23.51	23.76	25.04	25.37	20.45	27.51	*23.65*	*23.65*	Revenues per sh A	*27.70*
	3.46	4.21	4.39	3.78	4.47	4.63	4.83	4.84	3.37	3.19	*2.15*	*2.40*	"Cash Flow" per sh	*3.05*
	1.41	1.83	1.97	1.38	2.86	3.10	3.37	3.42	2.67	1.38	*.45*	*.65*	Earnings per sh A B	*1.25*
	.38	.38	.40	.40	.40	.44	.50	.67	.72	.72	*.60*	*.24*	Div'ds Decl'd per sh C	*.60*
	.79	1.11	1.01	.81	.71	.74	1.02	1.17	.80	.74	*.40*	*.45*	Cap'l Spending per sh	*.60*
	18.06	19.57	21.19	21.89	22.98	26.28	30.63	33.49	37.89	5.18	*5.15*	*5.60*	Book Value per sh D	*9.65*
	44.69	44.96	45.24	45.59	46.02	46.28	46.46	46.75	81.91	82.15	*82.50*	*82.50*	Common Shs Outst'g E	*83.00*
	22.0	19.4	18.0	30.2	20.0	19.1	20.9	19.7	17.2	18.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
	1.14	1.11	1.17	1.55	1.09	1.09	1.10	1.05	.93	.99			Relative P/E Ratio	*.80*
	1.2%	1.1%	1.1%	1.0%	.7%	.7%	.7%	1.0%	1.6%	2.8%			Avg Ann'l Div'd Yield	*4.0%*
	968.7	1067.9	1142.1	1080.1	1081.9	1099.4	1163.4	1186.1	1675.2	2260.4	*1950*	*1950*	Revenues ($mill) A	*2300*
	28.4%	30.5%	30.1%	26.2%	29.4%	29.0%	28.9%	28.3%	26.6%	25.4%	*18.0%*	*20.0%*	Operating Margin	*20.0%*
	93.8	106.9	109.5	109.3	73.6	70.1	66.5	65.8	98.9	148.6	*145*	*145*	Depreciation ($mill)	*150*
	61.1	82.5	88.9	63.0	132.1	144.2	157.7	160.5	177.4	113.3	*37.0*	*53.5*	Net Profit ($mill)	*105*
	50.0%	48.5%	48.0%	52.0%	39.5%	37.5%	39.6%	39.0%	32.3%	41.4%	*41.5%*	*41.5%*	Income Tax Rate	*41.0%*
	6.3%	7.6%	7.8%	5.8%	12.2%	13.1%	13.6%	13.5%	10.8%	5.0%	*1.9%*	*2.6%*	Net Profit Margin	*4.6%*
	d19.9	d17.9	8.2	d59.3	d2.6	d108.2	46.9	47.3	483.2	452.7	*400*	*400*	Working Cap'l ($mill)	*425*
	1004.0	878.2	778.1	594.7	471.6	204.9	267.2	154.2	2746.7	2471.8	*2000*	*1800*	Long-Term Debt ($mill)	*1500*
	807.0	879.7	958.9	998.2	1057.3	1216.0	1423.0	1565.6	3103.6	425.5	*425*	*460*	Shr. Equity ($mill)	*650*
	5.1%	6.5%	6.9%	5.2%	9.4%	10.6%	9.5%	9.5%	3.7%	7.3%	*4.5%*	*5.5%*	Return on Total Cap'l	*7.0%*
	7.6%	9.4%	9.3%	6.3%	12.5%	11.9%	11.1%	10.3%	5.7%	26.6%	*8.5%*	*11.5%*	Return on Shr. Equity	*16.0%*
	5.5%	7.4%	7.4%	4.5%	10.8%	10.2%	9.5%	8.4%	4.4%	12.8%	*NMF*	*7.0%*	Retained to Com Eq	*8.0%*
	27%	21%	20%	29%	14%	14%	15%	18%	23%	52%	*NMF*	*37%*	All Div'ds to Net Prof	*48%*

BUSINESS: The McClatchy Company is the third-largest newspaper company in the U.S. by total circulation. Publishes 30 daily newspapers and about 50 non-daily community titles in 16 states. Major dailies (circulation) include: Miami *Herald* (334,000); Sacramento *Bee* (271,000); Kansas City *Star* (253,000); Charlotte NC *Observer* (211,000); Fort Worth *Star-Telegram* (208,000); Raleigh *News & Observer* (171,000). Acquired Knight-Ridder, Inc., 6/06. Employs about 15,700. Class B stockholders have voting control. Ariel Cap'l owns 28% of class A stock; Bestinver, 17%. Off./dir. hold 30.7% of cl. A, 87.2% of cl. B stk. (4/08 proxy). Chmn. & CEO: Gary Pruitt. Inc.: DE. Addr.: 2100 Q Street, Sacramento, CA 95816. Tel. 916-321-1846. Internet: www.mcclatchy.com.

McClatchy appears to be faring worse than its industry in the current slowdown. Second-quarter revenues dropped about 15%, year to year, compared with an average of 8.3% for five other newspaper chains, and operating profits plunged 38%. Classified ad revenues fell 28%, including drops of 39% for employment and 37% for real estate. The company continued to suffer from its concentrations in California and Florida, which accounted for over half the falloff in real estate ads. On a bright note, online ad revenues rose 12% in the second quarter as unique visits to company Web sites rose 24%. Cash costs decreased 3.6% and would have fallen 9%, excluding $23 million, or $0.16 a share, of severance expenses (included in our earnings figure). Newsprint costs declined 11% due to lower usage as McClatchy trimmed page widths and used lighter stock.

McClatchy is reacting to the poor advertising environment. The workforce has fallen 13% in the last 18 months, and cuts announced in June would reduce headcount by a further 1,400, or 10%. Combined with other measures, the company estimates that it will pare costs by $95 million-$100 million annually over the next year. Nonetheless,

Hard times will probably persist for a few more quarters. Earnings will likely recover somewhat from the March-period low point as McClatchy's cost cuts take effect. The fourth-quarter seasonal boost should take place in 2008, too, though not as prominently as in the past. Troubles in the housing industry appear too severe to blow over before 2009.

We look for earnings to start to bounce back next year. By then, the housing crisis should be largely past, and new home sales will probably start to increase, with attendant gains to furnishing and other ad revenues. Employment linage should begin to recover, as well. And earnings will reflect all of the cost-saving measures recently announced.

These untimely shares have above-average total return potential to 2011-2013. McClatchy should manage the shift of advertising from newspapers to other media. The dividend, however, may well be cut, even though cash flow looks adequate to maintain it.

Sigourney B. Romaine *August 15, 2008*

(A) Fiscal year ends last Sunday in December. ($0.04); '05, ($0.02); '06, ($5.08); '07, ($34.75); April, July, and Oct. (D) Includes intangibles. As of 12/30/07: $1.9 billion, $25.54/sh.
(B) Diluted earnings. Quarterly amounts adjusted to sum to annual figures. Excludes nonrecurring items: '01, d$0.11; '03, $0.13; '04, 1H '08, $0.16. Next earnings report due late October.
(C) Dividends historically paid in early Jan., (E) In mill., adj. for stk. split.

Company's Financial Strength	C++
Stock's Price Stability	70
Price Growth Persistence	40
Earnings Predictability	60

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MOLEX INC. NDQ-MOLX

RECENT PRICE 24.41 | P/E RATIO 15.0 (18.9 / 31.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 3 Raised 9/21/07
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 6/27/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+145%)	27%
Low	40	(+65%)	15%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	6	0	0	0	0	0	2
to Sell	3	2	3	3	1	1	1	1	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	119	126	110
to Sell	120	114	123
Hld's(000)	55179	55779	61393

	High:	30.7	31.2	45.6	63.8	48.0	39.6	35.1	36.1	30.0	40.1	32.3	30.6
	Low:	17.3	18.4	20.4	34.2	25.8	19.4	20.0	27.1	23.8	25.6	23.5	20.7

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
5-for-4 split 9/05
5-for-4 split 4/07
5-for-4 split 12/97
5-for-4 split 3/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

120 100 80 64 48 32 24 20 16 12 8

Percent shares traded 21 14 7

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.9	-9.7
3 yr.	8.7	27.3
5 yr.	6.9	85.8

Molex Inc. has 3 classes of common stock that are identical except as to voting rights. The Class A Common has no voting rights, while the other two classes each have one vote per share. The regular Common and Class A Common are listed on NASDAQ (ticker symbols MOLX and MOLXA, respectively). All price information on this page is for the regular Common Stock (MOLX). Virtually all of the Class B Common is owned by the Krehbiel family.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $155.7 mill. Due in 5 Yrs $155.7 mill.
LT Debt $155.7 mill. LT Interest $2.3 mill. (6% of Cap'l)
Leases, Uncapitalized Annual rentals $13.9 mill.
Pension Assets-'07 $118.3 mill. Oblig. $167.5 mill.

Pfd Stock None
Common Stock 179,385,000 shs.
Incl. 98,598,000 common shs. 80,693,000 Class A shs. (non-voting) and 94,000 Class B shs.

MARKET CAP: $4.4 billion (Mid Cap)

CURRENT POSITION [A]

($MILL.)	2006	2007	3/31/08
Cash Assets	485.5	460.9	492.2
Receivables	660.7	685.7	746.7
Inventory (FIFO)	347.3	392.7	458.0
Other	54.7	51.5	57.8
Current Assets	1546.2	1590.8	1754.7
Accts Payable	305.9	279.8	309.6
Debt Due	3.3	1.5	--
Other	285.6	249.7	359.6
Current Liab.	594.8	531.0	669.2

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	8.0%	6.5%
"Cash Flow"	6.5%	4.5%	5.5%
Earnings	5.5%	6.5%	9.0%
Dividends	23.0%	18.0%	17.0%
Book Value	8.0%	7.0%	9.5%

QUARTERLY SALES ($ mill.) [A]

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	640.2	651.8	612.8	643.9	2548.7
2006	659.8	697.4	720.3	783.8	2861.3
2007	829.5	837.5	807.0	791.9	3265.9
2008	792.6	841.6	822.3	*868.5*	*3325*
2009	*871*	*898*	*879*	*917*	*3565*

EARNINGS PER SHARE [A B]

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.28	.27	.24	.24	1.03
2006	.27	.34	.35	.42	1.38
2007	.41	.36	.35	.30	1.42
2008	.29	.35	.37	*.41*	*1.42*
2009	*.41*	*.44*	*.44*	*.46*	*1.75*

QUARTERLY DIVIDENDS PAID [C]

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.025	.025	.025	.038	.11
2005	.038	.038	.038	.05	.16
2006	.05	.075	.075	.075	.28
2007	.075	.075	.075	.1125	.34
2008	.1125	.1125			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	8.33	8.73	11.32	12.02	8.87	9.66	11.88	13.56	15.58	17.74	*18.55*	*19.90*	Sales per sh [A]	*22.20*
	1.70	1.77	2.14	2.30	1.66	1.79	2.14	2.27	2.60	2.72	*2.75*	*3.10*	"Cash Flow" per sh	*3.35*
	.93	.92	1.12	1.19	.49	.59	.92	1.03	1.38	1.42	*1.42*	*1.75*	Earnings per sh [AB]	*2.00*
	.05	.05	.09	.10	.10	.10	.10	.15	.21	.30	*.41*	*.45*	Div'ds Decl'd per sh [Cm]	*.48*
	1.17	1.17	1.72	1.91	.89	.90	1.00	1.23	1.51	1.61	*1.50*	*1.50*	Cap'l Spending per sh	*1.50*
	6.47	7.65	8.71	8.97	9.47	9.94	10.93	11.54	12.42	13.71	*15.40*	*17.20*	Book Value per sh	*20.00*
	194.87	196.13	195.80	196.75	192.94	190.83	189.07	187.91	183.61	184.05	*179.40*	*179.00*	Common Shs Outst'g [D]	*180.00*
	26.2	26.7	35.7	36.6	NMF	43.0	33.6	27.1	21.6	22.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*25.0*
	1.36	1.52	2.32	1.88	NMF	2.45	1.78	1.44	1.17	1.19			Relative P/E Ratio	*1.65*
	.2%	.2%	.2%	.2%	.3%	.4%	.3%	.5%	.7%	.9%			Avg Ann'l Div'd Yield	*1.0%*
	1623.0	1711.6	2217.1	2365.6	1711.5	1843.1	2246.7	2548.7	2861.3	3265.9	*3325*	*3565*	Sales ($mill) [A]	*4000*
	25.4%	23.1%	23.1%	22.9%	20.2%	20.2%	20.0%	18.9%	19.3%	18.3%	*18.0%*	*19.0%*	Operating Margin	*19.0%*
	148.9	168.9	196.4	218.0	223.7	228.7	228.5	230.7	214.7	237.9	*235*	*235*	Depreciation ($mill)	*245*
	182.2	177.6	222.5	*234.2*	*96.8*	*113.4*	*176.0*	*195.5*	*263.5*	*263.4*	*258*	*320*	Net Profit ($mill)	*360*
	33.7%	22.8%	31.4%	30.0%	24.0%	24.2%	33.0%	27.6%	25.9%	28.8%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
	11.2%	10.4%	10.0%	9.9%	5.7%	6.2%	7.8%	7.7%	9.2%	8.1%	*7.8%*	*9.0%*	Net Profit Margin	*9.0%*
	534.9	538.9	547.5	517.8	555.7	605.9	740.1	904.6	953.4	1059.8	*1300*	*1500*	Working Cap'l ($mill)	*1700*
	5.6	20.1	21.6	25.5	17.8	16.9	14.0	10.0	8.8	127.8	*135*	*135*	Long-Term Debt ($mill)	*100*
	1261.6	1500.5	1705.8	1765.6	1827.7	1896.6	2066.0	2168.3	2280.7	2523.0	*2760*	*3075*	Shr. Equity ($mill)	*3600*
	14.4%	11.7%	12.8%	13.1%	5.3%	5.9%	8.5%	9.1%	11.5%	10.0%	*9.0%*	*10.0%*	Return on Total Cap'l	*9.5%*
	14.4%	11.8%	13.0%	13.3%	5.3%	6.0%	8.5%	9.0%	11.6%	10.4%	*9.5%*	*10.5%*	Return on Shr. Equity	*10.0%*
	13.8%	11.2%	12.2%	12.2%	4.2%	5.0%	7.6%	7.8%	10.0%	8.3%	*6.5%*	*8.0%*	Retained to Com Eq	*7.5%*
	5%	5%	7%	8%	20%	17%	11%	13%	13%	21%	*29%*	*26%*	All Div'ds to Net Prof	*24%*

BUSINESS: Molex Inc. is a leading supplier of electrical components, including electrical and fiber-optic interconnection products and systems, and switches for original equipment mfrs. 2007 sales breakdown by market: Telecom, 26%; Data Products, 21%; Automotive, 18%; Consumer Products, 18%; Industrial, 15%; Other, 2%. Operates about 59 plants in 19 countries. 2007 sales by region: Americas, 24%; Europe, 17%; Asia, 50%; Other, 9%. Acquired Connecteurs Cinch, 3/04; Woodhead Industries, 8/06. Has 33,200 employees. Off./dir. control 36.3% of voting shares (9/07 Proxy). Co-Chairmen: Frederick A. Krehbiel and John H. Krehbiel, Jr. CEO: Martin P. Slark. Inc.: DE. Address: 2222 Wellington Court, Lisle, IL 60532. Tel.: 630-969-4550. Internet: www.molex.com.

Molex's revenues in the March quarter rose 2%, year to year, aided by currency translation gains. Increases in the telecom, data, and automotive markets offset a decline in the industrial market. Automotive benefited from growth in Japan and Europe. Excluding $0.09 a share in charges from restructuring and a tax adjustment, share earnings were up 6%.

Revenues for the full fiscal year 2008 (ended June 30th) probably also increased about 2%. Positive comparisons in the second half likely offset the 2% decrease in the first half. The top line was helped by currency translation, due to the weak dollar. However, gross margins came under some pressure from a higher fixed manufacturing ratio, price erosion, and increased material costs for purchases of copper, plastics, and gold. Net income was probably down about 2%. But on fewer shares outstanding, share profits may have been relatively unchanged.

Business metrics appear to be improving. Orders in the March quarter jumped 15%, year to year, to $898 million, yielding a positive book-to-bill ratio of 1.09. As a result, backlog expanded 33% from the prior-year period to $461 million. Order growth was strongest in the telecom market, but also solid in the data, consumer electronics, and medical electronics markets. The industrial market was flat.

For fiscal 2009, we are forecasting a 7% gain in revenues, supported by a prospective better global market for electronic components. Assuming wider operating margins on the higher volume, as well as operating efficiencies from restructuring initiatives (such as a plant expansion in China), we are projecting a 20%-25% profit advance in fiscal 2009.

These shares are neutrally ranked for relative price performance over the next six to 12 months. But based on our 3- to 5-year projections, MOLX stock has considerable capital appreciation potential over the 2011-2013 timeframe. Our outlook assumes that the global connector market will benefit from expanding demand for digital electronics and that Molex can increase its market share. We also anticipate that the company's restructuring plan should help lower costs and improve profitability in future periods.

Lester Ratcliff *July 11, 2008*

(A) Fiscal years end June 30th.
(B) Diluted earnings. Excl. n/r gain/(loss): '02, (10¢); '03, (15¢); '05, (21¢); '06, (11¢). Excl. acctg charge: '01, 14¢. Next earnings report due mid-Jul.
(C) Dividends historically paid late January, April, July, and October. ■Div'd reinvestment plan available.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	60

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MSC INDUS. DIRECT NYSE-MSM

RECENT PRICE 44.62 | P/E RATIO 14.6 (15.1 / 23.0) | RELATIVE P/E RATIO .99 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 3 New 5/2/03
TECHNICAL 2 Raised 6/6/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+170%)	29%
Low	80	(+80%)	17%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	0	0	0	0
Options	0	0	0	0	1	0	0	2	0
to Sell	0	0	0	0	0	0	0	2	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	107	108	88
to Sell	115	118	118
Hld's(000)	45916	46127	45866

	High:	23.1	33.5	26.3	23.3	20.5	24.4	28.2	37.0	40.7	55.8	57.7	54.6			
	Low:	13.9	12.3	7.5	11.3	13.9	9.3	15.6	26.4	26.3	37.2	38.5	34.4			

Target Price Range 2011 | 2012 | 2013

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/98
Options: Yes
Shaded area indicates recession

Percent shares traded: 24 / 16 / 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.5	-18.0
3 yr.	36.3	11.3
5 yr.	162.7	63.2

MSC Industrial Direct Co. was incorporated in New York in October, 1995 as a holding company for the purpose of issuing 16.1 million shares of Class A common stock in an IPO and issuing 48.0 million shares of Class B common stock to the shareholders of Sid Tool Co. in exchange for 30,000 shares of common stock of the operating subsidiary. The IPO was held in December, 1995 at $9.50 a share. (All share data is post split.) A Class A offering of 4.9 million shares was filed on August 2, 2004.

CAPITAL STRUCTURE as of 5/31/08
Total Debt $187.5 mill. Due in 5 Yrs $187.5 mill.
LT Debt $111.3 mill. LT Interest $6.0 mill. (13% of Cap'l)
Leases, Uncapitalized: $57.1 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 62,893,331 shs. [E]
(Includes 18,389,874 Class B shares)
as of 7/8/08
MARKET CAP: $2.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	7.7	7.8	6.1
Receivables	185.7	204.2	214.5
Inventory (Avg Cst)	298.4	338.4	346.5
Other	35.7	39.4	41.4
Current Assets	527.5	589.8	608.5
Accts Payable	56.9	69.6	64.1
Debt Due	7.8	33.5	76.2
Other	88.0	70.2	53.2
Current Liab.	152.7	173.3	193.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.0%	11.0%	*12.0%*
"Cash Flow"	15.0%	21.5%	*14.5%*
Earnings	16.0%	26.0%	*14.0%*
Dividends	--	--	*12.0*
Book Value	11.0%	7.0%	*15.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Nov.Per	Feb.Per	May.Per	Aug.Per	Full Fiscal Year
2005	263.3	271.4	288.5	276.7	1099.9
2006	295.9	305.9	329.8	385.9	1317.5
2007	402.0	404.6	431.1	450.5	1688.2
2008	*437.6*	*436.5*	*457.2*	*448.7*	*1780*
2009	*460*	*460*	*480*	*500*	*1900*

Fiscal Year Ends	EARNINGS PER SHARE [A] Nov.Per	Feb.Per	May.Per	Aug.Per	Full Fiscal Year
2005	.37	.39	.44	.41	1.61
2006	.47	.49	.54	.56	2.06
2007	.60	.61	.69	.71	2.61
2008	.70	.73	.81	*.76*	*3.00*
2009	*.75*	*.80*	*.85*	*.85*	*3.25*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.08	.08	.10	.34
2005	.10	.10	.12	.12	.44
2006	.14	.14	.14	.14	.56
2007	.18	.18	.18	.18	.72
2008	.18	.20			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	8.60	9.91	11.85	12.67	11.90	12.84	13.94	16.52	19.70	25.55	*28.25*	*30.65*	Sales per sh [A]	*38.35*
	.80	.88	1.00	.93	.79	1.03	1.35	1.87	2.27	3.05	*3.50*	*3.90*	"Cash Flow" per sh	*4.75*
	.69	.72	.78	.68	.51	.77	1.17	1.61	2.06	2.61	*3.00*	*3.25*	Earnings per sh [A]	*3.95*
	--	--	--	--	--	.05	.34	.44	.56	.72	*.78*	*.80*	Div'ds Decl'd per sh [B]	*.88*
	.48	.54	.32	.29	.12	.15	.13	.17	.34	.40	*.20*	*.30*	Cap'l Spending per sh	*.50*
	4.74	5.41	6.31	6.89	7.11	7.76	9.02	7.96	9.56	11.02	*11.60*	*14.45*	Book Value per sh [D]	*21.65*
	67.83	65.76	66.86	68.62	66.73	65.78	68.51	66.60	66.86	66.08	*63.00*	*62.00*	Common Shs Outst'g [C]	*60.00*
	35.0	25.4	19.0	23.7	36.5	22.0	23.8	20.4	21.5	17.5	*Bold figures are*		Avg Ann'l P/E Ratio	*25.0*
	1.82	1.45	1.24	1.21	1.99	1.25	1.26	1.09	1.16	.92	*Value Line*		Relative P/E Ratio	*1.65*
	--	--	--	--	--	.3%	1.2%	1.3%	1.3%	1.6%	*estimates*		Avg Ann'l Div'd Yield	*1.0%*
	583.0	651.5	792.9	869.2	794.0	844.7	955.3	1099.9	1317.5	1688.2	*1780*	*1900*	Sales ($mill) [A]	*2300*
	14.3%	13.9%	13.5%	12.0%	9.6%	11.6%	15.0%	17.3%	17.9%	18.9%	*19.5%*	*19.5%*	Operating Margin	*20.0%*
	7.0	8.7	14.0	16.7	16.0	15.4	12.3	12.3	15.2	26.0	*30.0*	*33.0*	Depreciation ($mill)	*40.0*
	47.3	48.9	52.9	47.2	36.4	52.1	81.2	112.3	137.7	175.3	*190*	*210*	Net Profit ($mill)	*245*
	39.5%	39.5%	39.9%	43.8%	39.5%	38.3%	39.0%	38.2%	38.5%	37.8%	*38.0%*	*39.0%*	Income Tax Rate	*40.0%*
	8.1%	7.5%	6.7%	5.4%	4.6%	6.2%	8.5%	10.2%	10.5%	10.4%	*10.7%*	*11.0%*	Net Profit Margin	*10.7%*
	183.7	247.2	296.7	288.1	299.3	354.0	326.4	339.2	*374.8*	*416.5*	*565*	*675*	Working Cap'l ($mill)	*800*
	2.4	69.5	68.4	1.5	1.3	1.1	1.0	.8	193.0	142.2	*120*	*100*	Long-Term Debt ($mill)	*100*
	321.8	355.8	421.7	472.6	474.7	510.4	618.2	530.4	639.3	727.9	*730*	*895*	Shr. Equity ($mill)	*1300*
	14.6%	11.7%	11.3%	10.4%	7.8%	10.3%	13.2%	21.3%	*16.5%*	*20.6%*	*22.5%*	*21.5%*	Return on Total Cap'l	*17.5%*
	14.7%	13.7%	12.6%	10.0%	7.7%	10.2%	13.1%	21.2%	21.5%	24.1%	*26.0%*	*23.5%*	Return on Shr. Equity	*19.0%*
	14.7%	13.7%	12.6%	10.0%	7.7%	9.6%	10.0%	15.5%	15.7%	18.3%	*19.5%*	*18.0%*	Retained to Com Eq	*15.0%*
	--	--	--	--	--	6%	24%	27%	27%	24%	*24%*	*24%*	All Div'ds to Net Prof	*22%*

BUSINESS: MSC Industrial Direct Co. markets industrial products to small- and mid-sized customers throughout the U.S. It distributes a full line of industrial products, such as cutting tools, abrasives, measuring instruments, safety equipment, fasteners, welding supplies, and electrical supplies for customers' maintenance, repair, and operations (MRO) supply requirements. MSC guarantees same-day shipping of products since over 99% of products are kept in stock. '07 deprec. rate: 10.0%. Has about 3,952 employees. Chairman: Mitchell Jacobson. CEO: David Sandler. Officers & directors own 18.9% of common stock and 49.1% of voting power (12/07 Proxy). Inc.: NY. Address: 75 Maxess Rd., Melville, NY 11747. Tel.: 516-612-2000. Internet: www.mscdirect.com.

MSC Industrial Direct's shares are ranked to outpace the broader market averages over the next six to 12 months (Timeliness: 2). Despite an expected near-term slowdown in revenues stemming from the weaker economy and a shorter fiscal fourth quarter (year ends approximately August 30th), cost control has enabled the company to maintain share-net growth. We believe the demand factors that have slowed revenue gains of late are near-term concerns. Hence, we think that long-term revenue and earnings growth prospects are promising. Too, the stock's 3- to 5-year appreciation potential is wide.

The company has continued to benefit from reasonably healthy demand and efficient cost control. Higher volume boosted gross profits over the first nine months of fiscal 2008. This helped to offset rising raw material costs and an increasingly difficult industry climate. An efficient pricing strategy buoyed the top line and the gross margin. However, in light of the expected slowdown in revenues, effective cost management will likely prop up the operating margin and bottom line. A favorable sales mix within the company's large account customer (LAC) programs ought to prove beneficial over the next several quarters. Indeed, the company's e-commerce capabilities continue to provide a competitive edge. MSC's ability to conduct transactions with clientele through various portals and directly through the MSC Web sites is an advantage over smaller suppliers. Moreover, marketing campaigns are generating new business, while the growing salesforce enhances productivity.

The company is gaining market share. National and government program accounts are rising. As these LAC markets comprise a more sizable portion of MSC's revenue base, we look for an enhanced sales mix that should further widen margins. Indeed, by expanding in these sectors management is creating diversification that will help to shelter the company from the inherent cyclicality within the industry. Although there is some risk associated with bigger clients that account for larger portions of sales, we believe these efforts ought to substantially enhance the top line and offset rising costs.

Simon R. Shoucair *July 25, 2008*

(A) Fiscal year ends the Saturday closest to August 31. Diluted earnings. Next earnings report due mid-October.
(B) Dividends payments are made in late-Jan., Apr., Jul., Oct. Special div'd of $1.50 paid 8/8/05.
(C) In millions, adjusted for split.
(D) Includes intangibles. In 2007: $76.3 mill., $1.14 a share.
(E) Each class A share is entitled to one vote. Each class B share is entitled to 10 votes. Class B shares are not traded on the open market.

Company's Financial Strength	B+
Stock's Price Stability	55
Price Growth Persistence	85
Earnings Predictability	70

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VAIL RESORTS, INC. NYSE-MTN

RECENT PRICE 41.00 | P/E RATIO 13.6 (Trailing: 20.1 / Median: 36.0) | RELATIVE P/E RATIO 0.87 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 12/21/07
SAFETY 3 New 8/18/06
TECHNICAL 4 Lowered 8/1/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+205%)	32%
Low	80	(+95%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	78	90	62
to Sell	99	84	95
Hld's(000)	38160	37277	40908

High: 28.9 31.9 23.8 24.3 24.8 21.8 17.7 23.5 38.9 47.5 66.3 53.9
Low: 17.4 15.5 14.1 14.8 13.0 12.2 10.2 13.7 21.3 30.1 42.3 30.0

LEGENDS
— 14.0 x "Cash Flow" p sh
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 24 16 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-24.6	-12.2
3 yr.	42.1	7.2
5 yr.	198.7	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	9.89	11.91	13.78	15.97	15.92	17.50	20.14	20.43	22.13	21.65	24.20	30.15	27.90	Revenues per sh [A]	43.70
--	--	--	--	--	1.61	2.26	1.91	2.22	2.39	2.17	2.18	3.35	3.23	3.40	3.84	5.15	5.20	"Cash Flow" per sh	7.50
--	--	--	--	--	.64	1.18	.37	.44	.53	.26	d.15	.90	.78	1.14	1.54	2.75	2.65	Earnings per sh [B]	4.10
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
--	--	--	--	--	1.53	2.33	1.89	2.24	1.65	2.17	3.65	2.57	4.16	5.64	3.07	3.15	3.30	Cap'l Spending per sh	3.85
--	--	--	--	--	12.14	13.43	13.81	14.26	14.78	14.43	14.12	14.00	14.77	16.59	18.37	21.45	24.30	Book Value per sh	37.50
--	--	--	--	--	33.41	34.46	34.53	34.62	35.12	35.15	35.27	35.34	36.60	38.75	38.86	38.30	38.00	Common Shs Outst'g [C]	35.00
--	--	--	--	--	34.3	23.2	55.6	40.9	39.8	68.9	--	17.9	29.8	29.7	31.6	17.71		Avg Ann'l P/E Ratio	25.0
--	--	--	--	--	1.98	1.21	3.17	2.66	2.04	3.76	--	.95	1.59	1.60	1.68	1.14		Relative P/E Ratio	1.65
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
						410.3	475.7	553.1	559.3	615.3	710.4	721.9	810.0	838.9	940.5	1155	1060	Revenues ($mill) [A]	1530
						30.6%	20.1%	22.2%	23.0%	19.1%	17.2%	24.2%	22.5%	23.4%	23.0%	25.0%	25.0%	Operating Margin	25.5%
						36.8	53.3	61.4	65.2	67.0	82.2	86.4	90.0	86.1	87.7	90.0	95.0	Depreciation ($mill)	115
						41.0	12.8	15.3	18.7	9.3	d5.3	32.0	28.3	45.8	61.4	110	100	Net Profit ($mill)	150
						41.5%	36.0%	42.5%	43.3%	44.4%	--	--	37.9%	39.0%	39.0%	39.0%	37.0%	Income Tax Rate	37.0%
						10.0%	2.7%	2.8%	3.3%	1.5%	NMF	4.4%	3.5%	5.5%	6.5%	9.3%	9.6%	Net Profit Margin	9.7%
						12.7	d.4	d9.8	d24.7	d43.5	d63.0	d46.3	58.5	71.8	92.0	60.0	65.0	Working Cap'l ($mill)	120
						282.3	396.1	392.2	386.6	598.0	556.2	622.6	519.7	525.3	593.7	545	530	Long-Term Debt ($mill)	475
						462.6	476.8	493.8	519.2	507.3	498.1	494.8	540.6	642.8	714.0	820	920	Shr. Equity ($mill)	1310
						6.7%	2.9%	3.7%	3.8%	2.6%	1.9%	5.0%	4.6%	5.5%	5.9%	9.0%	8.5%	Return on Total Cap'l	9.0%
						8.9%	2.7%	3.1%	3.6%	1.8%	NMF	6.5%	5.2%	7.1%	8.6%	13.0%	11.0%	Return on Shr. Equity	11.0%
						8.9%	2.7%	3.1%	3.6%	1.8%	NMF	6.5%	5.2%	7.1%	8.6%	13.0%	11.0%	Retained to Com Eq	11.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 4/30/08
Total Debt $649.5 mill. Due in 5 Yrs $105.0 mill.
LT Debt $575.3 mill. LT Interest $38.0 mill.
(LT Interest earned: 4.1x; total interest coverage: 4.1x) (45% of Cap'l)
Leases, Uncapitalized: Annual rentals $12.3 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 38,402,203 shs.
as of 6/02/08

MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/30/08
Cash Assets	191.8	230.8	304.1
Receivables	35.9	43.6	39.1
Inventory (Avg Cst)	42.3	48.1	45.1
Other	56.0	89.1	102.4
Current Assets	326.0	411.6	490.7
Accts Payable	82.6	98.1	117.4
Debt Due	5.9	.4	74.2
Other	165.7	221.1	223.4
Current Liab.	254.2	319.6	415.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	8.5%	6.5%	11.5%
"Cash Flow"	8.0%	9.0%	13.5%
Earnings	6.0%	23.0%	23.5%
Dividends	--	--	Nil
Book Value	3.0%	2.5%	14.5%

Calendar	QUARTERLY REVENUES ($ mill.) [A] Oct. 31	Jan. 31	Apr. 30	Jul. 31	Full Year
2005	97.9	264.6	327.5	120.0	810.0
2006	85.4	288.0	341.4	124.1	838.9
2007	113.5	361.0	369.5	96.5	940.5
2008	97.9	360.0	423.8	273.3	1155
2009	140	375	410	135	1060

Calendar	EARNINGS PER SHARE [A B] Oct. 31	Jan. 31	Apr. 31	Jul. 31	Full Year
2005	d.88	.80	1.61	d.75	.78
2006	d.93	1.12	1.75	d.80	1.14
2007	d.93	1.35	2.00	d.88	1.54
2008	d.63	1.31	2.24	d.17	2.75
2009	d.75	1.70	2.45	d.75	2.65

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

(A) Fiscal year ends July 31st.

(B) Excludes non-recurring losses: '03 $0.09; '04 $1.07; '05 $0.14. Next earnings report due early October.

(C) In millions.

BUSINESS: Vail Resorts, Inc. owns and operates ski resorts in Colorado, Nevada, and California. Has three segments: Mountain (71% of FY '07 revenue); Lodging (17%); and Real Estate (12%). Owned/managed properties include: Vail Mountain, Beaver Creek Resort, Breckenridge Mountain, Keystone Resort, and Heavenly Mountain Resort. '07 depreciation rate: 6.2%. Has about 3,100 year-round and 10,800 seasonal employees; Officers and directors own 1.4% of stock; Ralcorp Holdings, 19.2%; Ronald Baron, 12.1%; Marisco Capital Management, 10.5%, (11/07 proxy). CEO: Robert A. Katz. CFO: Jeffrey W. Jones. Chairman: Joe R. Micheletto. Incorporated: DE. Address: Post Office Box 7, Vail, CO 81658. Tel: (970) 845-2000. Internet: www.vailresorts.com

Vail Resorts registered fiscal third-quarter results (ends July 31st) that were below our expectations. Difficult weather conditons, a shift in the timing of the Easter weekend, and weakness in the travel industry all hurt. The performance has led us to temper our expectations for 2008 and 2009.

Although we have altered our near-term outlook, we expect Vail to fare better than many competitors that depend on discretionary income. Partly underscoring our cautious optimism is the fact that Vail services an affluent customer base, where demand isn't all that elastic. The average household income of the typical visitor is approximately $200,000. Furthermore, Vail continues to attract hordes of foreign tourists, thanks in part to a weakening greenback. Global trekers make up roughly 10% of visits, and they account for a greater proportion of revenue. Over the last few years, the growth of spending by oversees visitors is approximating 20% per annum.

We are not overly concerned that the credit crunch and housing crisis, which have gripped the U.S., will hurt sales at Vail's real estate unit. Vail is scheduled to close three projects over the next two years: Crystal Peak Lodge at Breckenridge, the Chalets at Vail's Front Door, and Arrabella at Vail Square. Management has secured contracts for all 125 units at these properties. Units at Arrabella are being sold on the secondary market, and very profitably. Meanwhile, the average purchase price for dwellings at Vail Chalets is more than $10 million. Buyers of these properties typically have deep pockets and are not overly susceptible to the vagaries of the economy. Vail has also secured contracts for many of its longer-term projects.

The company will likely continue to buy back stock. Vail's board of directors has approved a three million share repurchase plan. This is on top of 300,000 shares remaining under the previous program.

This neutrally ranked stock is appealing for capital gain potential. Top-notch ski facilities and a slew of real estate projects should enable share net to exceed $4.00 by 2011-2013.

Dominic B. Silva *August 15, 2008*

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	55
Earnings Predictability	20

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MURPHY OIL NYSE-MUR

RECENT PRICE 94.43 | P/E RATIO 14.0 (Trailing: 16.7 Median: 16.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 1 Raised 2/8/08
SAFETY 3 Lowered 3/17/06
TECHNICAL 2 Raised 6/13/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+50%)	11%
Low	100	(+5%)	3%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	2	0	4	1
to Sell	0	1	2	0	0	2	0	4	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	168	204	211
to Sell	150	157	191
Hld's(000)	148992	150226	150625

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	15.6	13.6	15.4	17.3	22.0	24.9	34.3	43.7	57.1	60.2	85.9	99.7								
Low:	10.8	8.6	8.2	12.0	13.8	16.0	19.3	28.5	37.8	44.7	45.4	64.9								
	9.10	9.13	9.25	9.43	11.19	11.87	9.45	11.23	25.61	22.55	20.96	28.25	45.09	62.52	76.08	97.28	*126.05*	*133.80*	Sales per sh	*148.40*
	1.22	1.41	1.64	1.42	1.72	1.90	1.37	1.69	2.88	2.54	2.13	3.08	4.30	6.02	5.27	6.63	*9.60*	*10.20*	"Cash Flow" per sh	*11.40*
	.31	.43	.48	.16	.70	.74	.24	.56	1.69	1.45	.56	1.38	2.52	3.88	3.19	4.32	6.75	7.25	Earnings per sh [A]	*8.00*
	.30	.31	.33	.33	.33	.34	.35	.35	.36	.38	.39	.40	.43	.45	.53	.68	*.75*	*.75*	Div'ds Decl'd per sh [B]	*.80*
	1.31	3.18	2.31	1.65	2.33	2.61	2.16	2.15	2.84	4.17	4.41	3.95	.33	6.67	6.35	10.29	*14.55*	*10.55*	Cap'l Spending per sh	*12.85*
	6.69	6.82	7.09	6.14	5.73	6.01	5.44	5.87	6.99	7.68	8.42	10.31	14.39	18.53	21.59	26.75	*27.40*	*33.95*	Book Value per sh	*53.40*
	179.38	179.23	179.33	179.33	179.45	179.56	179.80	180.06	180.18	195.10	189.23	189.23	184.07	186.83	187.69	189.40	*190.00*	*190.00*	Common Shs Outst'g [C]	*190.00*
	29.3	24.2	22.5	54.0	16.3	17.6	47.1	21.6	8.9	12.7	38.4	18.7	14.3	12.7	15.9	14.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
	1.78	1.43	1.48	4.28	1.02	1.01	2.45	1.23	.58	.65	2.10	1.07	.76	.68	.86	.76			Relative P/E Ratio	*1.00*
	3.4%	3.0%	3.0%	3.1%	2.8%	2.6%	3.1%	2.9%	2.4%	2.0%	1.8%	1.6%	1.2%	.9%	1.0%	1.1%			Avg Ann'l Div'd Yield	*.9%*
							1698.8	2021.4	4614.3	4399.3	3966.5	5345.2	8298.1	11680	14279	18424	*23950*	*25400*	Sales ($mill)	*28200*
							17.2%	19.0%	15.1%	15.7%	11.4%	14.8%	13.4%	14.2%	10.6%	9.4%	*10.0%*	*10.5%*	Operating Margin	*11.0%*
							202.7	204.4	213.5	232.3	300.0	328.5	321.4	396.9	384.1	489.8	*525*	*550*	Depreciation ($mill)	*650*
							43.6	99.9	305.6	263.4	102.4	255.2	470.5	728.1	604.2	766.0	*1300*	*1390*	Net Profit ($mill)	*1515*
							44.9%	37.1%	34.3%	39.9%	35.2%	41.5%	38.3%	38.9%	37.9%	38.0%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
							2.6%	4.9%	6.6%	6.0%	2.6%	4.8%	5.7%	6.2%	4.2%	4.2%	*5.4%*	*5.5%*	Net Profit Margin	*4.8%*
							56.6	105.5	71.7	38.6	136.3	228.6	424.4	552.0	796.0	777.5	*750*	*820*	Working Cap'l ($mill)	*850*
							333.5	393.2	524.8	520.8	862.8	1090.3	613.4	609.6	840.3	1516.2	*1650*	*1500*	Long-Term Debt ($mill)	*1300*
							978.2	1057.2	1259.6	1498.2	1593.6	1950.9	2649.2	3461.0	4052.7	5066.2	*5210*	*6450*	Shr. Equity ($mill)	*10150*
							4.0%	7.9%	18.0%	14.0%	4.7%	9.3%	15.2%	18.4%	12.8%	12.2%	*19.0%*	*17.5%*	Return on Total Cap'l	*13.0%*
							4.5%	9.4%	24.3%	17.6%	6.4%	13.1%	17.8%	21.0%	14.9%	15.1%	*25.0%*	*21.5%*	Return on Shr. Equity	*15.0%*
							NMF	3.5%	19.1%	13.1%	2.0%	9.3%	14.8%	18.6%	12.5%	12.6%	*22.0%*	*19.5%*	Retained to Com Eq	*13.5%*
							NMF	63%	21%	26%	69%	29%	17%	11%	16%	17%	*11%*	*10%*	All Div'ds to Net Prof	*10%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	58.7	-9.7
3 yr.	95.5	27.3
5 yr.	296.2	85.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1719.2 mill. Due in 5 Yrs $246.6 mill.
LT Debt $1711.1 mill. LT Interest $80.0 mill.
(24% of Cap'l)
Leases, Uncapitalized Annual rentals $61.4 mill.
Pension Assets-12/07 $339.3 mill.
Oblig. $446.4 mill.

Pfd Stock None
Common Stock 189,979,507 shs.

MARKET CAP: $17.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	543.4	673.7	869.1
Receivables	995.1	1420.6	1303.6
Inventory (LIFO)	411.1	626.6	1044.3
Other	157.5	165.9	167.6
Current Assets	2107.1	2886.8	3384.6
Accts Payable	1008.6	1987.7	2060.1
Debt Due	7.2	5.2	8.1
Other	295.3	116.4	122.0
Current Liab.	1311.1	2109.3	2190.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	22.0%	28.0%	*11.0%*
"Cash Flow"	13.5%	19.0%	*11.5%*
Earnings	21.5%	25.5%	*13.0%*
Dividends	5.5%	8.0%	*6.5%*
Book Value	14.0%	23.5%	*15.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2405	2771	3311	3193	11680
2006	2988	3798	4147	3346	14279
2007	3441	4615	4773	5610	18439
2008	*6490*	*5710*	*5800*	*5950*	*23950*
2009	*6500*	*6200*	*6300*	*6400*	*25400*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.60	1.28	1.18	.82	3.88
2006	.60	.93	1.18	.48	3.19
2007	.59	1.42	1.04	1.28	4.33
2008	*1.94*	*1.75*	*1.50*	*1.56*	*6.75*
2009	*2.05*	*1.80*	*1.65*	*1.75*	*7.25*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.113	.113	.43
2005	.113	.113	.113	.113	.45
2006	.113	.113	.15	.15	.53
2007	.15	.15	.188	.188	.68
2008	.188	.188			

BUSINESS: Murphy Oil Corporation is a worldwide oil and natural gas exploration and production company with refining and marketing operations predominantly in North America and the United Kingdom. And owns 1,126 retail outlets in the U.S., Canada, and U.K. Estimated proven reserves at 12/31/07: 128.4 million barrels of crude oil and liquids; 590.6 billion cubic feet of natural gas. Apr. 34% of proven oil and 69% of proven gas reserves have been developed. Has 7,539 employees. Off./dir. own 9.3% of common; Capital World Investors, 5.1%; T. Rowe Price, 13.5%. (3/08 Proxy). Chairman: William C. Nolan, Jr. President & CEO: Claiborne Deming. Inc.: DE. Address: 200 Peach St., El Dorado, AR 71730. Telephone: 870-862-6411. Internet: www.murphyoilcorp.com.

Business is booming for Murphy Oil Corp. Share net more than tripled during the March quarter and revenues reached almost 90% above last year's total. Much of the oil explorer's success was thanks to its Exploration and Production (E&P) unit. Indeed, output increased 34% year over year, and the company averaged 113,300 barrels of crude oil, condensate, and gas liquids daily. Surging production levels at its Kikeh field in Malaysia helped boost this segment. What's more, its achievement there easily overshadowed moderate declines at its Gulf of Mexico, western Canada, and Malaysia's West Patricia field. Few companies have been able to match Murphy's volume growth, making the stock one of the group's top performers.

The near term looks bright. Though the company has seen narrowing margins in its refining and marketing business, we believe that its production volume growth and higher realized energy pricing will outshine those clouds in the months ahead. All told, we look for double-digit top- and bottom-line gains in 2008, and healthy advances through 2009.

The company is putting its cash to good use. In the year ahead, management will probably devote close to 80% of its capital expenditures to its E&P segment, and roughly 73% of that sum on ongoing developments. It has also taken a closer look at refining its portfolio. During the quarter, Murphy sold its Berkana Energy stake in Canada for $39.9 million. Over the past few months, the energy company incorporated several downstream assets. It may continue to eye acquisitions, with a specific focus on potential international properties or natural gas assets to complement its core business. Too, it may well use available cash to pay down debt.

These shares maintain our Highest (1) Timeliness rank. Thanks to the ongoing oil boom and increased production, this issue is trading near its all-time peak. Too, Murphy's strong business fundamentals ought to support the bottom-line gains we foresee out to 2011-2013. Even so, we think that much of this good news is already reflected in MUR's current quotation, thereby limiting its long-term appreciation potential.

Orly Seidman *June 13, 2008*

(A) Primary earnings through 1996, diluted thereafter. Excludes one-time gains (losses): '92, $1.13; '93, 57¢; '94, 45¢; '95, ($3.29); '96, 27¢; '98, ($1.35); '01, $1.48; '02, 10¢, '04, $2.47, '06, 19¢; '07, (32¢), '08, 20¢. Next earnings report due late July.
(B) Dividends historically paid early March, June, September, and December.
(C) In millions, adj. for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	65
Price Growth Persistence	100
Earnings Predictability	45

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MAX CAPITAL NDQ-MXGL [D]

RECENT PRICE 22.45 | P/E RATIO 8.5 (Trailing: 5.0 Median: NMF) | RELATIVE P/E RATIO 0.55 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 4 Lowered 5/16/08
SAFETY 3 New 5/4/07
TECHNICAL 4 Lowered 7/18/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+80%)	17%
Low	25	(+10%)	5%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	3
to Sell	0	0	0	0	1	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	94	96	92
to Sell	66	55	79
Hld's(000)	38918	44792	46323

LEGENDS
6.0 x Earnings p sh
Relative Price Strength
Options: No
Shaded area indicates recession

Percent shares traded: 12, 8, 4

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.6	-15.0
3 yr.	-3.7	11.3
5 yr.	50.4	83.2

Max Capital Group is a holding company formed under Bermuda law in July 1999. It raised gross proceeds of $331 million and $180 million in private placements conducted in December 1999 and March 2000, respectively. Max Re began operations in January of 2000. On August 14, 2001, it raised net proceeds of $179.5 million in an initial public offering. In the fourth quarter of 2005, the company raised net proceeds of $284.1 in a public offering.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $424.8 mill. Due in 5 Yrs $325.0 mill.
LT Debt $375.4 mill. LT Interest $42.0 mill.
(Total interest coverage: 6.0x)
(20% of Capital)

Leases, Uncapitalized Annual rentals $3.6 mill.
No Defined Benefits Plan
Pfd Stock None
Common Stock 56,450,858 shares as of 4/15/08
MARKET CAP: $1.3 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	3028.1	3663.2	3671.1
Stocks	--	--	--
Other	2820.9	2874.0	3048.3
Total Assets	5849.0	6537.2	6719.4
Unearned Premium	436.5	439.6	537.6
Reserves	3230.7	3537.4	3691.9
Other	791.7	976.3	978.4
Total Liab.	4458.9	4953.3	5207.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	--	4.5%	7.5%
Invest Income	--	12.0%	13.0%
Earnings	--	--	12.0%
Dividends	--	37.5%	12.5%
Book Value	--	9.0%	10.0%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	308.3	191.9	282.5	256.7	1039.4
2006	159.7	199.2	147.1	159.0	665.0
2007	139.4	138.0	177.6	362.9	817.9
2008	135.8	225	235	254.2	850
2009	160	250	250	275	935

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.74	.45	d.89	d.17	.13
2006	1.19	.31	.42	1.51	3.43
2007	1.26	1.46	1.08	1.01	4.81
2008	.11	.75	.85	.94	2.65
2009	.95	.95	.95	1.00	3.85

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.03	.03	.03	.12
2005	.03	.05	.05	.05	.18
2006	.05	.05	.07	.07	.24
2007	.07	.07	.09	.09	.32
2008	.09	.09			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:				17.6	17.0	23.5	24.6	27.0	26.7	30.1	30.6			Target Price Range
Low:				10.3	7.6	9.8	17.5	20.7	21.2	23.3	20.7			2011 | 2012 | 2013
	--	--	--	12.66	10.21	16.09	20.03	17.67	11.03	14.22	15.45	17.65	P/C Prem Earned p sh	22.00
	--	--	--	1.11	1.69	1.33	1.81	1.82	2.49	3.27	3.65	4.15	Investment Inc p sh	5.20
	--	--	--	d.59	.23	2.99	3.35	.35	2.77	2.46	2.80	3.10	Underwriting Inc p sh	3.75
	--	--	--	.06	d.15	2.84	2.75	.13	3.43	4.81	2.65	3.85	Earnings per sh [A]	5.50
	--	--	--	.02	.08	.09	.12	.18	.24	.32	.36	.38	Div'ds Decl'd per sh [B]	.50
	--	--	--	14.76	15.64	17.82	20.45	20.69	23.06	27.54	29.10	33.00	Book Value per sh	42.00
	--	--	--	39.58	38.00	45.18	45.83	58.83	60.28	57.52	55.00	53.00	Common Shs Outst'g [C]	50.00
	--	--	--	107%	84%	86%	100%	113%	103%	98%			Price to Book Value	80%
	--	--	--	NMF	--	5.4	7.4	NMF	6.9	5.6	Bold figures are		Avg Ann'l P/E Ratio	6.0
	--	--	--	NMF	--	.31	.39	NMF	.37	.30	Value Line		Relative P/E Ratio	.40
	--	--	--	.1%	.6%	.6%	.6%	.8%	1.0%	1.2%	estimates		Avg Ann'l Div'd Yield	1.5%
	--	--	--	500.9	388.0	727.2	917.8	1039.4	685.0	817.9	850	935	P/C Premiums Earned	1100
	--	--	--	104.7%	97.7%	81.4%	83.3%	98.0%	74.9%	82.6%	85.0%	85.0%	Loss to Prem Earned	85.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Expense to Prem Writ	Nil
	--	--	--	-4.7%	2.3%	18.6%	16.7%	2.0%	25.1%	17.4%	15.0%	15.0%	Underwriting Margin	15.0%
	--	--	--	--	--		--	--	--	--	Nil	Nil	Income Tax Rate	Nil
	--	--	--	2.5	d5.8	120.6	133.7	6.7	216.9	307.1	160	225	Net Profit ($mill) [A]	300
	--	--	--	2.9%	3.3%	2.5%	2.5%	2.7%	3.7%	4.0%	4.0%	4.0%	Inv Inc/Total Inv	4.0%
	--	--	--	2049	2643	3496	4367	5374	5849	6537	7100	7750	Total Assets ($mill)	9000
	--	--	--	584.1	594.2	805.2	937.0	1217.2	1390.1	1583.9	1600	1750	Shr. Equity ($mill)	2100
	--	--	--	.4%	NMF	15.0%	14.3%	.5%	15.6%	19.4%	10.0%	13.0%	Return on Shr. Equity	14.5%
	--	--	--	.3%	NMF	14.5%	13.7%	NMF	14.6%	18.2%	8.5%	11.5%	Retained to Com Eq	13.0%
	--	--	--	31%	NMF	3%	4%	NMF	7%	6%	13%	9%	All Div'ds to Net Prof	8%

BUSINESS: Max Capital Group is a holding company based in Bermuda. Through its subsidiaries it provides insurance and reinsurance for corporations, public entities, and insurers. Operates in four segments: property and casualty reinsurance, property and casualty insurance, life and annuity reinsurance, and U.S. excess and surplus lines insurance. Derived about 55% of gross premiums written in 2007 from clients based in North America. Moore Holdings owns 18.1% of common shares; T. Rowe Price, 5.5%; officers and directors, 4.4% (3/08 Proxy). Chairman and Chief Executive Officer: W. Marston Becker. Incorporated: Bermuda. Address: Max House, 2 Front Street, Hamilton, HM 11, Bermuda. Telephone: (441) 295-8800. Internet: www.maxcapgroup.com.

Shares of Max Capital Group have traded lower in recent months, in conjunction with weakness in the overall market. The company reported unimpressive performance for the first quarter. Despite higher gross premiums from additional agriculture business, net premiums earned declined modestly in the recent interim. Max Capital posted unrealized mark-to-market losses of nearly $26 million in its alternative investment portfolio. Share earnings came in at $0.11, well below the prior-year period. Looking forward, we anticipate unfavorable bottom-line comparisons in the coming quarters. Overall, share net should decline significantly in full-year 2008. Nevertheless, earnings will probably rebound in 2009. Solid results from property and casualty underwriting ought to continue to benefit net premiums earned. Also, we're assuming more-normal performance from Max Capital's alternative investment portfolio, and that the company will keep a lid on expenses.

U.S.-based subsidiary Max Specialty has recently acquired Commercial Guaranty Casualty Insurance Company. Financial terms of the transaction were not disclosed. Commercial Guaranty is licensed to write business in all fifty states and the District of Columbia. The addition of this operation will support Max Specialty's entry into Inland and Ocean Marine underwriting. Moreover, it will allow the company to write both admitted and non-admitted business.

Max Capital continues to repurchase its shares. During the first quarter, the company spent almost $94 million on buybacks, lowering its shares outstanding by over 1 million. We find this trend encouraging, and expect it will continue. The lower share count should support earnings per share going forward.

This stock has fallen a notch in Timeliness since our May review, and is unfavorably ranked for year-ahead performance. Looking further out, we anticipate higher share earnings at Max Capital by 2011-2013. However, this appears to be partly discounted by the current quotation, and appreciation potential for the coming years is below the *Value Line* median. Investors may find more suitable choices elsewhere.

Michael Napoli, CPA *August 1, 2008*

(A) GAAP diluted earnings through 2006, net operating income thereafter. Next earnings report due in November.

(B) Dividends historically paid in March, May, August, and November.

(C) In millions.

(D) Formerly Max Re Capital (MXRE).

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	85
Earnings Predictability	15

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NAT'L INSTRUMENTS NDQ-NATI

RECENT PRICE 32.66 | P/E RATIO 23.7 (Trailing: 23.0 / Median: 40.0) | RELATIVE P/E RATIO 1.54 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 2 Lowered 2/8/08
SAFETY 3 New 12/6/02
TECHNICAL 3 Raised 8/15/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+145%)	26%
Low	50	(+55%)	12%

Insider Decisions

	D	N	D	J	F	M	A	M	J
to Buy	0	2	0	0	0	0	0	0	0
Options	1	9	0	0	7	1	0	1	0
to Sell	3	11	1	1	2	1	1	8	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	92	108	95
to Sell	84	70	91
Hld's(000)	49552	50344	49826

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:			14.9	16.2	26.1	39.7	38.4	29.0	31.3	35.2	33.4	37.4	36.1	35.6						
Low:			7.7	7.8	11.4	21.3	16.8	13.1	19.0	23.7	21.0	24.4	25.8	24.8						
	--	--	2.05	2.27	2.75	3.28	3.70	4.39	5.40	5.02	5.10	5.44	6.51	7.21	8.27	9.28	10.65	12.35	Sales per sh	19.00
	--	--	.29	.34	.48	.58	.66	.78	.94	.69	.68	.74	.94	1.14	1.34	1.80	1.85	2.10	"Cash Flow" per sh	3.25
	--	--	.21	.25	.34	.46	.49	.59	.69	.45	.39	.41	.59	.76	.89	1.11	1.30	1.55	Earnings per sh A	2.60
	--	--	--	--	--	--	--	--	--	--	--	.07	.18	.20	.24	.34	.44	.48	Div'ds Decl'd per sh B	.60
	--	--	.16	.22	.09	.30	.38	.13	.36	.85	.40	.23	.16	.36	.23	.31	.25	.25	Cap'l Spending per sh	.25
	--	--	.65	1.36	1.74	2.20	2.75	3.39	4.23	4.77	5.04	5.61	6.16	6.36	7.47	8.27	8.60	9.65	Book Value per sh C	14.60
	--	--	61.86	72.47	73.04	73.48	74.12	75.07	75.85	76.74	76.61	78.27	78.95	79.28	79.88	79.77	78.00	77.00	Common Shs Outst'g D	75.00
	--	--	--	23.1	21.1	23.8	26.4	29.5	41.8	NMF	NMF	NMF	NMF	33.8	33.1	23.4	Bold figures are		Avg Ann'l P/E Ratio	25.0
	--	--	--	1.55	1.32	1.37	1.37	1.68	2.72	NMF	NMF	NMF	NMF	1.80	1.79	1.23	Value Line		Relative P/E Ratio	1.65
	--	--	--	--	--	--	--	--	--	--	--	.3%	.6%	.8%	.8%	1.1%	estimates		Avg Ann'l Div'd Yield	.9%
							274.2	329.8	410.1	385.3	390.8	425.9	514.1	571.8	660.4	740.4	860	970	Sales ($mill)	1425
							23.6%	23.0%	22.6%	16.8%	15.6%	15.3%	17.2%	18.7%	18.5%	18.7%	22.0%	21.5%	Operating Margin	21.5%
							11.6	13.0	16.3	16.5	20.7	24.8	25.6	28.6	34.2	36.6	40.0	41.0	Depreciation ($mill)	46.0
							37.4	45.8	55.2	36.4	31.4	33.4	48.6	61.5	72.7	107.0	105.0	120.0	Net Profit ($mill)	200.0
							33.0%	32.0%	32.0%	32.0%	28.0%	25.0%	25.0%	23.8%	23.7%	5.6%	20.0%	20.0%	Income Tax Rate	20.0%
							13.6%	13.9%	13.4%	9.4%	8.0%	7.8%	9.5%	10.8%	11.0%	14.5%	12.6%	12.7%	Net Profit Margin	14.0%
							133.5	173.7	220.2	209.9	211.5	255.3	309.6	274.7	374.5	421.5	450	545	Working Cap'l ($mill)	965
							4.4	4.3	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
							204.2	254.2	321.0	366.2	386.5	439.5	486.4	503.9	596.7	661.1	670	745	Shr. Equity ($mill) C	1095
							18.0%	17.8%	17.2%	9.9%	8.1%	7.6%	10.0%	12.2%	12.2%	16.2%	15.5%	16.0%	Return on Total Cap'l	18.0%
							18.3%	18.0%	17.2%	9.9%	8.1%	7.6%	10.0%	12.2%	12.2%	16.2%	15.5%	16.0%	Return on Shr. Equity	18.0%
							18.3%	18.0%	17.2%	9.9%	8.1%	6.4%	7.0%	9.1%	9.0%	12.1%	10.5%	11.0%	Retained to Com Eq	14.0%
							--	--	--	--	--	16%	30%	26%	26%	25%	32%	31%	All Div'ds to Net Prof	23%

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	6.7	-12.2
3 yr.	27.9	7.2
5 yr.	49.6	58.6

CAPITAL STRUCTURE as of 6/30/08

Total Debt None

Leases, Uncapitalized: Annual rentals $7.2 mill.

No Defined Benefits Pension Plan

Common Stock 78,636,964 shs.

MARKET CAP: $2.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	250.5	288.7	248.3
Receivables	117.2	131.3	130.1
Inventory (Avg Cst)	77.1	82.7	95.6
Other	32.3	44.1	46.9
Current Assets	477.1	546.8	520.9
Accts Payable	32.0	36.1	38.9
Debt Due	--	--	--
Other	70.6	89.2	95.4
Current Liab.	102.6	125.3	134.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	10.0%	15.0%
"Cash Flow"	12.0%	13.0%	15.0%
Earnings	11.0%	14.0%	17.5%
Dividends	--	--	15.0%
Book Value	15.5%	9.5%	12.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	129.7	140.8	141.6	159.7	571.8
2006	154.8	160.1	164.1	181.4	660.4
2007	171.6	179.5	184.5	204.8	740.4
2008	192.9	210.4	216	240.7	860
2009	230	238	247	255	970

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.14	.19	.18	.25	.76
2006	.15	.21	.23	.30	.89
2007	.23	.26	.27	.35	1.11
2008	.22	.31	.30	.47	1.30
2009	.30	.34	.41	.50	1.55

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.05	.05	.05	.18
2005	.05	.05	.05	.05	.20
2006	.06	.06	.06	.06	.24
2007	.07	.07	.10	.10	.34
2008	.11	.11	.11		

BUSINESS: National Instruments designs, develops, manufactures and markets test and measurement (T&M) and industrial automation (IA) products used in a wide range of markets. These products are known as "virtual systems", consisting of standard computers plus user-friendly software employed by customers to build systems to meet specific needs. Foreign sales, 52% of total. Plants in Texas and Hungary. R&D, 17.0% of sales. Depreciation rate, 14.1%. Has 4,559 employees. Chairman & President, Dr. J. Truchard owns 22.1% of stock, other Officers/directors, 6.3%; Neuberger Berman, 7.0%; Jeff Kodosky, 5.1%; (4/08 proxy). Inc.: Delaware. Address.: 11500 North Mopac Expressway, Austin, Texas 78759-3504. Tel.: 512-338-9119. Internet: www.ni.com.

National Instruments posted solid financial results for the June interim. The top and bottom lines advanced 9% and 41%, respectively, compared to the March period. While sharenet was below our estimate of $0.34, we anticipate that the company will still meet our annual earnings total, based on larger, higher-margin orders that are expected to ship in the fourth quarter.

A broad range of applications is boosting growth. A varied consort of customers provides a good base for sales growth even while the global purchasing index is tipping downwards. A push for energy exploration has swayed some oil and mining companies to adopt the company's *LabVIEW* system to monitor production. NATI is also developing a communication interface used in surveillance offerings. And its products can also be utilized for monitoring structural integrity testing for bridges and construction. The assorted utilization should help to keep sales and earnings marching upward.

Emerging markets hold much potential. The company is broadening its reach into burgeoning economies, and revenues from these markets have more than tripled in the last five years. As NATI shifts more of its employees to these regions to service its expansion, employee and other related costs have been reduced. Plus, National's aggressive push to add to its salesforce should help propel further gains. This trend is likely to continue as this industrial automation equipment maker seeks to widen its global footprint.

Average order size has been on an upward trajectory. The company just closed its biggest order ever to supply PXI test systems to an aerospace customer. The $14.4 million, three-year deal has helped boost the average order size to over $3,600. And growth among its large system sales, those over $20,000, is up 36% from the year-ago period. Too, an increasing frequency of orders of over $1 million has aided in the order size upswing.

This timely issue is a good choice for most accounts. Despite a volatile market, NATI stock has risen for most of the year, but still offers above-average appreciation potential. It is a good choice for short- and long-term investors.

Mary Beth Wiedenkeller *August 29, 2008*

(A) Diluted earnings. Next earnings report due late October.

(B) Dividend payments in late February, May, August, and November.

(C) Includes intangibles. At 6/30/08: $112.6 million, $1.43/share.

(D) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	70

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NOBLE ENERGY NYSE-NBL

RECENT PRICE 70.19 | P/E RATIO 8.7 (Trailing: 10.1 Median: 13.0) | RELATIVE P/E RATIO 0.56 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 2 Lowered 8/8/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 7/11/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+90%)	18%
Low	90	(+30%)	7%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	0	1	1	1	0	7
to Sell	0	2	0	0	1	1	2	1	10

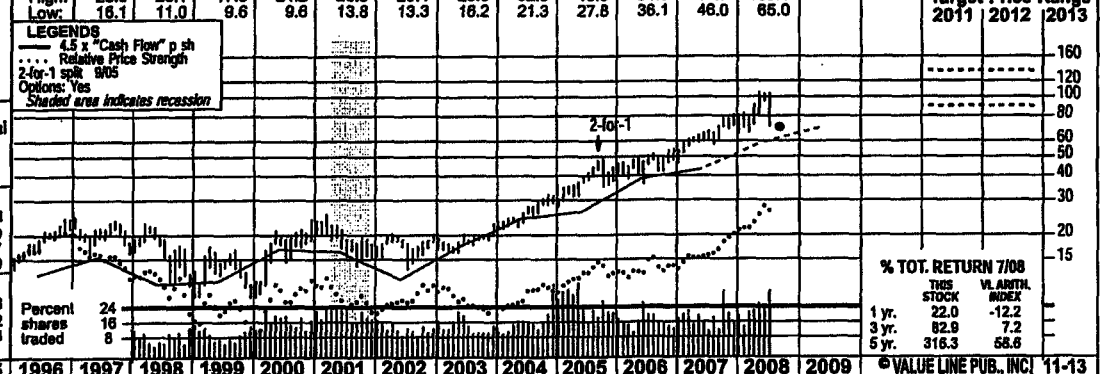
Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	163	228	212
to Sell	197	191	218
Hld's(000)	158516	161543	161581

High: 25.0 23.1 17.5 24.2 25.5 20.4 23.0 32.3 48.8 54.6 81.7 105.1
Low: 16.1 11.0 9.6 9.8 13.8 13.3 16.2 21.3 27.8 36.1 46.0 65.0

LEGENDS
4.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.0	-12.2
3 yr.	82.9	7.2
5 yr.	316.3	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
2.91	2.78	3.50	4.39	7.73	9.58	7.84	7.77	12.31	13.83	12.49	8.84	11.45	12.45	17.07	19.00	25.75	29.80	Sales per sh D	34.10
1.32	1.20	1.31	1.58	2.80	3.43	2.50	2.59	3.77	3.66	2.64	3.93	5.39	5.82	8.60	9.59	13.05	15.75	"Cash Flow" per sh	16.75
.26	.13	.03	.17	.82	.79	d.25	.36	1.69	1.17	.16	1.22	2.76	4.12	4.80	5.33	8.10	10.30	Earnings per sh A	10.20
.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.08	.09	.10	.15	.28	.44	.66	.72	Div'ds Decl'd per sh B	.84
.74	5.09	1.66	2.54	2.27	2.87	3.79	1.08	4.79	6.48	5.19	4.61	5.80	4.47	7.88	8.21	10.80	11.50	Cap'l Spending per sh	15.00
3.42	4.16	4.12	4.10	6.34	7.14	5.63	5.99	7.57	8.86	8.80	9.39	12.37	17.60	23.89	27.90	34.60	45.35	Book Value per sh	75.30
89.21	99.87	100.03	100.40	113.59	113.80	113.96	114.09	112.18	114.01	114.73	114.39	118.04	175.62	172.23	172.23	172.00	171.00	Common Shs Outst'g C	170.00
31.1	NMF	NMF	76.5	23.2	25.8	--	37.5	10.0	16.5	NMF	15.3	9.4	9.1	9.5	12.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.0
1.89	NMF	NMF	5.12	1.45	1.49	--	2.14	.65	.85	NMF	.87	.50	.48	.51	.62			Relative P/E Ratio	.75
1.0%	.7%	.6%	.6%	.4%	.4%	.5%	.6%	.5%	.4%	.5%	.5%	.4%	.4%	.6%	.7%			Avg Ann'l Div'd Yield	1.0%
693.6	886.8	1381.3	1576.8	1433.0	1011.0	1351.2	2186.7	2940.1	3272.0	4430	5100	Sales ($mill) D	5800
35.3%	39.7%	39.8%	34.2%	25.5%	57.1%	65.4%	69.0%	78.5%	71.4%	74.0%	77.5%	Operating Margin	70.0%
313.2	254.5	230.8	284.0	285.3	309.3	308.9	390.5	622.6	728.0	830	925	Depreciation ($mill)	1100
d28.5	40.7	191.6	133.6	17.7	140.4	326.9	631.6	859.0	923.7	1415	1770	Net Profit ($mill)	1750
--	35.4%	36.0%	40.5%	58.6%	36.5%	39.0%	35.3%	38.1%	31.0%	40.0%	40.0%	Income Tax Rate	40.0%
NMF	4.6%	13.9%	8.5%	1.2%	13.9%	24.2%	28.9%	29.2%	28.2%	31.9%	34.7%	Net Profit Margin	30.2%
49.1	d36.6	d54.1	d29.0	d161.4	d176.3	69.3	d84.7	d115.8	d66.4	200	705	Working Cap'l ($mill)	1300
745.1	445.3	525.5	837.2	977.1	776.0	880.3	2030.5	1800.8	1851.1	1850	1850	Long-Term Debt ($mill)	1000
642.1	683.6	849.7	1010.2	1009.4	1073.6	1460.0	3090.1	4113.8	4808.8	6110	7755	Shr. Equity ($mill)	12780
NMF	5.5%	15.1%	7.9%	1.6%	8.5%	15.0%	13.0%	15.6%	14.7%	18.0%	19.0%	Return on Total Cap'l	13.0%
NMF	6.0%	22.5%	13.2%	1.7%	13.1%	22.4%	20.4%	20.9%	19.2%	23.0%	23.0%	Return on Shr. Equity	13.5%
NMF	4.6%	21.5%	12.3%	.8%	12.2%	21.6%	19.7%	19.7%	17.6%	21.5%	21.0%	Retained to Com Eq	12.5%
NMF	22%	5%	7%	52%	7%	4%	4%	6%	8%	8%	7%	All Div'ds to Net Prof	8%

CAPITAL STRUCTURE as of 6/30/08

Total Debt $1851 mill. Due in 5 Yrs $1230 mill.
LT Debt $1851 mill. LT Interest $86.0 mill.
(Total interest coverage: 23.4x)
(27% of Cap'l)
Pension Assets-12/07 $154.8 mill. Oblig. $187.5 mill.
Pfd Stock None

Common Stock 172,697,075 shs.
as of 7/15/08
MARKET CAP: $12.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	153.4	660.0	983.0
Receivables	586.9	594.0	864.0
Inventory (FIFO)	--	--	--
Other	328.2	315.3	301.0
Current Assets	1068.5	1569.3	2148.0
Accts Payable	518.6	780.9	921.0
Debt Due	--	--	--
Other	665.7	854.8	1284.0
Current Liab.	1184.3	1635.7	2205.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	4.0%	5.0%
"Cash Flow"	13.5%	14.5%	5.0%
Earnings	27.5%	29.5%	12.0%
Dividends	8.0%	17.0%	18.0%
Book Value	14.0%	19.0%	21.5%

Calendar	QUARTERLY SALES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	368.2	485.4	632.1	701.0	2186.7
2006	712.0	772.6	741.3	714.2	2940.1
2007	742.5	794.2	813.8	921.5	3272.0
2008	1025	1205	1100	1100	4430
2009	1200	1400	1300	1200	5100

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.92	.94	.99	1.18	4.03
2006	1.26	1.24	1.27	1.03	4.80
2007	1.02	1.34	1.28	1.69	5.33
2008	2.05	1.93	1.85	2.27	8.10
2009	2.65	2.45	2.35	2.85	10.30

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.025	.025	.025	.025	.10
2005	.025	.025	.05	.05	.15
2006	.05	.075	.075	.075	.275
2007	.075	.12	.12	.12	.44
2008	.12	.18	.18		

BUSINESS: Noble Energy, Inc. explores for and produces oil and natural gas, chiefly in the Gulf of Mexico, Texas, and Louisiana. 2007 average daily production: natural gas, 687.4 mill. cubic feet; oil, 84,265 barrels. Proved reserves at 12/31/07: 3.3 trillion cubic ft. gas; 329 million Bbls. oil. 3-year average reserve replacement ratio: 116%. 2007 operating cost per unit: $4.14. Purchased Energy Development Corporation. (EDC), 7/96; Patina Oil & Gas 4/05. Has about 1,398 employees. Officers/directors control 3.0% of stock; NWQ Investment Management Company., 9.7%; (3/08 proxy). Chairman., President & CEO: Charles D. Davidson. Incorporated: DE. Address: 350 Glenborough Dr., Houston, TX 77067. Telephone: 281-872-3100. Internet: www.nobleenergyinc.com.

In spite of escalating costs, Noble Energy is poised to post stellar year-to-year share-net growth this year. As domestic supply concerns and international demand continue to fuel oil prices, the company is capitalizing on this by feverishly attempting to increase production growth. Indeed, Noble is making record revenue and profit gains thanks to the recent crude bubble. Sales volumes averaged 218 thousand barrels of oil equivalent per day in the second quarter. U.S. volumes were up 5% and international volumes were up 14%. Robust market demand and ongoing development programs in the U.S. contributed outstanding volume growth in the oil segment, while natural gas sales grew in Israel and West Africa. Though, there is some concern about a sequential slowdown in production volume. This could prove problematic, as exploration costs and taxes are rising, while planned plant maintenance are likely to prove costly in the coming months. Still, we look for double digit revenue and earnings advances to more than offset these factors this year.

Effective capital spending augurs well for profits. The company's efforts to focus its capital budget on areas that provide significant growth potential, while divesting its noncore assets, should help expand margins over the next several quarters. Indeed, the recent $291 million cash acquisition of 15,000 net acres of natural gas producing properties in western Oklahoma should help to bolster production levels until some of Noble's more promising discoveries come on line, specifically in West Africa.

This stock is timely. Given the presently inflated price of oil and the uncertainty about when it will peak, recent concerns about slowing production growth led investors to take profits in NBL. Hence the stock is trading well below historical averages.

The long-term picture is less compelling. We believe that the company will face production constraints over the next 3 to 5 years. Moreover, we do not believe that the current momentum in oil prices is sustainable to 2012. Thus, based on our projections, the 3- to 5-year appreciation potential is below average.

Simon R. Shoucair *August 15, 2008*

(A) Dil. earnings. Primary egs. until '96. Excl. nonrec. gns. (losses): '92, 42¢; '95, (26¢); '97, 17¢; '98, ($2.38); '99, 15¢; '03, ($1.08); '04, 3¢; '05, 9¢; '06, ($1.05); '07, 8¢. Next egs. rept. due late Oct. (B) Div. historically paid in mid Feb., May, Aug., and Nov. (C) In mill.; adj. for split. (D) Decr. in rev's. and opr. exp. in 2003 and onward reflect reclassification under adoption of EITF Issues no. 98-10 and 02-03. Rev's. are consolidated from 2003 onward. Reclassification will not affect operating income.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	100
Earnings Predictability	20

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NABORS IND. NYSE-NBR

RECENT PRICE 33.26 | P/E RATIO 10.4 (Trailing: 11.3 Median: 23.0) | RELATIVE P/E RATIO 0.67 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 12/14/07
SAFETY 3 New 3/3/95
TECHNICAL 1 Raised 8/1/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+170%)	29%
Low	60	(+80%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	2	1	1	0	1
to Sell	0	0	0	0	1	1	2	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	214	213	233
to Sell	265	258	229
Hld's(000)	235330	232892	252244

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	23.4	15.8	15.6	30.2	31.6	25.0	22.9	27.1	39.9	41.3	36.4	50.6								
Low:	7.4	5.9	5.4	14.1	9.0	13.1	16.1	20.0	23.1	27.3	26.0	23.6								
	2.44	2.52	2.96	3.40	4.14	5.11	4.77	2.33	4.53	7.53	5.06	6.41	7.99	10.97	17.41	16.17	*19.00*	*21.55*	Revenues per sh [A]	*28.10*
	.41	.38	.35	.49	.67	.90	1.04	.47	.98	1.91	1.05	1.43	2.01	3.13	5.24	4.50	*5.55*	*6.35*	"Cash Flow" per sh	*8.25*
	.26	.25	.21	.29	.38	.53	.58	.12	.45	1.09	.36	.63	.96	2.00	3.60	3.17	*3.20*	*3.90*	Earnings per sh [A B]	*5.50*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	.42	.21	.26	.65	.84	1.33	1.36	.30	1.03	2.49	1.09	1.20	1.82	2.88	6.96	6.60	*7.00*	*7.00*	Cap'l Spending per sh	*3.50*
	1.58	1.91	1.94	2.19	2.63	3.61	4.28	5.37	6.16	6.59	7.44	8.49	9.77	11.92	12.77	14.78	*19.40*	*23.40*	Book Value per sh	*37.80*
	117.18	139.85	142.60	168.52	173.96	201.50	202.76	273.66	293.13	*281.78*	*289.93*	*293.31*	299.72	315.39	276.93	305.46	*280.00*	*280.00*	Common Shs Outst'g [C]	*285.00*
	13.0	16.4	16.9	13.3	17.2	21.1	17.1	83.2	48.7	19.1	49.8	30.9	23.9	15.5	9.4	9.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*14.0*
	.79	.97	1.11	.89	1.08	1.22	.89	5.31	3.17	.98	2.72	1.76	1.26	.83	.51	.50			Relative P/E Ratio	*.95*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
							968.2	638.5	1327.1	2121.2	1466.4	1880.0	2394.0	3459.9	4820.2	4938.8	*5320*	*6000*	Revenues ($mill) [A]	*8000*
							27.6%	24.2%	25.0%	32.5%	23.9%	23.3%	26.1%	35.0%	38.0%	35.2%	*35.0%*	*36.0%*	Operating Margin	*36.0%*
							84.9	99.9	152.4	189.9	195.4	226.5	300.4	338.5	371.1	467.7	*620*	*650*	Depreciation ($mill)	*725*
							125.0	27.7	135.5	347.8	108.0	192.2	302.5	648.7	1080.7	907.8	*930*	*1135*	Net Profit ($mill)	*1625*
							37.5%	39.3%	40.2%	35.9%	15.2%	--	9.9%	25.8%	30.6%	21.1%	*25.0%*	*25.0%*	Income Tax Rate	*25.0%*
							12.9%	4.3%	10.2%	16.4%	7.4%	10.2%	12.6%	18.7%	22.4%	18.4%	*17.5%*	*18.9%*	Net Profit Margin	*20.3%*
							21.1	195.8	739.1	700.9	618.4	917.3	381.7	1264.8	1650.5	711.0	*1350*	*1400*	Working Cap'l ($mill)	*1500*
							217.0	482.6	854.8	1567.6	1614.7	1985.6	1201.7	1251.8	4004.1	3306.4	*3825*	*3825*	Long-Term Debt ($mill)	*3825*
							867.5	1470.1	1806.5	1857.9	2158.5	2490.3	2929.4	3758.1	3536.7	4514.1	*5425*	*6550*	Shr. Equity ($mill)	*10775*
							12.0%	2.1%	5.8%	11.0%	3.7%	5.0%	7.9%	13.3%	14.6%	11.9%	*10.5%*	*11.5%*	Return on Total Cap'l	*11.5%*
							14.4%	1.9%	7.5%	18.7%	5.0%	7.7%	10.3%	17.3%	30.6%	20.1%	*17.0%*	*17.5%*	Return on Shr. Equity	*15.0%*
							14.4%	1.9%	7.5%	18.7%	5.0%	7.7%	10.3%	17.3%	30.6%	20.1%	*17.0%*	*17.5%*	Retained to Com Eq	*15.0%*
							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	24.7	-12.2
3 yr.	11.4	7.2
5 yr.	103.7	58.6

CAPITAL STRUCTURE as of 6/30/08
Total Debt $4411.1 mill. Due in 5 Yrs $3350 mill.
LT Debt $3822.3 mill. LT Interest $225.0 mill.
Includes $3.53 bill. in zero-coupon conv. bonds (44% of Cap'l)
Leases, Uncapitalized Annual rentals $12.8 mill.
Pension Assets-12/07 $15.3 mill. Oblig. $16.6 mill.

Pfd Stock None

Common Stock 280,153,619 shs.
as of 7/24/08
MARKET CAP: $9.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1140.0	767.1	1236.5
Receivables	1109.7	1039.2	1063.7
Inventory (Avg Cst)	100.5	133.8	128.9
Other	154.7	265.0	281.2
Current Assets	2504.9	2205.1	2730.3
Accts Payable	459.2	348.5	317.8
Debt Due	--	700.0	588.8
Other	395.2	445.6	459.1
Current Liab.	854.4	1494.1	1365.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	13.5%	21.0%	*11.0%*
"Cash Flow"	20.0%	26.5%	*11.5%*
Earnings	22.0%	36.0%	*11.0%*
Dividends	--	--	*Nil*
Book Value	16.5%	14.5%	*19.0%*

Calendar	QUARTERLY REVENUES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	780.7	765.3	896.3	1017	3459.9
2006	1148	1134	1244	1293	4820.2
2007	1260	1156	1250	1273	4938.8
2008	1299.9	1282.4	*1325*	*1412.7*	*5320*
2009	*1425*	*1475*	*1525*	*1575*	*6000*

Calendar	EARNINGS PER SHARE [A B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.40	.40	.55	.65	2.00
2006	.79	.82	1.02	.97	3.60
2007	.92	.79	.76	.70	3.17
2008	.81	.67	*.81*	*.91*	*3.20*
2009	*.95*	*.90*	*1.00*	*1.05*	*3.90*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Nabors Industries Ltd. is the world's largest land drilling contractor and provides oilfield management, instrumentation and other wellsite services. Owns 548 land drilling and 749 land workover serving rigs in North America. Offshore fleet consists of 36 platform rigs, 13 jackups, and 4 barge rigs in the U.S. and internationally. Also invests in select oil and gas projects. Acquired: Bayard Drilling, 4/99; Pool Energy, 11/99. Has 23,965 employees. Officers & directors own about 10.0% of outstanding common stock; Fidelity owns 9.3%; (4/08 proxy). Chairman & CEO: Eugene M. Isenberg; Pres. & COO: Anthony G. Petrello. Inc.: Bermuda. Address: Mintflower Place 8 Par-La-Ville Rd. Hamilton, HM08 Bermuda. U.S. Tel.: 281-775-8038. Internet: www.nabors.com.

Nabors Industries' earnings look to have bottomed out. The second quarter of each year is normally slow, owing to seasonal factors in Canada and Alaska. Moreover, Canadian activity is just getting past a pessimistic period that led to a pullback in drilling. Business is clearly on the upswing now, though. In this case, the stock's nice advance early in 2008 was a harbinger of better times ahead.

New drilling prospects and higher natural gas prices have brightened possibilities considerably. There is a lot of excitement in the industry over the shale formations that produce natural gas and oil that were once viewed as too expensive to drill. Now, armed with new technology and with the benefit of higher prices, demand for rigs is accelerating rapidly. These prospects are well-suited for Nabors, since most of its fleet is geared toward land drilling. As a result, profits appear set to ramp up from here.

The boom in land drilling is extensive. In Canada, orders for equipment are on the rise as producers start to drill wells in British Columbia. The company is also benefiting from the development of the Baaken Shale, which extends into Saskatchewan from North Dakota and Montana. In addition, Nabors is picking up a lot of business in shale plays such as the Haynesville, in northern Louisiana. Expansion in these areas still has a way to go, which should make for very good earnings comparisons in 2009.

The time is ripe for Nabors to build up its capacity. Operating rates have risen to the point where the company has placed orders for a sizable number of newly constructed rigs—which may take up to one year to deliver. Drillers get the most out of the shale plays under development using state-of-the-art equipment. The newbuilds provide further assurance that the operating climate is improving.

There is more here than meets the eye. The shares are neutrally ranked for Timeliness based on momentum. But the stock's first-half rally could be rekindled if the expected uptick in earnings materializes. Oil and gas prices will probably need to start heading back up for that to happen, of course. The shares have good 3- to 5-year appreciation potential.

Robert Mitkowski, Jr. *August 15, 2008*

(A) Fiscal year ended Sept. 30 until '97; years end Dec. 31 thereafter.

(B) Primary earnings thru 1996, diluted thereafter. Excludes nonrecurring items: '94, (41¢); '01, 6¢; '02, 9¢; '05, 7¢. Next earnings report due late October.

(C) In millions. Includes split.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	85
Earnings Predictability	45

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ANNALY CAPITAL NYSE-NLY

RECENT PRICE 16.03 | P/E RATIO 6.4 (10.5 NMF) | RELATIVE P/E RATIO 0.42 | DIV'D YLD 13.7% | VALUE LINE

TIMELINESS 3 Lowered 6/20/08
SAFETY 3 New 10/25/02
TECHNICAL 3 Lowered 5/16/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+55%)	20%
Low	15	(-5%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	3	0	0	0	0	0	0	0	0
Options	1	0	0	0	2	0	6	5	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	179	219	251
to Sell	105	104	162
Hld's(000)	285521	338959	438710

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:						13.1	11.8	11.6	9.5	17.3	21.5	21.3	21.2	20.0	14.5	18.3	21.2	
Low:						10.0	6.1	7.9	7.2	8.5	13.9	15.6	15.9	10.9	10.9	12.1	11.5	
Mortgage Loans per sh	--	--	--	--	--	91.41	119.15	105.87	138.24	126.62	136.60	134.63	160.22	128.79	147.24	132.42	*128.70*	*130.00*
Earnings per sh [A]	--	--	--	--	--	.78	1.19	1.35	1.15	2.21	2.67	1.94	2.03	.48	.73	1.31	*2.50*	*2.75*
Div'ds Decl'd per sh [B]=†	--	--	--	--	--	.22	1.23	1.38	1.15	1.75	2.67	1.95	1.98	1.04	.57	1.04	*2.30*	*2.50*
Book Value per sh [C]	--	--	--	--	--	10.63	9.87	7.61	9.34	11.15	12.77	11.98	10.73	10.98	10.98	12.51	*13.40*	*13.40*
Common Shs Outst'g [D]	--	--	--	--	--	12.71	12.76	13.58	14.52	59.83	84.57	96.07	121.26	123.69	205.35	401.82	*540.00*	*550.00*
Premium Over Book	--	--	--	--	--	4.9%	-5.5%	26.1%	-9.7%	13.6%	53.8%	48.0%	48.9%	39.5%	18.2%	30.2%	*Bold figures are*	
Avg Ann'l P/E Ratio	--	--	--	--	--	16.2	7.8	7.1	7.4	5.8	6.9	9.4	9.0	NMF	17.6	11.7	*Value Line*	
Relative P/E Ratio	--	--	--	--	--	.93	.41	.40	.48	.30	.36	.55	.48	NMF	.95	.61	*estimates*	
Avg Ann'l Div'd Yield	--	--	--	--	--	7.1%	13.1%	14.0%	13.5%	13.8%	14.5%	10.7%	10.8%	6.4%	4.4%	6.8%		
Gross Income ($mill)							93.3	90.3	111.8	267.6	425.3	378.3	550.1	687.4	1221.9	2416.7	*3580*	*4300*
Int Cost to Gross Inc							81.2%	77.4%	83.1%	62.8%	45.1%	48.1%	49.1%	82.7%	84.5%	79.7%	*60.5%*	*62.0%*
Net Profit ($mill)							15.5	18.1	16.6	92.3	219.5	180.1	248.6	73.9	141.8	414.4	*1265*	*1500*
Net Profit Margin							16.6%	20.1%	14.8%	34.5%	51.6%	47.6%	45.2%	82.7%	11.6%	17.1%	*35.3%*	*34.9%*
Total Assets ($mill)							1527.3	1491.3	2035.0	7717.3	11659	12990	19580	16063	30716	53904	*70000*	*72000*
Borrowings ($mill)							1280.5	1338.3	1628.4	6367.7	10163	11774	16708	14509	27514	46047	*62500*	*64450*
Shr Equity ($mill)							125.9	103.3	135.6	667.4	1080.1	1149.2	1700.5	1504.0	2543.0	5204.9	*7400*	*7550*
Problem Assets to Lns							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*
Loss Provision ($mill)							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*
New Loan Volume ($mill)							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*
Shr. Eq. to Total Assets							8.2%	6.9%	6.7%	8.6%	9.3%	8.8%	8.7%	9.4%	8.3%	9.7%	*10.5%*	*10.5%*
G&A Exp to Gross Inc							2.3%	2.5%	2.1%	2.7%	3.3%	4.3%	5.7%	6.5%	3.3%	2.7%	*3.0%*	*3.0%*
Return on Total Assets							1.01%	1.22%	.82%	1.20%	1.88%	1.39%	1.27%	.46%	.46%	.73%	*1.80%*	*2.10%*
Return on Shr. Equity							12.3%	17.6%	12.2%	13.8%	20.3%	15.7%	14.6%	4.9%	5.6%	7.5%	*17.0%*	*20.0%*

Target Price Range 2011 | 2012 | 2013: 64, 48, 40, 32, 24, 20, 16, 12, 8, 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	18.7	-18.0
3 yr.	4.7	11.3
5 yr.	14.3	63.2

© VALUE LINE PUB., INC. 11-13

	11-13
Mortgage Loans per sh	*140.25*
Earnings per sh [A]	*2.00*
Div'ds Decl'd per sh [B]=†	*2.00*
Book Value per sh [C]	*13.80*
Common Shs Outst'g [D]	*600.00*
Premium Over Book	*45%*
Avg Ann'l P/E Ratio	*10.0*
Relative P/E Ratio	*.65*
Avg Ann'l Div'd Yield	*10.0%*
Gross Income ($mill)	*5100*
Int Cost to Gross Inc	*73.0%*
Net Profit ($mill)	*1175*
Net Profit Margin	*23.0%*
Total Assets ($mill)	*85000*
Borrowings ($mill)	*76550*
Shr Equity ($mill)	*8450*
Problem Assets to Lns	*Nil*
Loss Provision ($mill)	*Nil*
New Loan Volume ($mill)	*Nil*
Shr. Eq. to Total Assets	*10.0%*
G&A Exp to Gross Inc	*3.0%*
Return on Total Assets	*1.40%*
Return on Shr. Equity	*14.0%*

CAPITAL STRUCTURE as of 3/31/08

Borrowings $52.2 bill. (89% of Debt + Equity)
Leases, Uncapitalized Annual rentals $.4 mill.
No Defined Benefit Pension Plan

Pfd Stock $288.5 mill. Pfd Div'd $21.5 mill.
4.3 mill. shs. 7.875% Series A; cumulative; redeemable. 4.6 mill. shs. 6% Series B; cumulative; convertible.

Common Stock 468,518,137 shs.
as of 5/07/08
MARKET CAP: $7.5 billion (Mid Cap)

EARNINGS FACTORS

Margin (%)	2006	2007	3 mos. 3/31/08
Earning Asset Yield	5.24	5.77	5.64
Cost of Funds	4.87	5.07	4.18
Yield-Cost Margin	.37	.70	1.46

Net Changes ($mill)	2006	2007	3 mos. 3/31/08
MBS & Other Sec.	14305.5	23187.5	3690.2
Borrowings	13937.7	18532.6	4465.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Mortgage Loans	--	.5%	.5%
Earnings	--	-16.0%	15.5%
Dividends	--	-14.0%	14.5%
Book Value	--	.5%	3.0%

Calendar	MBS & Other Securities ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31
2005	19091	19557	18956	15930
2006	16176	23474	28377	30235
2007	39239	38766	44902	53210
2008	56900	*67250*	*68050*	*69500*
2009	*70000*	*70500*	*71000*	*71500*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.46	.36	.14	d.47	.48
2006	.16	.16	.16	.23	.73
2007	.28	.30	.32	.37	1.31
2008	.53	*.62*	*.65*	*.70*	*2.50*
2009	*.70*	*.70*	*.68*	*.67*	*2.75*

Calendar	QUARTERLY DIVIDENDS PAID [B]=† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.47	.50	.48	.50	1.95
2005	.50	.45	.36	.13	1.44
2006	.10	.11	.13	.14	.48
2007	.19	.20	.24	.26	.89
2008	.34	.48	.55		

BUSINESS: Annaly Capital Management, Inc. is a real estate investment trust that owns and manages a portfolio of mortgage-backed securities, including mortgage pass-through certificates, collateralized mortgage obligations (CMOs), and other mortgage-related assets. Portfolio as of 12/31/07 consisted of about 71% fixed-rate pass-through certificates, 21% adjustable-rate pass-throughs, and 8% CMO floaters. Also manages fixed-income assets. Employs 39. Fidelity owns 6.3% of common; officers and directors, 1.1% (3/08 Proxy). Inc: MD. Chairman, CEO, and Pres.: Michael Farrell. Vice Chair and CIO: Wellington Denahan-Norris. Addr.: 1211 Avenue of the Americas, Suite 2902. New York, NY 10036. Tel.: 212-696-0100. Internet: www.annaly.com.

Annaly Capital stock have been trading mostly in a narrow range since our mid-April report. The shares have been unable to make new highs since the Federal Reserve has been on hold. This equity does best when the central bank is lowering interest rates, as illustrated by the nice move it made in late 2007 and early 2008 (see price chart above). The Fed was easing at that time. However, with the Fed now on hold and it's next move likely to be a hike in rates, investors have turned cool on the stock.

For now, the company is enjoying much-improved margins. The rapid series of rate reductions by the Fed in the past year has reduced funding costs considerably. The first-quarter interest-rate spread between assets and liabilities of nearly 1.5% was highly favorable compared to the 0.6% figure a year earlier. Annaly should continue to enjoy wider-than-usual margins in the coming months. The hitch is that margins will deteriorate once the Fed starts raising interest rates. Still, the company should be able to post an excellent gain in earnings per share in 2008. We've lowered our 2009 earnings estimate by $0.15 a share, reflecting the likely shift in monetary policy, though.

Annaly has been striking while the iron is hot. The mortgage real estate investment trust has been raising lots of capital to take advantage of strong business conditions while they last. The company raised about $1 billion in May through a common stock offering that enabled it to purchase more of the high-quality mortgage-backed securities it specializes in. Annaly may try to raise more capital to take advantage of the window of opportunity presented by currently wide interest-rate spreads, but our estimates don't reflect that possibility.

The shares have fallen a notch in Timeliness to 3 (Average). Earnings are coming in strong, as expected, but Wall Street is worried about the Fed's need to fight inflation. Higher interest rates would raise funding costs. The stock's low price-earnings ratio and the unusually high dividend yield reflect the uncertainty about future profit levels. Concerns about holding securities issued by struggling Fannie Mae and Freddie Mac have also arisen.

Robert Mitkowski, Jr. *July 18, 2008*

(A) Based on diluted shares outstanding. Earnings may not sum due to changes in shares outstanding. Excludes nonrecurring per-share (losses): '05, (67¢); '06, (29¢).
Next earnings report due late July.
(B) Dividends usually paid at the end of January, April, July, and October.
=Dividend reinvestment plan available.
†Direct stock purchase plan available.
(C) Includes $32.8 mill. of Intangibles at 12/31/07, or 8¢ a share.
(D) In millions.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	45
Earnings Predictability	25

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NEENAH PAPER INC. NYSE-NP

RECENT PRICE 16.97 | P/E RATIO 11.7 (Trailing: 8.2 Median: NMF) | RELATIVE P/E RATIO 0.75 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 4 Lowered 5/23/08
SAFETY 3 New 1/4/08
TECHNICAL 3 Raised 4/4/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+310%)	43%
Low	45	(+165%)	29%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	51	61	70
to Sell	91	72	95
Hld's(000)	14243	14196	14221

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded: 30, 20, 10

High: 41.5 37.6 37.4 45.6 29.6
Low: 21.0 25.2 26.3 27.5 16.8

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-50.8	-9.7
3 yr.	—	27.3
5 yr.	—	85.8

Neenah Paper was spun off from Kimberly Clark's fine paper, technical segments, and Canadian pulp business in April, 2004. On November 30th, 2004, Kimberly Clark transfered the rest of its pulp and paper business. It also distributed Neenah's stock to its shareholders, awarding 1 NP share for every 33 shares held.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $380.2 mill. Due in 5 Yrs $100.0 mill.
LT Debt $343.4 mill. LT Interest $20.0 mill.
(Total interest coverage: 2.6x)
(61% of Capital)

Leases Uncapitalized: Annual rentals $3.4 mill.
Pension Assets-12/07 $343.6 mill.
Oblig. $407.4 mill.

Pfd Stock None
Common Stock 14,589,905 shares as of 4/30/08

MARKET CAP: $250 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1.6	2.4	1.5
Receivables	100.8	145.4	129.1
Inventory (FIFO)	82.1	120.2	94.3
Other	37.9	22.2	187.2
Current Assets	222.4	290.2	412.1
Accts Payable	74.7	86.9	75.1
Debt Due	1.3	10.9	16.8
Other	53.5	72.1	144.6
Current Liab.	129.5	169.9	236.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	--	11.5%
"Cash Flow"	--	--	20.5%
Earnings	--	--	38.0%
Dividends	--	--	4.0%
Book Value	--	--	11.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	196.6	189.3	167.7	179.8	733.4
2006	132.9	142.8	141.4	177.2	594.3
2007	224.7	258.1	251.9	255.8	990.5
2008	205.6	225	220	224.4	875
2009	210	225	235	240	910

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.18	.46	d.10	d2.56	d2.02
2006	.23	.19	.31	.21	.94
2007	1.01	.22	1.08	.19	2.50
2008	.57	.15	.53	.20	1.45
2009	.55	.40	.75	.50	2.20

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	.10	.10	.10	.10	.40
2006	.10	.10	.10	.10	.40
2007	.10	.10	.10	.10	.40
2008	.10	.10			

© VALUE LINE PUB., INC.	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
Sales per sh	--	--	--	--	--	--	--	49.67	40.13	66.23	67.30	75.85	100.00
"Cash Flow" per sh	--	--	--	--	--	--	--	.01	2.97	5.56	5.40	7.10	8.70
Earnings per sh [A]	--	--	--	--	--	--	--	d2.02	.94	2.50	1.45	2.20	3.25
Div'ds Decl'd per sh [B]	--	--	--	--	--	--	--	.40	.40	.40	.40	.45	.50
Cap'l Spending per sh	--	--	--	--	--	--	--	1.74	1.69	3.90	3.65	3.65	3.50
Book Value per sh	--	--	--	--	--	--	--	11.20	12.49	19.26	16.15	20.00	27.40
Common Shs Outst'g [C]	--	--	--	--	--	--	--	14.77	14.81	14.96	13.00	12.00	11.50
Avg Ann'l P/E Ratio	--	--	--	--	--	--	--	--	34.2	14.6	Bold figures are Value Line estimates		18.0
Relative P/E Ratio	--	--	--	--	--	--	--	--	1.85	.77			1.35
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	1.3%	1.2%	1.1%			1.0%
Sales ($mill)	--	--	--	--	--	--	772.1	733.4	594.3	990.5	875	910	1150
Operating Margin	--	--	--	--	--	--	14.8%	7.4%	11.0%	10.1%	10.0%	10.5%	11.5%
Depreciation ($mill)	--	--	--	--	--	--	36.0	29.8	30.2	45.3	50.0	55.0	60.0
Net Profit ($mill)	--	--	--	--	--	--	86.4	d29.7	13.8	37.9	20.0	30.0	40.0
Income Tax Rate	--	--	--	--	--	--	--	--	47.6%	9.3%	25.0%	25.0%	25.0%
Net Profit Margin	--	--	--	--	--	--	11.2%	NMF	2.3%	3.8%	2.3%	3.3%	3.5%
Working Cap'l ($mill)	--	--	--	--	--	--	116.4	123.9	92.9	120.3	115	135	165
Long-Term Debt ($mill)	--	--	--	--	--	--	225.0	226.3	282.3	321.2	345	350	350
Shr. Equity ($mill)	--	--	--	--	--	--	197.1	165.3	184.9	288.0	210	240	315
Return on Total Cap'l	--	--	--	--	--	--	20.6%	NMF	5.1%	8.3%	3.5%	5.0%	6.0%
Return on Shr. Equity	--	--	--	--	--	--	43.8%	NMF	7.5%	13.2%	9.5%	12.5%	12.5%
Retained to Com Eq	--	--	--	--	--	--	43.8%	NMF	4.3%	11.1%	7.0%	10.5%	11.0%
All Div'ds to Net Prof	--	--	--	--	--	--	--	NMF	43%	16%	26%	18%	14%

BUSINESS: Neenah Paper, Inc. is a leading producer of premium fine paper and technical products. It also manufactures bleached kraft pulp in Canada. The company owns about 500,000 acres of timberland and holds non-exclusive rights to another 200,000 acres. The company has three primary operations: fine paper business (37% of '07 sales), technical products (40%), and pulp business (23%). The company was spun off from Kimberly Clark Corporation in 4/04. Has about 2,450 employees. Off./dir. own 4.4% of common stock; Wachovia, 10.1%; Barclay, 5.3%; Goldman Sachs, 5.4% (3/08 proxy). Chairman, President & CEO: Sean T. Erwin. Inc.: DE. Address: 3460 Preston Ridge Road, Suite 600, Alpharetta, GA 30005. Telephone: 866-548-6569. Internet: www.neenah.com.

Neenah Paper is completing its transformation into a specialty products and premium fine paper company. The company has been working to redefine itself since it was spun off from Kimberly Clark in 2005. And, in May, Neenah announced that it was shedding the last of its commodity pulp and paper assets. It will pay Northern Pulp between $15 million and $20 million to transition its Pictou pulp as a stand-alone entity. As part of this agreement, Neenah will continue to receive an ongoing fiber supply from the mill. The company is also in the midst of pruning the last of its timberland assets.

But this transition needs some smoothing out. These sales, even with the tax benefits associated with dismissing the struggling businesses, will likely result in hefty discontinued operations charges over the next few quarters. During the first quarter, management reclassified its pulp business (which was 23% of 2007 sales) as discontinued operations. As per *Value Line* policy, we have excluded the $5.46 per-share loss from our earnings presentation. Earnings tumbled almost 44% from the year-ago period, to $0.57 per share. And may continue to decline 40%–45% in 2008. Still, we believe that divesting capital-intensive and more volatile segments of its portfolio will better position this small company for long-term growth.

Neenah has been facing a difficult operating environment. Rising raw material and energy pricing will probably continue to weigh on operating margins over the next few quarters at its Fine Paper and Technical segments. Due to domestic macroeconomic factors, the company has been pursuing opportunities globally. However, it may face problems when attempting to penetrate dollar-based markets overseas.

These shares are ranked unfavorably for year ahead price performance (Timeliness: 4). NP stock has fallen over 33% since our April review. Because of the pullback in price, however, this issue now possesses substantial long-term appreciation potential. Investors may want to wait on the sidelines, though, until management's efforts to counterbalance the difficult operating environment bear more fruit.

Orly Seidman *July 4, 2008*

(A) Primary earnings thru '96, diluted thereafter. Excludes nonrecurring items: '04, $7.65; '06, $3.27; '07, $1.83; '08, $5.46. Next earnings report due early Aug.

(B) Dividends historically paid in early March, June, September, and December.
(C) In millions.

Company's Financial Strength	B
Stock's Price Stability	55
Price Growth Persistence	NMF
Earnings Predictability	NMF

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NATIONAL PRESTO NYSE-NPK

RECENT PRICE 62.43 | P/E RATIO 9.8 (10.7 / 15.0) | RELATIVE P/E RATIO 0.67 | DIV'D YLD 6.8% | VALUE LINE

TIMELINESS 2 New 4/25/08
SAFETY 3 New 4/25/08
TECHNICAL 1 Raised 7/25/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+130%)	28%
Low	95	(+50%)	17%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	24	43	32
to Sell	38	27	37
Hld's(000)	3656	3548	3419

High:	44.2	43.5	42.9	35.7	34.4	34.5	37.3	46.7	48.3	62.7	67.0	68.5	
Low:	35.9	36.1	34.1	29.1	25.8	26.8	25.9	35.9	38.8	41.3	51.3	46.0	

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

Percent shares traded: 9, 6, 3

Target Price Range 2011 | 2012 | 2013: 160, 120, 100, 80, 60, 50, 40, 30, 20, 15

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.0	-18.0
3 yr.	54.1	11.3
5 yr.	128.6	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
17.49	16.17	17.45	16.35	14.42	14.89	14.56	15.91	16.95	17.52	19.57	19.63	23.30	27.03	44.59	61.51	65.70	73.00	Sales per sh	94.20
3.70	2.70	3.08	2.78	2.27	2.59	2.97	3.21	2.61	1.42	1.55	2.62	2.75	3.40	5.25	6.89	7.65	8.40	"Cash Flow" per sh	10.70
3.53	2.55	2.92	2.61	2.00	2.31	2.68	2.84	2.16	.92	1.27	2.27	2.26	2.78	4.09	5.65	6.35	7.00	Earnings per sh A	8.95
2.55	--	1.90	2.15	2.00	2.00	2.00	2.00	2.10	2.00	.92	.92	1.17	1.67	2.12	3.80	4.25	4.75	Div'ds Decl'd per sh B	5.90
.20	.14	.23	.61	.27	.55	.50	.58	.56	.30	.50	.43	4.13	2.03	1.06	.91	1.25	1.40	Cap'l Spending per sh	1.60
29.53	32.08	33.11	33.57	33.57	33.88	34.59	35.42	35.65	34.61	34.86	36.12	37.44	38.52	41.03	43.08	45.10	47.40	Book Value per sh	55.30
7.33	7.34	7.34	7.35	7.35	7.36	7.36	7.21	6.88	6.84	6.84	6.82	6.82	6.83	6.83	6.84	6.85	6.85	Common Shs Outst'g C	6.90
17.8	20.7	14.6	16.5	19.6	16.8	14.9	13.2	14.5	31.5	23.3	14.1	17.9	15.8	13.0	10.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
1.08	1.22	.96	1.10	1.23	.97	.77	.75	.94	1.61	1.27	.80	.95	.83	.70	.54			Relative P/E Ratio	.90
4.1%	--	4.4%	5.0%	5.1%	5.2%	5.0%	5.3%	6.7%	6.9%	3.1%	2.9%	2.9%	3.8%	4.0%	6.6%			Avg Ann'l Div'd Yield	5.0%
						107.1	114.7	116.8	119.8	133.7	133.8	159.0	184.6	304.7	420.7	450	500	Sales ($mill)	650
						19.1%	19.2%	10.1%	7.0%	9.2%	18.2%	16.3%	15.2%	14.6%	14.8%	15.5%	15.5%	Operating Margin	15.5%
						2.1	2.3	2.8	3.4	1.9	2.4	3.3	4.2	7.9	8.5	9.0	9.5	Depreciation ($mill)	12.0
						18.7	20.8	15.2	6.3	8.7	15.5	15.4	19.0	28.0	38.6	43.5	48.0	Net Profit ($mill)	62.0
						28.0%	28.6%	21.6%	--	24.5%	33.0%	32.0%	32.7%	30.8%	33.6%	34.0%	34.0%	Income Tax Rate	35.0%
						18.4%	18.2%	13.0%	5.2%	6.5%	11.6%	9.7%	10.3%	9.2%	9.2%	9.6%	9.6%	Net Profit Margin	9.6%
						232.9	231.9	220.6	207.9	209.4	212.8	208.8	206.9	210.2	227.0	235	245	Working Cap'l ($mill)	290
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
						254.4	255.3	245.2	236.6	238.3	246.3	255.5	263.0	280.3	294.6	310	325	Shr. Equity ($mill)	380
						7.8%	8.2%	6.2%	2.7%	3.6%	6.3%	6.0%	7.2%	10.0%	13.1%	14.0%	15.0%	Return on Total Cap'l	16.0%
						7.8%	8.2%	6.2%	2.7%	3.6%	6.3%	6.0%	7.2%	10.0%	13.1%	14.0%	15.0%	Return on Shr. Equity	16.0%
						2.0%	2.4%	.1%	NMF	1.0%	3.7%	2.9%	2.9%	4.8%	4.3%	4.5%	5.0%	Retained to Com Eq	5.5%
						75%	71%	99%	NMF	72%	41%	52%	60%	52%	67%	67%	68%	All Div'ds to Net Prof	68%

CAPITAL STRUCTURE as of 3/30/08

Total Debt None

No Defined Benefit Pension Plan

Preferred Stock None
Common Stock 6,844,916 shares

MARKET CAP: $425 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	143.6	143.3	126.6
Receivables	65.6	87.9	49.3
Inventory (LIFO)	55.5	65.5	76.3
Other	8.5	7.1	6.7
Current Assets	273.2	303.8	258.9
Accts Payable	35.4	40.4	34.5
Debt Due	--	--	--
Other	27.6	36.4	18.7
Current Liab.	63.0	76.8	53.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	20.0%	13.5%
"Cash Flow"	7.5%	22.5%	13.0%
Earnings	6.0%	23.5%	13.5%
Dividends	2.0%	8.5%	15.0%
Book Value	2.0%	3.0%	5.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	35.4	34.7	39.5	75.0	184.6
2006	45.1	58.0	81.5	120.1	304.7
2007	81.1	96.2	99.5	143.9	420.7
2008	77.6	105	110	157.4	450
2009	90.0	115	120	175	500

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.19	.23	.39	1.97	2.78
2006	.28	.53	1.05	2.23	4.09
2007	.73	1.02	1.27	2.63	5.65
2008	.91	1.19	1.40	2.85	6.35
2009	1.00	1.30	1.55	3.15	7.00

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	1.17	--	--	--	1.17
2005	1.67	--	--	--	1.67
2006	2.12	--	--	--	2.12
2007	3.80	--	--	--	3.80
2008	4.25	--			

BUSINESS: National Presto Industries, Inc. operates three businesses: Housewares/Small Appliances (31% of '07 revenues) designs, markets, and distributes housewares and small appliances. Defense Products (53%) manufactures precision mechanical and electro-mechanical assemblies, medium caliber cartridge cases, etc. Absorbent Products (16%) manufactures and sells private-label diapers and adult-incontinence products. Employs about 1,035. Officers & directors own 30.2% of stock (Maryjo Cohen, 30.1%); Royce, 11.8%; Dimensional, 6.3%; Melvin S. Cohen, 5.7% (4/08 proxy). Chair, President & CEO: Maryjo Cohen. Incorporated: WI. Address: 3925 North Hastings Way, Eau Claire, WI 54703. Telephone: 715-839-2121. Internet: www.gopresto.com.

National Presto Industries is operating in a difficult environment. Due to the spectacular rise in oil and natural gas prices, a tremendous amount of upward pressure has been placed on the prices of commodities like aluminum and plastic. In addition, the Housewares/Small Appliance segment purchases nearly all its products from China, where there have been high levels of inflation. The weakening U.S. dollar and higher transportation expenses only exacerbate things. Making matters worse, raising product prices to levels commensurate with the cost increases is not possible. Due to high prices at the gas pump and in the grocery store, consumers are cutting back. So, retailers have reduced prices to boost traffic, making it extraordinarily difficult for the Housewares/Small Appliance segment to hike product prices. Elsewhere, the Absorbent Product group will probably struggle to break even in 2008. Despite increased efficiency, increased raw material costs will likely drag on profits. Indeed, most of the raw materials used in diapers and adult underwear are petroleum-based. We also expect a slight volume decline. In stark contrast, the Defense business should continue posting healthy top- and bottom-line gains this year, thanks to the high demand for ammunition. Moreover, the contracts it will be executing in 2008 were awarded in 2007, which allowed it to lock in most of its material costs.

The bottom line will probably rise, though. Presto has been historically successful in cutting costs, and this year should be no different. Reduced general and administrative expenses at the Housewares/Small Appliance and Defense segments should spur growth. The company is closely monitoring its headcount, and has already scrapped its national television advertising program. In addition, reduced overhead, plant consolidation, and better efficiency should prop up the Absorbent Product division's margins, even though volume may well decline slightly.

This issue is timely, thanks to positive share-price and earnings momentum. This equity also offers worthwhile 3- to 5-year price appreciation potential. The well-covered dividend only sweetens the pot, in our opinion.

Erik A. Antonson *July 25, 2008*

(A) Diluted earnings. Next earnings report due late July.

(B) Annual dividend rate is currently $1.00 a share. Includes additional extra dividends from '08: '08, $3.25.

(C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	65
Earnings Predictability	40

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NISSAN MOTOR (ADR) NDQ-NSANY

RECENT PRICE 15.22 | P/E RATIO 9.8 (Trailing: 7.8 Median: 10.0) | RELATIVE P/E RATIO 0.64 | DIV'D YLD 5.8% | VALUE LINE

TIMELINESS 4 Lowered 5/23/08
SAFETY 3 Raised 12/15/95
TECHNICAL 3 Raised 6/27/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+195%)	35%
Low	30	(+95%)	23%

Insider Decisions

NOT REPORTED

U.S. Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	56	72	61
to Sell	58	50	59
Hld's(000)	53035	58772	52686

LEGENDS
6.0 x "Cash Flow"p ADR
Relative Price Strength
Options: Yes
Shaded area indicates recession

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
High:	15.8	9.9	13.4	14.4	14.7	16.7	24.8	24.0	23.4	27.7	25.7	21.8								
Low:	7.4	4.5	5.8	6.7	7.0	10.2	13.1	19.3	19.3	19.7	18.5	14.2								
	116	103	89.00	107	124	133	123	106	124	133	120	113	107	117	118	100	*101*	*101*	Translation Rate (Yen/$) A	*100*
	42.54	*44.84*	*52.18*	*44.82*	*42.74*	*39.28*	*43.44*	*28.35*	*24.70*	*20.83*	*25.17*	*29.05*	*35.46*	*39.49*	*39.25*	*46.65*	*48.70*	*49.80*	Sales per ADR B	*55.05*
	2.07	2.64	3.04	2.58	3.30	3.34	3.11	d1.19	2.80	2.49	3.19	3.20	4.29	4.98	4.62	*5.85*	*5.35*	*5.65*	"Cash Flow" per ADR	*7.15*
	d.38	d.67	d1.49	d.66	.50	.30	d.18	d3.25	1.26	1.39	1.95	2.16	2.32	2.22	1.89	2.08	*1.55*	*1.80*	Earnings per ADR C	*3.00*
	.12	.14	.16	.13	.11	.11	.10	--	.11	.12	.23	.32	.45	.44	.55	.64	*.82*	*.95*	Gross Div'ds Decl'd/ADR DG	*1.24*
	3.85	2.19	2.18	1.29	1.30	1.68	1.62	1.13	.80	.98	1.39	1.67	1.91	1.97	2.05	*2.20*	*2.20*	*2.30*	Cap'l Spending per ADR	*2.60*
	11.81	12.21	12.78	10.09	8.70	7.67	8.28	4.41	3.88	5.40	6.67	7.91	10.20	12.93	13.45	*18.00*	*18.75*	*18.60*	Book Value per ADR	*23.90*
	1256.0	1256.1	1256.4	1256.4	1256.5	1256.5	1256.5	1988.7	1988.6	2258.5	2260.6	2258.5	2260.4	2040.5	2260.4	*2042.0*	*2035.0*	*2030.0*	Equiv ADRs Outst'g E	*2020.0*
	--	--	--	--	29.5	37.4	--	--	8.7	8.6	7.7	9.4	9.2	9.5	12.3	11.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
	--	--	--	--	1.85	2.16	--	--	.57	.44	.42	.54	.49	.51	.66	.61			Relative P/E Ratio	*.80*
	1.3%	1.0%	1.0%	.9%	.8%	1.0%	1.5%	--	1.0%	1.0%	1.6%	1.6%	2.1%	2.1%	2.4%	3.1%			Avg Ann'l Div'd Yield	*3.3%*
	54583	56388	49110	46588	56905	65600	80152	80584	88717	95278	*99125*	*101105*	Sales ($mill) B	*111190*
	9.2%	8.6%	10.7%	13.9%	16.2%	15.3%	16.2%	16.4%	14.8%	*15.0%*	*12.5%*	*13.0%*	Operating Margin	*15.5%*
	4134.7	4099.6	2904.8	2818.2	3092.7	2780.6	4915.2	5601.7	6535.8	*7640*	*7675*	*7800*	Depreciation ($mill)	*8400*
	d229.9	d6456	*2670.0*	*2799.0*	*4126.4*	*4447.4*	*4787.7*	*4563.3*	*3905.1*	*4275*	*3165*	*3670*	Net Profit ($mill)	*6090*
	NMF	--	--	--	28.6%	29.7%	32.5%	30.8%	30.4%	*34.2%*	*34.0%*	*34.0%*	Income Tax Rate	*35.0%*
	NMF	NMF	5.4%	6.0%	7.3%	6.8%	6.0%	5.7%	4.4%	*4.5%*	*3.2%*	*3.6%*	Net Profit Margin	*5.5%*
	d6748	*d1475*	*d571.4*	*3828.8*	*6485.3*	*5867.4*	*10885*	*10005*	*7776.0*	*9987.0*	*15330*	*18570*	Working Cap'l ($mill)	*32945*
	13203	15619	11311	12067	13360	14222	18347	19022	16582	17318	*20000*	*18500*	Long-Term Debt ($mill)	*15000*
	10409	8767.3	7725.3	12187	15069	17872	23044	26393	30395	36734	*38120*	*39760*	Shr. Equity ($mill)	*48235*
	.5%	NMF	14.5%	11.9%	14.8%	13.9%	11.6%	10.1%	8.4%	*9.0%*	*7.0%*	*7.5%*	Return on Total Capital	*10.5%*
	NMF	NMF	34.6%	23.0%	27.4%	24.9%	20.8%	17.3%	12.8%	*11.5%*	*8.5%*	*9.0%*	Return on Shr. Equity	*12.5%*
	NMF	NMF	34.6%	21.2%	24.6%	21.2%	17.0%	13.9%	9.2%	*8.0%*	*4.0%*	*4.5%*	Retained to Com Eq	*7.5%*
	NMF	NMF	--	--	7%	10%	15%	18%	20%	28%	*31%*	*53%*	*53%*	All Div'ds to Net Prof	*41%*

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-25.3	-12.2
3 yr.	-19.7	7.2
5 yr.	-12.6	58.6

CAPITAL STRUCTURE as of 6/30/08

Total Debt $47363 mill. Due in 5 Yrs $38000 mill.
LT Debt $20663 mill. LT Interest $1240 mill. (36% of Cap'l)

Pension Assets 3/07 $8.5 bill Oblig. $10.8 bill
Pfd Stock None

Common Stock 4074.1 mill. shares (equivalent to 2037.0 mill. American Depositary Receipts)

MARKET CAP: $31.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	4120	5649	4338
Receivables	35087	30716	38545
Inventory (Avg Cst)	8514	9546	12026
Other	7303	13863	8760
Current Assets	55024	59774	63669
Accts Payable	9349	10631	10544
Debt Due	26677	26183	26700
Other	11222	12973	12498
Current Liab.	47248	49787	49742

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-2.0%	9.0%	*5.5%*
"Cash Flow"	4.5%	27.5%	*6.5%*
Earnings	--	--	*5.0%*
Dividends	13.5%	44.0%	*15.0%*
Book Value	1.5%	21.5%	*10.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) B F Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	18332	20052	19670	22530	80584
2006	18733	19695	19854	30435	88717
2007	20252	22186	24449	28391	95278
2008	22440	*22135*	*24900*	*29650*	*99125*
2009	*21525*	*23250*	*24315*	*32015*	*101105*

Fiscal Year Begins	EARNINGS PER ADR B C F Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.58	.45	.56	.63	2.22
2006	.47	.68	.42	.32	1.89
2007	.37	.50	.57	.64	2.08
2008	.25	*.37*	*.45*	*.48*	*1.55*
2009	*.36*	*.43*	*.50*	*.51*	*1.80*

Calendar	GROSS QUARTERLY DIV'DS PAID DG Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.215	--	.233	.448
2005	--	.185	--	.213	.398
2006	--	.258	--	.292	.547
2007	--	.274	--	*.368*	.642
2008	--	.372			

BUSINESS: Nissan Motor Co., Ltd. is Japan's third-largest auto maker. Principal U.S. models include *Altima, Maxima, Sentra, Quest, 350Z, Pathfinder,* and the *Infiniti* brand. Builds cars and trucks in Japan, U.S., U.K., Mexico, Spain, Australia. Fiscal 2007 unit sales: Japan, 684,404; North America, 1,370,489; Europe, 705,224; other, 937,650. Also makes rockets, machinery, boats. Fgn. sales: 65% of tot. Has abt. 186,335 employees. Renault acquired a 44.3% equity stake, while Nissan holds a 15% stake in Renault. Chairman, Pres., and CEO: Carlos Ghosn. Inc.: Japan. Address: 17-1, Ginza 6-chome, Chuo-ku, Tokyo 104-23, Japan. U.S. address: 18501 South Figueroa St., Gardena, CA 90248. Telephone: 310-771-3111. Internet: www.nissanmotors.com.

Nissan Motor's engine sputtered in the first quarter (fiscal year ends March 31, 2009). The company suffered a double-digit earnings decline, though it was largely the result of currency and provisions related to leased vehicles. The stock price, in turn, has fallen over 17% since our May review. Given the pressure the shares of its American counterparts are under, it seems investors may have a little more patience for Nissan at this juncture. Whether that continues to hold true, however, remains to be seen. Indeed,

The company is likely headed in reverse this year. Nissan's U.S. sales did increase in July by 8.5%, to 95,319 vehicles, and it was the only car maker to record a gain. Still, the North American automotive market continues to worsen, as overall economic fears and inflated gas prices have scared many drivers off the lots. As a result, production cutbacks are likely to persist in the U.S., while higher raw material prices and incentive costs are also a concern. All things considered, Nissan appears headed for a share-earnings setback of around 25%, to $1.55, this year.

A robust new vehicle lineup should help revive showrooms. Nine all-new vehicles are set to launch in fiscal 2008, as part of the plan to roll out 60 over the next five years. Vehicles with fuel-efficient four-cylinder engines should be the primary focus, while Nissan is also joining in the electric/hybrid race.

The issue should appeal to investors seeking long-term recovery potential. The stock does hold a below-average rank for relative year-ahead price performance, as the industry's overall tumult will likely weigh on most auto-related shares. That said, Nissan continues to build for the future, which includes a sizable pipeline of new vehicles and an expanding international presence. Further, the company's U.S. market share remains on the rise, reaching 8.4% in July, its highest monthly level in almost 30 years. This all seems to support our long-term projections of annual share-net growth in the 20%-25% range. The stock is currently trading slightly above a five-year low. Thus, investors may want to take advantage now, as these shares offer substantial appreciation potential for the pull to 2011-2013.

Jason A. Smith *August 29, 2008*

(A) At fiscal yearend. (B) Fiscal year ends March 31 of following year. (C) Dil. egs., per Japanese acc'tg (approx. US acc'tg). Primary through '96. Excludes nonrecur. gain (loss): '91, 36¢; '97, (39¢). Next earnings report due late Oct. (D) Before 15% Japanese withhld'g tax. Dividend susp. in '98, reinstated in '00. (E) In millions of ADRs. Each ADR represents two common shares. (F) Semi-annual figures are "as reported" consolidated results. Report quarterly as of June 2004. (G) Dividends historically paid in June, Dec.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	75

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NORFOLK SOUT'N NYSE-NSC

RECENT PRICE 63.91 | P/E RATIO 15.6 (Trailing: 17.0 / Median: 17.0) | RELATIVE P/E RATIO 0.95 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 2 Raised 5/23/08
SAFETY 3 Lowered 3/17/00
TECHNICAL 3 Lowered 5/30/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+80%)	17%
Low	75	(+15%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	1	1	1	2	2
to Sell	0	1	0	0	0	1	1	0	1

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	268	291	276
to Sell	320	303	301
Hld's(000)	257886	282212	283075

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	10.94	10.73	11.47	12.06	12.70	11.20	11.13	13.58	16.04	15.99	16.12	16.54	18.26	20.80	23.67	24.87	28.10	29.75	Revenues per sh	37.00
	2.27	2.41	2.61	2.85	3.14	3.10	2.81	1.87	1.86	2.27	2.51	2.66	3.67	4.72	5.58	5.90	6.60	7.05	"Cash Flow" per sh	9.20
	1.31	1.42	1.63	1.82	2.03	1.97	1.65	.63	.55	.94	1.18	1.35	2.18	2.82	3.58	3.73	4.10	4.65	Earnings per sh [A]	6.55
	.60	.62	.64	.69	.75	.80	.80	.80	.80	.24	.26	.30	.36	.48	.68	.96	1.20	1.30	Div'ds Decl'd per sh [B] ■	1.60
	1.70	1.61	1.79	1.70	1.83	2.32	2.52	2.38	1.90	1.93	1.77	1.84	2.60	2.50	2.96	3.54	3.50	3.50	Cap'l Spending per sh	3.30
	10.06	11.12	11.73	12.47	13.25	14.44	15.61	15.50	15.16	15.78	16.71	17.83	19.95	22.66	24.19	25.64	32.10	36.00	Book Value per sh	52.60
	420.95	415.48	399.40	387.10	375.56	377.15	379.40	382.68	384.06	385.83	388.99	391.15	400.44	409.89	397.42	379.30	370.00	370.00	Common Shs Outst'g [C]	365.00
	15.2	15.2	13.1	12.8	13.9	18.3	19.4	43.8	29.2	19.5	18.0	14.8	12.4	13.0	13.7	14.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
	.92	.90	.86	.86	.87	.94	1.01	2.50	1.90	1.00	.98	.84	.66	.69	.74	.75			Relative P/E Ratio	.95
	3.0%	2.9%	3.0%	3.0%	2.6%	2.5%	2.5%	2.9%	5.0%	1.3%	1.2%	1.5%	1.3%	1.3%	1.4%	1.8%			Avg Ann'l Div'd Yield	1.2%
							4221.0	5195.0	6159.0	6170.0	6270.0	6468.0	7312.0	8527.0	9407.0	9432.0	10390	11000	Revenues ($mill)	13500
							35.3%	23.0%	21.1%	24.7%	26.7%	26.0%	31.5%	32.5%	35.0%	35.6%	35.5%	36.0%	Operating Margin	37.0%
							437.0	475.0	503.0	514.0	515.0	513.0	598.0	774.0	738.0	775.0	850	870	Depreciation ($mill)	940
							630.0	239.0	210.0	362.0	460.0	529.0	870.0	1161.0	1481.0	1464.0	1583	1742	Net Profit ($mill)	2415
							25.4%	31.9%	33.1%	34.5%	34.8%	31.9%	30.3%	26.4%	33.6%	34.6%	34.0%	34.0%	Income Tax Rate	33.0%
							14.9%	4.6%	3.4%	5.9%	7.3%	8.2%	11.9%	13.6%	15.7%	15.5%	15.2%	15.8%	Net Profit Margin	17.9%
							d204.0	d553.0	d1038	d1339	d554.0	d376.0	d234.0	729.0	307.0	d273.0	d305	d280	Working Cap'l ($mill)	1733
							7483.0	7556.0	7339.0	7027.0	7006.0	6800.0	6863.0	6616.0	6109.0	5999.0	6000	6000	Long-Term Debt ($mill)	6000
							5921.0	5932.0	5824.0	6090.0	6500.0	6976.0	7990.0	9289.0	9615.0	9727.0	11875	13328	Shr. Equity ($mill)	19191
							6.6%	3.6%	3.6%	4.6%	5.2%	5.5%	7.4%	8.7%	10.8%	10.7%	10.0%	10.0%	Return on Total Cap'l	10.5%
							10.6%	4.0%	3.6%	5.9%	7.1%	7.6%	10.9%	12.5%	15.4%	15.1%	13.5%	13.0%	Return on Shr. Equity	12.5%
							5.5%	NMF	NMF	4.4%	5.5%	5.9%	9.1%	10.4%	12.5%	11.2%	10.5%	10.5%	Retained to Com Eq	10.5%
							48%	NMF	NMF	26%	22%	22%	16%	17%	19%	26%	22%	20%	All Div'ds to Net Prof	15%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $6493 mill. Due in 5 Yrs $1555 mill.
LT Debt $6217 mill. LT Interest $440.0 mill.

(LT Interest earned: 4.3x; total interest coverage: 4.0x) (43% of Cap'l)

Leases, Uncapitalized Annual rentals $138.0 mill.
Pension Assets-12/07 $2.2 bill. Oblig. $2.5 bill.

Pfd Stock None.

Common Stock 375,755,263 shrs.
MARKET CAP: $24.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	918	206	364
Receivables	992	942	1125
Inventory (Avg Cst)	151	176	194
Other	339	351	353
Current Assets	2400	1675	2036
Accts Payable	1181	1139	1337
Debt Due	491	369	276
Other	421	440	614
Current Liab.	2093	1948	2227

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	7.5%	8.0%
"Cash Flow"	6.0%	19.5%	9.5%
Earnings	5.5%	30.5%	12.0%
Dividends	-0.5%	10.5%	14.5%
Book Value	6.0%	9.0%	14.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1961	2154	2155	2257	8527
2006	2303	2392	2393	2319	9407
2007	2247	2378	2353	2454	9432
2008	2500	*2640*	*2600*	*2650*	*10390*
2009	*2630*	*2750*	*2790*	*2830*	*11000*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.47	.75	.73	.87	2.82
2006	.72	.89	1.02	.95	3.58
2007	.71	.98	1.02	1.02	3.73
2008	.76	*1.08*	*1.11*	*1.15*	*4.10*
2009	*.90*	*1.20*	*1.25*	*1.30*	*4.65*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.08	.10	.10	.36
2005	.11	.11	.13	.13	.48
2006	.16	.16	.18	.18	.68
2007	.22	.22	.26	.26	.96
2008	.29	.29			

BUSINESS: Norfolk Southern Corp. is the holding company formed by the merger of Norfolk & Western Railway Co. and Southern Railway on 6/1/82. Acquired 58% of Conrail on 6/1/99. Operates about 21,500 road miles of track in 22 states and Ontario. Sold North American Van Lines, 3/98. Coal, coke, and iron ore, 24% of '07 revenues; chemicals, 11%; paper, clay, and forest prods., 9%; intermodal, 20%; auto, 10%; other, 26%. '07 labor costs: about 27% of rev. '07 depr. rate: 2.6%; '07 oper. ratio: 72.5%. Has about 30,800 employees; Officers & Directors own .8% of common stock (3/08 Proxy). Chmn., Pres. & CEO: Charles W. Moorman. Inc.: VA. Address: Three Commercial Place, Norfolk, VA 23510. Telephone: 757-629-2600. Internet: www.nscorp.com.

Revenue for Norfolk Southern increased to a record high during the first quarter. The company registered $2.5 billion at the top line during the interim despite economic weakness, which typically tempers volume at the railroad. Norfolk attributes some of the gains to fuel surcharges, which have lifted rates for merchandise and commodities. A surge in overseas demand also helped. These factors ought to continue to outweigh reduced domestic volume, lifting annual revenues to over $10 billion this year.

Intermodel traffic remains healthy. Container revenues rose 5% during the first quarter, even as total volume declined. The company experienced better pricing and a more favorable merchandise mix. High export demand has also driven intermodal revenue.

Domestic transportation is likely to falter. Unit volume decreased 5% during the first quarter, reflecting economic struggles in the housing and automotive markets. A lost contract also hurt revenue. Overall weakness is likely to persist, although a boost in coal production may provide a spark to rail traffic later in the year.

Despite cost pressure, the company's operating performance has held steady. Improved railway efficiencies have kept margins intact. In the first quarter, the company was able to offset heavy legal expenses related to the Graniteville accident a few years back. Moving forward, the increased price of diesel may eventually take a toll on overall profitability, as hedging positions decline. This may result in the operating margin narrowing a bit this year. We target earnings of $4.10 a share in 2008, which represents growth of roughly 10%. In 2009, the bottom line may advance at a quicker pace.

Norfolk Southern shares are ranked to outperform the market in the coming six to 12 months. Good management and a strong operating model should lead to higher profits especially if domestic economic conditions firm. Although we forecast solid bottom-line growth to 2011–2013, share-price appreciation potential over that period is below average at the recent quotation.

Garrett Sussman *June 6, 2008*

(A) Diluted egs. Excl. nonrec. gains/(losses): ($1.12); '93, 42¢; '95, (1¢); '97, (13¢); '00, (10¢); '03, (30¢); '04, (14¢). Excl. discont. oper.: '97, (6¢); '98, 28¢; '01, 3¢; '03, 3¢. Excl. gain from chg. in acct. policy: '03, 29¢. Incl. chg. for special work incentive: '99, 8¢. Next egs. rpt. due late July.
(B) Dividend historically paid in mid-March, mid-June, mid-September, and mid-December.
■ Div'd reinvestment plan available.
(C) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	60
Earnings Predictability	85

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NOVO NORDISK (ADR) NYSE-NVO

RECENT PRICE 63.27 | P/E RATIO 19.5 (22.0 / 20.0) | RELATIVE P/E RATIO 1.28 | DIV'D YLD 1.5% | VALUE LINE

TIMELINESS 2 Lowered 6/13/08
SAFETY 2 Raised 7/20/07
TECHNICAL 4 Lowered 7/4/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+35%)	9%
Low	65	(+5%)	3%

Insider Decisions

NOT REPORTED

U.S. Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	82	107	101
to Sell	56	62	79
Hld's(000)	23212	34489	28526

High:	14.6	17.0	14.0	22.7	23.2	20.3	20.6	27.6	30.0	42.3	68.7	73.7		Target Price Range
Low:	8.7	10.8	9.5	12.4	17.3	10.8	12.5	19.5	24.0	27.4	38.8	55.9		2011 2012 2013

LEGENDS
14.0 x "Cash Flow"p ADR
Relative Price Strength
5-for-2 split 4/01
2-for-1 split 12/07
Options: No
Shaded area indicates recession

2-for-1
5-for-2

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	23.1	-18.0
3 yr.	170.5	11.3
5 yr.	310.0	63.2

Percent shares traded 1.5 / 1 / 0.5

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC. 11-13
6.26	6.77	6.08	5.55	5.94	6.83	6.36	7.39	7.92	8.42	7.07	5.93	5.45	6.31	5.65	5.07	4.72	4.72	Translation Rate (DKr/$) A 4.72
2.29	2.39	2.96	3.39	3.33	3.31	3.88	3.99	3.80	4.07	5.16	6.62	8.02	8.26	10.81	13.26	15.10	16.40	Sales per ADR 20.85
.43	.55	.57	.59	.64	.65	.84	.77	.75	.85	1.11	1.62	2.06	1.91	2.40	3.66	3.25	4.50	"Cash Flow" per ADR 5.50
.27	.38	.32	.32	.40	.43	.51	.49	.56	.66	.83	1.20	1.37	1.42	1.77	2.66	3.25	3.55	Earnings per ADR B 4.40
.03	.03	.03	.04	.04	.06	.08	.11	.12	.16	.19	.26	.36	.43	.48	.62	.94	.98	Gross Div'ds Decl'd ADR C 1.16
.47	.52	.38	.36	.41	.50	.46	.37	.43	.68	.61	.62	.87	.95	.81	.73	.75	.85	Cap'l Spending per ADR 1.10
2.35	2.55	2.88	3.47	3.58	3.53	3.90	3.54	2.88	3.45	4.70	6.29	7.32	6.76	8.40	10.22	11.45	13.10	Book Value per ADR 18.20
747.75	750.29	750.29	750.29	750.29	750.29	725.00	709.00	691.00	693.35	690.59	676.30	664.22	647.43	634.49	621.18	610.00	605.00	Equiv ADRs Outst'g D 580.00
16.5	11.6	15.8	17.2	18.4	25.0	27.5	23.6	30.7	30.5	19.2	14.5	18.0	18.8	19.1	20.1	Bold figures are		Avg Ann'l P/E Ratio 17.0
1.00	.69	1.04	1.15	1.15	1.44	1.43	1.35	2.00	1.56	1.05	.83	.95	1.00	1.03	1.07	Value Line		Relative P/E Ratio 1.15
.6%	.7%	.8%	.8%	.6%	.5%	.6%	1.0%	.7%	.8%	1.2%	1.5%	1.5%	1.6%	1.4%	1.2%	estimates		Avg Ann'l Div'd Yield 1.6%
2816.2	2831.4	2628.9	2823.8	3562.5	4475.7	5326.8	5350.2	6857.2	8250.7	9200	9925	Sales ($mill) 12100						
19.7%	24.0%	25.4%	24.5%	25.1%	25.9%	30.5%	28.5%	27.7%	27.8%	30.0%	30.5%	Operating Margin 31.0%						
231.0	192.4	131.1	128.4	188.4	273.0	448.4	305.9	379.1	593.1	530	550	Depreciation ($mill) 610						
377.8	350.6	390.0	459.0	579.2	819.2	919.8	829.3	1141.9	1680.9	2020	2175	Net Profit ($mill) 2585						
35.7%	38.8%	36.2%	35.9%	35.0%	34.2%	32.8%	28.8%	29.6%	22.3%	24.0%	24.0%	Income Tax Rate 24.0%						
13.4%	12.4%	14.8%	16.3%	16.3%	18.3%	17.3%	17.4%	16.7%	20.4%	22.0%	21.9%	Net Profit Margin 21.4%						
1191.5	1266.4	772.6	933.3	1103.7	1591.4	1920.9	1422.9	1889.9	2694.5	3450	4625	Working Cap'l ($mill) 7200						
288.5	505.0	120.0	102.5	116.5	127.0	218.0	197.8	207.8	189.5	185	175	Long-Term Debt ($mill) 150						
2825.8	2508.1	1988.1	2391.6	3243.0	4253.6	4863.1	4379.4	5331.3	6347.5	7000	7925	Shr. Equity ($mill) 10550						
12.3%	12.0%	19.6%	18.7%	17.6%	19.1%	18.7%	21.5%	21.1%	26.2%	29.0%	27.0%	Return on Total Cap'l 25.0%						
13.4%	14.0%	19.6%	19.2%	17.9%	19.3%	18.9%	21.2%	21.4%	26.5%	29.0%	27.0%	Return on Shr. Equity 25.0%						
11.0%	10.9%	15.2%	14.6%	12.8%	14.3%	13.3%	15.5%	15.0%	19.6%	21.0%	20.0%	Retained to Com Eq 18.0%						
18%	22%	22%	24%	28%	26%	30%	27%	30%	26%	29%	28%	All Div'ds to Net Prof 26%						

CAPITAL STRUCTURE as of 12/31/07
Total Debt $269.4 mill. Due in 5 Yrs $90.0 mill.
LT Debt $189.5 mill. LT Interest $7.0 mill. (3% of Cap'l)

Leases, Uncapitalized Annual rentals $143.6 mill.
Pension Assets-12/07 $111.6 mill. Oblig. $174.6 mill.
Pfd Stock None

Common Stock 621,184,870 shares

MARKET CAP: $39.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2005	2006	2007
Cash Assets	796.4	903.2	951.3
Receivables	759.7	913.8	1201.6
Inventory (FIFO)	1233.3	1486.7	1779.1
Other	310.4	383.9	861.3
Current Assets	3099.8	3687.6	4793.3
Accts Payable	237.7	303.0	384.0
Debt Due	231.4	88.0	79.9
Other	1207.8	1406.7	1634.9
Current Liab.	1676.9	1797.7	2098.8

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	12.5%	20.0%	11.5%
"Cash Flow"	15.5%	24.0%	13.0%
Earnings	17.5%	23.5%	14.5%
Dividends	26.5%	26.5%	14.5%
Book Value	9.0%	18.0%	13.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1150	1313	1394	1493	5350
2006	1584	1721	1696	1856	6857
2007	1937	2083	2072	2159	8251
2008	2250	2310	2285	2355	9200
2009	2425	2445	2525	2530	9925

Calendar	EARNINGS PER ADR B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.30	.41	.43	.28	1.42
2006	.33	.48	.49	.47	1.77
2007	.53	1.14	.68	.31	2.66
2008	.74	.96	.80	.75	3.25
2009	.81	1.02	.91	.81	3.55

Calendar	GROSS ANNUAL DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.36	--	--	.36
2005	.43	--	--	--	.43
2006	.48	--	--	--	.48
2007	.62	--	--	--	.62
2008	.94	--			

BUSINESS: Novo Nordisk is a major producer of insulin and diabetes-care products, as well as treatments for coagulation disorders, and hormone replacement therapy products. World market share for insulin; 52%. 2007 sales by region: European Union, 39%; North America, 32%; Japan, 11%; other, 18%. Labor costs, 32% of sales; Research and development, 17.2%. Employees worldwide: 25,515 (49% Denmark). Novo Nordisk Foundation owns 25.5% of total share capital; (2007 Annual). Chairman: Mads Ovlisen. Pres. & CEO: Lars Rebien Sorensen. Inc.: Denmark. Address: Novo Alle, 2880 Bagsvaerd, Denmark. U.S. Address: 100 College Road West, Princeton, New Jersey 08540. Telephone: 609-919-7937. Internet: www.novonordisk.com.

Novo Nordisk continues to report solid growth in its Diabetes Care division. On a currency-neutral basis, operating profits for the segment were up 34% in the first quarter, to $354 million, reflecting good leverage off a sales increase of 10%, to $1.7 billion. The bulk of the advance was driven by continued momentum in modern insulins, sales of which rose 25%, to $810 million. These man-made insulins now make up 57% of Novo's total insulin sales, compared to 49% in the prior-year period. The company's biggest product in this category is *NovoRapid*, with sales of $382 million in the quarter. On the development front, Novo recently filed for U.S. and European regulatory approval for liraglutide, a new once-daily analogue for Type 2 diabetes, with a Japan filing due in the third quarter.

Prospects for further expansion appear stronger outside of the company's European base. Novo retains the number-one position in the global insulin market, with 52% of market share on a volume basis. Although it holds a smaller percentage of the U.S. market compared to Europe (42% vs. 56%), growth here has maintained a faster pace (27% vs. 6% in the latest quarter). China, too, holds promise for sustained sales growth.

The Biopharmaceuticals division continues to turn in decent performance. Sales of hemostatic agent *NovoSeven*, the largest component of the segment, were up 2% in the March interim, to $305 million. More so than in Diabetes Care, however, adverse currency effects masked underlying strength in the business. In local currencies, sales were up 10% in the period, largely due to increased usage in congenital bleeding disorder cases. Novo recently received European Commission approval for a room-temperature-stable version of *NovoSeven*, which allows for faster, more convenient treatment in bleeding episodes. A European launch is scheduled for the second half. Meanwhile, U.S. and Japanese approvals are pending.

These shares remain an attractive selection for momentum investors. However, following the ADR's strong price rise in recent years, appreciation potential out to 2011–2013 now falls below the *Value Line* median.

Mario Ferro *July 18, 2008*

(A) At yearend. (B) Based on avg. shs. outst. and Danish acctg. Egs. per U.S. acctg.: '98, $0.27; '99, $0.36; '00, $0.56; '01, $0.60; '02, $0.87; '03, $1.19; '04, $1.27; '05, $1.18; '06, $1.73. Excl. ext. items: '94, (3¢); '95, (8¢). Excl. non-rec. chrg: '99, 9¢. Next egs. report due late October. (C) Before 25% Danish tax to U.S. residents. Annual div'ds usually paid in March quarter. (D) In mills. Adj. to reflect change in ratio of ADRs to B com. shs 4/11/01 and stock splits.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	95
Earnings Predictability	80

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NEWELL RUBBERMAID NYSE-NWL

RECENT PRICE 17.75 | P/E RATIO 11.1 (Trailing: 10.4 Median: 18.0) | RELATIVE P/E RATIO 0.71 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS 4 Lowered 5/23/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 3/21/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+180%)	31%
Low	30	(+70%)	17%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	2	1	0	0	0	0	1	0	0
Options	0	0	0	1	0	0	0	0	0
to Sell	0	0	0	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	160	180	169
to Sell	215	203	208
Hld's(000)	237728	243959	241384

	High:	43.8	55.2	52.0	31.9	29.5	36.7	32.0	26.4	25.7	30.0	32.2	25.9		Target Price Range 2011	2012	2013
	Low:	30.1	35.7	25.3	18.3	20.5	26.1	20.3	19.0	20.5	23.3	24.2	17.7				

LEGENDS
—— 11.5 x "Cash Flow" p sh
···· Relative Price Strength
Options: Yes
Shaded area indicates recession

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-34.5	-9.7
3 yr.	-2.8	27.3
5 yr.	-16.4	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
9.27	10.46	13.15	15.79	18.08	20.32	22.86	22.75	26.01	25.90	27.88	28.24	24.59	23.11	22.52	23.16	*24.15*	*26.35*	Sales per sh	*28.40*
1.39	1.46	1.70	2.05	2.35	2.64	2.87	2.61	2.80	2.43	2.63	2.50	2.30	2.32	2.41	2.37	*2.30*	*2.45*	"Cash Flow" per sh	*3.10*
1.05	1.05	1.24	1.41	1.62	1.82	1.94	1.65	1.71	1.20	1.58	1.49	1.39	1.53	1.71	1.72	*1.60*	*1.70*	Earnings per sh [A]	*2.35*
.30	.35	.39	.46	.56	.64	.72	.80	.84	.84	.84	.84	.84	.84	.84	.84	*.84*	*.84*	Div'ds Decl'd per sh [B■]	*.84*
.50	.37	.42	.52	.59	.62	.81	.71	1.19	.94	.94	1.09	.44	.34	.50	.57	*.60*	*.60*	Cap'l Spending per sh	*.65*
5.49	6.23	7.13	8.22	9.39	7.63	8.68	9.57	9.16	9.12	7.72	7.35	6.43	5.99	6.87	8.12	*9.20*	*10.55*	Book Value per sh [C]	*15.85*
156.68	157.27	157.77	158.21	158.90	159.20	162.74	281.90	266.60	266.60	267.40	274.40	274.40	274.50	275.30	276.70	*280.00*	*280.00*	Common Shs Outst'g [D]	*280.00*
19.8	17.8	17.3	17.2	16.2	20.9	23.8	24.4	14.5	21.2	20.1	17.6	16.4	15.0	15.5	16.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
1.20	1.05	1.13	1.15	1.14	1.20	1.24	1.39	.94	1.09	1.10	1.00	.87	.80	.84	.89			Relative P/E Ratio	*1.15*
1.4%	1.8%	1.8%	1.9%	1.9%	1.7%	1.6%	2.0%	3.4%	3.3%	2.6%	3.2%	3.7%	3.7%	3.2%	2.9%			Avg Ann'l Div'd Yield	*1.6%*
						3720.0	6413.1	6934.7	6909.3	7453.9	7750.0	6748.4	6342.5	6201.0	6407.3	*6765*	*7100*	Sales ($mill)	*7950*
						20.1%	17.9%	16.9%	14.0%	14.5%	13.0%	13.1%	13.3%	14.8%	10.1%	*13.0%*	*13.5%*	Operating Margin	*15.0%*
						147.5	271.7	292.6	328.8	280.7	278.2	249.1	213.8	193.3	177.0	*185*	*200*	Depreciation ($mill)	*210*
						319.8	465.0	453.8	319.6	423.2	408.0	381.1	423.4	470.7	479.2	*465*	*490*	Net Profit ($mill)	*660*
						39.2%	39.0%	38.2%	33.8%	33.5%	32.3%	28.1%	16.0%	8.6%	23.8%	*28.0%*	*28.0%*	Income Tax Rate	*28.0%*
						8.6%	7.3%	6.5%	4.6%	5.7%	5.3%	5.6%	6.7%	7.6%	7.5%	*6.9%*	*6.9%*	Net Profit Margin	*8.3%*
						769.6	1108.7	1345.9	316.7	465.6	978.2	1141.1	675.3	580.3	87.9	*100*	*250*	Working Cap'l ($mill)	*375*
						1368.2	1955.8	2814.7	1865.0	2356.6	2868.6	2424.3	2429.7	1972.3	1197.4	*1950*	*1850*	Long-Term Debt ($mill)	*1600*
						1912.0	2697.0	2448.6	2433.4	2063.5	2016.3	1764.2	1643.2	1890.2	2247.3	*2575*	*2950*	Shr. Equity ($mill)	*4445*
						10.6%	11.1%	9.8%	9.0%	10.7%	9.7%	10.4%	12.0%	13.7%	15.4%	*10.5%*	*10.0%*	Return on Total Cap'l	*11.0%*
						16.7%	17.2%	18.5%	13.1%	20.5%	20.2%	21.6%	25.8%	24.9%	21.3%	*18.0%*	*16.5%*	Return on Shr. Equity	*15.0%*
						14.4%	8.9%	9.3%	3.8%	9.8%	8.8%	8.5%	11.7%	12.6%	10.9%	*9.0%*	*8.5%*	Retained to Com Eq	*9.5%*
						36%	49%	50%	70%	53%	57%	61%	55%	49%	49%	*50%*	*48%*	All Div'ds to Net Prof	*36%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2858.6 mill. Due in 5 Yrs $1745.0 mill.
LT Debt $1946.9 mill. LT Interest $135.0 mill.
Incl. $450.0 mill. 5¼% cv. pfd. secs. ('01), callable at $50.53 each, cv. into 0.9865 shs. at $50.
(Total interest coverage: 5.8x) (46% of Cap'l)

Leases, Uncapitalized Annual rentals $81.7 mill.
Pension Assets-12/07 $1217.0 mill.
Oblig. $1418.3 mill.

Pfd Stock None
Common Stock 276,900,000 shs.

MARKET CAP: $4.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	201.0	329.2	752.1
Receivables	1113.8	1166.4	1029.6
Inventory (LIFO)	850.6	940.4	1091.7
Other	311.7	215.7	229.7
Current Assets	2476.9	2651.7	3103.1
Accts Payable	549.9	616.9	571.6
Debt Due	277.5	987.5	911.7
Other	1069.2	959.4	819.5
Current Liab.	1896.6	2563.8	2302.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	2.5%	-3.0%	*3.5%*
"Cash Flow"	--	-2.0%	*4.5%*
Earnings	--	2.0%	*6.0%*
Dividends	4.5%	--	*Nil*
Book Value	-2.0%	-4.0%	*14.5%*

Calendar	QUARTERLY SALES ($ mill.) [F] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1363	1645	1584	1749	6342.5
2006	1342	1634	1586	1638	6201.0
2007	1384	1693	1687	1642	6407.3
2008	1434	*1785*	*1780*	*1766*	*6765*
2009	*1510*	*1880*	*1860*	*1850*	*7100*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.33	.30	.50	.40	1.53
2006	.47	.49	.42	.33	1.71
2007	.23	.51	.61	.37	1.72
2008	.21	*.49*	*.56*	*.34*	*1.60*
2009	*.20*	*.48*	*.62*	*.40*	*1.70*

Calendar	QUARTERLY DIVIDENDS PAID [B■] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.21	.21	.21	.21	.84
2005	.21	.21	.21	.21	.84
2006	.21	.21	.21	.21	.84
2007	.21	.21	.21	.21	.84
2008	.21	.21			

BUSINESS: Newell Rubbermaid Inc. markets and manufactures namebrand consumer products to department/specialty stores, warehouse clubs, and other volume purchasers. Multi-product offerings are divided into four segments: Cleaning & Org. (33% of '07 net sales), Office Prod. (32%), Home Fash. (15%), Tools & Hardware (20%). Products include: storage systems, cookware, glassware, strollers, children's toys, window furnishings, and writing instruments. Has about 22,000 employees. T. Rowe Price owns 8.8% of stock; Wellington Mgmt, 11.4%; Goldman Sachs, 8.1%; Off./dir., less than 1.0% (3/08 proxy). Pres./CEO: Mark D. Ketchum. Inc.: DE. Address: 10 B Glenlake Parkway, Suite 600, Atlanta, GA 30328. Tel.: 770-670-2232. Internet: www.newellrubbermaid.com.

A more difficult operating environment has taken its toll on Newell Rubbermaid's bottom line. Indeed, the household goods conglomerate's share net fell almost 9% during the first quarter. Further, management recently lowered its full-year guidance due to rising inflation and the struggling domestic market environment. And, though recent Aprica and Technical Products acquisitions should bolster top-line growth, they may be dilutive to earnings per share. All told, we think that because of these combined factors, profits will fall 7% in 2008.

It should see some relief from recent initiatives further down the road. Even though we look for Newell to post weak year-over-year earnings comparisons until the back half of 2009, management's efforts should help position the company for long-term growth. In order to counter inflationary input prices, NWL has worked to improve its cost structure. Indeed, its companywide program "Project Acceleration" should deliver, in total, $150 million in cost savings by the end of 2009. In addition, the company will likely evaluate its product pricing to better cover rising raw material costs. Product innovation and branding remains a high priority, even during leaner times. NWL expanded its core business, and extended its Commercial Products segment, with the introduction of a commercial vacuum and a motorized tilt truck to its offerings. It is also working to widen its geographic footprint to offset weaker American business.

These shares are ranked to underperform the broader market averages in the coming months (Timeliness: 4). NWL stock recently fell to a 52-week low. There is currently an IRS investigation under way at the Atlanta-based company, regarding allegations that Newell entered into a $450 million deal with the Dutch Rabobank Group to avoid paying taxes. And this, coupled with macroeconomic struggles, has put this issue out of Wall Street's favor. The pullback in price has significantly widened this issue's 3- to 5-year capital gains potential. Still, this issue possesses a low score for Price Growth Persistence. And, in our opinion, it is best suited for intrepid accounts with a long-term bent.

Orly Seidman *July 4, 2008*

(A) Fully diluted earnings. Excl. nonrecurring gain/(loss): '92, (29¢); '98, 44¢; '99, ($1.31); '00, 14¢; '01, 21¢; '02, ($2.34); '03, ($1.66); '04, ($1.81); '05, 63¢; '06, 31¢; '07, 4¢. Next egs. report due late July.
(B) Divs. hist. paid mid-March, June, Sept, and Dec. ■Div'd reinvest. plan avail. (C) Incl. intang. In '07: $3,110.5 mill., $11.24/sh.
(D) In millions adj. for split.
(E) Merged with Rubbermaid Inc. (3/99).
(F) Sales may not sum due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	10
Earnings Predictability	85

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HEARING EXHIBIT 00000421

NEW YORK COM'UNITY NYSE-NYB

RECENT PRICE 17.87 | P/E RATIO 17.9 (19.9 / 17.0) | RELATIVE P/E RATIO 1.18 | DIV'D YLD 5.6% | VALUE LINE

TIMELINESS 3 Raised 10/12/07
SAFETY 3 Lowered 4/26/02
TECHNICAL 3 Lowered 6/6/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+70%)	17%
Low	20	(+10%)	8%

Insider Decisions

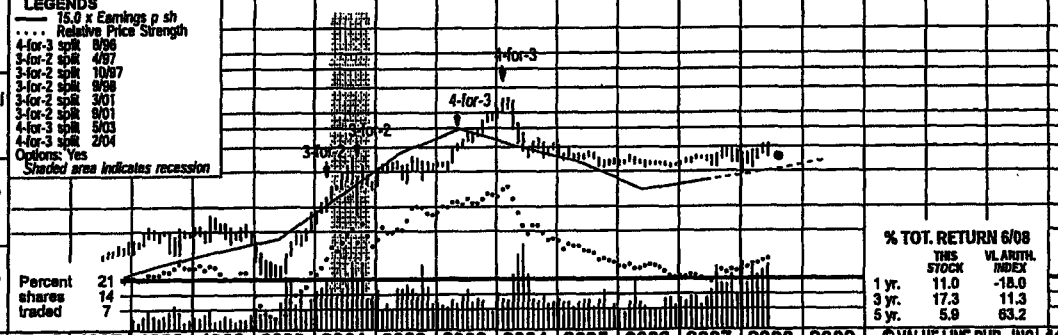
	A	S	O	N	D	J	F	M	A
to Buy	2	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	0	0	2	0
to Sell	0	0	0	0	0	0	0	3	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	139	170	148
to Sell	124	124	151
Hld's(000)	172684	182590	188894

High: 6.8 7.9 9.0 9.5 17.8 18.0 29.7 35.6 20.6 18.2 19.9 20.7
Low: 3.4 5.7 6.4 4.3 8.3 12.7 15.3 17.6 15.7 15.7 15.8 14.4

LEGENDS
15.0 x Earnings p sh
Relative Price Strength
4-for-3 split 8/96
3-for-2 split 4/97
3-for-2 split 10/97
3-for-2 split 9/98
3-for-2 split 3/01
3-for-2 split 9/01
4-for-3 split 5/03
4-for-3 split 2/04
Options: Yes
Shaded area indicates recession



Target Price Range 2011 2012 2013
80 60 50 40 30 25 20 15 10 7.5

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	11.0	-18.0
3 yr.	17.3	11.3
5 yr.	5.9	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	7.33	8.81	9.60	11.84	16.15	20.28	21.98	31.93	41.27	47.89	69.99	69.33	68.78	70.95	70.26	70.00	75.00	Mortgage Loans per sh	98.75
--	6.54	7.08	8.23	9.94	11.95	14.84	14.75	27.53	30.11	27.98	42.26	39.23	44.87	42.73	40.63	40.75	42.05	Savings Deposits per sh	47.15
--	.10	.17	.19	.21	.27	.34	.40	.46	.75	1.25	1.65	1.33	1.11	.81	.90	1.00	1.15	Earnings per sh A	1.65
--	--	.01	.02	.06	.10	.17	.25	.25	.30	.43	.66	.96	1.00	1.00	1.00	1.00	1.00	Div'ds Decl'd per sh B ■	1.05
--	1.56	1.73	1.92	2.05	1.91	2.01	1.88	2.60	5.43	7.05	11.18	12.02	12.32	12.49	12.92	12.80	12.90	Book Value per sh C	14.45
--	123.88	118.65	113.29	103.00	89.47	74.27	72.93	118.31	181.05	187.84	256.65	265.19	269.78	295.35	323.81	343.50	345.00	Common Shs Outst'g D	350.00
--	12.4	6.7	9.7	12.9	19.0	20.8	18.9	12.8	16.7	12.7	13.1	17.9	15.9	20.6	19.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
--	.73	.57	.65	.81	1.10	1.08	1.08	.83	.86	.69	.75	.95	.85	1.11	1.03			Relative P/E Ratio	1.00
--	--	.4%	.9%	2.3%	2.0%	2.4%	3.3%	4.2%	2.4%	2.7%	3.0%	4.0%	5.7%	6.0%	5.7%			Avg Ann'l Div'd Yield	4.2%
						136.8	145.6	183.0	474.4	701.3	913.1	1127.9	1276.7	1497.7	1677.8	1800	2005	Gross Income ($mill)	2460
						48.1%	51.0%	55.6%	45.8%	32.3%	26.7%	34.7%	45.7%	56.6%	56.6%	54.0%	53.5%	Int Cost to Gross Inc	49.0%
						26.9	30.2	35.9	104.5	229.2	323.4	355.1	292.1	232.6	279.1	330	395	Net Profit ($mill)	570
						40.3%	39.6%	36.3%	40.2%	31.8%	34.4%	33.3%	34.3%	33.3%	30.6%	33.0%	34.0%	Income Tax Rate	34.0%
						19.7%	20.7%	19.6%	22.0%	32.7%	35.4%	31.5%	22.9%	15.5%	16.6%	18.3%	19.7%	Net Profit Margin	23.2%
						1746.9	1906.8	4710.8	9202.6	11313	23441	24038	26284	28462	30580	32000	34500	Total Assets ($mill)	42000
						439.1	636.4	958.7	1776.8	2251.2	2385.8	3449.9	5409.5	7240.7	7762.4	8500	10000	FHLB Advances ($mill)	14500
						149.4	137.1	307.4	983.1	1323.5	2868.7	3186.4	3324.9	3689.8	4182.3	4400	4450	Shr. Equity ($mill)	5050
						--	--	618.0	1200.0	2381.7	4300.0	6040.5	6331.6	10165.5	5611.3	8500	9500	New Loan Volume ($mill)	12000
						.4%	.2%	.3%	.3%	.3%	.3%	.2%	.2%	.1%	.1%	.1%	.1%	Problem Assets to Lns	.1%
						8.6%	7.2%	6.5%	10.7%	11.7%	12.2%	13.3%	12.7%	13.0%	13.7%	14.0%	13.0%	Shr. Eq. to Total Assets	12.0%
						19.0%	14.8%	13.3%	15.5%	19.0%	18.5%	17.2%	18.5%	17.1%	17.9%	17.5%	16.5%	G&A Exp to Gross Inc	15.5%
						1.54%	1.58%	.76%	1.14%	2.03%	1.38%	1.48%	1.11%	.82%	.91%	1.05%	1.15%	Return on Total Assets	1.35%
						18.0%	22.0%	11.7%	10.6%	17.3%	11.3%	11.1%	8.8%	6.3%	6.7%	7.5%	9.0%	Return on Shr. Equity	11.5%

CAPITAL STRUCTURE as of 3/31/08

FHLB Advances and Other Borrowings $12840 mill. (76% Debt + Equity)

Leases, Uncapitalized Annual rentals $21.7 mill.

Pension Assets-12/07 $134.4 mill. Oblig. $106.0 mill.

Pfd Stock None

Common Stock 325,317,514 shs. as of 5/05/08

MARKET CAP: $5.8 billion (Large Cap)

EARNINGS FACTORS

Margin (%)	2006	2007	3 mos. 3/31/08
Earning Asset Yield	5.69	6.05	6.04
Cost of Funds	3.65	3.92	3.85
Yield-Cost Margin	2.04	2.13	2.19

Net Changes ($mill.)	2006	2007	3 mos. 3/31/08
Loans & Securities	1907.5	1528.2	117.6
Deposits	514.1	538.3	361.6
FHLB Advances & Other Borrowing	1351.3	1035.7	-75.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Mortgage Lns	19.0%	11.5%	6.0%
Savings Dep	15.5%	8.5%	1.5%
Earnings	15.5%	2.5%	10.0%
Dividends	32.5%	25.0%	1.0%
Book Value	20.5%	20.0%	2.5%

Calendar	SAVINGS DEPOSITS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	10588	11538	11135	12105
2006	12303	13614	13752	12619
2007	12414	13769	13568	13157
2008	13519	13625	13750	14000
2009	14125	14250	14375	15000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.35	.33	.30	.14	1.11
2006	.25	.18	.21	.18	.81
2007	.22	.12	.35	.21	.90
2008	.22	.24	.26	.28	1.00
2009	.28	.28	.29	.30	1.15

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.21	.25	.25	.25	.96
2005	.25	.25	.25	.25	1.00
2006	.25	.25	.25	.25	1.00
2007	.25	.25	.25	.25	1.00
2008	.25	.25			

BUSINESS: New York Community Bancorp is a multi-bank holding company with two primary subsidiaries. Operates 179 savings bank branches spread throughout the five boroughs of New York City, Long Island, Westchester County, and seven counties in New Jersey. Also operates a 38-branch commercial branch network serving customers in Manhattan, Queens, Brooklyn, Westchester County, and Long Island. Acquired Richmond County Fin'l, '01; Roslyn Bancorp, '03; Long Island Fin., '05; Atlantic Bank, '06; PennFed Fin., 4/07; Synergy Fin., 10/07. Has 2,834 employees. Officers & directors own 6.7% of stock; Fidelity, 6.1% (4/08 Proxy). Chairman, Pres. & CEO: Joseph Ficalora. Address: 615 Merrick Ave., Westbury, NY 11590. Tel.: 516-683-4100. Internet: www.myNYCB.com.

New York Community Bancorp stock has held up better than most in the downtrodden financial sector. That's mainly owing to the bank's stellar credit quality. The focus on lending to apartment owners with buildings in the densely populated boroughs of New York City has meant no need to record a loan loss provision in recent history. That's in stark contrast to the major difficulties that many single-family residential lenders are enduring. The shares have been mostly stable as a result, as some investors wishing to maintain an allocation in the sector have switched into NYB stock. The high dividend yield here is another plus.

The company recently issued equity that brought in around $340 million. In May, a stock offering of 17.8 million shares for $19.35 apiece was well-received by the investment community. Most of the proceeds were used to pay off higher-cost borrowings. (We're excluding a related aftertax charge of around $0.40 a share from our second-quarter 2008 estimate.) Margins are expected to improve following the move. But given that overall weakness in the economy may affect volume, we are leaving our earnings estimates unchanged.

It's been tough making bottom-line headway. Revenue gains have been offset by higher expenses and an increased share count lately. And, although some of the irrational loan pricing that was prevalent in the market has gone away, there still don't appear to be any easy pickings. Balance sheet growth may be modest in the next year or two. Ideally, New York Community would like to pick up more commercial loans to complement its core multifamily business. The company expanded its commercial lending capacity through acquisitions in recent years, but may not be able to take full advantage of the buildup until a better economic backdrop takes hold.

The stock continues to be neutrally ranked for Timeliness in the absence of a sustained pickup in earnings. The appeal here is primarily for good current income. The dividend isn't yet covered by earnings, but cash flow appears sufficient to maintain the payout. We estimate that dividend coverage will improve in the coming months, as well, as a result of lower funding costs.

Robert Mitkowski, Jr. *July 18, 2008*

(A) Diluted earnings. Excludes nonrecurring gain (loss): '99, 3¢; '00, (15¢). Quarterly earnings may not sum due to rounding. Next earnings report due late July.
(B) Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
(C) Includes $2.5 billion, or $7.87 a share, of intangibles at 12/31/07.
(D) In mill., adjusted for stock splits.

Company's Financial Strength	B
Stock's Price Stability	80
Price Growth Persistence	50
Earnings Predictability	60

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REALTY INCOME CORP. NYSE-O

RECENT PRICE 23.88 | P/E RATIO 21.7 (23.4 / 18.0) | RELATIVE P/E RATIO 1.43 | DIV'D YLD 7.2% | VALUE LINE

TIMELINESS 4 Lowered 5/16/08
SAFETY 3 New 4/20/07
TECHNICAL 4 Raised 7/11/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+70%)	19%
Low	25	(+5%)	8%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	1	0	0
Options	0	0	0	0	0	0	0	0	1
to Sell	0	0	0	6	0	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	90	137	117
to Sell	80	85	94
Hld's(000)	42569	49865	49275

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:						13.9	13.7	12.5	12.8	15.1	18.5	20.7	25.3	25.7	28.5	30.7	28.2			Target Price Range
Low:						11.3	11.7	10.0	9.6	12.1	13.5	16.4	12.4	21.1	21.3	22.9	20.3			2011 2012 2013
Book Value per sh	--	--	--	--	--	8.43	8.39	8.11	7.83	8.72	8.93	9.61	9.96	10.34	13.79	11.98	*12.30*	*13.45*	Book Value per sh	*15.25*
Funds from Ops per sh	--	--	--	--	--	1.11	1.18	1.23	1.26	1.19	1.38	1.37	1.49	1.62	1.73	1.89	*1.90*	*2.00*	Funds from Ops per sh	*2.55*
Earnings per sh [A E]	--	--	--	--	--	.86	.76	.84	.91	.87	1.05	1.04	1.06	1.07	1.05	1.03	*1.10*	*1.20*	Earnings per sh [A E]	*1.60*
Div'ds Decl'd per sh [B m]	--	--	--	--	--	.95	.99	1.05	1.05	1.13	1.16	1.18	1.24	1.35	1.45	1.56	*1.67*	*1.78*	Div'ds Decl'd per sh [B m]	*2.20*
Lns & Real Est per sh [D]	--	--	--	--	--	11.62	13.49	16.17	16.76	14.74	14.88	17.42	17.74	22.54	26.15	27.63	*29.45*	*30.50*	Lns & Real Est per sh [D]	*39.55*
Common Shs Outst'g [C]	--	--	--	--	--	47.14	53.26	53.64	53.37	65.66	69.75	75.82	79.30	79.95	89.77	100.20	*102.50*	*105.00*	Common Shs Outst'g [C]	*110.00*
Avg Ann'l P/E Ratio	--	--	--	--	--	153%	146%	133%	160%	172%	199%	208%	254%	218%	220%	230%			Premium Over Book	*210%*
Avg Ann'l P/FFO Ratio	--	--	--	--	--	19.5	16.9	13.6	12.5	15.9	15.9	18.3	20.5	22.1	23.0	26.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
Avg Ann'l Div'd Yield	--	--	--	--	--	11.6	10.9	9.3	9.0	11.7	12.3	13.9	14.6	15.0	13.9	14.6			Avg Ann'l P/FFO Ratio	12.5
	--	--	--	--	--	7.4%	7.7%	9.2%	9.2%	8.1%	7.0%	6.2%	5.8%	5.7%	6.0%	5.7%			Avg Ann'l Div'd Yield	6.9%
Rental Income ($mill)						84.9	104.3	117.2	122.1	137.1	149.3	174.4	196.3	238.1	290.2	*315*	*335*		Rental Income ($mill)	*450*
Other Income ($mill)						.3	.2	1.1	4.2	3.8	6.8	1.2	.4	2.0	6.3	*10.0*	*10.0*		Other Income ($mill)	*20.0*
Operating Margin						64.5%	66.9%	67.9%	68.4%	70.2%	72.9%	68.2%	66.7%	66.4%	69.0%	*65.0%*	*69.0%*		Operating Margin	*69.5%*
Net Profit ($mill) [E]						41.0	45.3	48.1	57.1	73.1	79.2	84.1	89.2	106.1	127.4	*135*	*155*		Net Profit ($mill) [E]	*200*
Net Profit Margin						48.3%	43.4%	41.0%	46.8%	53.0%	53.1%	48.2%	45.4%	44.6%	43.0%	*41.5%*	*45.0%*		Net Profit Margin	*42.5%*
Capital Gains ($mill)						--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*		Capital Gains ($mill)	*Nil*
Lns & Real Est ($mill) [D]						718.3	867.1	894.3	967.7	1038.1	1320.6	1406.7	1802.0	2347.1	2768.1	*3020*	*3200*		Lns & Real Est ($mill) [D]	*4350*
Long-Term Debt ($mill)						294.8	349.2	404.0	315.3	339.7	506.4	503.6	891.7	920.0	1470.0	*1575*	*1700*		Long-Term Debt ($mill)	*2100*
Shr. Equity ($mill)						450.2	534.8	515.6	671.8	722.5	827.8	913.7	989.2	1576.0	1538.1	*1600*	*1750*		Shr. Equity ($mill)	*2175*
Div'ds Decl'd to FFO						83.9%	85.4%	83.3%	95.0%	85.3%	86.1%	83.9%	83.3%	83.3%	82.5%	*88.0%*	*88.0%*		Div'ds Decl'd to FFO	*86.0%*
Expenses to Assets						2.9%	3.7%	4.1%	4.0%	3.5%	3.2%	3.5%	3.2%	2.9%	3.0%	*3.0%*	*3.0%*		Expenses to Assets	*3.0%*
Return on Total Cap'l						6.4%	6.5%	6.9%	7.1%	8.0%	6.9%	7.1%	5.8%	5.3%	5.3%	*5.5%*	*6.0%*		Return on Total Cap'l	*6.0%*
Return on Shr. Equity						9.1%	8.5%	9.3%	8.5%	10.1%	9.6%	9.2%	9.0%	6.7%	8.3%	*8.5%*	*9.0%*		Return on Shr. Equity	*9.0%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1470.0 mill. Due in 5 Yrs $120.0 mill.
Total Interest $65.0 mill.
(Total Interest coverage: 2.3x) (49% of Cap'l)

No Defined Benefit Pension Plan
Pfd Stock $337.8 mill. Pfd. Div'd $24.6 mill.
13.9 mill. 6.75% cum. liqu. val. $25/sh.
(11% of Cap'l)
Common Stock 101,297,237 shs.
as of 4/23/08

MARKET CAP: $2.4 billion (Mid Cap)

FUNDS FLOW ($mill.)	2006	2007	3/31/08
Net Profit Plus			
Noncash charges	165.6	204.6	52.7
Net New Debt	28.3	--	--
New Equity	586.8	-37.9	--
Investments Funded	769.9	506.4	180.7
Dividends Declared	130.0	182.3	47.6

FINANCIAL POSITION	3/31/07	3/31/08
Senior Debt (mill.)	920.0	1470.0
Subordinated Debt (mill.)	--	--
Sr Debt/Cap'l Funds	.37:1	.49:1
Total Debt/Equity	.59:1	.97:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	--	--
Non-Earn Assets—%/Invests.	--	--

Calendar	LOANS & REAL ESTATE ($ mill.) [D] Mar.31	Jun.30	Sep.30	Dec.31
2005	1469.2	1522.9	1748.7	1802.0
2006	1877.3	1916.7	1996.2	2347.1
2007	2511.2	2480.5	2746.2	2768.1
2008	2933.6	*2960*	*2985*	*3020*
2009	*3065*	*3110*	*3155*	*3200*

Calendar	EARNINGS PER SHARE [A E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.26	.26	.26	.28	1.07
2006	.25	.25	.26	.29	1.05
2007	.28	.26	.25	.24	1.03
2008	.24	*.25*	*.30*	*.30*	*1.10*
2009	*.30*	*.30*	*.30*	*.30*	*1.20*

Calendar	QUARTERLY DIVIDENDS PAID [B m] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.30	.30	.31	.33	1.24
2005	.33	.33	.34	.35	1.35
2006	.35	.36	.36	.38	1.45
2007	.38	.38	.39	.41	1.56
2008	.41	.41			

BUSINESS: Realty Income Corporation, which was formed through the merger of 25 public and private partnerships, commenced operations as a real estate investment trust on August 15, 1994. As of December 31, 2007, the company owned 2,270 properties located in 49 states containing approximately 18.5 million leasable square feet, with a 97.9% occupancy rate. In addition, Realty Income's wholly owned subsidiary, Crest Net Lease, Inc., owned 30 properties, as of the above date. Has 75 employees. Officers and directors own 2.6% of common stock (3/08 proxy). Chairman: William E. Clark, Jr. Chief Executive Officer: Thomas A. Lewis, Inc.: DE. Address: 220 West Crest Street, Escondido, CA 92025. Tel.: (760) 741-2111. Internet: http://www.realtyincome.com.

Realty Income will likely slow down its acquisition activity this year. The protracted real estate slump may be here to stay, for now, due to creeping unemployment, waning consumer confidence, and the threat of a recession looming. Too, lofty asking prices for choice properties and the dearth of financing are also taking a toll on spending. Consequently, after rising at a rapid clip over the past few years, portfolio growth will probably settle at 9% and 5%, respectively, in 2008 and 2009.

Revenues and funds from operations (FFO) may be a mixed bag over the next few years. Realty's portfolio has grown nearly 30% over the last three years, which may help offset the slower pace of growth that's likely to occur during the current credit crunch. Although revenues will probably advance 9%–10% and 6%–7%, respectively, this year and next, FFO in 2008 may be flat with 2007's tally, before returning to form in 2009.

The company's disciplined approach is an asset. The balance sheet is moderately leveraged (49% debt-to-capital), and Realty carries no mortgage debt on any of its properties, leaving it well positioned to meet its obligations, and should make its performance less volatile.

Realty's diversified portfolio should serve it well over the long haul. The company has accumulated nearly 2,400 properties across 49 states, limiting its exposure to a downturn in any one market. And its holdings are leased to 119 retail chains spread over 30 industries, with no single industry comprising over 25% of its portfolio. Another factor is the company's net-lease agreements, where the tenant pays a portion of operating expenses, cutting down on costs and widening margins.

Untimely Realty Income shares offer subpar capital gains potential over the pull to 2011–2013. Too, the stock is ranked to trail the broader market over the next six to 12 months. However,

The stock continues to feature a stellar dividend yield, which may be of interest to income-minded investors. Furthermore, the company, which pays a dividend monthly instead of quarterly, has increased the payout fractionally every month for 10 years, making this a good selection for conservative accounts.

Sharif Abdou *July 18, 2008*

(A) Based on year-end shs. outs. Excl. nonrec. gains: '97, 2¢; '99, 2¢; '00, 13¢; '01, 15¢; '02, 8¢; '03, 10¢; '04, 24¢; '05, 12¢; '06, 5¢; '07, 13¢. 2005 egs. do not sum due to rounding.
Next egs. report due in late July.
(B) Dividends are paid at the end of each month. ■ Div'd reinvestment plan avail.
(C) In millions, adjusted for split.
(D) Real estate at cost minus acc. depr.
(E) Net profit based on income from continuing operations. Egs. based on income from continuing operations less preferred dividends.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	65
Earnings Predictability	100

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OWENS & MINOR, INC. NYSE-OMI

RECENT PRICE 45.91 | P/E RATIO 19.5 (Trailing: 20.6 Median: 17.0) | RELATIVE P/E RATIO 1.26 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 2 Raised 5/2/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 8/15/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

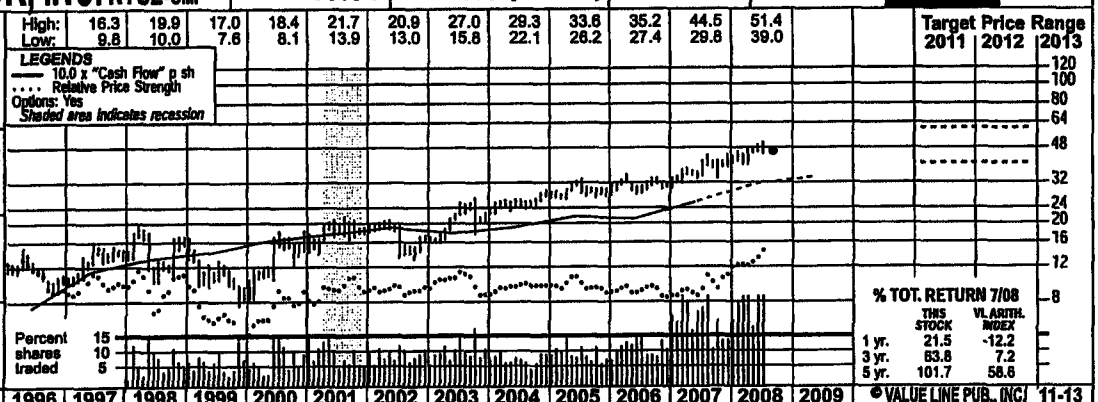
	Price	Gain	Ann'l Total Return
High	60	(+30%)	9%
Low	40	(-15%)	-1%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	2	0	0	9	1	5	4	1
to Sell	1	0	0	0	9	1	4	4	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	83	110	114
to Sell	108	83	97
Hld's(000)	39629	42233	40286



Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	21.5	-12.2
3 yr.	63.8	7.2
5 yr.	101.7	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
40.05	45.91	77.88	96.45	94.62	96.76	94.49	97.41	105.59	112.59	116.08	108.88	114.50	122.03	137.46	166.38	173.50	179.75	Sales per sh	200.00
.72	.86	1.12	.30	.75	1.14	1.32	1.43	1.65	1.77	1.91	1.78	1.91	2.17	2.24	2.56	3.15	3.45	"Cash Flow" per sh	4.25
.52	.60	.72	d.20	.25	.60	.75	.80	.94	1.03	1.30	1.42	1.53	1.66	1.38	1.79	2.35	2.65	Earnings per sh A	3.40
.11	.14	.17	.18	.18	.18	.20	.23	.25	.27	.31	.35	.44	.52	.60	.68	.80	.88	Div'ds Decl'd per sh B■	1.12
.17	.21	.22	.69	.41	.37	.39	.68	.59	.50	.29	.45	.46	.86	.55	.49	.50	.53	Cap'l Spending per sh	.57
3.97	4.50	4.59	3.90	3.99	4.48	4.94	5.58	6.41	6.97	7.96	10.53	11.65	12.96	13.60	15.03	17.35	19.65	Book Value per sh C	27.25
29.39	30.43	30.76	30.86	31.91	32.21	32.62	32.71	33.18	33.89	34.11	38.98	39.52	39.52	40.26	40.87	41.50	42.00	Common Shs Outst'g D	43.50
16.3	20.2	21.5	--	NMF	21.6	19.4	13.9	14.3	17.5	13.3	14.5	16.6	17.5	22.5	20.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.99	1.19	1.41	--	NMF	1.25	1.01	.79	.93	.90	.73	.83	.88	.93	1.21	1.08			Relative P/E Ratio	1.00
1.3%	1.2%	1.1%	1.4%	1.6%	1.4%	1.4%	2.1%	1.8%	1.5%	1.8%	1.7%	1.7%	1.8%	1.9%	1.8%			Avg Ann'l Div'd Yield	2.9%
3082.1	3186.4	3503.6	3815.0	3959.8	4244.1	4525.1	4822.4	5533.7	6800.4	7200	7550	Sales ($mill)	7925
2.8%	2.9%	3.1%	2.9%	2.9%	2.7%	2.7%	2.9%	2.3%	2.5%	2.8%	3.0%	Operating Margin	3.5%
18.3	19.4	21.5	22.5	15.9	15.7	14.9	19.3	28.9	31.8	32.0	34.0	Depreciation ($mill)	35.0
26.8	27.4	33.1	37.4	49.3	53.6	60.5	66.6	55.9	72.7	98.0	112	Net Profit ($mill)	150
41.8%	44.2%	45.0%	53.4%	38.6%	38.9%	38.0%	39.0%	37.6%	39.5%	39.5%	40.0%	Income Tax Rate	40.0%
.9%	.9%	.9%	1.0%	1.2%	1.3%	1.3%	1.4%	1.0%	1.1%	1.3%	1.5%	Net Profit Margin	1.7%
235.2	219.5	233.6	311.8	385.1	385.8	434.0	405.7	596.2	521.4	570	675	Working Cap'l ($mill)	1000
282.0	306.6	284.9	335.4	365.3	209.5	207.5	204.4	433.1	283.8	215	200	Long-Term Debt ($mill)	150
161.1	182.4	212.8	236.2	271.4	410.4	460.3	512.0	547.5	614	720	825	Shr. Equity ($mill)	1185
8.5%	7.5%	8.6%	7.7%	8.6%	9.4%	10.0%	10.1%	6.4%	9.3%	11.3%	11.6%	Return on Total Cap'l	11.7%
16.6%	15.0%	15.6%	15.8%	18.1%	13.1%	13.1%	13.0%	10.2%	11.8%	13.5%	13.5%	Return on Shr. Equity	12.5%
10.9%	10.9%	11.7%	11.9%	14.3%	10.0%	9.4%	9.0%	5.8%	7.3%	9.0%	9.0%	Retained to Com Eq	8.5%
35%	27%	25%	25%	21%	24%	29%	31%	43%	38%	34%	33%	All Div'ds to Net Prof	36%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $221.0 mill. Due in 5 Yrs Nil
LT Debt $221.0 mill. LT Interest $18.0 mill.
(LT int. earned: 9.1x) (25% of Cap'l)

Leases, Uncapitalized Annual rentals $51.7 mill.

Pension Assets $29.2 mill. Oblig. $30.6 mill
Pfd Stock None

Common Stock 41,344,042 shs.
as of 7/31/08
MARKET CAP: $1.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	5.1	2.1	4.9
Receivables	539.2	462.4	474.2
Inventory (LIFO)	666.5	581.6	632.9
Other	55.9	43.7	54.4
Current Assets	1266.7	1089.8	1166.4
Accts Payable	542.6	469.1	555.7
Debt Due	--	--	--
Other	127.9	99.3	100.0
Current Liab.	670.5	568.4	655.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.0%	5.0%	6.0%
"Cash Flow"	12.0%	5.0%	11.0%
Earnings	22.0%	8.0%	13.5%
Dividends	13.0%	17.0%	11.0%
Book Value	13.0%	14.5%	12.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1193.6	1210.8	1202.0	1216.0	4822.4
2006	1262.0	1300.3	1319.2	1652.2	5533.7
2007	1686.0	1679.0	1687.0	1748.4	6800.4
2008	1752.7	1795.0	1798.3	1854	7200
2009	1845	1860	1910	1935	7550

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.40	.40	.42	.44	1.66
2006	.41	.43	.36	.18	1.38
2007	.27	.45	.52	.55	1.79
2008	.59	.57	.57	.62	2.35
2009	.60	.65	.65	.75	2.65

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.11	.11	.11	.11	.44
2005	.13	.13	.13	.13	.52
2006	.15	.15	.15	.15	.60
2007	.17	.17	.17	.17	.68
2008	.20	.20			

BUSINESS: Owens & Minor, Inc. distributes about 150,000 brand name medical and surgical supplies from 41 warehouses to acute care hospitals and hospital-based systems nationwide (approximately 4,000 customers). Deals mainly with acute care hospitals and integrated healthcare networks (95% of '07 sales). Acquired Stuart Medical in 5/94; Medix, 7/99. Wholesale drug div. discont. '91. Depreciation rate in 2007: 22.1%. Has 4,800 employees. Barclay's Global Investors owns 5.1% ; Wellington Management, 6.2%; T. Rowe Price, 5.8%; Vanguard, 5.1%; Officers/Directors, 4.2% (3/08 proxy). Chairman: G.G. Minor III. CEO: Craig Smith. Incorporated: V.A. Address: 9120 Lockwood Blvd., Mechanicsville, V.A. 23116. Tel.: 804-723-7000. Internet: www.owens-minor.com.

We are increasing our share-net estimates for Owens & Minor by a nickel, for 2008 and 2009. Top- and bottom-line advances during the second quarter of almost 7.0% and 27.0%, respectively, are signs that OMI is relatively sheltered from economic downturns. We expect strong demand for OMI's products to continue to facilitate robust sales and earnings advances for the rest of the year. Inflationary hikes, like rising fuel costs, will likely thwart performance a bit, but we do not expect top- and bottom-line growth trends to run out of steam soon.

The Healthcare environment has ample room for OMI to expand. OMI is gaining ground on claiming former McKesson customers (some of whom opted to sever ties with McKesson after it was acquired by Owens & Minor last year). By expanding relationships, it is augmenting the distribution base by adding to its customer spread. Also, OMI's private-label *MediChoice* has been getting some attention, as these medical and surgical products provide a low-cost alternative to similar brand-named pricier items.

Owens & Minor is working feverishly to keep costs at bay. SG&A expenses were relatively flat, year over year. Manufacturer price increases and a lower interest rate, coupled with lower-than-expected debt levels, enhanced OMI's operating leverage during the June quarter.

But expenses can still escalate and dampen the share-net horizon. Efficiency and infrastructural investments could possibly escalate operating costs in the latter half of this year as some of these plans were delayed up until now. This, in turn, may place capital-intensive burdens on OMI. Unusually high numbers of facility shifts have hampered this company before, and can reoccur, thus driving expenses on an upward trajectory.

This timely stock is well-suited for short-term investors. OMI is a heavyweight in the U.S. hospital supply market and, give or take slight variants like reimbursement changes, still has solid growth prospects. However, capital appreciation potential for the 3- to 5-year period is well below average, as we believe the current stock price discounts our earnings growth expectations.

Nira Maharaj *August 29, 2008*

(A) Primary thru '98, then diluted. Excl. nonrec.: '92, 17¢; '93, 5¢; '94, (57¢); '95, (33¢); '98, (20¢); '99, 2¢; '01, (18¢); '02, (5¢); '03, (6¢); '05, (5¢); '06, (17¢). Excludes extraordinary items: '01, (17¢); '02, 1¢. Next earnings report due late October.
(B) Divs. historically paid late March, June, Sept., Dec. ■ Div'd reinvestment plan available.
(C) Incl. intangibles, in 2007: $304.2 million, $7.44/share.
(D) In millions.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	90
Earnings Predictability	70

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HEARING EXHIBIT 00000424

OLD NAT'L BANCORP NYSE-ONB

RECENT PRICE 16.92 | P/E RATIO 14.5 (Trailing: 13.3 Median: 18.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 5.4% | VALUE LINE

TIMELINESS 3 Raised 8/19/05
SAFETY 3 Lowered 6/20/08
TECHNICAL 3 Lowered 6/13/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+75%)	19%
Low	20	(+20%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	16	0	1	1	0	1	1	1
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	63	63	90
to Sell	51	55	49
Hld's(000)	29287	31734	33036

High: 22.7 28.5 27.5 27.4 23.8 22.9 21.9 25.0 25.1 22.4 19.5 19.5
Low: 16.4 21.3 20.2 18.1 16.8 19.3 18.5 19.5 18.5 18.2 14.0 13.0

LEGENDS
15.0 x Earnings p sh
Relative Price Strength
3-for-2 split 5/99
Options: Yes
Shaded area indicates recession

Percent shares traded 8 4 2

Target Price Range 2011 | 2012 | 2013
64 48 40 32 24 20 16 12 8 6

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.5	-9.7
3 yr.	1.3	27.3
5 yr.	-3.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.82	.86	.81	.84	.99	1.00	1.20	1.31	1.19	1.37	1.55	1.00	.97	1.15	1.20	1.14	*1.17*	*1.25*	Earnings per sh A	*1.60*
.30	.31	.34	.36	.40	.42	.44	.49	.53	.56	.63	.69	.72	.76	.84	.88	*.92*	*.92*	Div'ds Decl'd per sh B■	*1.00*
5.88	6.35	6.51	7.02	7.73	8.23	8.58	8.16	8.54	9.03	10.52	10.24	10.15	9.61	9.66	9.86	*10.40*	*10.75*	Book Value per sh	*12.50*
44.34	49.69	56.18	60.97	59.34	57.95	57.66	60.35	73.31	70.82	70.40	69.90	69.29	67.65	66.50	66.21	*66.25*	*66.50*	Common Shs Outst'g C	*68.00*
13.3	15.1	17.5	16.8	16.2	18.9	19.5	17.9	19.1	15.0	13.7	20.5	23.5	16.5	16.5	14.8	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.81	.89	1.15	1.12	.95	1.09	1.01	1.02	1.24	.77	.75	1.17	1.24	.99	.89	.78	*Value Line*		Relative P/E Ratio	*1.00*
2.7%	2.4%	2.4%	2.7%	2.6%	2.2%	1.9%	2.1%	2.3%	2.7%	3.0%	3.3%	3.2%	3.6%	4.2%	5.2%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*
						6166.0	6982.9	8767.7	9080.5	9612.6	9353.9	8898.3	8492.0	8149.5	7846.1	*7800*	*8100*	Total Assets ($mill)	*9800*
						4112.8	4780.9	6274.5	6058.8	5681.9	5465.5	4879.1	4815.0	4632.2	4629.9	*4650*	*4900*	Loans ($mill)	*5700*
						214.9	238.4	269.9	291.3	289.4	272.0	250.8	219.2	212.7	219.2	*235*	*240*	Net Interest Inc ($mill)	*290*
						11.4	11.5	26.0	28.7	33.5	85.0	22.4	23.1	7.0	4.1	*33.0*	*16.0*	Loan Loss Prov'n ($mill)	*25.0*
						54.6	67.5	101.7	113.0	142.0	192.1	182.2	159.9	153.8	155.1	*170*	*170*	Noninterest Inc ($mill)	*195*
						158.1	185.6	228.0	245.1	257.8	299.7	335.9	262.1	264.8	278.0	*285*	*290*	Noninterest Exp ($mill)	*320*
						71.7	82.7	*87.4*	99.0	109.6	70.4	67.6	78.6	79.4	74.9	*77.5*	*83.0*	Net Profit ($mill)	*110*
						28.2%	24.0%	25.6%	24.1%	21.8%	11.4%	9.5%	16.3%	16.4%	18.8%	*11.0%*	*20.0%*	Income Tax Rate	*20.0%*
						1.16%	1.18%	1.00%	1.09%	1.14%	.75%	.76%	.93%	.97%	.95%	*1.00%*	*1.00%*	Return on Total Assets	*1.10%*
						--	663.0	913.2	1050.0	1397.9	1624.1	1312.7	954.9	747.5	656.7	*825*	*900*	Long-Term Debt ($mill)	*1200*
						494.6	492.7	626.3	639.2	740.7	715.5	703.2	649.9	642.4	652.9	*690*	*715*	Shr. Equity ($mill)	*850*
						8.0%	7.1%	7.1%	7.0%	7.7%	7.6%	7.9%	7.7%	7.9%	8.3%	*9.0%*	*9.0%*	Shr. Eq. to Total Assets	*8.5%*
						66.7%	68.5%	71.6%	66.7%	59.1%	58.4%	54.8%	56.7%	56.8%	59.0%	*59.5%*	*59.5%*	Loans to Tot Assets	*58.0%*
						14.5%	16.8%	14.0%	15.5%	14.8%	9.8%	9.6%	12.1%	12.4%	11.5%	*11.0%*	*11.5%*	Return on Shr. Equity	*13.0%*
						9.4%	10.6%	7.8%	9.2%	8.9%	3.1%	2.5%	4.1%	3.7%	.3%	*2.5%*	*3.0%*	Retained to Com Eq	*5.0%*
						35%	37%	44%	41%	40%	69%	74%	66%	70%	97%	*79%*	*74%*	All Div'ds to Net Prof	*63%*

CAPITAL STRUCTURE as of 3/31/08

LT Debt $834.9 mill. Due in 5 Yrs $477.9 mill.
LT Interest $42.7 mill.

Pension Assets-12/07 $43.8 mill. Oblig. $41.7 mill.

Pfd Stock None

Common Stock 66,202,000 shs.
as of 4/30/08
MARKET CAP: $1.1 billion (Mid Cap)

ASSETS($mill.)	2006	2007	3/31/08
Loans	4632.2	4629.9	4608.6
Funds Sold	283.5	--	--
Securities	2337.3	2267.4	2105.7
Other Earning	4.1	8.5	72.8
Other	892.4	940.3	936.4
LIABILITIES($mill.)			
Deposits	6321.5	5663.4	5346.5
Funds Borrowed	312.9	638.2	640.5
Long-Term Debt	747.5	656.7	834.9
Net Worth	642.4	652.9	675.4
Other	125.2	234.9	226.2
Total	8149.5	7846.1	7723.5
Loan Loss Resrv.	67.8	56.5	72.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	2.0%	-3.5%	*3.0%*
Earnings	2.0%	-3.5%	*5.5%*
Dividends	7.5%	7.5%	*3.0%*
Book Value	2.5%	.5%	*4.5%*
Total Assets	3.0%	-1.0%	*3.0%*

Calendar	LOANS ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31
2005	4854	4938	5011	4815
2006	4733	4775	4645	4632
2007	4810	4786	4686	4630
2008	4609	*4575*	*4600*	*4650*
2009	*4625*	*4650*	*4700*	*4800*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.22	.37	.28	.28	1.15
2006	.31	.30	.32	.27	1.20
2007	.16	.30	.34	.34	1.14
2008	.29	*.29*	*.29*	*.30*	*1.17*
2009	*.30*	*.30*	*.32*	*.33*	*1.25*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.181	.181	.181	.181	.72
2005	.19	.19	.19	.19	.76
2006	.21	.21	.21	.21	.84
2007	.22	.22	.22	.22	.88
2008	.23	.23			

BUSINESS: Old National Bancorp is a regional bank holding company with 120 banking offices and 260 ATM machines primarily in Indiana, Illinois, & Kentucky. Loan portfolio breakdown as of 12/31/07: commercial, 36%; commercial real estate, 27%; residential real estate, 11%; consumer, 26%. Net loan losses, .44% of average loans in 2006. As of 3/31/08, loan loss reserve was 1.54% of loans; nonperforming assets & past due loans, 1.58% of loans & other real estate owned. As of 3/31/08, had 2,478 full-time equivalent employees. Officers & directors own 4.3% of common stock (Proxy, 3/08). Chairman: L.E. Dunigan. President & CEO: R.G. Jones. Inc.: IN. Address: 1 Main Street, Evansville, IN 47708. Telephone: 812-464-1366. Internet: www.oldnational.com.

Unusual items reduced Old National's March-quarter earnings by a net $0.02 a share. The company made a $22 million provision to its loan loss reserve that included $17 million for loans involving possible misconduct by a loan officer. (We don't normally view loan loss provisions as unusual, but this situation may be out of the ordinary). The $17 million was partly offset by sizable securities gains, a gain on the redemption of Visa shares, and a $6.6 million tax liability reversal.

There were some positive core operating trends. Old's net interest margin widened, since its balance sheet was positioned to benefit from interest-rate reductions early this year. Insurance revenues were seasonally strong and expenses fell.

Excluding the loans involving possible misconduct, Old's credit quality hasn't deteriorated as much as many other banks. The loans being investigated accounted for $23 million of the $29 million increase in Old's nonaccrual loans (a third of total nonaccruals) in the March period, with two commercial real estate loans contributing the rest of the increase. Old never participated in the riskier types of lending that some other banks engaged in, and it apparently tightened its standards following a surge of bad loans in 2003. Old's problem assets probably will rise further, due to economic stress in the Midwest, but they should be manageable.

We figure 2008 earnings will come in toward the mid-point of management's $1.13-$1.19-a-share range. Weak economic activity in Old's midwestern region probably will restrain loan growth and revenues. Old's margin may also have to give back some of its recent improvement, which might limit the increase in net interest income. Earnings in the opening period of 2009 will miss the securities and Visa gains and the tax reversal that boosted results in the March quarter of this year, but the loan loss provision should decline.

Thus far in 2008, Old National shares have held up better than most bank issues. The stock doesn't have as much 3- to 5-year recovery potential as most of the bank sector. The dividend yield is attractive, but further increases in the payout may await a pickup in earnings.

Theresa Brophy *June 20, 2008*

(A) Based on diluted earnings per share. Excludes income (loss) from discontinued operations: '98, ($0.17); '99, $0.09; '05, ($0.22). Excl. unusual gain (charges): '00, ($0.38); '01, ($0.10); '02, $0.13. Next earnings report due late July. (B) Dividends historically paid in mid-March, -June, -September and -December. Plus stock dividends: 5% in '92, '93, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05. ■Dividend reinvestment plan available. (C) In millions, adjusted for stock split and dividends.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	60

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ORACLE NDQ-ORCL

RECENT PRICE 22.90 | P/E RATIO 16.5 (Trailing: 20.8 Median: 24.0) | RELATIVE P/E RATIO 1.02 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 5/23/08
SAFETY 2 Raised 2/22/08
TECHNICAL 3 Raised 8/15/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+120%)	21%
Low	40	(+75%)	15%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	1	0	0
Options	6	6	1	4	5	0	1	5	0
to Sell	7	7	1	4	5	1	1	5	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	508	650	551
to Sell	423	368	508
Hld's(000)	2884440	2974291	2989158

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	.21	.26	.35	.51	.72	.97	1.22	1.54	1.80	1.94	1.78	1.81	1.98	2.36	2.62	3.57	4.39	5.35	Sales per sh A	7.80
	.02	.04	.07	.10	.15	.19	.22	.29	.44	.52	.48	.50	.56	.73	.85	1.09	1.37	1.60	"Cash Flow" per sh	2.35
	.01	.03	.05	.07	.11	.14	.16	.22	.35	.46	.39	.43	.50	.68	.80	1.01	1.30	1.50	Earnings per sh B	2.25
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
	.01	.01	.04	.04	.05	.07	.06	.06	.05	.06	.05	.06	.04	.04	.05	.06	.05	.05	Cap'l Spending per sh	.05
	.08	.09	.13	.21	.32	.40	.51	.65	1.15	1.12	1.13	1.21	1.55	2.11	2.87	3.31	4.47	4.70	Book Value per sh D	7.95
	5665.8	5760.2	5798.8	5850.3	5902.4	5867.8	5840.0	5724.5	5615.1	5592.4	5431.0	5233.0	5171.0	5145.0	5232.0	5107.0	5150.0	4900.0	Common Shs Outst'g C	4500.0
	32.2	23.9	31.1	28.9	31.3	32.4	31.9	28.9	62.6	63.8	36.8	24.6	25.1	17.9	16.3	17.0	15.8		Avg Ann'l P/E Ratio	20.0
	1.95	1.41	2.04	1.93	1.96	1.87	1.66	1.53	4.07	3.27	2.01	1.40	1.33	.95	.88	.90	.90		Relative P/E Ratio	1.35
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
							7143.9	8827.3	10130	10860	9673.0	9475.0	10156	12119	14771	18208	22609	26100	Sales ($mill) A	35000
							24.4%	25.5%	34.3%	38.0%	40.7%	39.8%	40.4%	42.5%	41.9%	42.1%	43.9%	43.0%	Operating Margin	42.5%
							328.6	375.4	390.9	346.9	363.0	327.0	234.0	206.0	223.0	249.0	268.0	270	Depreciation ($mill)	325
							955.0	1289.8	2055.3	2561.1	2224.0	2307.0	2681.0	3541.0	4246.0	5295.0	6799.0	7495	Net Profit ($mill)	10225
							36.1%	34.9%	35.5%	35.5%	34.7%	32.6%	32.0%	28.8%	29.7%	28.6%	29.5%	29.0%	Income Tax Rate	29.0%
							13.4%	14.8%	20.3%	23.6%	23.0%	24.3%	26.4%	29.2%	28.7%	29.1%	30.1%	28.7%	Net Profit Margin	29.2%
							1838.9	2400.9	5021.1	5046.6	4768.0	5069.0	7064.0	416.0	5044.0	3496.0	8074.0	5230	Working Cap'l ($mill)	9675
							304.3	304.1	300.8	300.8	298.0	175.0	163.0	159.0	5735.0	6235.0	10235	9035	Long-Term Debt ($mill)	5435
							2957.6	3695.3	6461.5	6277.8	6117.0	6320.0	7995.0	10837	15012	16919	23025	23020	Shr. Equity ($mill)	35875
							29.5%	32.5%	30.5%	39.1%	34.8%	35.6%	33.0%	32.3%	20.9%	23.6%	21.0%	24.0%	Return on Total Cap'l	25.0%
							32.3%	34.9%	31.8%	40.8%	36.4%	36.5%	33.5%	32.7%	28.3%	31.3%	29.5%	32.5%	Return on Shr. Equity	28.5%
							32.3%	34.9%	31.8%	40.8%	36.4%	36.5%	33.5%	32.7%	28.3%	31.3%	29.5%	32.5%	Retained to Com Eq	28.5%
							--	--	--	--	--	--	--	--	--	--	--	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 5/31/08
Total Debt $11236 mill. Due in 5 Yrs $5500 mill.

LT Debt $10235 mill. LT Interest $510.0 mill. (31% of Cap'l)

Leases, Uncapitalized Annual rentals $432.0 mill.

No defined benefit pension plan
Pfd Stock None

Common Stock 5,155,842,000 shs.
as of 6/27/08
Options Exercisable 5.7%
MARKET CAP: $118 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	7605	7020	11043
Receivables	3420	4589	5799
Other	949	1274	1261
Current Assets	11974	12883	18103
Accts Payable	268	315	383
Debt Due	159	1358	1001
Other	6503	7714	8845
Current Liab.	6930	9387	10029

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '11-'13
Sales	14.0%	14.5%	17.0%
"Cash Flow"	20.5%	19.0%	16.5%
Earnings	22.5%	19.5%	17.0%
Dividends	--	--	Nil
Book Value	24.0%	25.0%	17.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	2215	2756	3093	4055	12119
2006	2906	3394	3534	4937	14771
2007	3661	4216	4449	5882	18208
2008	4593	5364	5371	7281	22609
2009	5450	6200	6250	8200	26100

Fiscal Year Ends	EARNINGS PER SHARE A B Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	.10	.16	.16	.26	.68
2006	.14	.19	.19	.29	.80
2007	.18	.22	.25	.37	1.01
2008	.22	.31	.30	.47	1.30
2009	.27	.35	.35	.53	1.50

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

LEGENDS
19.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 2/95
3-for-2 split 4/96
3-for-2 split 6/97
3-for-2 split 3/99
2-for-1 split 1/00
2-for-1 split 10/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	12.6	-12.2
3 yr.	58.7	7.2
5 yr.	79.6	58.6

BUSINESS: Oracle Corporation develops, manufactures, markets, distributes, and services database and middleware software, and applications software that helps customers manage their businesses. 2008 revenues as a percent of the total: New software licenses, 34%; software license updates and product support, 46%; services, 20%. '08 dep. rate, 7.4%. Foreign sales were 57%, pretax profits 50% of total in 2008. Research & Development: 12% of '08 sales. Has 84,235 employees. Lawrence J. Ellison owns 24.6% of stock, other Officers & Directors 0.5%, Capital Research & Management, 9.9% (9/07 proxy). Chairman: Jeffrey O. Henley. CEO: Lawrence J. Ellison. Inc.: DE. Add.: 500 Oracle Parkway, Redwood City, CA 94065. Tele.: 650-506-7000. Internet: www.oracle.com.

The broad economic picture doesn't look too good for Oracle. The economic problems in the U.S. are well documented, and could well lead to a slowdown in spending by businesses on all but the most important needs. Those problems now are almost surely spreading to Europe. And even the fast-growing countries, such as China and India, which many tech businesses had been relying on to buy products during an economic downturn stateside, aren't likely to emerge unscathed.

Nevertheless, it appears the company will continue to do well. Oracle did note the possibility of some slowing of demand late in its February quarter, but that appears to mainly have resulted from customers taking longer to close some large deals as more people become involved in the decision-making process. Importantly, the company closed out fiscal 2008 (ended May 31st) in fine fashion, and reports the pipeline of potential business is in good shape heading into the new fiscal year.

Oracle is well positioned to continue to boost sales and earnings. Its string of acquisitions over the last few years has broadened the product line, and brought new customers aboard, who then can be sold other products from Oracle's portfolio. The acquisitions also add to the stream of very profitable, annuity-like maintenance revenues, which provide a good deal of stability in good times or bad. The company also has been building up its portfolio of applications for specific industries. That allows Oracle to offer customers a complete suite of products that work well together and require much less of an investment in costly consultants to get applications from different vendors up and running together. Given these pluses, and the likelihood that the company will continue to roll out further product upgrades (Oracle is scheduled to make a major database announcement in September), we look for share net to advance at a strong double-digit annual rate through our 3- to 5-year investment horizon.

Oracle shares have a good deal of appeal. They are ranked to stay a step ahead of the market in the year ahead, and have above-average appreciation potential for the haul to 2011-2013.

George A. Niemond *August 22, 2008*

(A) Fiscal year ends May 31st.
(B) Primary earnings through '97, then diluted. Quarters may not add to total. Excludes non-recurring losses: '93, 1¢; '98, 2¢; '05, 13¢; '06, 12¢; '07, 20¢; '08, 24¢; *gain:* '00, 70¢. Next earnings report due mid-September
(C) In millions, adjusted for splits.
(D) Includes intangibles. In 2008, $26.4 billion, $5.13 a share.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	35
Earnings Predictability	85

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O'REILLY AUTO. NDQ-ORLY

RECENT PRICE 25.51 | P/E RATIO 14.6 (Trailing: 15.2 / Median: 20.0) | RELATIVE P/E RATIO 0.95 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 8/4/06
SAFETY 2 Raised 8/10/07
TECHNICAL 3 Raised 7/18/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

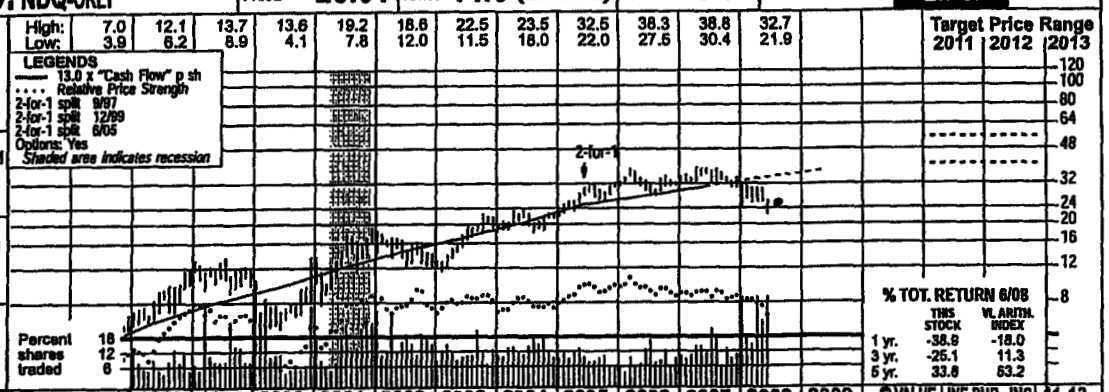
	Price	Gain	Ann'l Total Return
High	55	(+115%)	17%
Low	40	(+55%)	11%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	1	0	0
to Sell	0	0	0	0	0	1	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	117	120	125
to Sell	109	116	131
Hld's(000)	102589	100892	103414



O'Reilly Automotive, Inc. commenced operations in November 1957. The company's initial public offering was made on April 23, 1993, consisting of 4,666,666 common shares at a price of $2.19. The offering was underwritten by Donaldson, Lufkin & Jenrette and George Baum. A second public offering was made in March of 1999. The two aforementioned underwriters, in addition to William Blair, offered 13,360,000 shares at $9.37. All figures are adjusted for three 2-for-1 stock splits, which occurred in September, 1997 and November, 1999.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $100.5 mill. Due in 5 Yrs $100.5 mill.
LT Debt $75.2 mill. LT Interest $6.0 mill.
(7% of Cap'l)

Leases, Uncapitalized None
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 115,481,000 shs.
MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	29.9	47.6	113.3
Receivables	81.1	84.2	93.1
Inventory (LIFO)	812.9	881.8	892.6
Other	76.8	88.7	67.6
Current Assets	1000.7	1102.3	1166.6
Accts Payable	318.4	380.7	417.1
Debt Due	.3	25.3	25.3
Other	115.1	123.0	145.9
Current Liab.	433.8	529.0	588.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	20.5%	14.0%	9.5%
"Cash Flow"	22.0%	18.5%	10.0%
Earnings	21.0%	19.5%	13.0%
Dividends	--	--	Nil
Book Value	20.5%	18.0%	14.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	466.2	521.2	542.9	515.0	2045.3
2006	536.5	591.2	597.1	558.4	2283.2
2007	613.1	643.1	661.8	604.3	2522.3
2008	646.2	710	780	703.8	2840
2009	710	830	850	810	3200

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.30	.38	.37	.36	1.41
2006	.35	.43	.42	.35	1.55
2007	.42	.45	.46	.35	1.68
2008	.40	.48	.47	.40	1.75
2009	.48	.56	.56	.50	2.10

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	7.22	7.42	8.64	10.33	12.30	13.83	15.54	18.20	20.04	21.88	24.25	26.90	Sales per sh	34.95
	.50	.63	.74	.92	1.11	1.30	1.55	1.93	2.13	2.37	2.50	2.80	"Cash Flow" per sh	3.85
	.36	.46	.50	.63	.77	.92	1.06	1.41	1.55	1.68	1.75	2.10	Earnings per sh A	3.10
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	2.56	3.97	4.50	5.26	6.09	7.17	8.56	10.19	11.97	13.82	15.70	17.85	Book Value per sh	26.40
	85.40	101.60	103.09	105.70	106.74	109.33	110.75	112.39	113.83	115.26	117.00	119.00	Common Shs Outst'g B	123.00
	23.7	24.3	15.0	21.4	19.4	18.2	19.6	19.6	21.0	20.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
	1.23	1.39	.98	1.10	1.06	1.04	1.04	1.04	1.13	1.07			Relative P/E Ratio	1.05
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	616.3	754.1	890.4	1092.1	1312.5	1511.8	1721.2	2045.3	2283.2	2522.3	2840	3200	Sales ($mill)	4300
	43.8%	45.5%	45.8%	45.6%	45.0%	45.0%	46.3%	46.4%	46.9%	47.6%	48.0%	48.0%	Gross Margin	48.0%
	11.2%	12.6%	12.9%	13.2%	13.3%	13.7%	14.2%	14.9%	15.2%	15.2%	15.0%	15.5%	Operating Margin	16.5%
	491	571	672	875	981	1109	1249	1470	1640	1830	2035	2200	Number of Stores	2650
	30.8	45.6	51.7	66.3	82.0	100.1	117.7	159.7	178.1	194.0	205	255	Net Profit ($mill)	385
	38.4%	37.5%	37.9%	37.9%	37.4%	37.4%	37.3%	35.2%	36.9%	36.9%	37.5%	37.5%	Income Tax Rate	37.0%
	5.0%	6.0%	5.8%	6.1%	6.2%	6.6%	6.8%	7.8%	7.8%	7.7%	7.2%	7.9%	Net Profit Margin	9.0%
	208.4	249.4	296.3	429.6	483.6	441.6	479.7	425.0	566.9	573.3	645	740	Working Cap'l ($mill)	1260
	170.2	90.7	90.5	165.6	190.5	121.0	100.3	25.5	110.2	75.1	40.0	30.0	Long-Term Debt ($mill)	20.0
	218.4	403.0	463.7	556.3	650.5	784.3	947.8	1145.8	1364.1	1592.5	1840	2120	Shr. Equity ($mill)	3245
	9.0%	9.7%	9.9%	9.8%	10.3%	11.4%	11.4%	13.8%	12.2%	11.7%	11.5%	12.0%	Return on Total Cap'l	12.0%
	14.1%	11.3%	11.1%	11.9%	12.6%	12.8%	12.4%	13.9%	13.1%	12.2%	11.5%	12.0%	Return on Shr. Equity	12.0%
	14.1%	11.3%	11.1%	11.9%	12.6%	12.8%	12.4%	13.9%	13.1%	12.2%	11.5%	12.0%	Retained to Com Eq	12.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: O'Reilly Automotive, Inc. supplies automotive aftermarket parts, tools, equipment, and accessories to both "do-it-yourself" customers and professional mechanics or service technicians. Operates stores in Texas, Missouri, Oklahoma, Kansas, Iowa, Arkansas, Louisiana, Nebraska, and Illinois. Acquired Hi-Lo Automotive, 1/98. Has 1,830 stores (12/07), about 23,575 employees. Officers and directors own 6.9% of common stock; George S. Loening, 6.2%; Capital Research, 6.9%; T. Rowe Price and Associates, 8.6% (3/08 Proxy). Co-Chairman and Chief Executive Officer: David E. O'Reilly; Co-Chairman: Larry P. O'Reilly. Inc.: MO. Address: 233 South Patterson, Springfield, MO 65801. Telephone: 417-862-6708. Web: www.oreillyauto.com.

O'Reilly Automotive is being impacted by a weak economy. The company reported a comp-sales increase during the first quarter. Still, customer traffic weakened toward the end of the period and into the second quarter, likely tempering spring and summer revenues a bit. Much of the business has been for necessary repairs, such as batteries. Less required maintenance has been deferred to compensate for higher gas and food prices. We anticipate that this trend will continue as the macroeconomy struggles and energy prices remain high. We still target sales growth of 13% this year, thanks mainly to new stores.

Profitability has declined a bit for the company. The gross margin has increased thanks to a more favorable product mix. However, the operating margin has been narrowing as O'Reilly feels the pinch from inflated expenses from new stores. Moving forward, acquisition costs and renovations may continue to pressure profitability. We target earnings of $1.75 a share in 2008, which represents growth of 4%. In 2009, earnings may grow at a double-digit pace as operating conditions improve.

O'Reilly completed its tender offer for CSK. The company acquired over 90% of the stock through a cash and stock deal worth over $500 million. Stockholders exchanged each CSK share for .4285 shares of O'Reilly Automotive and $1 in cash. CSK is a distributor of parts to garages, repair shops, and fleet maintenance organizations. The acquisition gives O'Reilly a larger presence in the wholesale market. We believe this deal augurs well for the company over the long term, as it increases O'Reilly's market share and should yield operating synergies.

We forecast decent growth out to 2011–2013. O'Reilly's operating model has proven to be very successful over the years. We believe that earnings once again will grow at a consistent double-digit pace as the domestic economy improves.

The stock is ranked to mirror the broader market averages. These shares have worthwhile appreciation potential to the 3- to 5-year time frame based on our earnings assumptions.

Garrett Sussman *August 8, 2008*

(A) Primary earnings through 1996, diluted thereafter. Next earnings report due late July.

(B) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	90
Earnings Predictability	95

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OCCIDENTAL PETRO. NYSE-OXY

RECENT PRICE 89.66 | P/E RATIO 9.9 (Trailing: 13.7 Median: 9.0) | RELATIVE P/E RATIO 0.60 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 2 Raised 2/8/08
SAFETY 2 Lowered 9/14/07
TECHNICAL 2 Raised 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+25%)	7%
Low	80	(-10%)	-1%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	6	0	2	2	0	0	1
to Sell	0	0	5	0	3	5	0	2	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	275	373	352
to Sell	309	290	346
Hld's(000)	658480	662296	650077

High:	15.4	15.2	12.3	12.8	15.5	15.4	21.5	30.4	44.9	55.4	79.3	100.0
Low:	10.9	8.3	7.3	7.9	10.9	11.5	13.6	21.0	27.1	39.5	42.1	60.7

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	69.7	-9.7
3 yr.	164.0	27.3
5 yr.	500.5	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
13.98	13.28	14.57	16.35	16.03	11.75	9.48	10.34	18.34	18.69	9.71	12.05	14.33	18.91	21.03	22.75	30.65	31.00	Sales per sh	35.25
1.64	1.52	1.32	2.28	2.23	2.09	1.33	1.43	3.01	3.07	2.69	3.60	5.01	6.78	7.61	8.22	12.35	12.55	"Cash Flow" per sh	11.75
.21	.06	d.09	.83	.53	.83	.13	.35	1.80	1.79	1.35	2.11	3.37	4.92	5.11	5.28	9.05	8.90	Earnings per sh A	7.00
.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.50	.52	.55	.61	.76	.91	1.14	1.28	Div'ds Decl'd per sh Bm	1.65
1.55	1.77	1.74	1.54	1.80	2.27	1.54	.82	1.29	1.87	1.64	2.07	2.32	3.01	3.58	4.24	4.95	5.10	Cap'l Spending per sh	6.00
5.66	5.54	4.94	5.19	3.67	2.58	4.49	4.79	6.45	7.53	8.36	10.24	13.30	18.69	22.84	27.64	32.95	37.00	Book Value per sh	47.55
607.46	611.21	633.71	637.42	658.46	682.25	695.44	735.83	739.97	748.25	755.72	774.10	793.45	804.24	839.92	825.74	810.00	800.00	Common Shs Outst'g C	820.00
46.4	NMF	--	13.1	14.6	15.5	92.8	28.8	5.8	7.3	10.4	7.9	7.4	7.6	9.4	10.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.5
2.81	NMF	--	.88	.91	.89	4.83	1.64	.38	.37	.57	.45	.39	.40	.51	.58			Relative P/E Ratio	.90
5.3%	5.0%	5.2%	4.6%	4.2%	3.9%	4.1%	5.0%	4.8%	3.8%	3.6%	3.1%	2.2%	1.6%	1.6%	1.6%			Avg Ann'l Div'd Yield	1.7%
6596.0	7610.0	13574	13985	7338.0	9326.0	11368	15208	17661	18784	24820	24800	Sales ($mill)	28900
21.6%	25.0%	28.9%	27.3%	45.2%	48.1%	51.5%	54.3%	56.7%	56.4%	61.0%	61.0%	Operating Margin	63.5%
835.0	805.0	901.0	971.0	1012.0	1177.0	1303.0	1485.0	2042.0	2379	2630	2880	Depreciation ($mill)	3900
109.1	256.1	1326.0	1328.0	1023.5	1607.0	2675.0	3964.0	4349.0	4405.0	7355	7145	Net Profit ($mill)	5750
52.7%	50.1%	47.9%	32.2%	27.0%	43.0%	40.0%	41.0%	44.0%	44.0%	44.0%	44.0%	Income Tax Rate	45.0%
1.7%	3.4%	9.8%	9.5%	13.8%	17.2%	23.5%	26.1%	24.6%	23.5%	29.6%	28.8%	Net Profit Margin	20.0%
d136.0	d279.0	d673.0	d407.0	d362.0	d52.0	1008.0	2294.0	1282.0	2329.0	1850	1820	Working Cap'l ($mill)	1600
5367.0	4368.0	5185.0	4065.0	3997.0	3993.0	3345.0	2873.0	2618.0	1741.0	1800	1800	Long-Term Debt ($mill)	2000
3383.0	3523.0	4774.0	5634.0	6318.0	7929.0	10550	15032	19184	22823	26700	29600	Shr. Equity ($mill)	39000
4.5%	6.4%	15.8%	15.7%	11.4%	14.9%	20.2%	22.9%	20.6%	18.6%	26.0%	23.0%	Return on Total Cap'l	14.0%
3.2%	7.3%	27.8%	23.6%	16.2%	20.3%	25.4%	26.4%	22.7%	19.3%	27.5%	24.0%	Return on Shr. Equity	14.5%
NMF	NMF	20.0%	17.0%	10.3%	15.3%	21.3%	23.2%	19.3%	16.0%	24.0%	21.0%	Retained to Com Eq	11.5%
NMF	NMF	28%	28%	37%	24%	16%	12%	15%	17%	13%	14%	All Div'ds to Net Prof	24%

CAPITAL STRUCTURE as of 3/31/08

Total Debt $1805 mill. Due in 5 Yrs $1405 mill.
LT Debt $1775 mill. LT Interest $100 mill.

(LT Interest earned: 24.8x; Total interest coverage: 24.2x) (7% of Cap'l)
Leases, Uncapitalized Annual rentals $199.0 mill.
Pension Assets-12/07 $567 mill. Oblig. $527 mill.
Pfd Stock None

Common Stock 820,729,199 shs.

MARKET CAP: $73.6 billion (Large Cap)

CURRENT POSITION ($Mil.L.)	2006	2007	3/31/08
Cash Assets	1579	1964	1495
Receivables	3324	5389	6055
Inventory (LIFO)	825	910	829
Other	278	332	402
Current Assets	6006	8595	8781
Accts Payable	2263	4263	4516
Debt Due	171	47	30
Other	2290	1956	2485
Current Liab.	4724	6266	7031

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	6.0%	9.0%
"Cash Flow"	13.0%	21.0%	8.0%
Earnings	20.0%	25.5%	5.5%
Dividends	4.5%	8.5%	14.0%
Book Value	19.5%	25.5%	13.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3303	3518	4057	4330	15208
2006	4396	4599	4522	4144	17661
2007	4015	4411	4841	5517	18784
2008	6020	6200	6200	6400	24820
2009	6200	6200	6200	6200	24800

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.08	1.06	1.35	1.43	4.92
2006	1.36	1.40	1.36	.99	5.11
2007	.94	1.12	1.45	1.77	5.28
2008	2.21	2.29	2.27	2.28	9.05
2009	2.25	2.25	2.20	2.20	8.90

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.13	.138	.138	.138	.54
2005	.138	.155	.155	.155	.60
2006	.18	.18	.18	.22	.76
2007	.22	.22	.22	.25	.91
2008	.25	.25	.32		

BUSINESS: Occidental Petroleum produces and markets crude oil and natural gas; manufactures industrial chemicals, plastics & fertilizers; transports natural gas through pipelines. Net reserves as of 12/31/07: oil, 2.22 bill. barrels; gas, 3.84 bill. cubic ft. Estimated pretax present value of 2007 reserves: $103.0 bill. 2007 depreciation rate: 6.0%. Acquired Placid Oil, '94; Elk Hills, '98; Altura Energy, '00; Vintage Petroleum, '06; and others. Sold IBP, '91; HDPE Chemical business, '95; MidCon, '97; and others. Has around 9,700 employees. Officers and directors own 1.8% of common stock (3/08 proxy). Chairman & Chief Executive Officer: Ray R. Irani. Inc.: Delaware. Address: 10889 Wilshire Boulevard, Los Angeles, California 90024. Telephone: 310-208-8800. Web: www.oxy.com.

Occidental Petroleum's operating performance has been nothing short of spectacular. That can be attributed primarily to the core exploration and production unit, which is benefiting partially from record crude oil prices and higher realizations for natural gas. What's more, output is being boosted by the Dolphin Project in the United Arab Emirates, which came on stream during the second half of last year. Repurchases of common stock have been another plus. Meanwhile, the chemical segment is enjoying higher margins for caustic soda, plus increased polyvinyl chloride and vinyl chloride monomer volumes exported to non-U.S. dollar-denominated economies. Escalating feedstock costs are providing somewhat of an offset here, however. At this juncture, Occidental's consolidated share net stands to surge to $9.05 in 2008 (which would be a record). For 2009, we look for the bottom line to approximate the 2008 target, assuming the generally favorable business environment persists.

Certain assets from the oil and gas division were reclassified to form a new segment. The midstream, marketing and other unit processes, transports, and markets oil, gas, and carbon dioxide, as well as generates electricity. Management contends that this move was prompted by the addition, over the past two years, of the Dolphin Project pipeline, a common carrier pipeline in the Permian Basin, and some gas processing plants. In all, we think this is a worthwhile sideline.

The quarterly common stock dividend was recently hiked 28%, to $0.32 a share, made possible by the company's cash-generating power. We anticipate additional boosts in the distribution, too, although the dividend yield is well below levels prior to the stock's breakout.

The equity has been a favorite of Wall Street. We attribute that primarily to Occidental Petroleum's excellent performance to date. Consequently, these shares have earned a Timeliness rank of 2 (Above Average).

But much of the good news appears to be factored into the present quotation, causing long-term capital appreciation potential to fall well below the *Value Line* median.

Frederick L. Harris, III *June 13, 2008*

(A) Average shrs until '97, basic shrs after. Excl. extra. gains (losses): '92, (1¢); '93, (2¢); '96, (5¢). Disc. ops.: '92, ($1.03); '97, (91¢); '98, 6¢; '02, (11¢); '04, (5¢); '05, 1¢; '06, (30¢); '07, 39¢; '08, 3¢. Nonrec.: '92, (16¢); '93, 36¢; '94, (9¢); '95, (18¢); '96, 5¢; '97, (71¢); '98, 31¢; '99, 27¢; '00, 33¢; '01, (24¢); '02, 6¢; '03, (11¢); '04, (9¢); '05, $1.62; '06, 10¢; '07, 81¢. Next egs rpt. July. (B) Div'd paid in Jan., April, July, Oct. ■ Div'd reinvest. plan. (C) In mill., adjusted for stock split.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	55

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RECENT PRICE 13.81 | P/E RATIO 8.4 (Trailing: 8.9 Median: 12.0) | RELATIVE P/E RATIO 0.54 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 3 Lowered 9/8/08
SAFETY 3 New 2/29/08
TECHNICAL 2 Raised 9/8/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

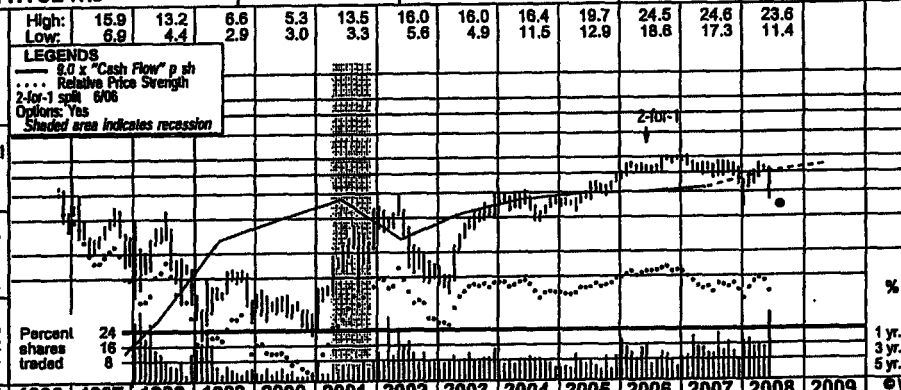
	Price	Gain	Ann'l Total Return
High	35	(+155%)	27%
Low	25	(+80%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	68	74	82
to Sell	54	51	54
Hld's(000)	66082	66669	52564



Target Price Range 2011 | 2012 | 2013
64 48 40 32 24 20 16 12 8 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-29.8	-18.0
3 yr.	3.3	11.3
5 yr.	45.0	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	38.95	54.48	60.60	91.92	111.05	132.13	91.57	103.92	106.34	113.91	119.01	136.37	*143.60*	*154.45*	Revenues per sh	*189.10*
--	--	--	--	.23	d.03	.41	1.05	1.32	1.66	1.04	1.41	1.65	1.77	1.80	1.88	*2.20*	*2.45*	"Cash Flow" per sh	*3.25*
--	--	--	--	.12	d.28	.01	.51	.58	.66	.76	1.04	1.23	1.28	1.33	1.35	*1.65*	*1.85*	Earnings per sh [AB]	*2.50*
--	--	--	--	--	--	--	--	--	--	--	.10	.21	.23	.27	.30	*.36*	*.42*	Div'ds Decl'd per sh [C]	*.60*
--	--	--	--	.20	.32	.29	.51	.65	1.77	2.29	2.39	2.49	2.44	2.38	2.05	*1.95*	*2.00*	Cap'l Spending per sh	*2.15*
--	--	--	--	8.41	7.84	8.24	9.85	10.50	10.95	8.68	9.93	11.56	12.81	13.72	14.96	*16.20*	*17.65*	Book Value per sh [D]	*22.65*
--	--	--	--	33.47	36.36	41.48	43.76	43.98	47.08	81.20	83.44	92.97	89.46	94.47	95.02	*95.40*	*95.50*	Common Shs Outst'g [E]	*96.50*
--	--	--	--	NMF	--	NMF	9.9	7.3	11.3	12.8	9.7	11.5	12.6	16.4	15.6	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
--	--	--	--	NMF	--	NMF	.56	.47	.58	.70	.55	.61	.67	.89	.82			Relative P/E Ratio	*.80*
--	--	--	--	--	--	--	--	--	--	--	1.0%	1.5%	1.4%	1.2%	1.4%			Avg Ann'l Div'd Yield	2.0%
3343.1	4022.5	4884.0	6220.7	7434.9	8671.5	9886.2	10190	11242	12958	*13700*	*14750*	Revenues ($mill)	*18250*
2.0%	3.1%	3.3%	3.1%	2.7%	3.0%	3.1%	3.3%	3.1%	3.0%	*3.1%*	*3.1%*	Operating Margin	*3.1%*
16.5	19.1	24.2	33.6	22.3	31.6	42.1	39.4	44.9	51.0	*55.0*	*59.0*	Depreciation ($mill)	*75.0*
.4	26.8	34.0	44.7	62.2	86.0	111.7	119.0	124.7	127.7	*160*	*175*	Net Profit ($mill)	*240*
NMF	43.8%	43.5%	43.5%	39.9%	39.5%	37.2%	36.2%	33.8%	34.8%	*35.0%*	*35.0%*	Income Tax Rate	35.0%
Nil	.7%	.7%	.7%	.8%	1.0%	1.1%	1.2%	1.1%	1.0%	*1.1%*	*1.2%*	Net Profit Margin	*1.3%*
85.2	97.0	93.0	135.2	129.3	91.4	113.7	214.9	533.7	205.6	*250*	*310*	Working Cap'l ($mill)	*590*
288.3	218.5	377.7	551.8	651.3	643.3	575.0	576.7	1168.7	830.1	*815*	*800*	Long-Term Debt ($mill)	*725*
341.7	430.9	461.7	515.7	704.4	828.4	1075.0	1145.7	1295.7	1421.5	*1545*	*1685*	Shr. Equity ($mill) [D]	*2240*
2.6%	5.6%	5.8%	5.9%	5.7%	6.9%	7.7%	7.9%	6.1%	7.1%	*6.0%*	*6.5%*	Return on Total Cap'l	*9.0%*
.1%	6.2%	7.4%	8.7%	8.8%	10.4%	10.4%	10.4%	9.6%	9.0%	*10.0%*	*10.5%*	Return on Shr. Equity	*11.0%*
.1%	6.2%	7.4%	8.7%	8.8%	9.9%	8.7%	8.6%	7.7%	7.0%	*8.0%*	*8.0%*	Retained to Com Eq	*8.5%*
--	--	--	--	--	5%	16%	18%	20%	22%	*22%*	*23%*	All Div'ds to Net Prof	*24%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2545.8 mill. Due in 5 Yrs $1800.0 mill
LT Debt $830.0 mill. LT Interest $54.0 mill.
(Total interest coverage: 2.5x. Incl. $375 mill. 3.5% senior subordinated convertible notes ('26.) ea. cv. into 42.20 shs. at $23.69.) (36% of Capital)

Leases, Uncapitalized Annual rentals $167.6 mill.
No Defined Benefit Pension Plan

Preferred Stock None
Common Stock 95,366,000 shares
MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	13.1	10.9	20.4
Receivables	469.5	449.3	503.5
Inventory [F]	1519.5	1688.3	1818.8
Other	284.6	153.1	199.4
Current Assets	2286.7	2301.6	2542.1
Accts Payable	300.6	268.2	291.7
Debt Due	1185.7	1567.4	1715.8
Other	266.5	260.4	326.3
Current Liab.	1753.0	2096.0	2333.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	10.0%	2.0%	7.5%
"Cash Flow"	33.0%	6.0%	*10.5%*
Earnings	--	14.5%	*11.0%*
Dividends	--	--	*14.5%*
Book Value	5.5%	6.5%	*9.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	2395	2639	2698	2457	10189
2006	2552	2831	2977	2881	11241
2007	3093	3378	3406	3081	12958
2008	3204	3362	*3675*	*3459*	*13700*
2009	*3450*	*3800*	*3900*	*3600*	*14750*

Calendar	EARNINGS PER SHARE [AB] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.25	.36	.35	.32	1.28
2006	.26	.39	.36	.32	1.33
2007	.15	.43	.46	.31	1.35
2008	.36	.42	*.48*	*.39*	*1.65*
2009	*.40*	*.49*	*.54*	*.42*	*1.85*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.05	.05	.05	.055	.21
2005	.055	.055	.055	.06	.23
2006	.06	.07	.07	.07	.27
2007	.07	.07	.07	.09	.30
2008	.09	.09			

BUSINESS: Penske Automotive Group, Inc. is the second largest automotive retailer in the U.S. It sells new and used vehicles, finance and insurance products, and replacement parts, and offers maintenance and repair services. It operates 170 franchises in 19 states and Puerto Rico and 145 franchises located in Europe. Employs about 16,000. Penske Corp. owns 38.7% of stock; Mitsui, 16.3%; Baron Capital, 9.9%; Barclays Global, 6.5%; Dimension Fund, 5.4%; officers & directors, 40.9% (includes shares beneficially owned by Penske Corporation and Penske Capital Partners) (3/08 proxy). Chairman & CEO: Roger S. Penske. Incorporated: DE. Address: 2555 Telegraph Road, Bloomfield Hills, MI 48302. Telephone: 248-648-2500. Internet: www.penskeautomotive.com.

Penske Automotive Group had some problems in the June interim, following a fast start. The retail market was very challenging during the second quarter. Higher fuel prices resulted in a shift in consumer demand, that caused margins to narrow a bit from our expectation. Even so, the company, and we, still look for a good share earnings gain in 2008, which should be followed by a further gain in 2009.

The company has depended heavily on foreign sales. The domestic automotive industry may be slumping, but this has not stopped Penske from sustaining growth. In fact, over 90% of the company's revenue comes from foreign- and premium-vehicle sales, which has so far protected the company from the dismal U.S. market. However, it has been evident lately that the trends we have been seeing in 2008 may be changing. For example, European auto sales declined in May and June, and sales growth in China is moderating, which may also hurt revenues in one of the world's largest developing countries. Given these two factors, we expect this market to be pressured in 2008.

Penske made a few acquistions in the second quarter, after a quiet March interim. The company decided to utilize some of its borrowing capacity in the June interim, acquiring a 9% limited partnership interest in Penske Truck Leasing Company (PTL), a leading global transportation services provider. We expect this deal to broaden Penske's international market, as PTL operates over 1,000 locations in North America, South America, Europe, and Asia. This transaction, made with GE Capital, cost $219 million and should boost Penske's earnings in 2008 as well as in the long term. The company also acquired a California-based BMW dealership that is expected to generate an additional $125 million in revenue a year.

These neutrally ranked shares may interest patient investors. The stock price has declined over the past few months due to weakness in the automotive industry. Despite that, the company has shown the strength to weather the storm. We believe this stock's appreciation potential over the 3- to 5-year pull is above average.

Michael Ratty *August 8, 2008*

Company's Financial Strength	B+
Stock's Price Stability	55
Price Growth Persistence	85
Earnings Predictability	85

(A) GAAP figures thru '07. Diluted earnings. Quarterly figures may not sum due to changes in the average number of shares outstanding. Next earnings report due early November. (B) Includes income/loss from discontinued operations. (C) Dividends historically paid in early March, June, September, and December. (D) Includes intangibles. In '07, $1663.6 mill., $17.51 a share. (E) In millions, adjusted for split. (F) Specific ID to value vehicle inventories and factory list prices to account for parts, accessories, and other inventories.

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HEARING EXHIBIT 00000429

PAYCHEX, INC. NDQ-PAYX

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
34.81	22.2 (Trailing: 22.2 / Median: 44.0)	1.38	3.6%	

TIMELINESS 3 Lowered 7/11/08
SAFETY 2 Raised 11/23/07
TECHNICAL 3 Raised 7/4/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+115%)	23%
Low	55	(+60%)	15%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	221	264	235
to Sell	258	229	265
Hld's(000)	266669	254209	257518

High:	15.3	24.5	29.9	61.3	51.0	42.2	40.5	39.1	43.4	42.4	47.1	37.5	30.1
Low:	7.6	13.4	15.7	24.2	28.3	20.4	23.8	28.8	28.8	33.0	36.0	30.1	

LEGENDS
26.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 5/95
3-for-2 split 5/96
3-for-2 split 5/97
3-for-2 split 5/98
3-for-2 split 5/99
3-for-2 split 5/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.7	-12.2
3 yr.	1.8	7.2
5 yr.	12.8	58.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.48	.56	.66	.78	.94	1.09	1.34	1.62	1.96	2.33	2.64	2.92	3.42	3.82	4.40	4.94	5.73	6.15	Revenues per sh A E	8.40
.07	.09	.11	.15	.19	.26	.33	.44	.58	.75	.81	.89	.95	1.14	1.40	1.54	1.85	1.90	"Cash Flow" per sh	2.75
.04	.06	.08	.11	.15	.21	.28	.37	.51	.68	.73	.78	.80	.97	1.22	1.35	1.56	1.65	Earnings per sh A B	2.40
.01	.01	.02	.03	.04	.07	.10	.15	.22	.33	.42	.44	.47	.51	.61	.79	1.20	1.24	Div'ds Decl'd per sh C ■	1.80
.04	.03	.03	.04	.05	.05	.08	.07	.09	.12	.14	.16	.13	.19	.21	.21	.25	.30	Cap'l Spending per sh	.40
.20	.25	.32	.41	.55	.68	.90	1.18	1.52	2.03	2.46	2.86	3.17	3.66	4.35	5.11	3.32	3.85	Book Value per sh	6.25
337.72	339.47	340.66	341.96	347.78	366.25	367.17	369.49	371.77	373.65	375.86	376.70	377.97	378.63	380.30	382.15	360.50	362.00	Common Shs Outst'g D	370.00
28.9	32.7	36.0	29.3	42.0	47.9	48.0	54.4	51.5	64.9	50.2	35.0	44.0	33.0	30.7	28.4	24.6		Avg Ann'l P/E Ratio	28.0
1.75	1.93	2.36	1.96	2.63	2.76	2.50	3.10	3.35	3.33	2.74	2.00	2.32	1.76	1.66	1.49	1.41		Relative P/E Ratio	1.85
.7%	.7%	.7%	.9%	.7%	.7%	.7%	.7%	.8%	.7%	1.1%	1.6%	1.3%	1.6%	1.6%	2.1%	3.1%		Avg Ann'l Div'd Yield	2.7%
493.7	597.3	728.1	869.9	954.9	1099.1	1294.3	1445.1	1674.6	1887.0	2066.3	2230	Revenues ($mill) A E	3100
31.1%	35.1%	38.8%	41.7%	41.2%	40.4%	37.8%	41.2%	42.8%	41.1%	44.0%	44.0%	Operating Margin	45.0%
18.8	22.1	23.9	26.4	29.5	43.4	55.8	62.0	66.5	73.4	85.0	90.0	Depreciation ($mill)	120
102.2	139.1	190.0	254.9	274.5	293.5	303.0	368.8	464.9	515.4	576.1	600	Net Profit ($mill)	900
29.1%	30.5%	31.0%	30.0%	30.5%	32.0%	32.6%	32.5%	31.1%	30.7%	32.6%	32.0%	Income Tax Rate	32.5%
20.7%	23.3%	26.1%	29.3%	28.7%	26.7%	23.4%	25.5%	27.8%	27.3%	27.9%	26.9%	Net Profit Margin	29.0%
259.1	357.9	483.8	637.9	778.0	412.7	560.0	753.3	620.5	633.1	404.2	600	Working Cap'l ($mill)	880
--	--	--	--	--	--	--	--	--	--	--	--	Long-Term Debt ($mill)	Nil
329.6	435.8	563.4	757.8	924.0	1077.4	1200.0	1385.7	1654.8	1952.2	1196.6	1400	Shr. Equity ($mill)	2310
31.0%	31.9%	33.7%	33.6%	29.7%	27.2%	25.2%	26.6%	28.1%	26.4%	48.1%	43.0%	Return on Total Cap'l	39.0%
31.0%	31.9%	33.7%	33.6%	29.7%	27.2%	25.2%	26.6%	28.1%	26.4%	48.1%	43.0%	Return on Shr. Equity	39.0%
20.1%	19.5%	19.2%	17.4%	12.7%	11.9%	10.5%	12.7%	14.1%	11.0%	11.0%	10.5%	Retained to Com Eq	9.5%
35%	39%	43%	48%	57%	56%	58%	52%	50%	58%	76%	76%	All Div'ds to Net Prof	75%

CAPITAL STRUCTURE as of 5/31/08

Total Debt None

Leases, Uncapitalized Annual rentals $42.3 mill.

No Defined Benefit Pension plan

Pfd Stock None

Common Stock 360,500,000 shs.

MARKET CAP: $12.5 billion (Large Cap)

CURRENT POSITION E ($MILL.)	2006	2007	5/31/08
Cash & ST Secs.	577.4	591.1	392.9
Receivables	189.8	186.3	184.7
Other	85.5	110.8	80.2
Current Assets	852.7	888.2	657.8
Accts Payable	46.7	47.0	40.3
Debt Due	--	--	--
Other	185.5	208.1	213.3
Current Liab.	232.2	255.1	253.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	16.5%	14.0%	11.5%
"Cash Flow"	21.0%	14.0%	12.5%
Earnings	22.5%	13.0%	12.5%
Dividends	30.0%	14.5%	19.0%
Book Value	23.0%	17.0%	6.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A E Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	345.0	347.3	373.8	379.0	1445.1
2006	403.7	399.8	430.6	440.5	1674.6
2007	459.4	455.0	485.3	487.3	1887.0
2008	507.1	507.8	532.2	519.2	2066.3
2009	540	540	570	580	2230

Fiscal Year Ends	EARNINGS PER SHARE A B Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	.23	.23	.24	.27	.97
2006	.30	.30	.30	.32	1.22
2007	.35	.35	.33	.32	1.35
2008	.40	.40	.39	.38	1.56
2009	.40	.40	.42	.43	1.65

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.12	.12	.12	.13	.49
2005	.13	.13	.13	.16	.55
2006	.16	.16	.16	.21	.69
2007	.21	.21	.30	.30	1.02
2008	.30	.30	.31		

BUSINESS: Paychex, Inc. is primarily engaged in providing computerized payroll-accounting services, salary deposit services, automatic payroll-tax payment and tax return filing services, and human-resource products and services to more than 572,000 businesses, mostly small- to medium-sized (10 to 200 employees), nationwide. The company operates 100 offices in 36 states and the District of Columbia. 2007 *depreciation rate:* 13.4%. Has about 12,200 employees. B. Thomas Golisano owns 9.9% of common stock, *Officers and Directors (incl. Golisano),* 10.4% (8/07 Proxy). Chairman: B. Thomas Golisano. President and CEO: J. Judge. Inc.: DE. Addr.: 911 *Panorama Trail South,* Rochester, NY 14625-0397. Tel.: 585-385-6666. Internet: www.paychex.com.

Paychex's top line has become sluggish. Revenue increased about 7% during the fourth quarter of 2008 (year ended May 31st). Although this was a respectable advance, it was slower than the increases posted in prior quarters. Some of the weakness was likely due to a mixed economy. Results at the Payroll services segment, which accounts for about 70% of the top line, have been hurt by rising unemployment levels and a competitive price environment. This was partially offset by continued steady demand for Paychex's ancillary product offerings and human resources products.

Moreover, Paychex's business is being hurt by lower interest rates. Interest on funds held for clients declined about 15% during the fourth quarter, and 2% for the full year. We expect results at this operation to decline about 25%-30% in the year ahead. In addition, investment income weakened dramatically during fiscal 2008. Given the current negative outlook, we expect investment income to remain weak for a while.

Nonetheless, well-controlled expenses have helped to lift the bottom line. General and administrative expenses were reduced by about 9% during the fourth quarter, which has helped to keep the operating margin relatively wide. We expect additional cost-cutting measures, such as reduced sales and marketing efforts, in the year ahead.

The business environment ought to remain challenging. Paychex reported a slight increase in the number of clients that are going out of business. In addition, there will probably be fewer small businesses starting up. This will likely make it more difficult for Paychex to add customers, raise its prices, or sell additional services. Consequently, we have reduced our earnings estimate by $0.05 per diluted share for fiscal 2009.

These neutrally ranked shares offer investors a healthy dividend yield. The recent increase in the quarterly dividend is a plus. The issue also currently trades at a price-to-earnings multiple that is considerably lower than its historic average. Consequently, our projections indicate that these shares offer good appreciation potential for the 3- to 5-year horizon.

Adam Rosner *August 22, 2008*

(A) Fiscal year ends May 31st.
(B) Primary earnings until 1996, diluted thereafter. Quarterly egs. do not sum due to rounding. Next earnings report due late Sep.
(C) Dividends historically paid in mid-February, May, August, and November. ■ Div'd reinvestment plan available.
(D) In millions, adjusted for stock splits.
(E) Excludes net ENS investments less related liabilities.

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	30
Earnings Predictability	95

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PEOPLE'S UNITED FIN NDQ-PBCT

RECENT PRICE 16.10 | P/E RATIO 29.3 (35.0 / 30.0) | RELATIVE P/E RATIO 1.93 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 3 Raised 10/26/07
SAFETY 3 Lowered 1/25/02
TECHNICAL 3 Lowered 6/20/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+85%)	19%
Low	20	(+25%)	9%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	1	1	0	2	0	1
to Sell	0	0	2	1	1	0	4	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	133	130	171
to Sell	100	109	100
Hld's(000)	226835	251140	256456

	High:	8.3	8.8	6.8	5.7	6.0	5.9	7.2	14.1	16.1	21.6	22.8	18.5		
	Low:	4.0	4.0	4.1	3.5	4.4	4.4	5.1	6.9	11.4	14.3	14.8	14.3		

LEGENDS
22.0 x Earnings p sh
Relative Price Strength
3-for-2 split 5/97
3-for-2 split 5/04
3-for-2 split 5/05
110% Div 4/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

64 48 40 32 24 20 16 12 8 6

2 for 1 3-for-2 3-for-2

Percent shares traded 6 4 2

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-9.1	-18.0
3 yr.	18.1	11.3
5 yr.	200.1	63.2

On April 16, 2007, People's United Financial completed its stock offering in connection with the second-step conversion of People's Mututal Holdings and People's Bank. People's and Holdings converted from a mutual holding company structure to the stock holding company structure. Shares were issued at $20 a share, and each outstanding share of People's common was exchanged for 2.1 new shares of People's United Financial common stock. Ryan Beck & Co. served as the underwriter.

CAPITAL STRUCTURE as of 3/31/08

ST Debt Nil
LT Debt $179.5 mill. (3% Debt + Equity)

Pension Assets-12/07 $309 mill. Oblig. $232 mill.

Pfd Stock None

Common Stock 344,300,000 shares

MARKET CAP: $5.5 billion (Mid Cap)

EARNINGS FACTORS

MARGIN (%)	2006	2007	3/31/08
Earning Asset Yield	5.90	5.99	5.63
Cost of Funds	2.15	2.45	2.32
Yield-Cost Margin	3.75	3.54	3.31

NET CHANGES ($mill)	2006	12/31/07	3/31/08
Loans	800	-421	5543
Deposits	0	-202	6275
FHLB Advances	-25	0	17
Other Borrowing	-288	-32	131

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Mortgage Lns	5.5%	0.5%	4.0%
Savings Dep	5.0%	2.0%	11.0%
Earnings	4.5%	16.0%	17.5%
Dividends	14.5%	9.5%	6.5%
Book Value	13.5%	20.0%	14.0%

Calendar	DEPOSITS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	9046	9177	9086	9082
2006	9252	9203	8979	9082
2007	9968	9091	8762	8881
2008	15160	15170	15185	15200
2009	15250	15300	15400	15500

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.10	.11	.11	.10	.42
2006	.11	.11	.06	.13	.41
2007	.11	.05	.20	.16	.52
2008	.05	.15	.16	.19	.55
2009	.20	.20	.20	.25	.85

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.09	.09	.09	.09	.36
2005	.10	.10	.10	.10	.40
2006	.10	.12	.12	.12	.46
2007	.12	.13	.13	.13	.51
2008	.13	.15			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	21.53	24.13	28.94	30.60	31.68	32.52	31.70	31.99	31.14	29.76	46.90	52.50	Mortgage Loans per sh	61.50
	23.04	24.90	26.80	27.47	28.90	29.75	29.96	30.54	30.42	29.77	47.50	51.65	Savings Deposits per sh	59.50
	.33	.38	.37	.08	.19	.22	.32	.42	.41	.52	.55	.85	Earnings per sh A	1.20
	.18	.22	.25	.28	.30	.32	.36	.40	.46	.46	.56	.58	Div'ds Decl'd per sh Bm	.65
	2.83	2.71	3.04	3.22	3.22	3.42	4.06	4.33	4.49	14.90	13.90	15.05	Book Value per sh	17.25
	301.06	288.84	289.64	290.59	291.53	292.95	295.79	297.36	298.62	298.30	320.00	300.00	Common Shs Outst'g C	285.00
	20.9	14.9	11.6	61.3	27.0	27.9	32.3	33.0	41.4	36.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
	1.09	.85	.75	3.14	1.47	1.59	1.71	1.76	2.24	1.91			Relative P/E Ratio	1.45
	2.6%	3.8%	5.9%	5.6%	5.8%	5.3%	3.5%	2.9%	2.7%	2.4%			Avg Ann'l Div'd Yield	2.1%
	887.8	966.8	1059.8	949.6	862.1	765.7	587.9	671.6	731.8	893.9	1285	1400	Gross Income ($mill)	1775
	34.5%	34.0%	36.0%	39.3%	30.5%	25.4%	18.7%	20.6%	27.3%	24.7%	27.0%	27.0%	Int Cost to Gross Inc	25.0%
	99.7	112.0	108.4	24.0	55.4	63.8	93.7	124.4	124.0	150.7	175	255	Net Profit ($mill)	340
	37.1%	34.3%	34.5%	31.2%	31.1%	26.6%	21.4%	31.6%	31.8%	33.4%	33.0%	33.0%	Income Tax Rate	33.0%
	11.2%	11.6%	10.2%	2.5%	6.4%	8.3%	15.9%	18.5%	16.9%	16.9%	13.6%	18.2%	Net Profit Margin	19.0%
	9918.7	10738	11571	11891	12261	11672	10718	10933	10687	13555	21300	22100	Total Assets ($mill)	24000
	1118.6	1465.5	1773.8	1324.4	1595.9	964.3	100.0	25.0	25.0	1339.5	Nil	50.0	FHLB Advances ($mill)	150
	852.3	781.7	881.8	935.0	939.6	1002.0	1199.8	1288.6	1339.5	4445.4	4450	4520	Shr. Equity ($mill)	4900
	--	--	--	--	--	--	--	--	1630	1600	1200	1300	New Loan Volume ($mill)	1600
	--	--	--	--	--	--	--	--	.31%	.25%	.45%	.45%	Problem Assets to Lns	.40%
	8.6%	7.3%	7.6%	7.9%	7.7%	8.6%	11.2%	11.8%	12.5%	32.8%	21.0%	20.5%	Shr. Eq. to Total Assets	20.5%
	42.5%	42.7%	41.8%	46.4%	50.8%	56.5%	58.2%	50.4%	47.4%	49.1%	50.5%	45.0%	G&A Exp to Gross Inc	45.0%
	1.01%	1.04%	.94%	.20%	.45%	.55%	.87%	1.14%	1.16%	1.11%	.80%	1.15%	Return on Total Assets	1.4%
	11.7%	14.3%	12.3%	2.6%	5.9%	6.4%	7.8%	9.7%	9.3%	3.4%	4.0%	5.5%	Return on Shr. Equity	6.9%

BUSINESS: People's United Financial is a holding company containing the former People's Bank and Chittenden Corp., acquired January 1, 2008. Provides a full range of financial services to individual, corporate, and municipal customers, including lending, cash management, banking, brokerage, equipment leasing, asset management, insurance, and related services. Has over 300 branches throughout the Northeast, including 79 traditional branches, 75 supermarket branches, and over 250 ATMs. Offs./dirs. own 1.5% of common; no 5% holders (3/08 proxy). Has about 12,000 stockholders, 2,400 Employees. Chmn.: George Carter; President & CEO: Philip Sherringham. Inc.: CT. Addr.: 850 Main St., Bridgeport, CT 06604. Tele.: 203-338-7171. Net: www.peoples.com.

People's United Financial is integrating the Chittenden Corporation acquisition. The deal, which closed on January 1st, significantly hurt March-period results. The purchase caused a dramatic increase in loans and deposits, and produced integration costs that limited share net.

People's is sitting on almost three billion dollars in cash, which it obtained from the April, 2007 second-step conversion. Redeployment of the funds is critical, as the cash hoard represents considerable earnings power. We expect additional acquisitions in 2008, as People's looks to solidify its presence in the Northeast. Too, the board recently authorized a 5% stock repurchase plan, equal to about 17 million shares, and boosted the dividend to $0.15, from $0.13.

The large cash position is impacting earnings. Indeed, rate cuts by the Federal Reserve again caused interest earned on the large cash hoard to decline, depressing March-period margins. That said, the Fed has recently hinted at the possibility of raising rates in an attempt to quell emerging inflationary pressures, which would likely improve People's profit margins. Still, share-net prospects are challenged because the cash accounts for over 15% of earning assets, even as the share count will likely decrease via buybacks.

The Chittenden acquisition is influencing loan quality and composition. The buy raised nonperforming assets (NPAs) from 0.29% to 0.50% of total assets, and the loan mix is now more commercially oriented. Commercial loans account for 57% of the total, versus 45% a year ago. Residential mortgages remained at 14%, and home equity/other fell from 41% to 29%. The majority of the commercial loans are secured by real estate.

We would stay on the sidelines for now. In addition to the well-publicized difficulties facing the banking industry, the many ongoing changes at People's suggest more uncertainty than usual. Former longtime CEO John Klein has been replaced, the Chittenden buy has raised NPAs and altered the composition of the loan portfolio, and the large cash balance must be deployed in an appropriate, timely, and profitable manner.

Douglas G. Maurer, CFA *July 18, 2008*

(A) Diluted earnings. Excludes nonrec. items: '98, 7¢; '01, 37¢; '04, 75¢; '05, 9¢. Next earnings report due late October.

(B) Dividends historically paid in mid-February, May, August, and November. ■ Dividend reinvestment plan available. Prior to 2007, People's owns 57.9% of stock, and has historically waived all but 3% (or less) of its dividends.

(C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	55

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PATTERSON COS. NDQ-PDCO

RECENT PRICE 32.82 | P/E RATIO 16.8 (Trailing: 19.3 Median: 26.0) | RELATIVE P/E RATIO 1.09 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 6/27/08
SAFETY 3 Lowered 3/2/07
TECHNICAL 3 Raised 4/18/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+145%)	25%
Low	50	(+50%)	11%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	0	1	1	0	0	0
to Sell	0	0	2	0	2	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	149	160	147
to Sell	146	149	175
Hld's(000)	94307	91975	86696

	High:	7.6	11.6	12.5	17.3	21.0	27.6	35.8	44.2	53.8	38.3	40.1	37.8	Target Price Range 2011	2012	2013
	Low:	4.5	7.0	8.3	8.1	13.8	19.0	17.7	29.7	33.2	29.6	28.3	28.6			

LEGENDS
21.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 2/98
2-for-1 split 7/00
2-for-1 split 10/04
Options: Yes
Shaded area indicates recession

Percent shares traded 15 10 5

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-12.9	-12.2
3 yr.	-30.0	7.2
5 yr.	16.7	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
3.25	4.42	5.04	5.48	5.08	5.85	6.53	7.72	8.57	10.39	12.17	14.39	17.57	18.85	20.06	24.51	28.25	30.65	Sales per sh A	38.50
.13	.20	.25	.30	.29	.35	.42	.53	.62	.77	.95	1.23	1.53	1.60	1.68	2.05	2.25	2.45	"Cash Flow" per sh	3.20
.10	.15	.18	.22	.25	.31	.37	.48	.57	.70	.86	1.09	1.32	1.43	1.51	1.69	1.95	2.20	Earnings per sh AB	2.90
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.06	.08	.06	.07	.04	.04	.05	.11	.07	.08	.08	.14	.23	.35	.14	.29	.20	.25	Cap'l Spending per sh	.25
.29	.48	.71	.99	1.25	1.58	1.97	2.45	3.03	3.78	4.65	5.86	7.36	8.96	9.89	8.21	8.95	10.90	Book Value per sh C	18.25
105.63	105.64	105.77	106.21	130.30	133.13	134.60	134.73	134.98	136.25	136.17	136.90	137.83	138.75	139.49	122.36	115.00	115.00	Common Shs Outst'g D	115.00
22.4	22.7	18.6	19.7	19.8	21.9	25.7	21.5	24.4	26.7	27.0	27.4	31.6	27.5	22.7	21.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.5
1.36	1.34	1.22	1.32	1.24	1.26	1.34	1.23	1.59	1.37	1.47	1.56	1.67	1.46	1.23	1.12			Relative P/E Ratio	1.50
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						878.8	1040.3	1156.5	1415.5	1657.0	1969.3	2421.5	2615.1	2798.4	2998.7	3250	3525	Sales ($mill) A	4425
						9.5%	10.1%	10.6%	11.0%	11.6%	13.3%	13.6%	13.3%	12.9%	12.9%	13.0%	13.0%	Operating Margin	13.0%
						6.4	7.2	7.8	8.9	12.8	19.4	26.9	23.7	25.5	26.3	27.5	28.5	Depreciation ($mill)	32.5
						49.9	64.5	76.5	95.3	116.3	148.5	183.7	198.4	208.3	224.9	230	255	Net Profit ($mill)	335
						37.4%	37.4%	37.4%	37.4%	37.6%	37.6%	37.4%	37.4%	36.8%	37.1%	37.5%	37.5%	Income Tax Rate	37.5%
						5.7%	6.2%	6.6%	6.7%	7.0%	7.6%	7.6%	7.6%	7.4%	7.5%	7.1%	7.2%	Net Profit Margin	7.6%
						187.9	238.5	310.1	331.4	422.1	514.4	477.7	437.7	509.0	518.9	510	700	Working Cap'l ($mill)	1200
						1.7	3.5	3.7	2.6	.1	479.6	301.5	210.0	130.0	525.0	525	525	Long-Term Debt ($mill)	300
						265.2	330.5	408.5	514.4	633.7	801.8	1015.1	1242.5	1379.2	1004.8	1030	1255	Shr. Equity ($mill)	2100
						18.7%	19.3%	18.6%	18.4%	18.4%	12.0%	14.5%	14.1%	14.2%	15.1%	16.0%	15.0%	Return on Total Cap'l	14.5%
						18.8%	19.5%	18.7%	18.5%	18.4%	18.6%	18.1%	16.0%	15.1%	22.4%	22.5%	20.0%	Return on Shr. Equity	16.0%
						18.8%	19.5%	18.7%	18.5%	18.4%	18.6%	18.1%	16.0%	15.1%	22.4%	22.5%	20.0%	Retained to Com Eq	16.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 4/26/08
Total Debt $655.0 mill. Due in 5 Yrs $355.0 mill.
LT Debt $525.0 mill. LT Interest $27.0 mill.
(34% of Capital)

Leases, Uncapitalized Annual rentals $12.6 mill.

No Defined Benefit Pension Plan

Preferred Stock None
Common Stock 121,335,179 shares as of 6/23/08

MARKET CAP: $4.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	4/26/08
Cash Assets	224.4	241.8	308.2
Receivables	350.3	361.4	364.1
Inventory (LIFO)	244.7	250.2	261.2
Other	28.0	33.1	31.5
Current Assets	847.4	886.5	985.0
Accts Payable	174.0	182.8	194.4
Debt Due	90.0	50.0	130.0
Other	145.7	144.7	141.7
Current Liab.	409.7	377.5	466.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.5%	15.5%	10.5%
"Cash Flow"	19.0%	18.0%	10.5%
Earnings	19.5%	17.0%	11.0%
Dividends	--	--	Nil
Book Value	21.5%	19.0%	12.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	595.8	641.7	682.4	695.2	2615.1
2006	655.5	694.3	709.5	739.1	2798.4
2007	701.4	742.0	776.9	778.4	2998.7
2008	760	800	835	855	3250
2009	825	870	905	925	3525

Fiscal Year Begins	EARNINGS PER SHARE AB Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	.31	.32	.39	.41	1.43
2006	.30	.35	.43	.44	1.51
2007	.35	.39	.45	.51	1.69
2008	.40	.45	.52	.58	1.95
2009	.45	.51	.59	.65	2.20

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Patterson Companies, Inc. operates three units. Dental Supply (74% of FY'07 sales) supplies dentists, laboratories, and institutions in North America; and provides various services, such as equipment installation and maintenance & repair. Veterinary Supply (14%) supplies veterinary clinics in the eastern U.S. Rehabilitative Supply (12%) distributes rehabilitative medical supplies and assistive products globally. Employs about 6,580. Officers & directors own 8.1% of stock; DE Charter Guarantee & Trust, 17.6%; FMR, 7.2%; Bank of NY, 5.8% (8/08 proxy). Chairman: Peter L. Frechette. President & CEO: James W. Wiltz. Incorporated: MN. Address: 1031 Mendota Heights Road, St. Paul, MN 55120. Telephone: 651-686-1600. Internet: www.pattersoncompanies.com.

Patterson Companies stock currently trades at a tempting valuation. Owing to the likelihood of slowing growth, this issue was sold off in early 2005. Late last year, these shares appeared to be building up some momentum, but disappointing October- and January-quarter earnings reports turned investor sentiment sour. The equity's forward Price/Earnings ratio is now roughly 17. This figure is slightly higher than the market average, but well below the issue's historic valuation. In addition, while Patterson's growth is indeed slowing, it is far from stalling. In fact, we think this fiscal year will be a good one. All told, the currently low P/E ratio, coupled with prospects for solid share-earnings growth, gives this stock some appeal. And although the stock is pegged to run in tandem with the broader market in the year ahead (Timeliness: 3), its 3- to 5-year capital gains potential is good.

The company likely got off to a decent start this fiscal year (began April 27th). We think this distributor of dental and other medical supplies posted 8% top-line growth in the July interim. Share earnings probably rose 14%, to $0.40. (Management was set to announce results shortly after we went to press with this Issue.) Sales of consumable dental supplies likely increased at a respectable clip, and dental equipment and software volume was expected to rebound in the interim. Elsewhere, veterinary and rehabilitation revenues probably rose at a near double-digit rate. Bottom-line growth was likely on a par with sales growth, but a large stock repurchase helped boost share net.

We do not expect the sluggish economy to slow down Patterson much, if at all. Granted, more Americans will probably be forced to live with untreated cavities, since about one in three does not have a dental plan and the prices for gas and groceries are rising. However, an aging population, which needs more dental care and can probably better afford to pay for it, should offset the economic pinch. Moreover, the supplier base remains highly fragmented, which opens the door for larger distributors like Patterson to snap up more market share. Finally, the company is rekindling growth by offering trade-in programs, boosting incentives, etc.

Erik A. Antonson *August 29, 2008*

(A) Fiscal years end last Saturday in April of the following year.
(B) Basic EPS though FY'02; diluted thereafter. EPS may not sum due to rounding. Excludes effects of accounting change: FY'03, 5¢. Next earnings report due late November.
(C) Includes intangibles. In FY'07: $762.9 million or $5.47 a share.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	65
Earnings Predictability	95

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PEDIATRIX MEDICAL NYSE-PDX

RECENT PRICE 52.62 | P/E RATIO 16.4 (Trailing: 17.3 / Median: 17.8) | RELATIVE P/E RATIO 1.01 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/16/08
SAFETY 3 New 9/21/07
TECHNICAL 3 Lowered 4/4/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+120%)	21%
Low	75	(+45%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	5	0	0	0	0	0	1	1
to Sell	0	5	2	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	115	126	104
to Sell	98	96	144
Hld's(000)	46505	46787	46501

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	25.2	30.4	32.8	12.8	21.6	24.3	28.6	36.0	45.7	52.4	69.2	72.5
Low:	14.3	16.1	3.0	3.2	9.5	10.4	11.5	26.0	30.7	37.6	48.2	45.2

LEGENDS
17.8 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 4/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-6.6	-9.7
3 yr.	46.2	27.3
5 yr.	186.6	85.8

Pediatrix Medical Group, Inc. was founded in 1979 by Drs. Roger Medel and Gregory Melnick to provide neonatal physician services to hospital-based neonatal intensive care units. The stock was brought public in September of 1995 by Dean Witter Reynolds Inc. and Montgomery Securities, et al., in an offering of 4.4 million shares priced at $10.00 a share. A subsequent offering took place in July of 1996 of 1.7 million shares at $17.75 a share.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	6.02	7.27	7.65	7.10	9.19	11.60	13.75	14.62	16.75	18.95	22.25	24.85	Sales per sh	34.15
	1.23	1.19	.78	1.04	1.50	1.95	2.37	2.56	2.74	3.27	3.60	4.15	"Cash Flow" per sh	5.75
	.91	.79	.35	.68	1.31	D1.72	1.98	2.33	2.52	2.96	3.20	3.70	Earnings per sh A	5.25
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.11	.12	.14	.14	.16	.32	.16	.17	.26	.18	.20	.20	Cap'l Spending per sh	.25
	6.53	7.32	7.62	9.59	10.82	12.05	12.68	14.58	17.72	19.81	21.60	24.60	Book Value per sh B	37.00
	30.80	31.25	31.76	49.92	50.63	47.52	45.05	47.46	48.86	48.42	46.50	45.50	Common Shs Outst'g C	43.50
	23.6	13.3	17.2	21.6	13.7	11.8	16.0	15.9	18.5	19.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.23	.76	1.12	1.11	.75	.67	.85	.85	1.00	1.05			Relative P/E Ratio	1.20
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	185.4	227.0	243.1	354.6	465.5	551.2	619.6	693.7	818.6	917.6	1035	1130	Sales ($mill)	1485
	31.1%	25.1%	15.9%	22.5%	25.7%	26.4%	26.7%	27.2%	25.4%	26.5%	26.0%	26.5%	Operating Margin	29.0%
	8.7	12.1	13.8	21.4	6.1	8.4	9.4	9.9	9.5	10.6	12.0	13.0	Depreciation ($mill)	16.0
	29.1	25.0	11.0	30.4	69.8	84.3	97.6	111.5	124.5	147.8	155	175	Net Profit ($mill)	235
	40.0%	41.2%	48.8%	45.9%	38.3%	38.0%	37.1%	37.3%	38.2%	38.1%	38.5%	38.5%	Income Tax Rate	38.5%
	15.7%	11.0%	4.5%	8.8%	15.0%	15.3%	15.7%	16.1%	15.2%	16.1%	15.0%	15.5%	Net Profit Margin	15.8%
	14.9	2.2	2.1	34.4	79.6	24.5	21.1	d2.2	80.3	99.2	105	150	Working Cap'l ($mill)	275
	10.2	2.2	--	2.7	2.0	1.2	54.7	.6	.4	.5	1.0	1.0	Long-Term Debt ($mill)	Nil
	201.1	228.9	241.9	478.9	548.0	572.4	571.0	691.8	865.8	959.1	1005	1120	Shr. Equity ($mill)	1610
	14.0%	11.4%	4.5%	6.6%	12.8%	14.8%	15.7%	16.3%	14.4%	15.4%	15.5%	15.5%	Return on Total Cap'l	14.5%
	14.5%	10.9%	4.5%	6.4%	12.7%	14.7%	17.1%	16.1%	14.4%	15.4%	15.5%	15.5%	Return on Shr. Equity	14.5%
	14.5%	10.9%	4.5%	6.4%	12.7%	14.7%	17.1%	16.1%	14.4%	15.4%	15.5%	15.5%	Retained to Com Eq	14.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $.7 mill. Due in 5 Yrs $.7 mill.
LT Debt $.2 mill. LT Interest $.1 mill. (less than 1% of Cap'l)

Leases, Uncapitalized: Annual rentals $10.2 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 47,177,661 shs.
as of 5/5/08
MARKET CAP: $2.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	135.3	120.9	61.0
Receivables	125.6	145.5	144.0
Other	40.7	97.7	61.6
Current Assets	301.6	364.1	266.6
Accts Payable	206.6	243.1	190.0
Debt Due	.5	.5	.5
Other	14.2	21.3	21.2
Current Liab.	221.3	264.9	211.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	19.0%	16.0%	12.5%
"Cash Flow"	18.0%	21.0%	12.5%
Earnings	19.0%	27.5%	12.5%
Dividends	--	--	Nil
Book Value	15.5%	13.0%	13.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	164.1	173.8	178.1	177.7	693.7
2006	187.7	203.8	215.8	211.3	818.6
2007	210.9	223.3	233.1	250.3	917.6
2008	245.6	250	265	274.4	1035
2009	275	275	285	295	1130

Calendar	EARNINGS PER SHARE A D Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.47	.57	.65	.64	2.33
2006	.48	.68	.71	.65	2.52
2007	.58	.75	.81	.82	2.96
2008	.67	.80	.86	.87	3.20
2009	.78	.92	1.00	1.02	3.70

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Pediatrix Medical Group, Inc. provides physician management services to hospital-based neonatal intensive care units administering medical care to newborn infants and to hospital-based pediatric intensive care units providing medical care to critically ill children. Since 1995, acquired multiple physician practices. Acquired Magella Healthcare 5/01. Has relationships with more than 1,070 physicians, 1,315 clinical professionals, and 1,525 other employees, in 32 states. Officers & directors own 2.8% of common stock (3/08 proxy). Chairman: John K. Carlyle. President and Chief Executive Officer: Roger J. Medel, M.D. Inc.: FL. Address: 1301 Concord Terrace, Fort Lauderdale, FL 33323. Telephone: 954-384-0175. Internet: www.pediatrix.com.

Profit-related disappointments have taken a toll in recent months on the shares of Pediatrix Medical Group. On May 8th, the provider of physician services management announced March-quarter earnings that were a penny per share below Wall Street's consensus estimate. The company also indicated that management's previously offered full-year guidance of $3.35–$3.45 might prove optimistic, citing below-trend growth in same-facility neo-natal intensive care unit (NICU) volume. Investors responded harshly, pushing PDX stock down 14% that day. The shares tumbled another 9% on May 27th, after Pediatrix lowered profit expectations for the June quarter from $0.85–$0.87 to $0.77–$0.80 and withdrew its guidance for the year. In all, PDX shares are off 23% since the end of April.

We have lowered our bottom-line estimates for 2008 and 2009. Although share net in the first quarter was up 16%, year over year, it was two cents below our $0.69 estimate. Growth in same-unit NICU volume was low, at a mere 1.9%, compared with the historical norm of 3%–5%. Even more significant, according to management, volume was down approximately 2% in the first six weeks of the current quarter, which explains the May 27th action. The correlation between economic strength and trends in birth rate is unclear, and birth rates have historically been volatile. So, essentially, it's far from clear whether the recent softness will prove ephemeral or more long lasting. That said, our revised share-net figures for this year and next are $3.20 and $3.70, respectively; they were $3.40 and $3.90. Our estimates assume a gradual return to historical growth for NICU volume. They also assume a continuation of the company's aggressive stock-repurchase program.

These shares offer above-average 3- to 5-year price appreciation potential. Following the recent weakness, valuations are at levels not seen in several years. We think the NICU business will return to trendline, and the company's initial foray last September into the large anesthesia arena gives it another growth platform. Healthy cash flow, meantime, gives management the wherewithal to perpetuate its long-time growth-by-acquisition strategy.

George Rho *June 20, 2008*

(A) Diluted earnings. Excludes nonrecurring losses (gain): '02, $0.02; '04, $0.01; '05, $0.37; '07, $0.10; '08, ($0.47). Next earnings report due early Aug. (B) Includes intangibles. 2007: $858.9 million, $17.74/share. (C) In millions, adjusted for a stock split. (D) The adoption of FASB 142 at the beginning of 2002, obviating the need to amortize acquisition-related goodwill, added $0.31 to per-share earnings.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	85
Earnings Predictability	75

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PENN. R.E.I.T. NYSE-PEI

RECENT PRICE 22.85 | P/E RATIO NMF | NMF NMF | RELATIVE P/E RATIO NMF | DIV'D YLD 10.2% | VALUE LINE

TIMELINESS 4 Raised 5/19/06
SAFETY 3 Lowered 4/20/07
TECHNICAL 3 Raised 7/11/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+120%)	27%
Low	35	(+55%)	19%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	1	0	0	0	0
Options	0	3	0	0	1	0	0	0	0
to Sell	1	2	2	1	1	1	1	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	72	71	94
to Sell	85	83	66
Hld's(000)	30214	30290	32021

High: 27.3 25.3 21.7 19.8 25.0 27.2 36.3 43.7 50.2 44.5 50.4 29.7
Low: 20.8 18.6 14.0 14.8 18.3 20.5 24.7 30.3 35.2 36.8 28.5 21.0

LEGENDS
0.60 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-43.7	-18.0
3 yr.	-41.4	11.3
5 yr.	4.5	63.2

Percent shares traded 15 10 5

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.76	6.00	6.56	5.96	5.35	4.71	10.37	10.00	9.65	11.35	11.26	25.32	24.28	26.75	21.80	19.36	18.55	18.20	Book Value per sh	20.00
1.74	1.99	1.92	2.23	2.15	2.17	2.45	2.65	3.06	2.70	2.85	2.96	3.70	3.70	3.62	3.90	3.70	3.85	Funds from Ops per sh [C]	4.75
1.01	1.17	1.03	1.26	1.17	1.18	1.74	1.56	2.41	1.35	1.44	1.33	.95	.95	.42	.57	d.02	.20	Earnings per sh [A B]	1.25
1.72	1.80	1.88	1.88	1.88	1.88	1.88	1.88	1.92	2.04	2.04	2.07	2.16	2.25	2.28	2.28	2.28	2.40	Div'ds Decl'd per sh [D]	2.90
5.65	11.34	15.48	19.98	19.65	17.56	27.05	36.22	39.85	33.88	36.10	62.13	65.69	72.50	76.47	75.79	78.55	81.80	Loans & Real Est per sh [F]	90.00
8.64	8.65	8.67	8.68	8.68	8.68	13.50	13.50	13.48	15.88	16.70	35.54	36.27	36.52	36.95	39.13	42.00	44.00	Common Shs Outst'g [E]	50.00
234%	261%	268%	345%	375%	366%	166%	181%	97%	95%	222%	120%	152%	156%	186%	110%			Premium Over Book	150%
19.8	20.9	25.2	16.4	18.8	18.7	12.9	14.0	7.6	16.4	17.4	22.9	38.8	44.0	NMF	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	34.0
11.5	12.3	12.6	9.2	10.2	10.0	9.6	9.6	8.5	8.2	8.9	10.3	10.0	11.3	11.2	10.4			Avg Ann'l P/FFO Ratio	9.0
8.6%	7.3%	7.7%	9.1%	8.5%	8.1%	8.4%	10.0%	10.7%	9.2%	8.1%	6.8%	5.9%	5.4%	5.6%	5.6%			Avg Ann'l Div'd Yield	6.8%
						62.4	89.2	100.5	101.9	114.6	170.5	395.5	424.7	460.1	458.5	480	540	Rental Income($mill) [A]	700
						5.0	1.1	1.4	11.7	11.7	12.9	10.7	5.0	4.4	7.0	10.0	12.0	Other Income($mill)	16.0
						42.2%	40.1%	40.5%	44.1%	45.6%	41.1%	52.2%	53.0%	52.7%	51.3%	50.0%	52.5%	Operating Margin [G]	54.0%
						23.2	20.7	32.3	19.8	23.7	29.2	48.5	49.5	30.2	17.3	d1.0	10.0	Net Profit($mill) [F]	65.0
						37.2%	23.2%	32.3%	19.4%	20.7%	17.1%	12.3%	11.7	6.6%	3.7%	NMF	1.9%	Net Profit Margin	9.3%
						3.0	1.7	10.3	2.1	4.1	194.3	.9	16.3	6.9	9.0	Nil	Nil	Capital Gains(mill)	Nil
						406.0	489.5	525.0	538.0	603.0	2208.2	2382.7	2647.8	2825.4	2965.8	3300	3600	Loans & Real Est($mill) [H]	4500
						297.4	358.6	382.0	360.4	450.6	1391.2	1472.2	1714.6	1931.6	1944.4	2200	2400	Long-Term Debt ($mill) [I]	2800
						140.0	134.0	130.0	180.3	188.0	1023.6	1004.5	976.9	929.3	757.6	780	800	Shr. Equity ($mill)	1000
						134.0%	70.9%	62.8%	75.6%	71.6%	69.9%	58.4%	60.1%	63.0%	58.5%	61.5%	62.5%	Div'ds Decl'd to FFO	61.0%
						8.8%	8.5%	8.4%	6.2%	6.2%	2.7%	6.1%	7.5%	7.7%	7.5%	7.5%	7.0%	Expenses to Assets	7.5%
						10.9%	10.0%	8.7%	5.7%	5.9%	1.9%	3.4%	3.4%	2.8%	2.4%	2.0%	2.5%	Return on Total Cap'l	3.5%
						16.6%	15.5%	24.8%	11.0%	12.6%	2.8%	4.8%	5.1%	3.2%	2.3%	NMF	1.5%	Return on Shr. Equity	6.5%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2328.5 mill. Due in 5 Yrs $1275.8 mill.
Total Interest $140 mill.
(76% of Cap'l)
No Defined Benefit Pension Plan
Pfd Stock None
Com. Stock 39,326,466 mill. shares
MARKET CAP: $900 million (Small Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Funds from Operations	129.1	158.8	149.5
Investments Repaid	267.5	--	56.7
Net New Debt	242.4	217.0	-
New Equity	--	-47.6	171.7
Investments Funded	364.2	--	--
Dividends Declared	82.3	83.8	86.5

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	1931.6	2274.4
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	.68:1	.75:1
Total Debt/Equity	2.08:1	3.00:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges. Repaid in Quarter	N/A	N/A
Loss Reserve—%/Invests.	N/A	N/A
Non-Earn Assets—%/Invests.	N/A	N/A

Calendar	LOANS & REAL ESTATE ($ mill.) [A F] Mar.31	Jun.30	Sep.30	Dec.31
2005	2474	2477	2491	2648
2006	2712	2753	2775	2825
2007	2833	2860	2911	2966
2008	3021	3150	3250	3300
2009	3300	3400	3500	3600

Calendar	EARNINGS PER SHARE [A B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.17	.13	.29	.36	.95
2006	.03	.01	d.01	.42	.42
2007	d.01	.01	.35	.22	.57
2008	d.06	d.05	.04	.05	d.02
2009	.02	.02	.08	.08	.20

Calendar	QUARTERLY DIVIDENDS PAID [D] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.54	.54	.54	.54	2.16
2005	.54	.57	.57	.57	2.25
2006	.57	.57	.57	.57	2.28
2007	.57	.57	.57	.57	2.28
2008	.57	.57			

BUSINESS: Pennsylvania Real Estate Investment Trust, organized in 1960, became an operating partnership (LP) after the merger with The Rubin Organization (TRO). The company acquired Crown America Realty Trust, 11/03. As of 12/31/07, the real estate portfolio includes about 55 properties located in thirteen states (38 shopping malls, 13 strip malls, and 4 properties under development). Some properties are owned by partnerships or joint ventures in which the trust has an equity interest (ranging from about 25% to 87.5%). Officers & Directors own about 10.5% of stock (4/08 proxy). Has about 805 employees. Org.: PA. Chairman and CEO: Ron Rubin. Address: 200 South Broad Street, Philadelphia, PA 19102. Telephone: 215-875-0700. Internet: www.preit.com.

Pennsylvania REIT's results are starting to improve. Income from the property portfolio advanced about 3.0% during the March quarter, helped by healthy occupancy levels and higher rental rates for new leases. Much of the improvement likely reflects contributions from newly completed development and redevelopment projects. Funds from operations (FFO) rose moderately during the March quarter. However, GAAP earnings per diluted share, which include noncash charges for depreciation and amortization, remained weak.

The redevelopment pipeline is progressing well. In addition to the several properties completed last year, there are about three renovation projects that should be finished sometime in 2008. Pennsylvania REIT expects to have finished renovation on about 50% of its portfolio by the second half of 2009. Fully renovated properties should help attract higher-quality tenants, and increase rental rates, which should boost profitability.

We are leaving our earnings and FFO estimates unchanged for this year and next. Although FFO will probably remain weak in 2008, contributions from the redevelopment pipeline should support a small advance next year. Further, most of the REIT's properties are located in areas that should hold up relatively well, despite a sluggish economy.

Elsewhere, finances remain adequate. Pennsylvania REIT's debt-to-capital level was about 76% at the end of March, which is considerably higher than for most other retail REITs. Some debt is due in the year ahead, and management is currently seeking refinancing. The credit facility should provide considerable liquidity. Capital can be raised through equity issuances, if financing requirements become difficult. However, this probably won't be necessary.

This untimely issue offers investors an attractive dividend yield. The dividend payout is about 62% and leaves some room for increases. But we don't expect the dividend to be increased this year, given the earnings outlook for the year ahead. Further, our projections indicate the stock offers worthwhile total return potential for the next 3 to 5 years.

Adam Rosner *July 18, 2008*

(A) Aug. fisc. year until '97. (B) Based on avg. shrs. through 1997, dil. thereafter. Excl. Disc. Ops.'07: $.16, '06: $.05, '05: $.22. '04: $.15. '03: $8.03. Next egs. rpt. due late July. Qtly figs. may not sum due to rounding. (C) Funds From Ops. (FFO): '08, Q1, $0.85. '07, Q4. $1.12, Q3, $1.16, Q2, $0.82, Q1, $0.81. (D) Div'd. historically paid in mid-Mar., June, Sep., Dec. (E) In mill. (F) Incl. proport. sh. of partners. and jv's. (G) Bef. dep. and int. (H) Net of acc. dep. (I) Incl. JV debt in 1998 and beyond.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	55
Earnings Predictability	55

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PERKINELMER, INC. NYSE-PKI

RECENT PRICE 29.03 | P/E RATIO 18.9 (Trailing: 20.7 Median: 24.0) | RELATIVE P/E RATIO 1.23 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 2 Raised 5/30/08
SAFETY 3 Lowered 6/14/96
TECHNICAL 3 Lowered 7/25/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+105%)	20%
Low	40	(+40%)	9%

Insider Decisions

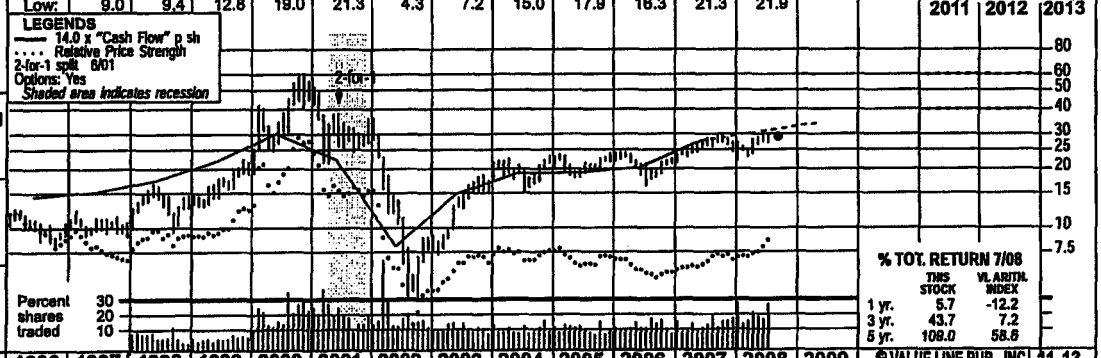
	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	1	0	3	1	0
to Sell	0	1	0	0	2	0	3	3	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	142	135	130
to Sell	133	141	150
Hld's(000)	100080	101535	98563

High: 12.3 16.9 22.5 60.5 52.3 36.3 18.7 23.3 24.0 24.2 30.0 30.0
Low: 9.0 9.4 12.8 19.0 21.3 4.3 7.2 15.0 17.9 16.3 21.3 21.9

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/01
Options: Yes
Shaded area indicates recession



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.7	-12.2
3 yr.	43.7	7.2
5 yr.	109.0	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
24.55	24.03	12.09	14.91	15.41	16.11	15.73	14.70	17.03	10.71	11.96	12.10	13.07	11.42	12.55	15.20	*17.55*	*18.75*	Sales per sh	*22.90*
1.09	1.05	.65	.98	1.03	1.09	1.25	1.57	2.16	1.59	.58	1.07	1.35	1.37	1.45	1.98	*2.20*	*2.45*	"Cash Flow" per sh	*3.30*
.78	.71	.31	.53	.58	.59	.67	.85	1.33	1.09	d.03	.43	.76	.95	1.14	1.28	*1.50*	*1.70*	Earnings per sh A	*2.50*
.25	.26	.28	.28	.28	.28	.28	.28	.28	.28	.28	.28	.28	.28	.28	.28	*.28*	*.28*	Div'ds Decl'd per sh B■	*.28*
.20	.25	.34	.65	.87	.54	.52	.44	.71	.71	.30	.13	.15	.19	.36	.40	*.45*	*.45*	Cap'l Spending per sh	*.50*
4.17	4.25	4.04	3.85	3.94	3.62	4.47	5.94	7.32	10.98	9.95	10.63	11.31	12.79	12.80	13.40	*14.85*	*16.45*	Book Value per sh D	*22.10*
113.62	112.26	110.25	95.22	92.62	90.67	89.49	92.73	99.55	124.19	125.85	126.91	129.06	129.06	123.26	117.59	*119.50*	*120.00*	Common Shs Outst'g C	*120.00*
14.7	14.5	26.2	16.5	17.9	17.5	20.1	19.6	28.2	29.7	--	30.3	25.7	22.1	16.7	20.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
.89	.86	1.72	1.10	1.12	1.01	1.05	1.12	1.83	1.52	--	1.73	1.36	1.18	1.01	1.08			Relative P/E Ratio	*1.35*
2.1%	2.5%	3.5%	3.2%	2.7%	2.7%	2.1%	1.7%	.7%	.9%	2.1%	2.2%	1.4%	1.3%	1.3%	1.1%			Avg Ann'l Div'd Yield	*0.6%*
						1407.9	1363.1	1695.3	1330.1	1505.0	1535.2	1687.2	1473.8	1546.4	1787.3	*2100*	*2250*	Sales ($mill)	*2750*
						10.2%	15.6%	18.6%	20.5%	10.6%	15.6%	15.0%	15.5%	14.3%	15.3%	*16.5%*	*17.0%*	Operating Margin	*18.5%*
						50.4	66.1	79.1	80.5	76.8	80.2	76.2	38.4	35.4	78.0	*85.0*	*85.0*	Depreciation ($mill)	*95.0*
						61.8	79.3	135.7	116.8	d4.1	55.0	98.3	138.0	143.4	154.4	*180*	*210*	Net Profit ($mill)	*300*
						34.8%	36.8%	29.8%	25.9%	--	32.0%	28.2%	16.8%	21.4%	13.0%	*24.5%*	*24.5%*	Income Tax Rate	*24.5%*
						4.4%	5.8%	8.0%	8.8%	NMF	3.6%	5.8%	9.4%	9.3%	8.6%	*8.6%*	*9.3%*	Net Profit Margin	*10.9%*
						41.3	d37.4	175.5	289.2	293.6	314.3	301.6	504.3	268.3	295.3	*295*	*515*	Working Cap'l ($mill)	*570*
						129.8	114.9	583.3	598.1	614.1	544.3	364.9	243.3	151.8	516.1	*500*	*500*	Long-Term Debt ($mill)	*215*
						399.7	550.8	728.4	1363.6	1252.3	1349.1	1460.1	1650.5	1577.7	1575.3	*1775*	*1975*	Shr. Equity ($mill)	*2650*
						12.1%	12.4%	11.5%	6.7%	.4%	4.3%	6.5%	7.7%	8.5%	7.8%	*8.0%*	*8.5%*	Return on Total Cap'l	*10.5%*
						15.4%	14.4%	18.6%	8.6%	NMF	4.1%	6.7%	8.4%	9.1%	9.8%	*10.0%*	*10.5%*	Return on Shr. Equity	*11.5%*
						9.0%	9.8%	14.8%	6.5%	NMF	1.5%	4.3%	6.2%	6.8%	7.7%	*8.5%*	*9.0%*	Retained to Com Eq	*10.0%*
						41%	32%	20%	24%	NMF	64%	36%	26%	25%	22%	*19%*	*16%*	All Div'ds to Net Prof	*11%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $521.1 mill. Due in 5 Yrs $500.0 mill.
LT Debt $521.1 mill. LT Interest $30.0 mill. (24% of Cap'l)

Pension Assets $339.6 mill. Oblig. $481.9 mill.

Pfd Stock None

Common Stock 119,507,758 shs.
As of 7/31/08
MARKET CAP: $3.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	191.1	203.3	193.5
Receivables	268.5	337.7	349.7
Inventory (LIFO)	183.3	202.4	222.6
Other	101.9	99.5	116.9
Current Assets	744.8	842.9	882.7
Accts Payable	152.8	186.4	194.7
Debt Due	1.2	.6	--
Other	322.5	360.6	375.9
Current Liab.	476.5	547.6	570.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-1.5%	-0.5%	*10.0%*
"Cash Flow"	4.5%	2.0%	*13.0%*
Earnings	7.0%	7.0%	*14.5%*
Dividends	--	--	--
Book Value	13.0%	6.5%	*9.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	360.2	364.2	361.9	387.5	1473.8
2006	355.5	377.0	386.9	427.0	1546.4
2007	402.9	437.3	435.7	511.4	1787.3
2008	482.3	528.6	*510*	*579.1*	*2100*
2009	*520*	*560*	*545*	*625*	*2250*

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.15	.20	.24	.36	.95
2006	.21	.25	.28	.40	1.14
2007	.23	.29	.32	.44	1.28
2008	.28	.35	.37	*.50*	*1.50*
2009	*.32*	*.38*	*.42*	*.58*	*1.70*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.07	.07	.07	.07	.28
2005	.07	.07	.07	.07	.28
2006	.07	.07	.07	.07	.28
2007	.07	.07	.07	.07	.28
2008	.07	.07	.07		

BUSINESS: PerkinElmer (formerly EG&G), Inc. provides scientific and technically oriented products, custom systems, and services to technologically-oriented customers. Markets are life and analytical sciences (74% of 2007 sales) and optoelectronics (26%). Acquired Perkin-Elmer Analytical Instruments Division, 1999; NEN Life Sciences, 2000; Packard BioScience, 2001; Elcos AG, 2005. Research and Development: 6.2% of sales. 2007 depreciation rate: 13.5%. Employs 8,700. Off./dir. own 7.1% of stock; Manning & Napier Advisors, 5.7%; AXA Fin'l, 5.8%; FMR LLC, 6.9% (3/08 proxy). Pres. & CEO: Robert Friel. Chmn.: Gregory Summe. Incorporated: Massachusetts. Addr.: 45 William Street, Wellesley, MA 02481. Tel.: 781-237-5100. Internet: www.perkinelmer.com.

We have increased our 2008 share-net outlook for PerkinElmer by $0.05 a share, to $1.50, thanks to strong growth across the entire portfolio. A stabilizing pharmaceuticals market has increased demand for custom assay services, while the company's *OneSource* offering is benefiting from the desire of companies in this sector to outsource laboratory assets. Sales of chromatography products to environmental and industrial markets have also been growing. Demand for xenon camera modules continues to fuel the performance of the specialty lighting business.

The company's Diagnostic businesses have been particularly strong, due to rising demand for genetic screening and medical imaging products. Sales growth from these markets exceeded 20% in the second quarter. Indeed, PerkinElmer is benefiting from a trend toward first trimester risk assessment and increased newborn testing, both in the U.S. and abroad. Demand for prenatal and neonatal screening was especially strong in emerging markets such as China, Russia, and Mexico. Also, the transition from film-based to digital X-ray enabled the company to ship a record number of imaging panels in the June period.

PerkinElmer remains on the prowl for tuck-in acquisitions. The company has been an active consolidator over the past couple of years. This trend is unlikely to stop anytime soon given PerkinElmer's strong balance sheet and free cash flow generation. We look for the company to focus on smaller firms that either expand the technology base or market share, such as the recent additions of ViaCell and Pediatrix to the high-growth, high-margin genetic screening business. Indeed, we look for these outside additions to provide a nice complement to PerkinElmer's internal development projects over the coming three to five years.

These timely shares offer about average price appreciation potential to 2011–2013. Increased emphasis on early and accurate detection of disease internationally ought to raise the demand for maternal health products. Indeed, the company's strong earnings-growth prospects ought to appeal to investors with both long- and short-term horizons.

Jerry W. Gray Jr. *August 29, 2008*

(A) Primary egs. through 1996; diluted thereafter. Excl. nonrec. gains (losses): '93, ($0.18); '94, ($0.36); '95, $0.14; '96, $0.06; '97, ($0.26); '98, $0.44; '00, ($0.44); '01, ($0.32); '02, ($1.18); '03, ($0.02); '05, ($0.05); '06, ($0.20); '07, ($0.19). Next egs. report due late Oct.
(B) Dividends historically paid in mid-February, mid-May, mid-August, mid-Nov.
■ Dividend reinvestment plan available.
(C) In millions, adjusted for stock split.
(D) Includes intangibles in '07: $11.44/shr.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	40
Earnings Predictability	40

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HEARING EXHIBIT 00000435

PROLOGIS TRUST NYSE-PLD

RECENT PRICE 52.81 | P/E RATIO 15.8 | 17.4 NMF | RELATIVE P/E RATIO 1.04 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 3 Raised 11/11/05
SAFETY 3 Lowered 1/18/08
TECHNICAL 3 Raised 6/20/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+100%)	21%
Low	70	(+35%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	0	2	0	0	4	0	1
to Sell	0	0	0	3	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	198	231	226
to Sell	191	178	178
Hld's(000)	252393	282712	290879

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:			25.5	26.5	22.2	24.7	23.3	26.0	32.6	43.3	47.6	67.5	73.4	66.6				
Low:			18.9	19.8	16.8	17.6	19.3	21.0	23.6	27.6	36.5	46.3	51.6	50.1				

LEGENDS
— 1.30 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-1.3	-18.0
3 yr.	48.3	11.3
5 yr.	138.3	63.2

Percent shares traded 9 6 3

--	--	11.01	12.30	12.42	13.14	12.83	13.86	13.53	12.94	13.95	14.35	14.82	21.08	24.11	27.50	29.40	31.10	Book Value per sh
--	--	.94	1.13	1.30	1.51	1.80	2.02	2.21	2.35	2.39	2.17	2.11	2.51	3.70	4.61	4.85	5.25	Funds from Ops per sh E
--	--	.56	.55	.63	d.04	.47	.56	.95	1.18	1.32	.73	1.08	1.39	2.71	3.16	3.35	3.75	Earnings per sh A
--	--	.85	.93	1.01	1.08	1.27	1.31	1.35	1.39	1.42	1.44	1.46	1.48	1.60	1.84	2.07	2.20	Div'ds Decl'd per sh B=
--	--	17.89	21.76	25.61	24.15	27.58	28.48	25.49	22.82	26.30	27.79	26.77	44.12	50.51	59.02	63.45	68.70	Real Est per sh
--	--	64.59	81.42	93.68	117.36	123.42	161.83	165.29	175.88	178.15	180.18	185.79	243.78	250.91	257.71	260.00	262.00	Common Shs Outst'g C
--	--	43.0%	31.0%	45.0%	68.0%	83.0%	43.0%	56.0%	65.0%	70.0%	93.0%	134%	97.0%	127%	132%			Premium Over Book
--	--	28.1	29.4	28.5	NMF	NMF	35.3	21.9	18.4	18.0	37.9	32.1	29.9	20.2	20.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio
--	--	16.8	14.3	13.8	14.6	13.1	9.8	9.5	9.1	9.9	12.8	16.4	16.5	14.8	13.9			Avg Ann'l P/FFO Ratio
--	--	5.4%	5.8%	5.6%	5.6%	5.2%	6.6%	6.3%	6.5%	6.0%	5.2%	4.2%	3.6%	2.9%	2.9%			Avg Ann'l Div'd Yield
345.1	491.2	480.0	488.4	449.5	546.1	544.7	1868.0	2463.9	6204.7	4850	5100	Revenues ($mill)
20.4	69.2	156.2	172.0	254.7	188.0	230.4	70.0	178.7	139.7	180	200	Other Income($mill)
76.1%	84.2%	83.7%	82.2%	79.8%	61.5%	56.6%	34.4%	42.9%	23.3%	32.0%	32.0%	Operating Margin
106.5	143.3	213.1	241.8	278.0	174.3	233.5	317.8	717.7	863.1	930	1050	Net Profit($mill) D
30.8%	29.2%	33.5%	37.8%	39.5%	23.7%	30.1%	17.0%	29.9%	13.9%	19.2%	20.6%	Net Profit Margin
5.6	38.9	1.3	10.0	6.6	1.6	7.6	76.3	218.7	228.2	Nil	Nil	Capital Gains($mill)
3403.2	4608.3	4212.5	4013.3	4683.2	5006.8	5344.5	10756.6	12673.8	15210.4	16500	18000	Real Est($mill)
1268.8	2425.2	2237.0	2202.5	2186.1	2291.2	2454.0	6677.9	8386.9	10506.1	12000	12500	Long-Term Debt ($mill)
2256.4	2953.7	2927.4	2676.0	2886.5	3060.7	3102.5	5488.0	6398.6	7436.4	8000	8500	Shr. Equity ($mill)
70.6%	64.9%	61.1%	59.1%	59.4%	68.4%	69.2%	59.0%	43.2%	39.9%	42.5%	42.0%	Div'ds Decl'd to FFO
6.0%	6.8%	6.9%	6.9%	6.7%	7.3%	7.3%	11.4%	11.1%	31.3%	20.0%	19.0%	Expenses to Assets
7.0%	4.2%	5.7%	6.5%	7.0%	4.7%	5.6%	3.3%	5.9%	5.8%	5.5%	6.0%	Return on Total Cap'l
4.7%	4.8%	7.3%	9.0%	9.5%	5.7%	7.5%	5.8%	11.2%	11.6%	11.5%	12.5%	Return on Shr. Equity

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CAPITAL STRUCTURE as of 3/31/08
Total Debt $11096.9 mill. Due in 5 Yrs $2951.4 mill.
Total Interest $660.0 mill.

(Total interest coverage: 3.3x) (59% of Cap'l)
No Defined Benefit Pension Plan

Pfd Stock $350.0 mill. Pfd. Div'd $25.4 mill. (2% of Cap'l)

Common Stock 260,299,000 shs.

MARKET CAP: $13.7 billion (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus Noncash charges	489.2	720.8	1225.0
Investments Repaid	--	--	--
Net New Debt	4223.9	1709.0	2119.2
New Equity	2385.5	910.6	1037.8
Investments Funded	2560.7	3884.6	5213.9
Dividends Declared	297.4	399.3	472.6

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	8386.9	10506.1
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	57.1	.59:1
Total Debt/Equity	1.31:1	1.41:1

PORTFOLIO CONDITION	Year Ago	Latest
Non-Earn Assets—%/Invests.	--	--

Calendar	RENTAL REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	431.9	469.6	532.0	434.5	1868.0
2006	571.1	687.4	580.5	624.9	2463.9
2007	955.9	988.1	3460.8	799.9	6204.7
2008	1652.3	1000	1100	1097.7	4850
2009	1250	1250	1300	1300	5100

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.32	.44	.41	.22	1.39
2006	.61	.47	.46	1.17	2.71
2007	.84	.88	1.09	.35	3.16
2008	.71	.85	.88	.91	3.35
2009	.90	.90	.95	1.00	3.75

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.365	.365	.365	.365	1.46
2005	.37	.37	.37	.37	1.48
2006	.40	.40	.40	.40	1.60
2007	.46	.46	.46	.46	1.84
2008	.517	.517			

BUSINESS: ProLogis Trust is a real estate investment trust which owns and manages a network of global distribution centers. ProLogis has an ownership interest of approx. 508.8 million square feet in distribution facilities operated and under development in several markets located throughout North America, Europe and Asia. ProLogis also offers warehousing and distribution solutions to industrial customers worldwide. ProLogis has approx. 1535 employees in the United States and Europe as of Dec. 2007. Officers and directors own about 1.5% of shares outstanding (3/08 proxy). CEO: Jeffrey H. Schwartz. President: Walter C. Rakowich. Telephone: 303-567-5000. Address: 4545 Airport Way, Denver, Colorado 80239. Internet address: www.prologis.com.

ProLogis started 2008 with relatively healthy results. Funds from operations (FFO) advanced about 10.5% during the March quarter. Much of the strength was due to contributions from the development division. However, results also benefited from a stable performance by the REIT's wholly owned real estate portfolio, as well as by increased income from the property funds.

The development business should continue to make strong contributions. Demand for modern distribution and warehouse space in Europe and Asia should remain strong, given the rapid expansion of these economies and increased global trade. ProLogis expects that about 80%-85% of its new development projects will be located outside of the United States and the United Kingdom. The REIT started construction on about $930 million of new projects during the March quarter, bringing the total development pipeline to about $7.8 billion. About $4.1 billion of these projects are currently under construction.

ProLogis continues to expand its asset management business. The REIT currently has about $21 billion in assets in ProLogis Property Funds compared to $19 billion a year ago. In early April, ProLogis and a large partner started a China Acquisition Fund. The fund will have the capability to acquire about $2 billion in assets. As a result, we expect income from these funds to continue to make larger contributions to ProLogis' bottom line.

We are leaving our FFO estimates for 2008 and 2009 unchanged at this time. Although the environment will likely remain challenging in the United States for a while, this should be offset by strength internationally. Given its diverse business, ProLogis remains well positioned to weather a slowdown in the United States economy.

These shares are ranked 3 (Average) for Timeliness. The earnings and FFO outlook remains favorable for the year ahead. The issue offers investors a dividend yield that is somewhat lower than other REITs'. However, our current projections indicate that ProLogis shares offer worthwhile total return potential for the next 3 to 5 years.

Adam Rosner *July 18, 2008*

(A) Based on dil. eqs. Excl's. cap'l gains: '03, $.01; '02, $.04; '01, $.06; '99, $.25. Excludes non-rec. gains (losses):'03, $.40; '02, ($.16); '01, ($.70). Excl's. Disc. Ops.'07, $.33; '06, $.61; '05, $.37; '04, $.22. Next earnings report due late July. (B) Dividends historically paid in late Feb., May, Aug., and Nov. = Div'd. reinvestment plan available. (C) In millions. (D) Excludes cap'l gains. (E) FFO: '08, Q1,$1.38. '07, Q4, $0.79, Q3, $1.41, Q2, $1.16, Q1, $1.25. '06; Q4, $1.11, Q3, $.79, Q2, $.90, Q1, $.90.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	55

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PALL CORP. NYSE-PLL

RECENT PRICE 40.20 | P/E RATIO 22.1 (Trailing: 30.5 / Median: 24.0) | RELATIVE P/E RATIO 1.42 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 3 Raised 5/30/08
SAFETY 2 Raised 2/23/01
TECHNICAL 3 Lowered 6/27/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+60%)	14%
Low	45	(+10%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	145	166	136
to Sell	157	134	163
Hld's(000)	108007	106776	111310

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	5.93	5.92	6.08	7.19	8.35	8.34	8.68	9.23	9.94	10.09	10.51	12.91	13.97	15.30	16.51	18.36	20.20	21.50	Sales per sh [A]	25.10
	1.08	1.13	1.18	1.41	1.67	1.52	1.43	.94	1.71	1.55	1.20	1.81	1.90	1.86	1.97	1.81	2.55	2.85	"Cash Flow" per sh	3.45
	.77	.83	.88	1.04	1.21	1.03	.92	.41	1.18	.95	.59	1.16	1.20	1.12	1.16	1.02	1.70	1.95	Earnings per sh [B]	2.50
	.26	.29	.36	.42	.47	.54	.56	.60	.66	.68	.52	.36	.36	.40	.44	.48	.51	.54	Div'ds Decl'd per sh [C]	.60
	.49	.54	.64	.58	.72	.70	.68	.57	.54	.64	.57	.50	.48	.69	.79	.80	.80	.80	Cap'l Spending per sh	.85
	4.72	4.68	5.09	5.70	6.37	6.47	6.11	5.88	6.18	6.29	6.67	7.48	8.32	9.17	9.65	8.65	10.15	12.15	Book Value per sh	14.25
	115.61	116.06	115.32	114.43	114.98	127.40	125.33	124.21	123.12	122.38	122.84	124.98	126.74	124.34	122.16	122.55	122.50	122.00	Common Shs Outst'g [D]	120.00
	25.3	23.5	20.1	19.1	20.7	23.7	23.1	52.7	18.1	23.4	36.5	16.1	20.3	24.1	24.5	35.5	Bold figures are		Avg Ann'l P/E Ratio	22.0
	1.53	1.39	1.32	1.28	1.30	1.37	1.20	3.00	1.18	1.20	1.99	.92	1.07	1.28	1.32	1.86	Value Line		Relative P/E Ratio	1.35
	1.3%	1.5%	2.0%	2.1%	1.9%	2.2%	2.6%	2.8%	3.1%	3.1%	2.4%	1.9%	1.5%	1.5%	1.5%	1.3%	estimates		Avg Ann'l Div'd Yield	1.4%
							1087.3	1147.1	1224.1	1235.4	1290.8	1613.6	1770.7	1902.2	2016.8	2249.9	2475	2620	Sales ($mill) [A]	3010
							20.8%	17.6%	26.6%	25.2%	20.9%	18.5%	18.0%	16.1%	16.9%	17.4%	19.0%	19.5%	Operating Margin	19.5%
							64.6	64.9	63.4	71.5	74.0	82.9	88.9	90.9	95.7	94.0	100	105	Depreciation ($mill)	115
							114.8	51.5	146.6	118.0	73.2	143.8	151.6	140.8	145.5	127.5	210	240	Net Profit ($mill)	300
							29.1%	12.6%	22.2%	21.5%	26.7%	22.1%	23.4%	22.2%	30.8%	51.1%	33.0%	32.0%	Income Tax Rate	33.0%
							10.6%	4.5%	12.0%	9.6%	5.7%	8.9%	8.6%	7.4%	7.2%	5.7%	8.5%	9.2%	Net Profit Margin	10.0%
							208.4	185.9	315.5	463.1	477.8	516.9	651.0	703.3	846.2	774.2	1040	1050	Working Cap'l ($mill)	1080
							111.5	116.8	223.9	359.1	619.7	489.9	488.7	510.2	640.0	591.6	715	680	Long-Term Debt ($mill)	680
							765.6	730.7	761.3	770.0	819.7	934.5	1054.4	1140.0	1178.7	1060.6	1240	1460	Shr. Equity ($mill)	1710
							13.4%	6.4%	15.2%	11.2%	5.6%	11.0%	10.7%	9.4%	8.8%	8.9%	13.0%	12.5%	Return on Total Cap'l	13.0%
							15.0%	7.0%	19.3%	15.3%	8.9%	15.4%	14.4%	12.4%	12.3%	12.0%	17.0%	16.5%	Return on Shr. Equity	17.5%
							7.6%	NMF	8.7%	4.7%	NMF	10.6%	10.1%	8.2%	7.9%	6.7%	11.5%	11.5%	Retained to Com Eq	14.5%
							49%	NMF	55%	70%	100%	31%	30%	33%	36%	44%	30%	28%	All Div'ds to Net Prof	24%

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-1.1	-12.2
3 yr.	38.4	7.2
5 yr.	92.8	58.6

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 4/30/08
Total Debt $767.0 mill. Due in 5 Yrs $49.6 mill.
LT Debt $717.4 mill. LT Interest $33.4 mill.
Includes $11.2 million capitalized leases
(Total interest coverage: 6.8x)
(38% of Cap'l)
Pension Assets 7/06 $2.7 mill. Oblig. $4.5 mill.

Leases, Uncapitalized Annual rentals $17.8 mill.

Pfd Stock None
Common Stock 122,476,109 shs.
as of 5/25/08
MARKET CAP: $4.9 billion (Mid Cap.)

CURRENT POSITION ($MILL.)	2006	2007	4/30/08
Cash Assets	317.7	443.0	398.8
Receivables	517.6	551.4	590.4
Inventory (FIFO)	408.3	471.5	524.9
Other	133.4	140.5	126.1
Current Assets	1377.0	1606.4	1638.2
Accts Payable	144.9	183.4	213.4
Debt Due	63.4	1.8	49.6
Other	322.5	647.0	317.6
Current Liab.	530.8	832.2	580.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	10.5%	7.0%
"Cash Flow"	2.0%	5.0%	10.5%
Earnings	. --	4.0%	14.5%
Dividends	-1.0%	-6.5%	5.5%
Book Value	4.0%	7.5%	7.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	414.7	469.5	493.5	524.5	1902.2
2006	431.2	478.4	510.0	597.2	2016.8
2007	499.3	544.9	559.3	646.4	2249.9
2008	561.0	625.7	601.7	686.6	2475
2009	600	660	650	710	2620

Fiscal Year Ends	EARNINGS PER SHARE [A B] Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	.17	.26	.35	.34	1.12
2006	.20	.26	.20	.50	1.16
2007	.13	.36	.40	.13	1.02
2008	.29	.39	.51	.51	1.70
2009	.35	.45	.55	.60	1.95

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.09	.09	.09	.09	.36
2005	.10	.10	.10	.10	.40
2006	.11	.11	.11	.11	.44
2007	.12	.12	.12	.12	.48
2008	.12	.13	.13		

BUSINESS: Pall Corporation is the leader in the fields of filtration, separation, and purification. Has two businesses: Life Sciences 39% of fiscal '07 sales, which includes blood/medical (20%), and biopharma (19%). Industrial (61% of '07 sales), which includes General Industrial (33%), Aerospace & Transportation (13%), and Microelectronics (15%). Overseas markets accounted for 66% of '07 sales; R&D, 4.5%. '07 deprec. rate: 8.6%. Has about 9,200 employees. Officers and directors own less than 1.0% of common; Ariel Capital, 21%; Cedar Rock, 9.7%; Schermer Management, 19% (10/07 proxy). Pres.: Donald Stevens. Chairman, and C.E.O: Eric Krasnoff. Incorp. NY. Addr.: 2200 Northern Boulevard., East Hills, New York 11548. Tel.: 516-484-5400. Internet: www.pall.com.

We look for Pall Corp. to post share net of about $1.70 in fiscal 2008 (ended July 31st). This figure includes restructuring and other charges (about $30 million) taken throughout the fiscal year (typically included in our GAAP number). Revenue probably rose to nearly $2.5 billion, bolstered by organic growth (5%), and favorable currency translation (6%). Cost savings from shifting production and sourcing to lower-cost regions should have lowered SG&A expense to 29% of sales, compared to 30% in fiscal 2007. We are looking for a tax rate of 33%. All the business divisions should have generated higher internal sales, barring the Medical division (21% of total revenue and part of the Lifesciences unit), which lost a key contract in the blood thinner business.

Earnings should increase at a 13%-14% average annual rate over the next 3 to 5 years. In the Lifesciences group (39% of sales), the company should benefit from increasing demand for blood prion removal filters, bacterial detection systems for platelets, and critical care products for hospitals. In the Industrial segment (61% of revenue), a gradual cyclical recovery in microelectronics markets should help, as should general economic improvement. Furthermore, Pall is making greater inroads into commercial and industrial water markets. It plans to expand its water processing through new products and strategic alliances with GE and Kinetico. We also look for the earnings stream to become a little smoother. Pall has a history of quarterly inconsistencies. Cost reductions are aimed at enhancing earnings predictability. By the end of fiscal 2009, we expect a decrease in manufacturing square footage of about 20% and a headcount cut of approximately 10%. We conservatively estimate annual cost savings of $40 million.

Investors should feel more comfortable about owning this good-quality issue. The IRS investigation into the understatement of Pall's income tax liabilities from 1999-2007 has been completed. The understatement didn't affect sales, cost of sales, gross profit, or operating expenses. Although there is still some uncertainty regarding the settlement amount, it shouldn't be meaningful.

Jeremy J. Butler *August 15, 2008*

(A) Fiscal year ends about July 31.
(B) Basic earnings until 1997; diluted thereafter. Excludes nonrecurring gains (losses): '92, 2¢; '93, (15¢); '94, (2¢); '95, (1¢); '97, (50¢); '98, (54¢); '02, 23¢. Next earnings report due late August.
(C) Dividends historically paid mid-February, May, August, and November. ■Dividend reinvestment plan available.
(D) In millions.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	80
Earnings Predictability	60

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PUBLIC STORAGE NYSE-PSA

RECENT PRICE 82.49 | P/E RATIO 48.5 (45.6 NMF) | RELATIVE P/E RATIO 3.19 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Raised 11/23/07
SAFETY 2 Lowered 1/18/08
TECHNICAL 3 Lowered 7/4/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+5%)	4%
Low	65	(-20%)	(-2%)

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	2	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	2	0
to Sell	0	1	0	0	0	0	0	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	150	174	164
to Sell	144	133	152
Hld's(000)	110699	111135	112740

LEGENDS
1.40 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.0	-18.0
3 yr.	37.8	11.3
5 yr.	176.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	20.00	19.74	20.00	20.77	19.43	18.89	18.53	18.11	18.04	31.65	30.90	33.70	33.90	Book Value per sh	36.20
--	--	--	2.56	2.90	2.75	2.94	2.50	2.59	2.93	2.68	2.81	2.93	3.61	3.57	4.97	5.10	5.50	Funds from Ops per sh D	6.15
--	--	--	.95	1.10	.91	1.30	1.52	1.41	1.39	1.14	1.27	1.39	1.97	.33	1.17	1.70	2.10	Earnings per sh A	2.70
--	--	--	.88	.88	.88	.88	1.52	1.48	1.34	1.80	1.80	1.80	1.90	2.00	2.00	2.20	2.50	Div'ds Decl'd per sh B	3.05
--	--	--	--	--	27.27	22.38	25.96	28.02	29.61	32.27	31.92	33.04	34.89	56.74	56.61	47.05	47.65	Real Estate per sh	49.45
--	--	--	41.20	77.40	99.00	114.00	126.70	123.70	121.97	124.00	127.00	128.54	128.53	169.14	177.42	170.00	171.00	Common Shs Outst'g C	174.00
--	--	--	--	--	42%	44%	29%	15%	53%	78%	100%	68%	146%	58%	77%			Premium Over Book	38%
--	--	--	17.7	19.9	31.2	21.9	16.9	16.4	21.4	30.2	26.4	35.3	31.8	NMF	NMF	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	28.0
--	--	--	2.4	7.5	10.3	9.7	7.6	6.8	7.5	12.5	12.9	16.6	17.3	22.9	17.2			Avg Ann'l P/FFO Ratio	12.0
--	--	--	5.2%	4.0%	3.1%	3.1%	5.9%	6.4%	4.5%	5.2%	5.0%	3.7%	3.0%	2.4%	2.3%			Avg Ann'l Div'd Yield	4.0%
						535.1	627.9	696.1	767.9	832.8	866.4	917.8	1061.0	1381.7	1818.5	1860	1925	Revenues ($mill)	2180
						45.2	48.9	18.8	14.2	8.7	8.6	10.2	16.4	31.8	11.4	15.0	23.0	Other Income($mill)	30.0
						84.4%	91.5%	91.0%	63.1%	60.3%	60.4%	59.3%	62.3%	56.8%	63.0%	79.0%	59.0%	Operating Margin	60.0%
						227.0	287.9	297.1	324.2	318.7	336.7	366.8	456.4	314.1	457.5	895	560	Net Profit($mill)	645
						39.1%	42.5%	41.6%	41.4%	37.9%	38.9%	39.5%	43.0%	22.7%	25.2%	48.2%	29.3%	Net Profit Margin	29.5%
						--	2.2	3.8	4.1	d2.5	1.0	.1	3.1	2.2	2.0	1.5	1.5	Capital Gains(mill)	1.0
						2551.1	3289.0	3466.4	3611.1	4001.0	4054.3	4246.7	4813.4	9597.5	9590.9	8000	8150	Real Estate($mill)	8600
						81.4	167.3	156.0	168.6	115.9	76.0	145.6	149.6	1848.5	1069.9	675	650	Total Debt ($mill)	500
						3119.3	3689.1	3724.1	3909.6	4159.0	4219.8	4430.0	4817.0	8208.0	8763.1	9250	9350	Shr. Equity ($mill)	10000
						29.9%	44.8%	43.1%	33.8%	65.3%	63.9%	61.4%	52.6%	56.0%	40.2%	43.0%	46.0%	Div'ds Decl'd to FFO	50.0%
						9.8%	8.9%	9.1%	9.8%	10.1%	10.3%	10.2%	10.9%	9.4%	13.2%	12.5%	12.5%	Expenses to Assets	12.5%
						7.1%	7.5%	7.7%	8.0%	7.7%	7.8%	8.0%	9.2%	3.1%	4.7%	9.0%	5.5%	Return on Total Cap'l	6.0%
						7.3%	7.8%	8.0%	8.3%	7.9%	8.0%	8.3%	9.5%	3.8%	5.2%	9.5%	6.0%	Return on Shr. Equity	6.5%

CAPITAL STRUCTURE as of 3/31/08
Tot. Debt $682.9 mill. Due in 5 Years $325.0 mill.
Total Interest $45.0 mill.
(Total interest coverage: 11.1x) (5% of Cap'l)
No Defined Benefit Pension Plan
Pfd Stock $3527.5 mill. Pfd Div'd $22.1 mill. (27% of Cap'l)
Common Stock 167,893,060 shs.

MARKET CAP: $13.9 billion (Large Cap)

FUNDS FLOW ($mill.)	2005	2006	2007
Net Profit Plus Noncash Charges	--	--	--
Investments Repaid	--	--	--
Net New Debt	4.0	1697.3	-778.6
New Equity	387.0	3391.0	555.1
Investments Funded	368.7	298.9	266.4
Dividends Declared	438.7	533.9	598.2

FINANCIAL POSITION	12/31/06	12/31/07
Senior Debt	$1848.5 mill.	$1031.8 mill.
Subordinated Debt	--	--
Sr Debt/Cap'l Funds	0.23:1	0.07:1
Total Debt/Equity	0.23:1	0.07:1

PORTFOLIO CONDITION	Year Ago	Latest
Mtges Repaid in Quarter	--	--
Loss Reserve—%/Invests.	NA	NA
Non-Earn Assets—%/Invests.	NA	NA

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	251.0	262.9	273.5	273.6	1061.0
2006	278.5	297.9	371.4	433.9	1381.7
2007	434.4	449.1	469.0	464.0	1816.5
2008	462.8	460	465	472.2	1860
2009	470	480	485	490	1925

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.38	.47	.61	.51	1.97
2006	.48	.55	d.04	d.48	.33
2007	d.03	.08	.51	.61	1.17
2008	.62	.32	.36	.40	1.70
2009	.53	.55	.57	.60	2.25

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.45	.45	.45	.45	1.80
2005	.45	.45	.50	.50	1.90
2006	.50	.50	.50	.50	2.00
2007	.50	.50	.50	.50	2.00
2008	.55	.55			

BUSINESS: Public Storage, an equity real estate investment trust (REIT), acquires, develops, owns and operates self-storage facilities. It's the largest owner and operator of storage space in the U.S., with equity investments in 2,010 facilities with about 126 million sq. feet of net rentable space throughout the U.S. and Europe. Has 44% interest in PS Business Parks, Inc., which owns and operates commercial sites, with about 18.7 million net rentable sq. feet of space. Acqd. Shurgard Storage, 8/06. Has about 5,700 emp. Org.: CA. CEO & Pres.: Ronald L. Havner, Jr. Chmn.: B. Wayne Hughes. Exec off. & dir. and their families control about 25% of common shares (3/08 proxy). Addr.: 701 Western Ave., Glendale CA 91201. Tel.: 818-244-8080. Internet: www.publicstorage.com.

Public Storage remains on track to show modestly better results this year. Funds from operations (FFO) increased 32% in the first quarter. The company is reporting improved operations at its self-storage facilities (more below). However, more than two-thirds of the increase reflected favorable currency exchange and derivative gains related to its European operations. Altogether, these added $0.24 a share to FFO in the March interim, compared to $0.34 for all of last year. But, with the Federal Reserve's shifting to a more neutral stance on interest rates, the likelihood of these gains being repeated has diminished somewhat. This suggests the company will probably face more-difficult quarterly comparisons in the second half, with overall FFO growth of 2%–4% for the year. Under the assumption that the economic outlook begins to improve, our estimates call for a 5%–10% increase in 2009.

Domestic same-store facilities are showing continued growth, with operating income up 44% in the latest quarter, to $211 million. A good portion was due to a $35 million (30%) reduction in amortization expenses related to the 2006 merger with Shurgard Storage Centers. But overall results maintained a positive trend, with total revenues rising 3% in the period, to $327 million.

The company remains active on the development and acquisition front. Two expansion projects were wrapped up in the March quarter, adding 82,000 net rentable square feet. At the end of the period, Public Storage had 29 projects on the drawing board, representing over 1.2 million of additional square footage that would be added over the following two years.

These shares do not stand out at this juncture. The issue has shed about 10% in market value since our April review, likely reflecting growing concerns about economic conditions. The REIT remains ranked to match the broader market's performance over the year ahead. However, long-term prospects for capital appreciation appear limited. Even with the decline in price, the shares already trade within the upper half of our 2011–2013 Target Price Range.

Mario Ferro *July 18, 2008*

(A) Based on diluted shares outstanding. '06 earnings do not sum due to change in share count. Next earnings report due early Aug.
(B) Dividends historically paid in late March, June, September, and December.
(C) In millions. (D) Excludes discontinued operations and losses/gains from the sale of real estate. FFO 2005: Q1, 78¢; Q2, 90¢; Q3, 97¢; Q4, 96¢. 2006: Q1, 94¢; Q2, 99¢; Q3, 77¢; Q4, 89¢. 2007: Q1, $1.05; Q2, $1.10; Q3, $1.43; Q4, $1.39. 2008: Q1, $1.39. '06 FFO does not sum due to rounding.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	85
Earnings Predictability	20

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PACTIV CORP. NYSE-PTV

RECENT PRICE 22.00 | P/E RATIO 11.9 (Trailing: 12.6 Median: NMF) | RELATIVE P/E RATIO 0.76 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 11/2/07
SAFETY 3 New 4/13/01
TECHNICAL 2 Raised 6/13/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+150%)	26%
Low	35	(+60%)	12%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	2	0	0	
Options	0	0	0	0	0	0	0	0	
to Sell	0	0	0	0	0	6	0	0	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	161	146	159
to Sell	145	174	152
Hld's(000)	115720	118616	115715

	High:	14.5	13.3	18.1	24.5	24.0	25.7	25.6	36.5	36.9	29.5	
	Low:	9.3	7.5	11.3	15.4	17.5	19.8	16.5	21.5	22.8	21.6	

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.5	-9.7
3 yr.	7.8	27.3
5 yr.	26.0	85.8

Pactiv Corporation, previously known as Tenneco Packaging Inc., was formerly a wholly owned subsidiary of Tenneco that was spun off to its shareowners on November 4, 1999 in a one-for-one stock dividend. The company began trading on the New York Stock Exchange on November 5, 1999 and is included in the S&P 500. Pactiv was incorporated in the state of Delaware in 1965 as Packaging Corporation of America.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1555 mill. Due in 5 Yrs $550 mill.
LT Debt $1554 mill. LT Interest $105 mill.
(LT interest earned: 5.0x; total interest coverage: 5.0x) (55% of Cap'l)

Leases, Uncapitalized: Annual Rentals $30.0 mill.

Pension Assets $3.9 bill. Oblig. $3.9 bill.

Preferred Stock None

Common Stock 130,785,413 shs.
as of 4/30/08
MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	181	95	52
Receivables	323	273	285
Inventory (Avg Cst)	296	369	434
Other	38	60	58
Current Assets	838	797	829
Accts Payable	152	162	204
Debt Due	98	--	1
Other	299	298	277
Current Liab.	549	460	482

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	3.0%	7.0%
"Cash Flow"	--	3.5%	11.0%
Earnings	--	6.0%	13.0%
Dividends	--	--	Nil
Book Value	--	-4.0%	19.0%

Calendar	QUARTERLY SALES ($ mill.) Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	613	707	695	741	2756
2006	680	750	749	738	2917
2007	677	828	872	876	3253
2008	808	*947*	*910*	*915*	*3580*
2009	*830*	*945*	*960*	*940*	*3675*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.16	.24	.28	.30	.98
2006	.35	.49	.40	.39	1.63
2007	.43	.52	.45	.45	1.84
2008	.33	*.49*	*.48*	*.55*	*1.85*
2009	*.40*	*.57*	*.58*	*.60*	*2.15*

Calendar	QUARTERLY DIVIDENDS PAID Mar. 31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	16.64	17.30	19.81	17.64	18.15	20.07	22.70	18.58	21.30	24.95	27.35	28.05	Sales per sh B	32.80
	1.64	1.66	2.07	2.15	2.38	2.51	2.57	1.96	2.73	3.14	*3.30*	*3.60*	"Cash Flow" per sh	*4.85*
	.68	.55	.89	1.03	1.37	1.43	1.39	.98	1.63	1.84	*1.85*	*2.15*	Earnings per sh A	*3.05*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	1.16	1.03	.85	.91	.79	.72	.67	.82	.57	1.16	*1.15*	*1.05*	Cap'l Spending per sh	*1.10*
	10.60	8.02	9.73	10.59	5.65	6.79	7.27	5.52	6.23	9.40	*10.15*	*12.35*	Book Value per sh C	*20.15*
	167.50	168.37	158.18	159.43	158.68	156.34	148.96	148.48	136.96	130.40	*131.00*	*131.00*	Common Shs Outst'g D	*125.00*
	--	19.3	10.9	14.1	14.4	14.3	16.7	21.8	16.3	16.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
	--	1.10	.71	.72	.79	.82	.88	1.16	.88	.88			Relative P/E Ratio	*1.00*
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
	2788.0	2913.0	3134.0	2812.0	2880.0	3138.0	3382.0	2756.0	2917.0	3253.0	*3580*	*3675*	Sales ($mill) B	*4100*
	17.6%	16.6%	16.2%	20.4%	21.4%	19.7%	17.9%	16.8%	17.3%	19.8%	*19.0%*	*19.5%*	Operating Margin	*22.5%*
	175.0	184.0	185.0	177.0	158.0	163.0	169.0	146.0	145.0	166.0	*185*	*185*	Depreciation ($mill)	*225*
	100.0	95.4	143.0	165.0	220.0	230.0	213.4	145.0	229.0	244.0	*245*	*285*	Net Profit ($mill)	*385*
	44.5%	62.5%	35.4%	41.5%	39.8%	35.7%	29.6%	35.5%	29.1%	35.4%	*36.5%*	*36.5%*	Income Tax Rate	*37.0%*
	3.6%	3.3%	4.6%	5.9%	7.6%	7.3%	6.3%	5.3%	7.9%	7.5%	*6.8%*	*7.7%*	Net Profit Margin	*9.3%*
	d225.0	d54.0	388.0	281.0	403.0	508.0	95.0	364.0	289.0	337.0	*355*	*430*	Working Cap'l ($mill)	*945*
	1312.0	1741.0	1560.0	1211.0	1224.0	1336.0	869.0	869.0	771.0	1574.0	*1450*	*1200*	Long-Term Debt ($mill)	*600*
	1776.0	1350.0	1539.0	1689.0	897.0	1061.0	1083.0	820.0	853.0	1226.0	*1330*	*1615*	Shr. Equity ($mill)	*2520*
	4.7%	5.1%	6.5%	7.3%	12.6%	11.5%	13.3%	10.7%	16.0%	10.4%	*10.5%*	*11.5%*	Return on Total Cap'l	*13.0%*
	5.6%	7.1%	9.3%	9.8%	24.5%	21.7%	19.7%	17.7%	26.8%	19.9%	*18.5%*	*17.5%*	Return on Shr. Equity	*15.0%*
	5.6%	7.1%	9.3%	9.8%	24.5%	21.7%	19.7%	17.7%	26.8%	19.9%	*18.5%*	*17.5%*	Retained to Com Eq	*15.0%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: Pactiv Corporation is a global supplier of specialty packaging and consumer products. The company makes, markets, and sells items, such as plastic storage bags for food and household products, plastic waste bags, foam and molded fiber tableware, and aluminum cookware. Recognized brand names include *Hefty, Baggies, OneZip, Kordite, and E-Z Foil.* Operates 45 manufacturing facilities in the U.S. and Germany. Has about 13,000 employees. 2007 depreciation rate: 7.1%. Lord Abbett owns 7.3% of common; Officers/directors, 2.7% (4/08 Proxy). Chairman & CEO: Richard L. Wambold. CFO: Andrew A. Campbell. Incorporated: DE. Addr.: 1900 West Field Court, Lake Forest, IL 60045. Telephone: 847-482-2000. Internet: www.pactiv.com.

Pactiv's new business should enable it to generate a healthy sales gain this year. The difficult economic environment is taking a toll on demand, especially within the foodservice segment. The addition of Prairie Packaging's cups and cutlery has added healthy volume to the top line, however, and is enabling Pactiv to broaden its reach into new markets.

But the bottom line appears headed for a flat return in 2008. As oil remains on the rise, so too are raw material prices. Plastic resin rate increases have been announced, leaving Pactiv little choice but to step up its efforts on the pricing front. That said,

The company seems to be getting more aggressive with its pricing. The first-quarter earnings decline was largely attributable to rate increases in the consumer segment not being launched until mid-March. Pactiv has been slower than most to raise product prices, but it looks to catch up a bit in 2008. We anticipate another year-over-year earnings setback in the second quarter, but a bevy of hikes should turn things around in the latter half of the year. Indeed, an 8% increase was issued for June within the foodservice group, and all signs point to more raises on the consumer side in the third quarter.

Share-net gains will likely return next year. Improved pricing and Pactiv's recent cost restructuring ought to help offset some of the recent margin squeeze.

The stock is pegged to lag the broader market in the year ahead. These shares continue to trade in a narrow range in 2008. And, given that earnings are now likely to come in flat year over year, there does not seem to be much for momentum-driven investors to be excited about.

Those with a little more patience, however, may want to get on board. Pactiv comes armed with a diverse and well-known product lineup. With the recent cost restructuring and strong pricing initiatives in play, the company should be able to sustain 10%-15% annual share-earnings advances for the pull to early next decade. It appears long-term investors can still purchase the issue at a good price, as it offers substantial appreciation potential out to 2011-2013 at its recent valuation.

Jason A. Smith *July 4, 2008*

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	50
Earnings Predictability	70

(A) Dil. eqs. Excl. disc. ops. gains/(losses): '99, ($1.15); '00, 64¢; '01, 18¢; '05, (58¢); '06, (2¢); '07, 1¢. Excl. non-recurring gains/(losses): '98, 15¢; '99, ($1.47); '02, (45¢); '03, (29¢); '04, (38¢); '05, (2¢); '06, 35¢; '08 Q1, (7¢). May not sum due to rounding. Next earnings report due early Aug. (B) Figures adjusted for new accounting standards adopted during 2001. (C) Includes Intangibles. In 2007: $423.0 million, $3.24/share. (D) In millions.

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PENN VIRGINIA RES. NYSE-PVR

RECENT PRICE 27.79 | P/E RATIO 15.4 (Trailing: 23.8 Median: NMF) | RELATIVE P/E RATIO 0.94 | DIV'D YLD 6.7% | VALUE LINE

TIMELINESS 3 Raised 11/17/06
SAFETY 3 New 9/16/05
TECHNICAL 3 Lowered 4/18/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+80%)	20%
Low	35	(+25%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	2	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	39	49	53
to Sell	34	48	41
Hld's(000)	9458	9845	9136

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 4/06
Options: Yes
Shaded area indicates recession

Percent shares traded 24 16 8

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	12.9	12.6	17.8	27.2	28.6	32.5	32.9	30.2				
Low:	11.1	8.4	10.3	15.0	21.7	22.9	23.6	18.0				

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-3.4	-9.7
3 yr.	—	27.3
5 yr.	137.7	85.8

Penn Virginia Resource Partners, L.P., was formed by Penn Virginia Corporation in 2001 to primarily engage in the business of managing coal properties in the U.S. The partnership completed its initial public offering (IPO) of 14,950,000 common units at a price of $10.50 per unit on Oct. 30, 2001 (adjusted for stock split). With the closing of the IPO, Penn Virginia agreed to indemnify the partnership through Oct. 2006 for certain pre-existing tax and environmental liabilities up to $10 million.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $413.7 mill. Due in 5 Yrs $220.0 mill.
LT Debt $400.5 mill. LT Interest $18.0 mill.
(total interest coverage: 8.0x) (52% of Cap'l)

Leases, Uncapitalized: Annual rentals $.9 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Partners' Capital 46.1 million units
as of 5/2/08

MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	11.4	19.5	8.3
Receivables	67.0	78.9	93.7
Inventory (Avg Cst)	--	--	--
Other	3.0	5.3	7.9
Current Assets	81.4	103.7	109.9
Accts Payable	63.3	76.2	82.6
Debt Due	10.8	12.5	13.3
Other	14.0	44.8	41.6
Current Liab.	88.1	133.5	137.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	--	8.0%
"Cash Flow"	--	--	7.0%
Earnings	--	--	8.0%
Dividends	--	--	10.5%
Book Value	--	--	7.0%

Calendar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	46.2	109.6	128.4	162.1	446.3
2006	135.1	123.5	131.5	127.8	517.9
2007	124.2	144.1	130.2	150.9	549.4
2008	156.8	190	195	208.2	750
2009	180	190	200	230	800

Calendar	EARNINGS PER UNIT A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.31	.41	.43	.41	1.56
2006	.20	.32	.75	.50	1.77
2007	.36	.36	.36	.15	1.23
2008	.55	.40	.42	.43	1.80
2009	.50	.52	.53	.55	2.10

Calendar	QUARTERLY DISTRIBUTIONS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.26	.26	.27	.27	1.06
2005	.282	.31	.325	.325	1.24
2006	.35	.35	.375	.40	1.48
2007	.40	.41	.42	.43	1.66
2008	.44	.45			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	--	1.09	1.47	2.09	10.72	12.01	11.91	15.80	16.35	Revenues per Unit	18.45
	--	--	--	--	.81	1.04	1.46	2.30	2.58	2.13	2.85	3.25	"Cash Flow" per Unit	3.65
	--	--	--	--	.79	.62	.83	1.58	1.77	1.23	1.80	2.10	Earnings per Unit A	2.40
	--	--	--	--	.92	1.03	1.06	1.24	1.48	1.66	1.82	1.98	Dist. Decl'd per Unit C D	2.64
	--	--	--	--	2.61	.14	.03	.31	.89	1.04	1.35	1.40	Cap'l Spending per Unit	1.60
	--	--	--	--	4.57	4.05	4.15	6.82	9.33	8.05	8.85	10.70	Book Value per Unit	12.00
	--	--	--	--	35.54	37.94	36.15	41.64	43.12	46.11	47.50	49.00	Units Outst'g B	52.00
	--	--	--	--	13.7	22.5	20.8	16.4	15.4	28.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	--	--	--	--	.75	1.28	1.10	.87	.83	1.80			Relative P/E Ratio	1.20
	--	--	--	--	8.5%	7.4%	5.5%	4.8%	5.5%	6.0%			Avg Ann'l Div'd Yield	6.1%
	--	--	--	--	38.6	55.6	75.6	446.3	517.9	549.4	750	800	Revenues ($mill)	960
	--	--	--	--	75.8%	79.8%	79.5%	24.9%	18.9%	21.4%	22.5%	23.0%	Operating Margin	23.0%
	--	--	--	--	4.0	16.6	18.6	30.6	37.5	41.5	50.0	55.0	Depreciation ($mill)	65.0
	--	--	--	--	24.7	22.8	34.3	65.2	73.9	56.6	85.0	105	Net Profit ($mill)	125
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Income Tax Rate	Nil
	--	--	--	--	63.9%	41.0%	45.4%	14.6%	14.3%	10.3%	11.5%	13.0%	Net Profit Margin	13.0%
	--	--	--	--	8.4	9.7	20.2	10.7	d6.7	d29.8	d25.0	25.0	Working Cap'l ($mill)	40.0
	--	--	--	--	90.9	90.3	112.9	246.8	207.2	399.2	450	470	Long-Term Debt ($mill)	560
	--	--	--	--	162.5	153.8	150.0	284.0	402.2	371.3	420	525	Partners' Capital	625
	--	--	--	--	10.1%	10.4%	14.4%	13.5%	12.5%	8.4%	11.0%	11.0%	Return on Total Cap'l	11.0%
	--	--	--	--	15.2%	14.8%	22.9%	23.0%	18.4%	15.2%	20.0%	20.0%	Return on Partners' Cap'l	20.0%
	--	--	--	--	NMF	NMF	NMF	4.7%	2.5%	Nil	Nil	Nil	Retained to Part.'s Cap	Nil
	--	--	--	--	116%	NMF	114%	80%	79%	135%	102%	92%	All Dist. to Net Prof	110%

BUSINESS: Penn Virginia Resource Partners, L.P. is a limited partnership formed in 2001, with operations in two business units: coal and natural gas midstream. Doesn't operate any mines, but enters into leases with third party operators who mine the coal in exchange for royalty payments. As of December 31, 2007, properties contained about 816 million tons of proven and probable coal reserves. In 2007, leasses produced 32.5 million tons of coal from properties, which paid royalty revenues of $94.1 million. Acquired Cantera Gas Resources 3/05. Off./dir. own less than 1% of units outst'g (3/08 10K). Chmn. & CEO: A. James Dearlove. Inc. DE. Addr.: Three Radnor Corporate Center, Suite 230, Radnor, PA 19087. Tel.: 610-687-8900. Internet: www.pvresource.com.

Stellar performance at its Midstream segment ought to push Penn Virginia to record results this year. The unit's volume will likely jump an impressive 85%–90%—from 160 million cubic feet per day to 300 million—by yearend, thanks to the accretive effect of two new processing plants coming on line. In addition, **Coal royalty revenues may improve slighty thanks to surging demand at home and abroad.** Electric power generators, which typically consume over 90% of domestic coal production, will likely see their coal stockpiles shrink substantially this year, due to continued supply tightness in the eastern United States. Too, severe flooding in Australia, rolling blackouts in South Africa, and shortages in China and India have tipped supply and demand back into balance. Further, we expect global demand to outstrip supply by 25 million–35 million metric tonnes in 2008, which should push prices higher. However, some of the price appreciation may be offset by lower contractual volume. **All told, revenues and share earnings may advance 35%–37% and 45%–47%, respectively, in 2008.** The Midstream additions coming on line, coupled with tighter coal supplies, should spell higher-margin revenues, and a solid earnings recovery in 2008.

We're projecting 2009 top- and bottom-line estimates of $800 million and $2.10 per share, respectively. Penn's long-term contracts make its future performance less susceptible to market fluctuations. Moreover, the company doesn't operate coal mines itself, but instead leases its properties to third parties that extract the coal in exchange for royalties, which allows Penn to bank a steady stream of high-margin revenue with little direct risk. Consequently, revenues and share earnings should continue to march upward in the years ahead.

Penn Virginia Resource features a stellar dividend yield, and decent total return potential over the long haul. At 6.7%, the stock's yield places it well above the *Value Line* median, which may appeal to income-hungry investors. And, at its current quotation, the stock may have some appeal as a long-term investment.

Sharif Abdou *June 13, 2008*

(A) Dil. egs. Excl. n/r items: '05, ($0.35); '06, ($0.30). Excl. derivative mark-to-market prior to '06. Qrtly. egs. may not add to total due to change in number of units outstanding. Next egs. report due early August.
(B) In millions, adjusted for split.
(C) Distributions historically paid in mid-February, May, August, and November.
(D) Subordinated units are a separate class of ltd. partner int. in the partnership, in which the rights of these units possess different rights compared to common unit holders.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	65
Earnings Predictability	60

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PAPA JOHN'S INT'L NDQ-PZZA

RECENT PRICE 28.57 | P/E RATIO 16.3 (Trailing: 16.8 Median: 15.0) | RELATIVE P/E RATIO 0.99 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 9/16/05
SAFETY 3 Lowered 12/7/07
TECHNICAL 3 Lowered 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

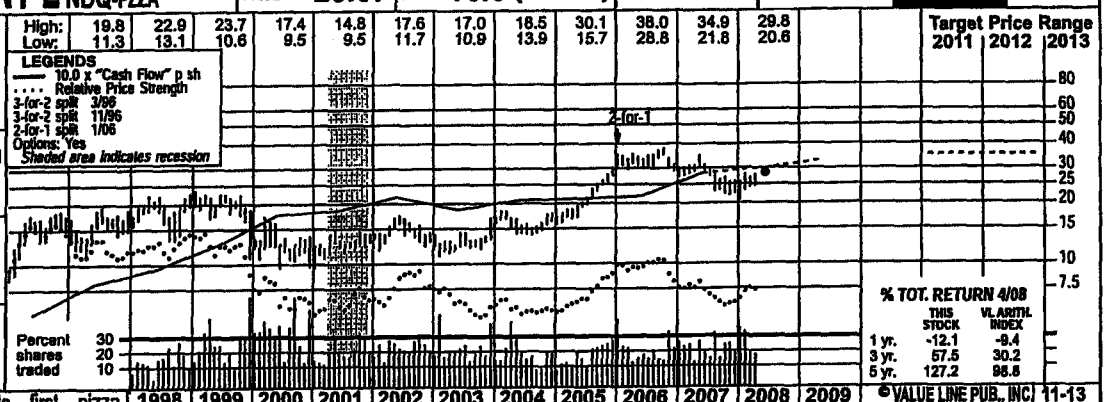
	Price	Gain	Ann'l Total Return
High	50	(+75%)	15%
Low	35	(+25%)	5%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	0	2	0	0	0
to Sell	4	4	3	3	1	3	1	1	1

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	71	65	51
to Sell	70	74	77
Hld's(000)	25692	25054	24754



Papa John's opened its first pizza restaurant in 1985 n Jeffersonville, Indiana. The company operated as a subchapter S corporation from January, 1986, until its initial public offering in June, 1993. At that time, Montgomery Securities brought the company public by selling 1.5 mill. shares at a price of $13 per share. The company netted $18 million in its initial offering and raised a total of $103 million through four subsequent offerings through August of 1996. All figures adjusted for splits.

CAPITAL STRUCTURE as of 3/30/08
Total Debt $133.7 mill. Due in 5 Yrs $50.0 mill.
LT Debt $118.4 mill. LT Interest $6.0 mill. (47% of Cap'l)
Leases, Uncapitalized Annual rentals $23.9 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 28,608,361 shs.
as of 4/30/08
MARKET CAP: $825 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	13.0	8.9	10.2
Receivables	23.3	22.5	23.2
Inventory (FIFO)	26.7	18.8	16.5
Other	21.5	23.5	27.9
Current Assets	84.5	73.7	77.8
Accts Payable	29.2	31.2	27.8
Debt Due	.5	8.7	15.3
Other	72.4	67.3	73.9
Current Liab.	102.1	107.2	117.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	17.0%	7.0%	11.0%
"Cash Flow"	15.0%	4.0%	10.5%
Earnings	15.5%	6.5%	11.0%
Dividends	--	--	Nil
Book Value	4.5%	3.5%	20.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	248.6	238.7	233.1	248.4	968.8
2006	242.4	241.6	239.7	277.9	1001.6
2007	260.6	256.3	262.8	283.9	1063.6
2008	289.0	279	285	302	1155
2009	305	295	300	320	1220

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.30	.31	.25	.35	1.21
2006	.37	.34	.28	.43	1.42
2007	.44	.40	.31	.52	C1.66
2008	.48	.42	.36	.49	1.75
2009	.53	.46	.41	.55	1.95

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS.				
2006	BEING PAID				
2007					
2008					

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
11.19	13.34	20.54	21.93	26.22	25.32	28.17	29.29	29.37	36.96	41.25	45.20	Revenues per sh	60.00
.96	1.26	1.77	1.86	2.18	1.87	2.10	2.12	2.17	2.84	3.00	3.30	"Cash Flow" per sh	4.30
.63	.82	.95	1.04	1.16	1.02	1.12	1.21	1.42	1.66	1.75	1.95	Earnings per sh A	2.70
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
1.16	1.34	1.29	.71	.52	.45	.63	.53	1.15	1.08	1.10	1.15	Cap'l Spending per sh	1.30
4.39	4.84	3.62	4.42	3.38	4.40	4.16	4.88	4.29	4.41	5.55	7.05	Book Value per sh	13.60
59.83	60.39	45.99	44.30	36.08	36.23	33.46	33.08	34.10	28.78	28.00	27.00	Common Shs Outst'g B	25.00
29.9	24.3	13.1	12.2	12.7	12.7	14.3	17.7	23.1	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.5
1.56	1.39	.85	.63	.69	.72	.76	.94	1.25	.88			Relative P/E Ratio	1.05
--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
669.8	805.3	944.7	971.2	946.2	917.4	942.4	968.8	1001.6	1063.6	1155	1220	Revenues ($mill)	1500
11.1%	12.9%	12.3%	12.1%	12.0%	10.4%	10.4%	10.0%	10.8%	10.0%	9.5%	10.0%	Operating Margin	10.0%
19.4	25.2	34.2	35.2	31.7	31.1	31.2	28.8	27.2	31.9	34.0	36.0	Depreciation ($mill)	40.0
37.8	50.7	47.4	47.2	46.8	36.6	39.0	41.5	46.8	49.9	50.0	53.0	Net Profit ($mill)	68.0
37.0%	38.0%	38.2%	37.7%	37.5%	38.2%	37.3%	36.1%	39.4%	27.6%	37.5%	37.5%	Income Tax Rate	37.5%
5.6%	6.3%	5.0%	4.9%	4.9%	4.0%	4.1%	4.3%	4.7%	4.7%	4.3%	4.3%	Net Profit Margin	4.5%
24.2	d22.7	d4.3	d1.3	d17.3	d18.4	d24.6	d9.5	d17.6	d33.5	d40.0	d30.0	Working Cap'l ($mill)	d20.0
--	.9	145.7	105.1	139.9	61.0	78.5	49.0	96.5	134.0	120	115	Long-Term Debt ($mill)	100
262.7	292.1	166.3	195.6	121.9	159.3	139.2	161.3	146.2	126.9	155	190	Shr. Equity ($mill)	340
14.4%	17.3%	16.4%	17.1%	19.3%	18.1%	19.0%	20.7%	19.9%	20.5%	19.5%	18.5%	Return on Total Cap'l	16.0%
14.4%	17.4%	28.5%	24.2%	38.4%	23.0%	28.0%	25.7%	32.0%	39.3%	32.5%	28.0%	Return on Shr. Equity	20.0%
14.4%	17.4%	28.5%	24.2%	38.4%	23.0%	28.0%	25.7%	32.0%	39.3%	32.5%	28.0%	Retained to Com Eq	20.0%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Papa John's International operates and franchises pizza delivery and takeout stores in 49 states and 26 international markets. At 12/30/07, there were 3,208 restaurants; 662 were owned by the company and 2,546 were franchised. Operates commissaries that distribute ingredients to individual stores. '07 revenue breakdown: company-owned stores, 47% of total; commissary and equipment sales, 38%; franchise royalties and development fees, 6%; other, 9%. Has about 17,800 employees. Off./dir. own 26.9% of common stock; FMR, 10.4%; Gates Capital Management, 5.8%; Barclays, 5.8% (3/08 Proxy). President & CEO: Nigel Travis. Inc.: DE. Address: 11492 Bluegrass Pkwy., Louisville, KY 40299-2334. Telephone: 502-266-5200. Internet: www.papajohns.com.

Papa John's International is executing well in a tough business climate. Margins remain under pressure from rising energy costs, labor expenses, and prices for key commodities, such as cheese. (Cheese typically accounts for 35%-40% of total food costs.) But the company is mitigating the profit squeeze with the help of restaurant-level efficiency gains and improvements in its supply chain and distribution system. What's more . . .

Top-line trends remain solid, notwithstanding the widespread weakness in the U.S. economy. In fact, in the first quarter, domestic same-store sales growth amounted to a decent 1.7%, as Papa John's continued to wrestle market share away from its principal rivals, Pizza Hut and Domino's Pizza. And we expect comps to track in the low single-digits through the balance of 2008 and into next year. Aside from further share advances, same-store sales will likely be buoyed by new additions to the chain's menu, including more specialty pizzas and pies with whole wheat crusts that are meant to target health-conscious consumers. Also, an extension of the customer-friendly online business, which was launched back in 2001, ought to be a big plus for the top line. Notably, Papa John's recently surpassed $1 billion in Internet-initiated sales. And today, the fast-growing online operations generate around $400 million annually.

Overseas expansion is high on the agenda. Though growth opportunities on the home front still appear plentiful, the company's current development plans have a decidedly international flavor. Indeed, the lion's share of new unit openings over the next 3 to 5 years will probably be outside of the U.S.—in emerging countries like China and more mature ones like Canada. (In early April, Papa John's inked development agreements with franchisees for the opening of 57 additional restaurants throughout Canada.)

Despite all the positives here, long-term investors are encouraged to wait for a more attractive entry point before committing funds. Momentum players should also stay on the sidelines, since this restaurant issue is just an Average (3) selection for relative year-ahead price performance.

Justin Hellman *June 6, 2008*

(A) Diluted earnings. Excludes nonrecurring gains (losses): '99, (11¢); '00, (63¢); '03, (17¢); '04, (99¢); '05, 8¢; '06, 50¢. Excludes gain from discontinued operations: '05, 5¢. Next earnings report due late July.
(B) In millions, adjusted for stock splits.
(C) Quarterly share earnings do not sum to yearend total in '07 due to rounding.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	55
Earnings Predictability	90

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QUALCOMM NC, NDQ-QCOM

RECENT PRICE 48.63 | P/E RATIO 24.4 (Trailing: 23.5 Median: 32.0) | RELATIVE P/E RATIO 1.50 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 2 Raised 3/23/07
SAFETY 3 Raised 1/7/00
TECHNICAL 2 Raised 6/20/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

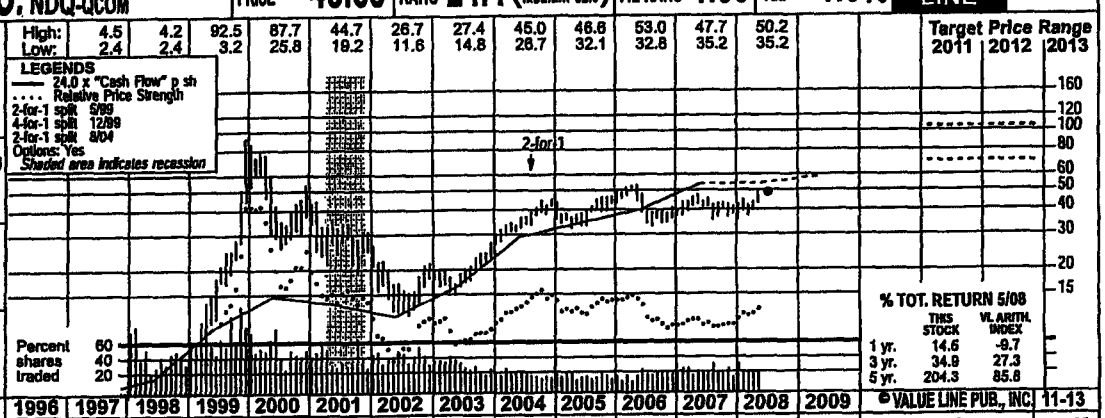
	Price	Gain	Ann'l Total Return
High	105	(+115%)	22%
Low	70	(+45%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	5	5	6	6	4	7	7	5	8
to Sell	5	6	6	6	4	7	7	5	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	383	444	420
to Sell	531	471	498
Hld's(000)	1218640	1208581	1229805



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.16	.21	.33	.37	.76	1.92	2.96	3.05	2.14	1.76	1.95	2.49	3.08	3.45	4.56	5.39	6.35	7.20	Sales per sh [A]	9.25
--	.03	.06	.06	.07	.16	.24	.43	.61	.56	.48	.69	1.22	1.43	1.66	2.24	2.25	2.45	"Cash Flow" per sh	3.40
d.01	.02	.03	.03	.02	.07	.11	.30	.52	.49	.38	.56	1.09	1.26	1.44	1.82	1.95	2.15	Earnings per sh [ABC]	3.10
--	--	--	--	--	--	--	--	--	--	--	.09	.19	.32	.45	.52	.64	.70	Div'ds Decl'd per sh [E]	.80
.01	.06	.08	.10	.20	.15	.28	.14	.11	.07	.09	.14	.20	.35	.41	.50	.55	.60	Cap'l Spending per sh	.65
.10	.29	.32	.77	.79	.33	.85	2.22	3.69	3.20	3.46	4.76	5.91	6.76	8.12	9.62	10.55	11.70	Book Value per sh	16.50
668.35	804.29	823.78	1035.1	1064.6	1090.0	1129.5	1292.7	1495.3	1526.6	1557.1	1596.7	1635.0	1644.2	1652.0	1646.0	1630.0	1640.0	Common Shs Outst'g [D]	1680.0
--	90.3	48.8	61.3	NMF	43.5	30.3	34.7	91.4	67.6	51.0	32.3	28.4	30.7	30.8	20.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	27.0
--	5.33	3.20	4.10	NMF	2.51	1.58	1.98	5.94	3.46	2.79	1.84	1.50	1.63	1.66	1.09			Relative P/E Ratio	1.80
--	--	--	--	--	--	--	--	--	--	--	.5%	.6%	.8%	1.0%	1.3%			Avg Ann'l Div'd Yield	1.3%
						3347.9	3937.3	3196.8	2679.8	3039.6	3970.6	5031.0	5673.0	7526.0	8871.0	10350	11800	Sales ($mill)	15500
						11.7%	20.4%	34.6%	37.6%	35.1%	41.6%	48.1%	45.6%	39.4%	36.8%	43.5%	44.0%	Operating Margin	46.5%
						141.9	158.4	98.2	64.6	135.1	179.7	163.0	200.0	272.0	383.0	450	470	Depreciation ($mill) [C]	525
						125.5	391.9	815.9	788.9	618.9	918.7	1824.0	2143.0	2470.0	3303.0	3200	3550	Net Profit ($mill)	5200
						27.7%	36.4%	39.2%	35.0%	14.1%	36.4%	26.0%	23.7%	21.7%	8.9%	21.0%	22.0%	Income Tax Rate	22.0%
						3.8%	10.0%	25.5%	29.4%	20.4%	23.1%	36.3%	37.8%	32.8%	37.2%	30.9%	30.0%	Net Profit Margin	33.5%
						655.6	2101.8	2257.7	2533.8	3265.8	5140.6	6333.0	6721.0	5627.0	6563.0	7210	8475	Working Cap'l ($mill)	14550
						663.9	660.4	--	--	94.3	123.3	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
						957.8	2871.8	5516.3	4889.8	5392.0	7598.6	9664.0	11119	13406	15835	17100	19180	Shr. Equity ($mill)	27700
						9.0%	11.7%	14.8%	16.2%	11.5%	12.1%	18.9%	19.3%	18.4%	20.9%	18.5%	18.5%	Return on Total Cap'l	19.0%
						13.1%	13.6%	14.8%	16.1%	11.5%	12.1%	18.9%	19.3%	18.4%	20.9%	18.5%	18.5%	Return on Shr. Equity	19.0%
						13.1%	13.6%	14.8%	16.1%	11.5%	10.3%	15.7%	14.6%	13.2%	15.4%	12.5%	12.5%	Retained to Com Eq	14.0%
						--	--	--	--	--	15%	17%	24%	28%	26%	33%	33%	All Div'ds to Net Prof	25%

CAPITAL STRUCTURE as of 3/30/08
Total Debt None

Leases, Uncapitalized: Annual rentals $60.0 mill.
No Defined Benefit Pension Plan

Common Stock 1,618,689,983 shs.
as of 4/21/08

MARKET CAP: $79 billion (Large Cap)

CURRENT POSITION ($MIL.)	2006	2007	3/30/08
Cash Assets	5721	6581	6128
Receivables	700	715	728
Inventory (FIFO)	250	469	612
Other	378	1056	883
Current Assets	7049	8821	8351
Accts Payable	420	635	658
Debt Due	--	--	--
Other	1002	1623	1380
Current Liab.	1422	2258	2038

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	16.0%	18.0%	13.0%
"Cash Flow"	33.5%	26.5%	11.5%
Earnings	44.0%	27.5%	13.0%
Dividends	--	--	11.0%
Book Value	29.0%	19.0%	12.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	1390	1365	1358	1560	5673
2006	1741	1834	1951	2000	7526
2007	2019	2221	2325	2306	8871
2008	2439	2606	2570	2735	10350
2009	2940	2910	2950	3000	11800

Fiscal Year Ends	EARNINGS PER SHARE [ABC] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	.30	.31	.33	.32	1.26
2006	.34	.36	.37	.37	1.44
2007	.38	.45	.50	.49	1.82
2008	.48	.49	.48	.50	1.95
2009	.52	.53	.53	.57	2.15

Calendar	QUARTERLY DIVIDENDS PAID [E] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.07	.05	--	.07	.19
2005	.07	.07	.09	.09	.32
2006	.09	.12	.12	.12	.45
2007	.12	.12	.14	.14	.52
2008	.16	.16			

BUSINESS: Qualcomm Inc. develops and markets CDMA-based integrated circuits through its CDMA Technologies Segment (59% of 2007 gross revenue), licenses its technology via Technology Licensing (31%), provides data and positioning services for transportation applications, develops content management technologies, provides a platform for wireless application development via Wireless & Internet (9%), and makes strategic investments through Strategic Initiatives (QSI) (1%). Has about 11,200 employees. Officers & directors own 3.2% of common stock (12/08 Proxy). Chairman & CEO: Irwin M. Jacobs. President & COO: Anthony Thornley. Inc.: DE. Addr.: 5775 Morehouse Dr., San Diego, CA 92121. Telephone: 858-587-1121. Internet: www.qualcomm.com.

Qualcomm continues to benefit from a transitioning cell phone market. In the second quarter, the company's chipset volume rose 40% over last year, driven by accelerating consumer adoption of third-generation (3G) mobile devices, which feature superior Internet download speeds. This, along with a rise in its average selling price, and a favorable tax rate, allowed the company to deliver top- and bottom-line gains of 18% and 9%, respectively.

We expect demand for 3G chipsets to increase further in the near term. Recently, some service providers have been subsidizing 3G phone prices in an effort to entice customers to upgrade. Although the service providers will charge a higher monthly fee in order to do so, we think consumers will pay, because of the lower up-front cost and vastly improved phone functionality. This trend should lead to significant expansion of the 3G market and, in turn, benefit Qualcomm's earnings through increased chipset sales and royalty fees. Specifically, QCOM's main customers, LG and Samsung, have been gaining market share of late, and we expect future business with Motorola and probably Research in Motion, to help boost earnings by 10% next year to about $2.15 a share. Also, a resolution to the Nokia litigation, regarding what royalty rate it will pay Qualcomm, should prove beneficial to the stock price as well.

Long-term prospects appear solid. The company should profit from three new chip set platforms, which give laptop, navigation, and media devices the ability to access mobile Internet service. Further, we think there is significant growth potential in China. Recently, the Chinese government took a step toward licensing companies to supply 3G phones, and we think phone producers there will start paying QCOM royalty fees as early as next year.

We find timely Qualcomm shares attractive at this time. Industry data suggest that the worldwide 3G phone market will rise 35% this year, and triple by 2012. Qualcomm is in an excellent position to reap the benefits of this widening. Its expansion into the laptop and consumer electronic markets is also encouraging. This should translate to above-average price appreciation over the next 3 to 5 years.

Kevin Downing *June 27, 2008*

(A) Fiscal years end in late Sept. (B) Egs. in 2006 and thereafter exclude QSI segment and include stock option expenses. Primary egs. through '97, dil. thereafter. Excl. nonrec. gains/(loss): '94, (3¢); '97, 2¢; '98, (3¢); '99, (29¢); '01, ($1.71); '03, (11¢); '06, (2¢). Excl. discont. ops: '04, ($0.01). Next egs. rpt. due late July (C) Excl. intang. amort.: '00, 16¢; '01, 34¢; '02, 32¢. (D) In mill., adj. for splits. (E) Dividends historically paid in early Jan, late March, late June, and late Sept.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	55
Earnings Predictability	65

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RYDER SYSTEM NYSE-R

RECENT PRICE 71.81 | P/E RATIO 15.6 (Trailing: 16.5 / Median: 14.0) | RELATIVE P/E RATIO 0.95 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 1 Raised 5/2/08
SAFETY 3 New 7/27/90
TECHNICAL 2 Lowered 6/6/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+55%)	12%
Low	75	(+5%)	3%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	0	0	0	0	0	7	1
to Sell	2	3	0	0	0	0	0	8	1

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	128	110	102
to Sell	125	144	151
Hld's(000)	59476	56407	60041

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	37.1	40.6	28.8	25.1	23.2	31.1	34.7	55.6	47.8	59.9	57.7	76.6								
Low:	27.1	19.4	18.8	14.8	16.1	21.0	20.0	33.6	32.0	39.6	38.9	40.3								
	68.84	54.56	59.49	65.18	70.80	66.41	72.79	83.38	88.88	82.32	76.49	74.47	80.08	92.79	103.86	113.13	110.35	114.65	Revenues per sh G	132.75
	9.03	8.57	9.46	10.34	10.66	10.21	10.71	11.77	11.70	12.00	10.69	11.79	13.96	15.65	16.28	18.43	19.85	21.20	"Cash Flow" per sh	24.50
	1.43	1.53	1.95	1.96	1.45	2.05	2.16	1.54	1.49	1.54	1.84	2.12	2.92	3.39	4.04	4.24	4.60	5.10	Earnings per sh A	6.60
	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.72	.84	.92	.92	Div'ds Decl'd per sh B ■	1.00
	11.67	13.10	16.09	22.54	16.71	14.10	19.21	29.20	21.46	10.80	9.61	11.24	16.97	22.62	27.92	22.70	22.00	22.00	Cap'l Spending per sh C	25.00
	18.26	12.81	14.33	15.64	14.19	14.39	15.37	20.29	20.86	20.24	17.75	20.85	23.48	24.69	28.34	32.52	36.40	41.65	Book Value per sh	57.75
	75.41	77.29	78.76	79.28	77.96	73.69	71.28	59.40	60.04	60.81	62.44	64.49	64.31	61.87	60.72	58.04	58.00	58.00	Common Shs Outst'g E	58.00
	17.2	16.9	12.9	12.2	19.2	18.3	14.2	15.9	13.3	13.0	14.1	12.6	14.5	11.6	12.4	12.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
	1.04	1.00	.85	.82	1.20	.94	.74	.91	.86	.67	.77	.72	.77	.62	.67	.63			Relative P/E Ratio	.95
	2.4%	2.3%	2.4%	2.5%	2.2%	1.8%	2.0%	2.5%	3.0%	3.0%	2.3%	2.2%	1.4%	1.5%	1.4%	1.6%			Avg Ann'l Div'd Yield	1.1%
							5188.7	4952.2	5336.8	5006.1	4776.3	4802.3	5150.3	5740.8	6306.6	6566.0	6400	6650	Revenues ($mill) G	7700
							20.3%	19.1%	17.2%	18.0%	17.1%	18.8%	21.2%	20.3%	19.3%	22.4%	23.5%	24.5%	Operating Margin	26.0%
							604.3	593.0	613.3	636.4	552.5	624.6	706.0	740.4	743.3	816.0	875	925	Depreciation ($mill) F	1025
							159.1	105.9	89.0	93.5	115.3	135.6	192.0	227.6	245.3	253.9	275	305	Net Profit ($mill)	395
							38.1%	37.5%	37.0%	37.4%	36.0%	36.2%	44.6%	36.3%	37.6%	37.3%	37.5%	38.0%	Income Tax Rate	39.0%
							3.1%	2.1%	1.7%	1.9%	2.4%	2.8%	3.7%	4.0%	3.9%	3.9%	4.3%	4.6%	Net Profit Margin	5.1%
							d253.0	d240.1	d374.0	d31.4	162.1	33.0	d227.2	d89.7	d5.8	202.7	300	400	Working Cap'l ($mill)	100
							2099.7	1819.1	1604.2	1391.8	1389.1	1449.5	1393.7	1915.9	2484.2	2553.4	2575	2600	Long-Term Debt ($mill)	2000
							1095.6	1204.9	1252.7	1230.7	1108.2	1344.4	1510.2	1527.5	1720.8	1887.6	2110	2415	Shr. Equity ($mill)	3350
							8.0%	6.1%	5.3%	5.5%	6.2%	6.4%	8.3%	8.4%	7.5%	7.4%	7.5%	7.5%	Return on Total Cap'l	8.5%
							14.5%	8.8%	7.1%	7.6%	10.4%	10.1%	12.7%	14.9%	14.3%	13.5%	13.0%	12.5%	Return on Shr. Equity	12.0%
							10.5%	5.4%	4.3%	4.7%	7.0%	7.3%	10.1%	12.2%	11.7%	10.8%	10.5%	10.5%	Retained to Com Eq	10.0%
							28%	39%	40%	39%	32%	28%	20%	18%	18%	20%	19%	18%	All Div'ds to Net Prof	15%

LEGENDS
3.5 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	32.2	-8.4
3 yr.	94.3	30.2
5 yr.	200.4	98.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2796.5 mill. Due in 5 Yrs $2053.2 mill.
LT Debt $2494.1 mill. LT Interest $135.5 mill.
(LT interest earned: 4.0x)
(Total interest coverage: 3.5x) (57% of Cap'l)
Leases, Uncapitalized Annual rentals $183.0 mill.

Pension Assets-12/07 $1.5 bill. Oblig. $1.5 bill.
Pfd Stock None

Common Stock 57,497,673 shs.

MARKET CAP: $4.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	128.6	116.5	114.6
Receivables	883.5	843.7	764.6
Inventory (Avg Cost)	59.3	58.8	59.3
Other	190.4	203.1	188.4
Current Assets	1261.8	1222.1	1127.9
Accts Payable	515.1	383.8	400.0
Debt Due	332.7	222.7	302.4
Other	419.8	412.9	411.7
Current Liab.	1267.6	1018.4	1114.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	3.5%	1.5%	3.5%
"Cash Flow"	4.0%	5.5%	8.0%
Earnings	7.0%	18.0%	11.0%
Dividends	0.5%	1.5%	3.0%
Book Value	5.5%	4.5%	8.0%

Calendar	QUARTERLY REVENUES ($ mill.) GD Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1315	1389	1490	1545	5740.8
2006	1496	1595	1620	1594	6306.6
2007	1594	1658	1647	1662	6566.0
2008	1543.6	1580	1580	1696.4	6400
2009	1585	1655	1650	1760	6650

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.62	.86	.98	.93	3.39
2006	.75	1.02	1.12	1.15	4.04
2007	.84	1.08	1.14	1.18	4.24
2008	.96	1.13	1.23	1.28	4.60
2009	.97	1.30	1.40	1.43	5.10

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.15	.15	.60
2005	.16	.16	.16	.16	.64
2006	.18	.18	.18	.18	.72
2007	.21	.21	.21	.21	.84
2008	.23	.23			

BUSINESS: Ryder System, Incorporated is engaged in full-service truck leasing, programmed maintenance, commercial truck rental & integrated supply chain logistics, with over 1,100 service locations throughout the United States, Canada, Europe, and Latin America. The company spun off its aviation division 12/93; sold consumer rental division 10/96; sold automotive carrier division 9/97; sold public transportation business 10/99. Has approximately 28,800 employees. Officers/directors own 2.1% of common stock; FMR, LLC, 14.6%; UBS, 9.9%, Goldman Sachs, 5.5% (4/08 proxy). Chairman, President & CEO: Greg Swienton. Incorporated: Florida. Address: 3600 North West 82nd Avenue, Miami, Florida 33166. Telephone: 305-593-3726. Internet: www.ryder.com.

Ryder's newly adopted net revenue reporting method makes revenue comparisons difficult. The new reporting method is a result of an agreement with a specific supply chain solutions (SCS) customer that has modified Ryder's role in the purchase of subcontracted transportation, effective January 1, 2008. Under the terms of the new arrangement, Ryder will act as an agent rather than principal in purchasing subcontracted transportation services.

Earnings growth, however, will likely remain strong. The aforementioned change does not affect operating earnings. Furthermore, the company's margins are widening. The fleet management solutions segment is driving positive results, primarily thanks to higher fuel service revenue related to elevated oil prices. Too, continued contractual revenue growth, improved commercial rental operations, and better-than-expected used vehicle sales contributed to gains. Specifically, full-service lease operations benefited from higher North American demand and help from recent acquisitions. Also, contract maintenance revenue is showing strength in new contract sales. Commercial rentals are improving due to fleet realignment efforts that have increased utilization efficiency. All told, we look for strong results from the FMS segment this year.

Cost efficiency is a key driver of long-term growth prospects. The company's operating margin is likely to expand at a steady clip over the next 3 to 5 years, as management remains focused on aligning capacity to meet market demand and streamlining corporate operations. We expect effective management of marketing expenses and lower carrying costs to further enhance profitability.

The smaller supply chain solutions (SCS) and dedicated contract carriage (DCC) segments have exhibited mixed results. SCS results have faltered again because of fluctuating demand and rising costs. But the DCC segment continues to benefit from operational improvements that have reduced costs and increased margins considerably.

This stock is top-ranked for Timeliness. However, price appreciation potential to 2011–2013 is limited.

Simon R. Shoucair *June 6, 2008*

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	80
Earnings Predictability	95

(A) Prim. egs. through 1996, then dil. Excl. gains (loss) on disc. ops.: '93, ($2.06); '96, 18¢; '97, 20¢; '99, $5.11. Nonrec. gains (losses): '93, (33¢); '95, (10¢); '96, $2.02; '99, (48¢); '01, ($1.23); '02, (28¢); '03, (6¢); '04, 36¢. Extra. loss: '96, 12¢; '99, 6¢. Next egs. rpt. due early Aug. (B) Div. hist. paid in mid Mar., June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Net of equip. sales. (D) Sales may not sum total due to rounding. (E) In mill. (F) Net of equip. sales gains. (G) Rev. from '08 on reflect change in net rev. reporting.

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RALCORP HLDS., INC. NYSE-RAH

RECENT PRICE 55.76 | P/E RATIO 15.9 (Trailing: 17.1 Median: 15.0) | RELATIVE P/E RATIO 1.03 | DIV'D YLD Nil | VALUE LINE

TIMELINESS — Suspended 2/1/08
SAFETY 3 New 2/17/95
TECHNICAL — Suspended 2/1/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

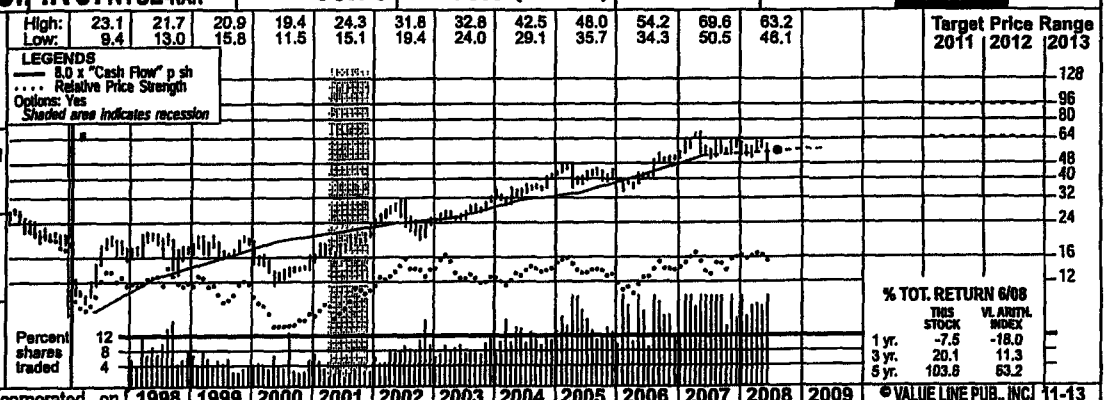
	Price	Gain	Ann'l Total Return
High	95	(+70%)	14%
Low	65	(+15%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	1	0	0	0	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	95	70	91
to Sell	89	100	91
Hld's(000)	24354	23512	24838



Ralcorp Holdings was incorporated on Jan. 19, 1994, as a subsidiary of the Ralston Purina Group (RPG). The subsidiary was spun off from its parent on March 31, 1994, with shareholders receiving one share of the new company for each three RPG shares owned. 33,878,000 shares were issued in Ralcorp, at a price of $15.00 each.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $745.8 mill. Due in 5 Yrs $275.0 mill.
LT Debt $745.8 mill. LT Interest $40.0 mill.
(Total interest coverage: 4.0x)
(57% of Cap'l)
Leases, Uncapitalized Annual rentals $9.7 mill.

Pension Assets-9/07 $184.9 mill.
Pension Oblig. $187.3 mill.

Pfd Stock None

Common Stock 25,743,075 shs.
as of 5/6/08

MARKET CAP: $1.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash	19.1	9.9	26.6
Receivables	66.8	96.0	96.6
Inventory (Avg Cst)	196.0	227.1	246.4
Other	104.5	65.7	64.6
Current Assets	386.4	398.7	434.2
Accts Payable	96.1	118.6	158.0
Debt Due	--	--	--
Other	100.9	104.9	104.6
Current Liab.	197.0	223.5	262.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.5%	14.0%	11.0%
"Cash Flow"	10.0%	14.5%	10.5%
Earnings	11.5%	13.5%	11.5%
Dividends	--	--	Nil
Book Value	12.5%	6.5%	14.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	440.1	386.6	406.5	441.9	1675.1
2006	464.0	438.7	462.4	485.1	1850.2
2007	522.7	519.0	583.5	608.2	2233.4
2008	650.7	641.6	640	667.7	2600
2009	685	670	660	685	2700

Fiscal Year Ends	EARNINGS PER SHARE AB Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.55	.59	.79	.41	2.34
2006	.31	.57	1.03	.67	2.58
2007	.70	.83	1.13	.59	3.25
2008	.70	.86	1.20	.69	3.45
2009	.75	.93	1.30	.77	3.75

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	18.38	20.85	27.10	39.39	42.64	45.04	53.03	56.17	68.93	86.67	100.00	103.85	Sales per sh A	131.25
	1.58	1.95	2.42	2.68	2.98	3.19	3.88	4.27	5.22	6.57	6.85	7.20	"Cash Flow" per sh	9.80
	.97	1.15	1.26	1.29	1.77	1.80	2.23	2.34	2.58	3.25	3.45	3.75	Earnings per sh B	5.25
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh C	Nil
	.78	.67	.81	1.19	.97	1.25	1.83	1.91	2.16	2.01	2.10	2.20	Cap'l Spending per sh	2.70
	9.69	10.61	11.73	13.02	14.52	14.26	15.11	17.38	17.75	18.76	22.80	26.55	Book Value per sh D	39.10
	31.71	30.54	29.86	29.91	30.03	28.94	29.39	29.82	26.84	25.77	26.00	26.00	Common Shs Outst'g E	24.00
	19.1	15.2	12.3	13.0	13.9	14.1	14.5	17.9	16.1	17.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.99	.87	.80	.67	.76	.80	.77	.95	.87	.91			Relative P/E Ratio	1.00
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	582.9	636.6	809.2	1178.0	1280.3	1303.6	1558.4	1675.1	1850.2	2233.4	2600	2700	Sales ($mill) A	3150
	10.2%	12.3%	12.1%	9.7%	9.9%	9.6%	10.5%	10.5%	10.5%	10.9%	10.0%	10.0%	Operating Margin	10.5%
	18.2	23.1	34.3	41.6	35.8	38.7	47.5	55.8	66.8	82.4	88.0	90.0	Depreciation ($mill)	105
	32.0	36.4	38.0	38.7	53.8	53.5	66.6	71.4	73.2	86.8	90.0	97.5	Net Profit ($mill)	130
	38.1%	37.6%	37.2%	38.4%	36.0%	35.4%	36.0%	35.4%	32.8%	34.6%	34.5%	34.0%	Income Tax Rate	35.0%
	5.5%	5.7%	4.7%	3.3%	4.2%	4.1%	4.3%	4.3%	4.0%	3.9%	3.5%	3.6%	Net Profit Margin	4.1%
	45.6	68.3	148.9	99.5	88.6	113.2	131.0	98.6	189.4	175.2	175	215	Working Cap'l ($mill)	250
	--	42.8	264.4	223.1	179.0	155.9	425.7	422.0	552.6	763.6	725	700	Long-Term Debt ($mill)	600
	307.3	324.1	350.3	389.4	436.1	412.7	444.2	518.3	476.4	483.4	595	690	Shr. Equity ($mill)	940
	10.4%	10.1%	6.9%	7.6%	9.2%	9.7%	8.4%	8.5%	8.5%	8.7%	8.5%	8.5%	Return on Total Cap'l	9.5%
	10.4%	11.2%	10.8%	9.9%	12.3%	13.0%	15.0%	13.8%	15.4%	18.0%	15.0%	14.0%	Return on Shr. Equity	14.0%
	10.4%	11.2%	10.8%	9.9%	12.3%	13.0%	15.0%	13.8%	15.4%	18.0%	15.0%	14.0%	Retained to Com Eq	14.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Ralcorp Holdings consists of: Ralston Foods (27% of '07 sales), a producer of private-label breakfast cereals; Bremner (15%), a maker of private-label crackers and cookies; Nutcracker (11%), a producer of private-label and value-brand snack nuts; Carriage House (19%), a manufacturer of dressings, syrups, jellies, and sauces; and Bakery Chef (28%), a maker of frozen bakery products. Also owns 19.0% equity stake in Vail Resorts, Inc (9/07). Acquired Bloomfield Bakers, 3/07; Cottage Bakeries, 11/08. Has about 7,800 employees. Off./dir. own 9.1% of common (12/07 proxy). Co-CEOs & Presidents: Kevin J. Hunt & David P. Skarie. Inc.: MO. Address: 800 Market Street, Suite 2900, St. Louis, MO 63101. Telephone: 314-877-7000. Internet: www.ralcorp.com.

Ralcorp Holdings' merger with Kraft's Post cereals business is nearing completion. As we went to press, Kraft was in the process of splitting off its Post cereal business. Kraft will distribute to its shareholders all of the outstanding shares of its subsidiary, Cable Holdco, which owns the assets and liabilities of the Post cereals unit. Once this process is completed (scheduled for August 4th), Cable Holdco common stock would then be exchanged at a 10% discount to the per-share value of Ralcorp Holdings common stock. Kraft shareholders would receive 0.6613 of a share of Ralcorp stock for each share exchanged. Ultimately, Kraft holders will own 54% of the combined entity, with Ralcorp stockholders accounting for the remaining interest. (Note: The merger is excluded from our financial presentation until it is completed.)

The pending deal significantly changes the composition of Ralcorp. The company's share count would go from roughly 26 million to 57 million. Ralcorp expects the transaction to be highly accretive ($0.44-$0.68 a share) to earnings in the first year. We believe that the accretion will probably be at the high end of the range, since Ralcorp has historically done a good job of integrating new businesses. It plans to identify and eliminate any overlapping functions. That said,

The merger doesn't come without some risk. Post's market share in the all-important cereal category has declined since 2005. This will likely force Ralcorp to increase its spending on advertising and product development. Moreover, Ralcorp must prove that it can successfully manage two distinct businesses (private label and branded) and compete with the industry stalwarts (i.e., Kellogg and General Mills) in the latter category.

This unranked issue remains a volatile near-term play. The amount of short interest in Ralcorp stock has risen sharply in recent weeks, as arbitrage investors are likely looking to take advantage of the discount exchange rate used in the conversion of Cable Holdco shares to Ralcorp units. Too, the company, like all of its food processing peers, continues to battle an onerous cost environment, one that has strained operating margins.

William G. Ferguson August 1, 2008

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	90
Earnings Predictability	80

(A) Fiscal year ends September 30th.
(B) Diluted eqs. Primary eqs. before '97. Excludes nonrecurring gains (losses): '98, 35¢; '00, (5¢); '01, 4¢; '03, ($1.55); '04, 6¢; '06, (17¢); '07, ($2.08); '08 Q1-Q2, $1.52. Next eqs. report due early November. (C) Special div'd paid: '04, $1.00 a share; recorded as a current liability at 9/30/04. (D) Incl. intangibles. In '07: $839.8 mill., $32.59/share. (E) In millions (F) Spun off branded food lines.

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REYNOLDS AMERICAN NYSE-RAI

RECENT PRICE 51.30 | P/E RATIO 11.2 (Trailing: 11.5 Median: NMF) | RELATIVE P/E RATIO 0.72 | DIV'D YLD 6.6% | VALUE LINE

TIMELINESS 4 Lowered 5/9/08
SAFETY 3 New 8/13/99
TECHNICAL 3 Raised 8/1/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+55%)	17%
Low	50	(-5%)	7%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	1	0	0	0	2	0	2
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	137	175	173
to Sell	159	146	149
Hld's(000)	170929	173891	163770

LEGENDS
12.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/06
Options: Yes
Shaded area indicates recession

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:								17.0	25.1	31.3	35.9	30.1	40.3	51.2	67.1	71.7	72.0			
Low:								8.0	7.9	22.1	17.4	13.8	26.7	38.2	47.5	58.6	45.8			
	--	--	--	--	--	--	--	35.73	40.33	45.55	36.09	30.94	21.84	28.00	28.76	30.59	*30.60*	*31.15*	Sales per sh [A]	*33.55*
	--	--	--	--	--	--	--	4.02	4.13	4.96	3.50	1.85	2.65	4.00	4.39	5.05	*5.20*	*5.45*	"Cash Flow" per sh	*6.10*
	--	--	--	--	--	--	--	1.70	1.74	2.24	2.32	.78	2.81	3.34	3.85	4.57	*4.60*	*4.85*	Earnings per sh [B]	*5.45*
	--	--	--	--	--	--	--	.78	1.55	1.65	1.87	1.90	1.90	2.10	2.75	3.20	*3.40*	*3.65*	Div'ds Decl'd per sh [C∎]	*4.40*
	--	--	--	--	--	--	--	.26	.30	.39	.65	.41	.31	.36	.46	.48	*.50*	*.52*	Cap'l Spending per sh	*.55*
	--	--	--	--	--	--	--	33.35	41.65	42.58	39.02	17.96	20.95	22.22	23.80	25.31	*26.15*	*27.20*	Book Value per sh	*30.70*
	--	--	--	--	--	--	--	211.61	202.53	188.47	172.10	170.21	294.73	294.87	295.87	295.01	*291.00*	*289.00*	Common Shs Outst'g [D]	*289.00*
	--	--	--	--	--	--	--	7.5	8.1	12.5	12.0	25.9	11.7	12.4	15.2	14.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
	--	--	--	--	--	--	--	.43	.53	.64	.66	1.48	.62	.66	.82	.73			Relative P/E Ratio	*.80*
	--	--	--	--	--	--	--	6.1%	11.0%	5.9%	6.7%	9.5%	5.8%	5.1%	4.7%	5.0%			Avg Ann'l Div'd Yield	*5.4%*
							5716.0	7567.0	8167.0	8585.0	6211.0	5267.0	6437.0	8256.0	8510.0	9023.0	*8900*	*9000*	Sales ($mill) [A]	*9700*
							4.8%	15.9%	17.1%	16.4%	19.3%	16.6%	19.6%	23.3%	26.0%	27.9%	*30.0%*	*31.0%*	Operating Margin	*31.5%*
							498.0	482.0	485.0	491.0	184.0	151.0	153.0	195.0	162.0	143.0	*180*	*180*	Depreciation ($mill)	*195*
							d518.0	369.0	352.0	444.0	418.0	130.0	627.0	985.0	1136.0	1348.0	*1335*	*1400*	Net Profit ($mill)	*1570*
							--	27.6%	52.9%	50.2%	38.8%	23.1%	24.4%	30.4%	37.2%	35.0%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
							NMF	4.9%	4.3%	5.2%	6.7%	2.5%	9.7%	11.8%	13.3%	14.9%	*15.0%*	*15.5%*	Net Profit Margin	*16.2%*
							5265.0	d600.0	1095.0	1064.0	565.0	466.0	569.0	916.0	843.0	1089.0	*1065*	*1145*	Working Cap'l ($mill)	*1650*
							4861.0	1653.0	1674.0	1631.0	1755.0	1671.0	1595.0	1558.0	4389.0	4515.0	*4600*	*4600*	Long-Term Debt ($mill)	*4600*
							9886.0	7064.0	8436.0	8026.0	6716.0	3057.0	6176.0	6553.0	7043.0	7466.0	*7600*	*7850*	Shr. Equity ($mill)	*8870*
							NMF	5.7%	4.3%	5.3%	5.8%	3.9%	8.6%	12.8%	11.1%	12.4%	*11.0%*	*11.0%*	Return on Total Cap'l	*11.5%*
							NMF	5.2%	4.2%	5.5%	6.2%	4.3%	10.2%	15.0%	18.1%	18.1%	*17.5%*	*18.0%*	Return on Shr. Equity	*17.5%*
							NMF	4.0%	.4%	1.5%	1.2%	NMF	4.0%	6.3%	5.1%	5.8%	*4.5%*	*4.5%*	Retained to Com Eq	*3.5%*
							NMF	23%	91%	72%	80%	NMF	61%	58%	68%	68%	*74%*	*75%*	All Div'ds to Net Prof	*81%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-24.4	-18.0
3 yr.	37.8	11.3
5 yr.	—	63.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4571 mill. Due in 5 Yrs $1117 mill.
LT Debt $4571 mill. LT Interest $315.0 mill. (38% of Cap'l)

Pfd Stock None
Pension Assets-12/07 $5.4 bill. Oblig. $5.1 bill.

Common Stock 295,317,770 mil. common shares

MARKET CAP: $15.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2726	2592	3136
Receivables	162	179	389
Inventory (LIFO)	1155	1196	1153
Other	892	1025	989
Current Assets	4935	4992	5667
Accts Payable	275	218	169
Debt Due	344	--	--
Other	3473	3685	4258
Current Liab.	4092	3903	4427

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	-6.5%	2.5%
"Cash Flow"	--	1.5%	5.5%
Earnings	--	13.5%	5.5%
Dividends	--	9.5%	8.5%
Book Value	--	-10.5%	4.5%

Calendar	QUARTERLY SALES ($ mill.)[A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1957	2103	2149	2047	8256
2006	1960	2291	2190	2069	8510
2007	2148	2348	2297	2230	9023
2008	2057	*2300*	*2250*	*2293*	*8900*
2009	*2075*	*2325*	*2300*	*2300*	*9000*

Calendar	EARNINGS PER SHARE[B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.96	.85	.72	.81	3.34
2006	1.16	1.28	1.05	.61	4.10
2007	1.11	1.10	1.21	1.15	4.57
2008	1.00	*1.20*	*1.23*	*1.17*	*4.60*
2009	*1.05*	*1.30*	*1.30*	*1.20*	*4.85*

Calendar	QUARTERLY DIVIDENDS PAID[C∎] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.475	.475	.475	.475	1.90
2005	.475	.475	.525	.625	2.10
2006	.625	.625	.750	.750	2.75
2007	.750	.750	.850	.850	3.20
2008	.850	.850	.850		

BUSINESS: Reynolds American Incorporated is the second-largest producer of cigarettes in the U.S. Brands include *Winston, Camel, Salem, Pall Mall, Kool, Doral, Vantage,* and *More. Winston* and *Camel* are the company's largest selling premium brands, and *Doral* is its largest selling discount brand. Acquired Brown & Williamson, 7/04, Conwood Smokeless Tobacco, 5/06. Sold international tobacco business to Japan Tobacco, 5/99. Has about 7,100 employees. British American Tobacco owns 42% of common stock; *Officers & Directors own* less than 1% (3/08 proxy). Chairman, President & Chief Executive Officer: Susan M. Ivey. Incorporated.: Del. *Address:* 401 North Main Street, Winston-Salem, NC 27101. Telephone: 336-741-2000. Internet: www.ReynoldsAmerican.com.

Reynolds American tempered its forecast for 2008. *Management now looks for* share net to be consistent with 2007's year-end number of $4.57. The company had previously forecast a mid-single-digit increase. The revision is due to volume declines, which reflect the tough economic environment that is weighing on RAI's price-sensitive smokers' spending habits.

A tough operating environment should pressure results for the remainder of the year. Reynolds' recent struggles will likely continue, as management tries to improve its position in this challenging market. As a result, we lowered our 2008 earnings estimate by a quarter to $4.60 a share.

The board approved a share-repurchase program. The company has the option to buy back up to $350 million worth of stock over the coming year, which should support share earnings. British American Tobacco, which owns a large interest in Reynolds, agreed to participate in the program in order to maintain its stake at 42%. What's more, RAI offers an attractive yield. However, given the recent problems, there is a degree of uncertainty regarding the rate at which the payout will advance in the near term. Still, Reynolds is a solid business supported by a strong cash flow, which should allow management to return value to shareholders through a dividend over the long haul.

Reynolds' Smokeless business should help drive results over the long term. Demand for smokeless products remains strong. As a result, RAI's Conwood Smokeless Tobacco segment continues to post good results. Thus, we believe management will focus on growing RAI's presence in this market over the coming years.

The company may face some regulatory pressure over the 3- to 5-year pull. Namely, the federal excise tax will probably increase over this time frame. Additionally, Congress may put tobacco firms under the FDA's authority, which would further place limitations on how tobacco firms conduct their business.

We have lowered this issue a notch to 4 (Below Average) for Timeliness. Therefore, we recommend investors look elsewhere until Reynolds' business prospects improve.

Richard Gallagher *August 1, 2008*

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	90
Earnings Predictability	40

(A) Results are pro forma through 3/31/99. Excludes excise taxes. (B) *Diluted earnings.* Next earnings report due late October. 1999 figures *exclude $11.04 gain on* sale of foreign tobacco operations. 2000 figures exclude $7.29 gain on the NGH acquisition. Excludes nonrecurring gain (losses): '03, ($21.36), '02, ($1.99); '01, $0.05; '99, ($1.95). (C) Div'ds historically paid in early March, June, September, and December. ∎ Div'd reinvestment plan available. (D) In millions, adjusted for split.

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ROYAL CARIB. CRUISE NYSE-RCL

RECENT PRICE 29.03 | P/E RATIO 11.2 (Trailing: 9.9 Median: 15.0) | RELATIVE P/E RATIO 0.72 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 Raised 12/1/95
TECHNICAL 4 Lowered 8/1/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+125%)	24%
Low	45	(+55%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	1	0	2	0	0	0
to Sell	0	0	0	1	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	122	135	143
to Sell	82	92	105
Hld's(000)	109482	127587	138629

LEGENDS
8.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-32.7	-12.2
3 yr.	-41.3	7.2
5 yr.	-6.5	58.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	9.78	8.79	9.24	9.33	10.66	11.98	15.64	14.08	14.95	16.40	17.80	19.30	22.64	23.31	24.73	26.94	30.70	33.20	Sales per sh	42.80
	1.34	1.53	1.74	1.65	1.84	1.93	3.10	3.24	3.51	2.93	3.41	3.28	4.32	5.07	4.99	5.11	5.10	5.45	"Cash Flow" per sh	7.35
	.59	.90	1.13	1.03	1.12	1.18	1.88	2.15	2.31	1.35	1.63	1.42	2.26	3.03	2.94	2.82	2.60	2.65	Earnings per sh A	3.90
	--	.14	.20	.24	.27	.29	.33	.40	.48	.52	.52	.52	.52	.56	.60	.45	.60	.60	Div'ds Decl'd per sh B	.75
	2.59	.64	1.15	3.37	5.67	6.84	3.30	5.38	6.71	9.08	3.58	5.25	3.13	2.04	5.58	6.20	8.90	9.35	Cap'l Spending per sh	4.65
	4.48	5.79	6.67	7.61	8.52	11.41	13.54	17.08	18.86	19.58	20.91	21.74	23.87	26.40	27.38	31.80	33.85	35.90	Book Value per sh C	44.35
	103.57	126.61	126.77	126.87	127.35	161.81	168.59	180.82	191.89	191.84	192.98	196.11	201.25	210.36	211.50	212.48	213.50	214.00	Common Shs Outst'g D	215.00
	--	12.8	12.3	11.7	11.4	15.8	16.8	19.8	11.5	15.0	11.9	16.7	19.3	15.0	13.6	14.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
	--	.76	.81	.78	.71	.91	.87	1.13	.75	.77	.65	.95	1.02	.80	.73	.77			Relative P/E Ratio	.95
	--	1.2%	1.4%	2.0%	2.1%	1.6%	1.0%	.9%	1.8%	2.6%	2.7%	2.2%	1.2%	1.2%	1.5%	1.5%			Avg Ann'l Div'd Yield	1.4%
							2636.3	2546.2	2865.9	3145.3	3434.3	3784.2	4555.4	4903.2	5229.6	6149.1	6550	7100	Sales ($mill)	9200
							25.9%	27.3%	27.9%	24.2%	25.9%	23.5%	25.2%	26.0%	24.5%	22.5%	21.5%	22.0%	Operating Margin	21.5%
							194.6	197.9	231.1	301.2	339.1	362.7	394.1	402.1	421.6	483.1	535	605	Depreciation ($mill)	735
							339.8	401.2	445.4	260.3	318.3	280.7	474.7	663.5	633.9	603.4	555	565	Net Profit ($mill)	840
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	Income Tax Rate	Nil
							12.9%	15.8%	15.5%	8.3%	9.3%	7.4%	10.4%	13.5%	12.1%	9.8%	8.5%	8.0%	Net Profit Margin	9.1%
							d603.9	d710.9	d601.7	d226.6	d722.2	d929.9	d1413	d1612	d1370	d1346	d1745	d2035	Working Cap'l ($mill)	d3255
							2341.2	2214.1	3300.2	5407.5	5322.3	5520.6	4826.6	3553.9	5040.3	5346.5	5745	6345	Long-Term Debt ($mill)	6945
							2454.8	3261.2	3615.9	3756.6	4034.7	4262.9	4804.5	5554.5	6091.6	6757.3	7225	7680	Shr. Equity ($mill) C	9540
							8.9%	8.5%	7.6%	4.2%	4.9%	4.3%	6.3%	6.6%	6.9%	6.3%	5.5%	5.5%	Return on Total Cap'l	6.5%
							13.8%	12.3%	12.3%	6.9%	7.9%	6.6%	9.9%	11.9%	10.4%	8.9%	7.5%	7.5%	Return on Shr. Equity	9.0%
							11.9%	10.3%	9.7%	4.3%	5.4%	4.3%	7.7%	9.8%	8.4%	7.5%	6.0%	5.5%	Retained to Com Eq	7.0%
							20%	20%	21%	38%	31%	35%	22%	18%	20%	16%	23%	23%	All Div'ds to Net Prof	19%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $6372.0 mill. Due in 5 Yrs $2415 mill.
LT Debt $5941.2 mill. LT Interest $350 mill.
(Includes $52.3 mill. capitalized leases.)
(LT Interest earned: 2.8x; total interest coverage: 2.7x) (46% of Cap'l)
Leases, Uncapitalized Annual rentals $67.0 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 213,517,798 shs.
as of 7/14/08
MARKET CAP: $6.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	104.5	230.8	387.2
Receivables	185.9	313.6	250.6
Inventory (Avg Cst)	77.0	96.8	116.3
Other	134.5	351.6	487.7
Current Assets	501.9	992.8	1243.8
Accts Payable	193.8	222.9	255.5
Debt Due	373.4	351.7	430.8
Other	1305.2	1764.7	2096.4
Current Liab.	1872.4	2339.3	2782.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.0%	9.0%	9.0%
"Cash Flow"	10.5%	8.5%	6.5%
Earnings	10.0%	10.5%	5.0%
Dividends	8.0%	3.0%	4.0%
Book Value	12.0%	7.5%	7.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1168.1	1203.3	1502.2	1029.6	4903.2
2006	1146.5	1293.0	1636.9	1153.2	5229.6
2007	1223.1	1481.3	1953.6	1491.1	6149.1
2008	1429.1	1583.8	2050	1487.1	6550
2009	1550	1700	2225	1625	7100

Calendar	EARNINGS PER SHARE A E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.64	.72	1.64	d.02	3.03
2006	.55	.57	1.63	.22	2.94
2007	.04	.60	1.84	.33	2.82
2008	.35	.40	1.65	.20	2.60
2009	.20	.40	1.75	.30	2.65

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.13	.13	.13	.13	.52
2005	.13	.13	--	.30	.56
2006	.15	.15	--	.30	.60
2007	.15	.15	--	.15	.45
2008	.15	.15			

BUSINESS: Royal Caribbean Cruises Ltd. is the world's second largest cruise company with 37 cruise ships in service and seven under construction. It operates five brands: Royal Caribbean International, Celebrity, Azamara, Pullmantur, and CDF Croisieres de France. In 2001, it began operations of Royal Celebrity Tours; in 2004, Celebrity Xpeditions. Has 46,545 employees. Significant stockholders: A. Wilhelmsen AS. (Norway), 20%; Osiris Holding, Inc., 18%; Cruise Associates (Bahamas), 18%; Massachusetts Financial Services, 9%; Private Capital Management, 6%; Officers/dirs., 21% (4/08 proxy). Chairman & CEO: R.D. Fain. Inc.: Liberia. Addr.: 1050 Caribbean Way, Miami, FL 33132. Tel.: 305-539-6000. Web: www.rclinvestor.com.

Higher fuel costs are putting pressure on Royal Caribbean's margins. When the cruise operator reported results for 2007, it noted that if fuel prices remained at the then-current level, its costs for that commodity would be roughly $595 million this year. By the end of the second quarter, the company estimated that at then-current prices its fuel expenses for the year would be some $772 million, a difference of 80-85 cents a share.

The company is working to reduce costs. It plans to cut roughly 400 shoreside positions and eliminate some noncore operations. The moves are expected to trim costs by $125 million annually. The company expects to book a charge of $15 million (seven cents a share) related to the actions in the third quarter. That charge will be offset by an $18 million (eight cents a share) gain from the settlement of a lawsuit. Other initiatives, such as changed itineraries, new engines, and more efficient hull designs, also are intended to produce cost savings. But those efforts probably won't be sufficient to offset the higher fuel costs. Share net likely will fall 5%-10% this year.

Only a modest gain looks likely in 2009. There are some pluses. The company reports that bookings for 2009 are off to a good start. Too, capacity will rise by nearly 7%, thanks to a full year of operation of three ships launched this year and the addition of two more ships in 2009. And the company will have a full year of savings from the cost-cutting initiatives instituted this year. But, although so far consumers seem willing to pay up for vacations, ongoing economic weakness in the U.S., and growing problems in Europe, could cause people to rein in spending. Too, fuel costs are likely to rise again next year, to $890 million, based on prices at the end of the second quarter.

After that, earnings should return to an upward path. We think the economy will be on a sounder footing by late in 2009. And four more ships are scheduled to be launched by the end of 2012. Assuming that fuel-price increases slow, share net ought to rise at a good annual pace over the next 3 to 5 years. If so, these untimely shares should stay a step ahead of the market averages over that span.

George A. Niemond *August 15, 2008*

(A) Diluted earnings. Excludes nonrecurring gains: '02, 16¢; '05 22¢; losses: '97, 2¢; '98, 5¢; '99, 9¢; '00, 9¢; '01, 3¢;. Next earnings report due late October.
(B) Dividends historically paid in March, June, October, and December.
(C) Includes intangibles. In '07: $797.6 million, $3.76 a share.
(D) In millions, adjusted for stock split.
(E) Quarterly earnings may not add to total due to rounding and change in share count.

Company's Financial Strength	B
Stock's Price Stability	60
Price Growth Persistence	45
Earnings Predictability	70

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RUDDICK CORP. NYSE-RDK

RECENT PRICE 34.51 | P/E RATIO 16.8 (Trailing: 18.6 Median: 15.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Raised 8/17/07
SAFETY 3 New 7/27/90
TECHNICAL 3 Raised 7/18/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+30%)	8%
Low	30	(-15%)	-2%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	4	0	0	3
to Sell	0	0	1	0	0	1	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	73	99	94
to Sell	74	55	78
Hld's(000)	35879	37049	38562

High:	21.4	23.0	23.0	15.8	17.2	18.0	18.3	22.5	28.2	28.9	38.0	39.8
Low:	13.3	15.0	15.1	10.3	9.8	13.4	12.0	17.7	19.3	20.8	26.3	31.7

LEGENDS
— 7.0 x "Cash Flow" p sh
···· Relative Price Strength
2-for-1 split 10/95
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	15.5	-18.0
3 yr.	40.4	11.3
5 yr.	137.6	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
34.02	37.63	41.17	44.65	46.11	49.36	53.43	56.51	58.04	59.23	58.92	58.95	61.39	61.91	68.67	75.28	83.50	92.80	Sales per sh [A]	114.00
1.41	1.52	1.55	1.78	1.96	2.28	2.43	2.61	2.77	2.77	2.85	2.97	3.04	3.08	3.39	3.75	4.20	4.65	"Cash Flow" per sh	5.45
.65	.70	.68	.84	.92	1.02	1.00	1.08	1.10	1.03	1.21	1.29	1.38	1.44	1.52	1.68	2.00	2.30	Earnings per sh [B]	2.90
.20	.22	.22	.25	.26	.32	.32	.33	.36	.36	.36	.36	.40	.44	.44	.44	.48	.48	Div'ds Decl'd per sh [C▪]	.52
5.51	5.95	6.28	6.82	7.47	8.17	8.82	9.55	10.23	9.81	9.85	10.71	11.76	12.72	14.10	15.24	16.85	18.80	Book Value per sh	25.20
46.12	46.04	46.35	46.37	46.46	46.60	46.55	46.45	46.22	46.32	46.45	46.22	46.73	47.89	47.56	48.34	48.50	48.50	Common Shs Outst'g [D]	50.00
13.0	14.4	14.7	12.5	13.5	14.5	17.7	17.1	12.3	13.4	13.5	11.3	13.9	16.0	15.2	17.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
.79	.85	.96	.84	.85	.84	.92	.97	.80	.69	.74	.64	.73	.85	.82	.93			Relative P/E Ratio	.85
2.3%	2.1%	2.2%	2.4%	2.1%	2.2%	1.8%	1.8%	2.7%	2.6%	2.2%	2.5%	2.1%	1.9%	1.9%	1.5%			Avg Ann'l Div'd Yield	1.5%
						2487.4	2624.8	2682.8	2743.3	2644.2	2724.7	2868.6	2964.7	3265.9	3639.2	4035	4500	Sales ($mill) [A]	5700
						30.1%	30.4%	30.9%	30.7%	31.4%	31.4%	31.8%	31.8%	32.5%	32.9%	33.0%	33.0%	Gross Margin	32.0%
						6.4%	6.7%	6.8%	6.6%	7.0%	6.6%	6.6%	6.5%	6.5%	6.8%	6.0%	7.0%	Operating Margin	6.6%
						144	147	156	137	143	117	138	145	152	164	177	185	Number of Stores	205
						46.8	50.7	51.0	48.0	56.4	59.9	64.7	68.6	72.3	80.7	98.0	113	Net Profit ($mill)	148
						33.84%	37.69%	39.57%	38.62%	34.43%	34.98%	36.09%	36.22%	36.21%	38.17%	38.0%	38.0%	Income Tax Rate	38.0%
						1.9%	1.9%	1.9%	1.7%	2.1%	2.2%	2.3%	2.3%	2.2%	2.2%	2.4%	2.5%	Net Profit Margin	2.6%
						87.4	120.0	132.8	112.3	166.1	161.6	188.0	134.1	98.2	73.5	175	220	Working Cap'l ($mill)	560
						191.4	198.5	225.0	156.4	185.2	157.5	157.6	155.1	228.3	255.9	370	410	Long-Term Debt ($mill)	490
						410.7	443.7	473.0	445.4	457.7	495.3	549.7	608.9	670.5	736.6	815	910	Shr. Equity ($mill)	1260
						9.1%	9.0%	8.5%	9.2%	9.7%	10.1%	10.1%	9.8%	8.8%	9.0%	9.0%	9.5%	Return on Total Cap'l	9.0%
						11.4%	11.4%	10.8%	10.8%	12.3%	12.1%	11.8%	11.3%	10.8%	11.0%	12.0%	12.5%	Return on Shr. Equity	12.0%
						7.8%	8.0%	7.3%	7.0%	8.7%	8.7%	8.4%	7.8%	7.7%	8.1%	9.0%	10.0%	Retained to Com Eq	10.0%
						32%	30%	33%	35%	30%	28%	29%	30%	29%	26%	23%	21%	All Div'ds to Net Prof	18%

CAPITAL STRUCTURE as of 3/30/08
Total Debt $349.8 mill. Due in 5 Yrs $140.0 mill.
LT Debt $331.0 mill. LT Interest $20.0 mill.
(Total Interest coverage: 8.4x) (26% of Cap'l)

Leases, Uncapitalized Annual rentals $83.1 mill.
Pension Assets-12/07 $248.1 mill.
Oblig. $280.1 mill.

Pfd. Stock None

Common Stock 48,268,314 shs.
as of 4/28/08
MARKET CAP: $1.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	29.2	26.7	29.1
Receivables	88.6	92.9	94.5
Inventory (LIFO)	265.7	295.7	297.1
Other	41.9	40.9	35.3
Current Assets	425.4	456.2	456.0
Accts Payable	186.5	227.4	202.1
Debt Due	19.7	20.2	18.8
Other	121.1	135.1	134.3
Current Liab.	327.3	382.7	355.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.0%	3.5%	9.0%
"Cash Flow"	5.5%	4.0%	8.0%
Earnings	5.5%	7.0%	11.0%
Dividends	4.5%	4.0%	3.0%
Book Value	6.5%	7.0%	10.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	726.9	735.5	749.8	752.5	2964.7
2006	796.7	800.7	830.2	838.3	3265.9
2007	880.8	891.8	922.9	943.7	3639.2
2008	976.7	975.5	1030	1052.8	4035
2009	1075	1105	1140	1180	4500

Fiscal Year Ends	EARNINGS PER SHARE [A B] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	.35	.40	.37	.32	1.44
2006	.36	.42	.37	.37	1.52
2007	.38	.42	.44	.44	1.68
2008	.48	.50	.50	.52	2.00
2009	.53	.55	.59	.63	2.30

Calendar	QUARTERLY DIVIDENDS PAID▪ [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.10	.40
2005	.11	.11	.11	.11	.44
2006	.11	.11	.11	.11	.44
2007	.11	.11	.11	.11	.44
2008	.12	.12			

BUSINESS: Ruddick Corp. is a holding co. with two wholly owned subsidiaries: Harris Teeter, Inc. (91% of FY '07 sales, 99% of operating profit), a southeastern regional supermarket chain; and American & Efird, Inc. (9%, 1%), a manufacturer and distributor of industrial sewing thread, with manufacturing ops. in N.C. and 22 foreign countries, mainly China. The Jordan Graphics, Inc. subsidiary was sold in Jan. of 1996. Assets from Threads USA were acquired in June of 1996. 24,800 employees. Off. & dir. own 7.7%; T. Rowe Price, 12.9%; Southeastern Asset Mgmt., 10.1%; (12/07 Proxy). Chairman, President, and CEO: Thomas W. Dickson. Inc.: North Carolina. Address: 301 S. Tryon St., Suite 1800, Charlotte, N.C. 28202. Telephone: 704-372-5404. Website: www.ruddickcorp.com.

Ruddick's share net will likely advance close to 20% for fiscal 2008 (year ends September 30th). Sales for the March quarter totaled less than our estimate, but the company worked to contain rising commodity and energy expenses, producing an earnings advance of 19% when compared to the prior-year period. Same-store sales at its Harris Teeter (HT) division increased over 3%, but the slower overall sales may indicate that some customers are heading to discount retailers, instead.

Harris Teeter is the key driver of the company's profit growth. As economic headwinds prevail, this division has been proactive in targeting its promotional spending and passing on price increases to its customers in order to keep margins healthy. Its new store program added a net five stores in the first half of fiscal 2008 for a total of 169 stores in operation. Expansion, remodeling, and new store plans are continuing, albeit at a slower pace than the company originally envisioned. The migration northward on the East Coast will likely continue, in an effort to diversify its geographic reach. This enlarged footprint should help buffer any potential downturn in its home market, where many of its sales are concentrated.

The American & Efird (A&E) division is struggling to boost sales. The thread manufacturer has shifted its production outside the U.S. in an attempt to lower costs and remain competitive in apparel sourcing. This division has formed several joint ventures in India, China, and Brazil as a way to cautiously expand its footprint. However, global economic weakness is providing a challenging retail environment, with sales trending downward. In the March interim, this division posted a loss. But since A&E is less than 10% of total revenues and 1% of profits, we are not too concerned about the ongoing softness. There may likely be an uptick once retail spending strengthens.

Ruddick shares do not hold much appeal. Though this issue has shed about 10% since our May review, appreciation potential is limited as RDK shares already trade within our 3- to 5-year Target Price Range. And, for the next year this stock is ranked to match the market.

Mary Beth Wiedenkeller *August 1, 2008*

(A) Periods end on last Sunday in calendar quarter. Fiscal year ends on Sunday closest to Sept. 30th.
(B) Pro-forma through '96, diluted thereafter. Excludes nonrecurring items: '93, (14¢); '01, ($1.05); '02 ($0.09). Next earnings report due early November.
(C) Dividends historically paid in early January, April, July, and October. ▪ Div'd reinvestment plan available.
(D) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	100

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REGIONS FINANCIAL NYSE-RF

RECENT PRICE 9.06 | P/E RATIO 7.9 (Trailing: 6.3 Median: 14.0) | RELATIVE P/E RATIO 0.49 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 5 Lowered 7/11/08
SAFETY 3 Lowered 5/23/08
TECHNICAL 4 Lowered 8/1/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+340%)	48%
Low	30	(+230%)	38%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	2	0	1	0	1	0	1	1	2
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	168	198	217
to Sell	252	233	198
Hld's(000)	268851	286012	300327

High:	36.4	37.0	33.7	22.7	26.7	31.1	30.7	36.0	35.5	39.2	38.2	25.8
Low:	20.8	23.4	18.8	14.8	20.8	22.0	24.2	27.3	29.2	32.4	22.8	6.4

LEGENDS
13.0 x Earnings p sh
Relative Price Strength
2-for-1 split 6/97
23% Div 7/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-66.0	-12.2
3 yr.	-67.1	7.2
5 yr.	-59.1	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.05	1.22	1.38	1.52	1.50	1.78	1.82	1.90	1.86	1.88	2.20	2.35	2.32	2.15	2.67	1.95	*1.15*	*1.35*	Earnings per sh A	*2.70*
.37	.42	.49	.53	.57	.65	.75	.81	.87	.91	.94	1.00	1.33	E1.36	B1.76	1.46	*.96*	*.40*	Div'ds Decl'd per sh Bm	*.80*
7.85	8.40	9.12	10.02	10.33	11.33	11.02	11.23	12.74	14.21	15.29	16.15	23.01	23.26	28.36	28.58	*28.50*	*29.40*	Book Value per sh C	*34.00*
83.66	101.36	111.13	112.25	154.71	168.76	272.17	272.93	271.32	284.06	273.26	275.75	467.08	456.35	730.08	693.64	*696.00*	*700.00*	Common Shs Outst'g D	*710.00*
11.0	11.1	*9.8*	10.0	12.6	15.2	17.6	14.7	9.7	12.8	12.4	12.0	13.5	15.4	13.4	16.4	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.67	.66	.64	.67	.79	.88	.92	.84	.63	.66	.68	.68	.71	.82	.72	.86	*Value Line*		Relative P/E Ratio	*.85*
3.2%	3.1%	3.6%	3.5%	3.0%	2.4%	2.3%	2.9%	4.8%	3.8%	3.5%	3.6%	4.2%	4.1%	4.9%	4.6%	*estimates*		Avg Ann'l Div'd Yield	*2.3%*
36832	42714	43688	45383	47939	48598	84106	84786	143369	141042	*148000*	*155000*	Total Assets ($mill)	*190000*
24050	27808	31000	30488	30549	31730	56772	57621	93495	94058	*99000*	*103000*	Loans ($mill)	*125000*
1324.8	1425.9	1388.8	1425.5	1497.6	1474.6	2113.0	2820.6	3353.4	4398.4	*3950*	*4100*	Net Interest Inc ($mill)	*4900*
60.5	113.7	127.1	165.4	127.5	121.5	128.5	165.0	142.5	555.0	*1300*	*1100*	Loan Loss Prov'n ($mill)	*800*
474.7	537.1	574.0	981.9	1258.9	1398.8	1654.4	1813.4	2062.1	2855.8	*3200*	*3250*	Noninterest Inc ($mill)	*3875*
982.3	1064.3	1121.2	1500.7	1759.7	1840.3	2401.7	3047.0	3314.0	4660.4	*4725*	*4850*	Noninterest Exp ($mill)	*5200*
502.4	525.4	509.7	526.7	619.9	651.8	870.3	1000.5	1353.1	1393.2	*800*	*950*	Net Profit ($mill)	*1900*
33.6%	33.1%	28.7%	28.9%	28.7%	28.5%	29.7%	29.6%	30.9%	31.7%	*28.0%*	*32.0%*	Income Tax Rate	*32.0%*
1.36%	1.23%	1.17%	1.16%	1.29%	1.34%	1.03%	1.18%	.94%	.99%	*.55%*	*.60%*	Return on Total Assets	*1.00%*
571.0	1750.9	4478.0	4747.7	5386.1	5711.8	7239.6	6971.7	8642.6	11325	*14000*	*15500*	Long-Term Debt ($mill)	*20000*
3000.4	3065.1	3457.9	4035.8	4178.4	4452.1	10749	10614	20701	19823	*19850*	*20575*	Shr. Equity ($mill)	*24175*
8.1%	7.2%	7.9%	8.9%	8.7%	9.2%	12.8%	12.5%	14.4%	14.1%	*13.5%*	*13.5%*	Shr. Eq. to Total Assets	*12.5%*
65.3%	65.1%	71.0%	67.1%	63.7%	65.3%	67.5%	68.0%	65.2%	66.7%	*67.0%*	*66.5%*	Loans to Tot Assets	*66.0%*
16.7%	17.1%	14.7%	13.1%	14.8%	14.6%	8.1%	9.4%	6.5%	7.0%	*4.0%*	*4.5%*	Return on Shr. Equity	*8.0%*
10.4%	9.9%	7.8%	6.9%	8.6%	8.5%	3.5%	3.5%	2.2%	1.8%	*.5%*	*3.0%*	Retained to Com Eq	*5.5%*
38%	42%	47%	48%	42%	42%	56%	63%	66%	74%	*83%*	*30%*	All Div'ds to Net Prof	*30%*

CAPITAL STRUCTURE as of 6/30/08

LT Debt $13,318.7 mill. LT Interest $574.0 mill.
Due in 5 Yrs $7,200 mill.

Leases, Uncapitalized None

Pension Assets-12/07 $1.42 bill. Oblig. $1.41 bill.

Common Stock 694,729,000 shares

MARKET CAP: $6.3 billion (Large Cap)

ASSETS($Mill.)	2006	2007	6/30/08
Loans	93494.6	94057.6	96795.1
Funds Sold	896.1	1177.2	977.6
Securities	20005.1	18276.3	19227.7
Other Earning	270.6	31.7	46.3
Other	28702.6	27498.9	27389.6
LIABILITIES($Mill.)			
Deposits	101227.9	94774.9	89903.6
Funds Borrowed	8917.1	11120.1	17590.2
Long-Term Debt	9392.6	11324.8	13318.7
Net Worth	20701.5	19823.0	19708.5
Other	3129.9	3998.9	3915.3
Total	143369.0	141041.7	144436.3
Loan Loss Resrv.	1055.9	1321.2	1471.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	4.0%	3.0%	*5.0%*
Earnings	3.5%	2.5%	*3.0%*
Dividends B	10.0%	11.0%	*-11.0%*
Book Value	9.5%	13.5%	*4.0%*
Total Assets	4.5%	3.5%	*5.5%*

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	57205	57580	57572	57621
2006	57678	58353	58699	93495
2007	93112	92953	93303	94058
2008	95009	96795	*97800*	*99000*
2009	*99500*	*101000*	*102000*	*103000*

Calendar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.51	.53	.55	.55	2.15
2006	.64	.75	.77	.56	2.67
2007	.65	.63	.56	.10	1.95
2008	.48	.30	.22	*.15*	*1.15*
2009	*.25*	*.33*	*.37*	*.40*	*1.35*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.32	.41	.74	.33	1.80
2005	.34	.34	.34	.34	1.36
2006	.35	.35	.35	.35	1.40
2007	.36	.36	.36	.36	1.44
2008	.38	.38	.38	.10	

BUSINESS: Regions Financial Corp. (formerly First Alabama Bancshares) had 1,936 banking offices in AL, AR, FL, GA, IL, IN, IA, KY, LA, MS, MO, NC, SC, TN & TX as of 6/30/08. Merged with Union Planters, 7/04; AmSouth Bancorporation, 11/06. Net loan losses, .29% of average loans in 2007. Loan loss reserves, 1.50% of loans (6/30/08); problem assets (including 90-days past due), 2.08%. Loan portfolio as of 12/31/07: resid. RE, 18%; commercial RE, 22%; consumer, 22%; commercial, 38%. Had 31,564 full-time equivalent employees on 6/30/08. Officers & directors own 1.76% of stock; Barclays Global, 5.12% (4/08 proxy). Chairman: J.W. Moore. Pres. & CEO: C.D. Ritter. Inc.: DE. Address: 417 N. 20th St., Birmingham, AL 35202. Tel.: 205-944-1300. Web: regions.com.

Regions' credit costs have risen significantly. Much of the deterioration in its credit quality stemmed from loans in Florida, where residential property values have fallen dramatically in the past year and a lot of homes weren't the owner's primary residence. The company's problem assets rose 35% from the end of March, with the increase consisting mostly of residential homebuilder loans and a handful of large condominium projects in south Florida. Loan losses rose 66%, with more than half of the increase driven by deterioration in home equity credits. Of Regions' total home equity loans, 22% of the portfolio (the Florida-based second-lien portion) had a loan loss rate of 4.74% in the June quarter. Earnings in the period were also held back by net interest margin pressure and relatively flat core fee revenue compared with the March quarter.

The company has a number of initiatives to strengthen asset quality. Management established a loan disposition program, stopped making land and condominium loans, and adopted more rigorous underwriting and review processes. It has updated home equity portfolio valuations and is offering more borrower assistance. Our sense, however, is that it will take a number of quarters for Regions to work down its credit costs meaningfully.

In other areas, prospects are mixed. The company is enjoying decent loan growth, but several items, including the higher problem assets, are likely to continue to squeeze the margin and pressure net interest income. On the expense front, cost reductions from the 2006 merger with AmSouth are expected to reach a $700 million run rate by the end of 2008 from a $660 million run rate at mid-year. Taking the higher anticipated credit costs into account, however, we are sharply lowering our share-net estimates for this year and next, to $1.15 and $1.35, respectively.

The company reduced the quarterly dividend to a dime a share, starting with the October payout, to strengthen its regulatory capital ratios. Although the very depressed stock has considerable upside potential to 2011-2013, most investors probably would do well to heed the unfavorable Timeliness rank and stay on the sidelines for now.

Theresa Brophy *August 22, 2008*

(A) Based on diluted shares from 1998. Excl. unusual gain/(loss): '98, (37¢), '00, 8¢, '01, (8¢); '06, ($0.04); '07, ($0.20). EPS in '05, '06, & '07 do not equal total due to change in shares. Next egs. report due mid-Oct. (B) Dividend dates changed in Q4'06, when 2 div'ds decl'd. Growth rates assume four div'ds per year. Div'ds paid early Jan., Apr., Jul., Oct. ■ Div'd reinvest. plan. (C) Incl. intang.: 12/31/07, $12.6 bill., $18.13/sh. (D) In mill., adj. for stock split and div'd. (E) Div'ds declared in '04 adj. for shs. issued in merger with Union Planters.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	30
Earnings Predictability	75

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REGIS CORP. NYSE-RGS

RECENT PRICE 30.15 | P/E RATIO 13.7 (Trailing: 15.0 / Median: 17.0) | RELATIVE P/E RATIO 0.84 | DIV'D YLD 0.5% | VALUE LINE

TIMELINESS 3 Raised 5/30/08
SAFETY 3 New 4/9/99
TECHNICAL 3 Raised 12/28/07
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

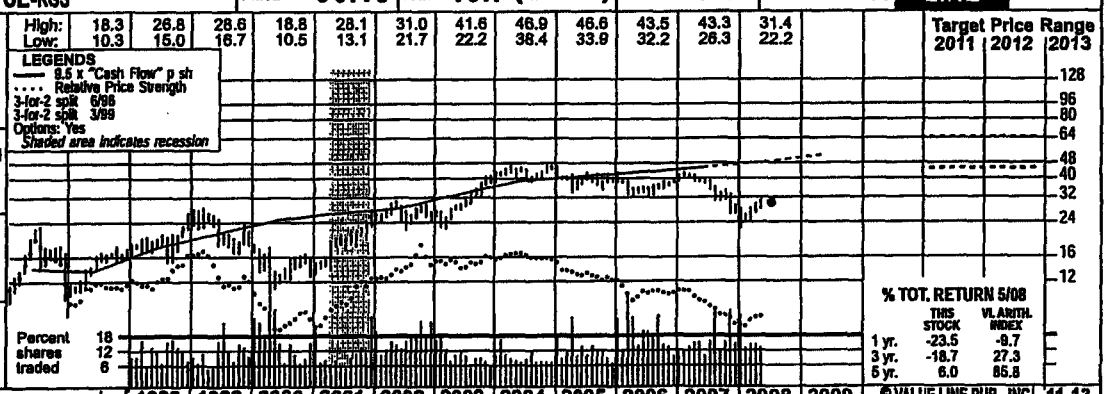
	Price	Gain	Ann'l Total Return
High	65	(+115%)	22%
Low	45	(+50%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	5	1	0	1	3	0
to Sell	0	0	1	6	1	0	2	3	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	97	71	74
to Sell	95	98	87
Hld's(000)	40721	40920	42829



Regis Corp. was started as a proprietorship in 1922, and is the largest specialty retail operator of hair salons in North America. The initial public offering was made in June of 1991, when 3,415,000 shares (including 215,000 from selling shareholders) were sold at $13.00 each. Piper, Jaffray, & Hopwood Inc. was the lead underwriter. A secondary issue of 1.0 million shares occurred in November of 1993 at $9.00.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $799.1 mill. Due in 5 Yrs $504.7 mill.
LT Debt $597.2 mill. LT Interest $26.0 mill.
Incl. $34.8 mill. in cap'l leases.
(LT Interest earned: 4.5x; total interest coverage: 4.5x) (39% of Cap'l)

Leases, Uncapitalized Annual rentals $297.5 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 43,008,944 shs.
MARKET CAP: $1.3 billion (Mid-Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	135.4	184.8	136.3
Receivables	62.6	67.8	42.0
Inventory (FIFO)	194.0	196.8	210.4
Other	49.8	75.9	60.2
Current Assets	441.8	525.1	448.9
Accts Payable	70.8	74.5	67.0
Debt Due	101.9	223.4	201.9
Other	230.2	240.7	205.9
Current Liab.	402.9	538.6	474.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.0%	11.5%	6.5%
"Cash Flow"	13.0%	10.0%	6.5%
Earnings	13.5%	9.5%	7.0%
Dividends	17.0%	6.0%	Nil
Book Value	17.0%	17.5%	9.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	506.2	537.3	557.3	593.5	2194.3
2006	584.3	606.6	604.0	636.0	2430.9
2007	639.2	657.0	655.0	675.4	2626.6
2008	667.5	682.2	680.1	*710.2*	*2740*
2009	*701*	*717*	*717*	*745*	*2880*

Fiscal Year Ends	EARNINGS PER SHARE[AB] Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.55	.58	.47	.63	2.23
2006	.48	.59	.48	.60	2.15
2007	.50	.54	.50	.53	2.07
2008	.46	.51	.51	.62	*2.10*
2009	*.52*	*.55*	*.57*	*.66*	*2.30*

Cal-endar	QUARTERLY DIVIDENDS PAID[C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.03	.03	.04	.04	.14
2005	.04	.04	.04	.04	.16
2006	.04	.04	.04	.04	.16
2007	.04	.04	.04	.04	.16
2008	.04	.04			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	22.34	25.19	28.06	31.44	33.57	38.60	43.40	48.65	53.60	59.48	*63.70*	*66.50*	Sales per sh [A]	*79.75*
	1.88	2.22	2.61	2.83	2.98	3.52	4.09	4.32	4.56	4.80	*5.05*	*5.55*	"Cash Flow" per sh	*6.60*
	.87	1.05	1.26	1.26	1.60	1.92	2.29	2.23	2.15	2.07	*2.10*	*2.30*	Earnings per sh [AB]	*3.20*
	.08	.10	.12	.12	.12	.12	.14	.16	.16	.16	*.16*	*.16*	Div'ds Decl'd per sh [C]	*.16*
	1.56	1.71	1.99	1.92	1.53	1.77	1.67	2.24	2.64	2.04	*2.10*	*2.20*	Cap'l Spending per sh	*2.50*
	5.30	6.10	6.85	8.14	10.27	12.89	15.52	16.73	19.21	20.68	*22.30*	*23.85*	Book Value per sh	*31.45*
	35.73	36.70	40.73	41.72	43.32	43.65	44.31	45.10	45.35	44.16	*43.00*	*43.30*	Common Shs Outst'g [D]	*42.00*
	20.1	21.7	13.7	12.3	15.1	13.8	17.1	18.4	17.7	18.7	*Bold figures are*		Avg Ann'l P/E Ratio	*17.0*
	1.05	1.24	.89	.63	.82	.79	.90	.98	.96	.98	*Value Line*		Relative P/E Ratio	*1.15*
	.3%	.4%	.7%	.8%	.5%	.5%	.4%	.4%	.4%	.4%	*estimates*		Avg Ann'l Div'd Yield	*.3%*
	798.1	974.9	1143.0	1311.6	1454.2	1684.5	1923.1	2194.3	2430.9	2626.6	*2740*	*2880*	Sales ($mill) [A]	*3350*
	12.4%	13.6%	14.4%	14.3%	15.9%	16.8%	16.3%	12.2%	11.4%	11.9%	*11.0%*	*11.5%*	Operating Margin	*11.0%*
	35.4	44.0	53.8	64.8	59.0	66.7	75.5	91.8	107.5	117.3	*125*	*140*	Depreciation ($mill)	*140*
	31.7	41.9	52.4	53.1	70.3	86.7	105.5	103.0	*99.4*	*94.6*	*93.0*	*100*	Net Profit ($mill)	*135*
	40.2%	39.2%	39.2%	40.3%	39.2%	37.5%	36.0%	33.5%	35.6%	35.0%	*37.0%*	*37.0%*	Income Tax Rate	*35.0%*
	4.0%	4.3%	4.6%	4.0%	4.8%	5.1%	5.5%	4.7%	4.1%	3.6%	*3.4%*	*3.5%*	Net Profit Margin	*4.0%*
	d1.9	13.1	40.8	60.8	97.4	80.6	111.4	118.6	38.9	d13.5	*d7.0*	*17.0*	Working Cap'l ($mill)	*145*
	101.0	143.0	224.6	256.1	291.8	280.6	282.0	549.0	520.4	485.9	*540*	*520*	Long-Term Debt ($mill)	*430*
	189.3	236.2	279.1	339.5	444.7	562.8	687.6	754.7	*871.4*	*913.3*	*960*	*1035*	Shr. Equity ($mill)	*1320*
	12.7%	12.6%	12.0%	10.7%	10.8%	11.5%	11.8%	8.8%	8.4%	8.3%	*7.5%*	*8.0%*	Return on Total Cap'l	*8.5%*
	16.7%	17.7%	18.8%	15.6%	15.8%	15.4%	15.3%	13.6%	11.4%	*10.4%*	*9.5%*	*10.0%*	Return on Shr. Equity	*10.5%*
	15.8%	16.2%	16.9%	14.2%	14.7%	14.5%	14.4%	12.7%	10.6%	9.6%	*9.0%*	*9.0%*	Retained to Com Eq	*10.0%*
	7%	9%	10%	9%	7%	6%	6%	7%	7%	6%	*6%*	*7%*	All Div'ds to Net Prof	*5%*

BUSINESS: Regis Corp. is a leading owner and franchisor of hair and retail product salons. It operates over 12,400 hairstyling salons & beauty schools in six divisions consisting of: *Regis Hairstylists, Supercuts* franchises, *MasterCuts, Trade Secret, Wal-Mart,* and *International.* Acquired *Jean Louis David 4/02, Hair Club For Men and Women,* 12/04. Provides hair-care services and products to customers in different market groups through salons in high-traffic shopping mall locations. Has roughly 62,000 employees. Officers & directors own about 6.2% of common; The TCW Group, Inc., 5.3%; (9/07 proxy). Chairman, President & CEO: Paul D. Finkelstein. Incorporated: MN. Address: 7201 Metro Blvd., Minneapolis, MN 55439-2130. Tel.: 952-947-7777. Internet: www.regiscorp.com.

We look for Regis Corp. to post a relatively flat year-over-year earnings comparison in fiscal 2008 (year ends June 30th). During the March interim, the company reported its first positive share-net comparison in a year, driven by a 3.3% uptick in same-store service sales (RGS' highest quarterly service increase in the last eight years). This impressive result may be attributed to the combined effects of this year's early Easter holiday and an ongoing focus on bolstering the cost of an average visit to one of the company's locations. In this vein, Regis has implemented price increases in over 5,600 salons during the third quarter. And the company's performance is even more impressive, given that it has deconsolidated its beauty schools and the European franchise salon operations during the last 12 months, which tempered the top line by roughly $28 million in the March quarter. Finally, the recent turnaround in RGS' bottom line is in stark contrast to the company's lackluster results late in fiscal 2007 and earlier this year, the result of a long hair trend and a slowing U.S. economy.

Prospects for the coming fiscal year seem promising. At present, Regis is in the midst of transforming its Trade Secret salons from a retailer of professional products to European-style boutiques offering an exceptional assortment of prestige products. Moreover, as a result of the aforementioned merger of its European franchise salon operations with the Franck Provost Salon group, RGS now owns a 30% minority interest in the recently formed Provalliance Group, the largest hair salon company in Europe. This provides a counterbalance to fluctuations in the domestic marketplace. All told, we look for Regis to post fiscal 2009 earnings of $2.30 a share, on a 5% year-over-year top-line advance, the result of a solid improvement in same-store sales.

Based on recent price and earnings momentum, Regis stock now carries a Timeliness rank of 3. As such, it is likely to run in tandem with the market over the next six to 12 months. However, more patient investors may wish to consider this issue, as it offers appealing appreciation potential through the early years of the coming decade.

Kenneth A. Nugent *June 27, 2008*

(A) Fiscal year ends June 30th of calendar year.
(B) Dilut earnings. Excludes nonrecurring gains/(losses): 1998, ($0.03); 1999, ($0.29); 2002, $0.04; 2005, ($0.84); 2006, ($0.25); '08 Q2, $0.05, Q3, ($0.07). Next earnings report due late July.
(C) Dividends historically paid in early March, June, September, and December.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	90

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RESMED INC. NYSE-RMD

RECENT PRICE 44.20 | P/E RATIO 26.5 (Trailing: 30.9 / Median: 31.0) | RELATIVE P/E RATIO 1.72 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 5/4/07
SAFETY 3 New 3/12/99
TECHNICAL 3 Raised 8/22/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

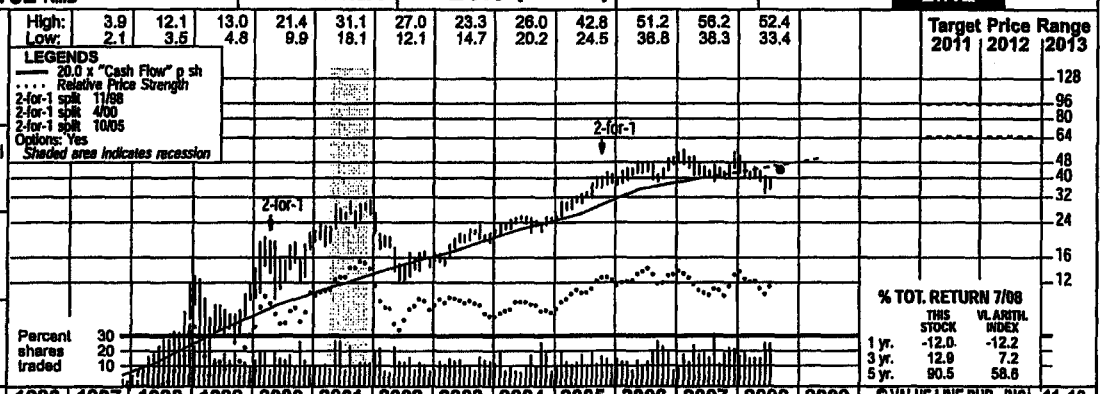
	Price	Gain	Ann'l Total Return
High	95	(+115%)	21%
Low	65	(+45%)	10%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	0	0	0	2	2
to Sell	1	3	1	1	1	1	1	6	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	106	116	119
to Sell	106	108	103
Hld's(000)	52436	53613	57554



Target Price Range 2011 | 2012 | 2013
128 96 80 64 48 40 32 24 16 12

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-12.0	-12.2
3 yr.	12.9	7.2
5 yr.	90.5	58.6

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	.90	.60	.85	1.13	1.50	1.89	2.46	3.11	4.10	5.01	6.08	8.02	9.23	10.90	12.75	Sales per sh A	17.85
	--	--	--	.13	.10	.18	.24	.34	.47	.58	.72	.87	1.11	1.33	1.76	2.01	2.25	2.55	"Cash Flow" per sh	4.05
	--	--	--	.16	.08	.13	.18	.26	.35	.45	.55	.67	.82	.91	1.22	1.38	1.45	1.75	Earnings per sh B	3.10
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	--	--	.07	.03	.07	.17	.35	.26	.44	.43	.38	.85	.57	1.36	1.00	1.00	1.00	Cap'l Spending per sh	1.10
	--	--	--	1.10	.68	.77	.87	1.21	1.54	1.59	2.94	4.29	5.34	6.77	9.75	12.00	14.10	15.60	Book Value per sh C	22.85
	--	--	--	26.14	57.38	57.62	58.62	59.23	61.19	62.96	65.61	66.74	67.72	70.00	75.67	77.62	76.75	77.25	Common Shs Outst'g D	78.50
	--	--	--	8.8	22.5	18.2	21.9	29.7	33.0	43.9	41.7	24.3	27.2	29.5	32.7	33.4	29.5		Avg Ann'l P/E Ratio	25.5
	--	--	--	.59	1.41	1.11	1.14	1.69	2.15	2.25	2.28	1.39	1.44	1.57	1.77	1.75	1.69		Relative P/E Ratio	1.70
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
							66.5	88.6	115.6	155.2	204.1	273.6	339.3	425.5	607.0	716.3	835.4	985	Sales ($mill)	1400
							31.0%	33.0%	34.1%	33.1%	30.0%	29.2%	30.4%	32.3%	28.7%	27.6%	24.5%	25.0%	Operating Margin	29.0%
							3.2	4.0	6.2	7.0	10.0	12.6	17.7	28.3	41.0	47.9	57.0	60.0	Depreciation ($mill)	70.0
							10.6	16.1	22.2	29.6	37.5	45.7	57.3	64.8	92.5	108.1	114.1	140	Net Profit ($mill)	250
							34.1%	34.5%	34.9%	35.1%	31.3%	31.9%	32.3%	33.0%	31.3%	31.4%	30.0%	31.0%	Income Tax Rate	31.5%
							16.0%	18.2%	19.2%	19.1%	18.4%	16.7%	16.9%	15.2%	15.2%	15.1%	13.7%	14.0%	Net Profit Margin	18.0%
							32.7	32.6	47.6	144.3	144.6	191.3	217.2	141.6	381.3	466.4	546.6	615	Working Cap'l ($mill)	910
							--	--	--	150.0	123.3	113.3	113.3	58.9	116.2	87.6	93.8	80.0	Long-Term Debt ($mill)	55.0
							50.8	71.6	94.0	100.4	192.9	286.4	361.5	474.1	738.1	931.2	1081.8	1205	Shr. Equity ($mill)	1795
							20.9%	22.5%	23.7%	11.8%	12.4%	11.8%	12.2%	12.2%	11.2%	10.9%	10.0%	11.0%	Return on Total Cap'l	13.5%
							20.9%	22.5%	23.7%	29.5%	19.4%	16.0%	15.8%	13.7%	12.5%	11.6%	10.5%	11.5%	Return on Shr. Equity	14.0%
							20.9%	22.5%	23.7%	29.5%	19.4%	16.0%	15.8%	13.7%	12.5%	11.6%	10.5%	11.5%	Retained to Com Eq	14.0%
							--	--	--	--	--	--	--	--	--	--	--	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $132.2 mill. Due in 5 Yrs $132.1 mill.
LT Debt $116.0 mill. LT Interest $6.5 mill.
(LT Debt includes $0.5 million of capital leases.)
(10% of Capital)

Leases, Uncapitalized Annual rentals $9.6 mill.
No Defined Benefit Pension Plan

Preferred Stock None
Common Stock 77,264,515 shares as of 4/30/08

MARKET CAP: $3.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	219.5	277.7	307.5
Receivables	138.1	167.8	179.9
Inventory (FIFO)	116.2	157.2	169.5
Other	36.5	64.8	62.2
Current Assets	510.3	667.5	719.1
Accts Payable	45.0	53.0	35.3
Debt Due	4.9	28.4	16.2
Other	79.1	119.7	90.6
Current Liab.	129.0	201.1	142.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	26.0%	25.5%	15.0%
"Cash Flow"	29.0%	23.5%	15.5%
Earnings	25.5%	21.0%	17.5%
Dividends	--	--	Nil
Book Value	27.5%	36.5%	15.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	87.7	103.9	108.5	125.4	425.5
2006	127.1	146.4	162.3	171.2	607.0
2007	163.6	178.4	183.0	191.3	716.3
2008	185.7	202.7	211.8	235.2	835.4
2009	220	240	250	275	985

Fiscal Year Ends	EARNINGS PER SHARE B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.20	.25	.25	.21	.91
2006	.24	.30	.34	.34	1.22
2007	.32	.37	.34	.35	1.38
2008	.33	.34	.38	.40	1.45
2009	.40	.42	.45	.48	1.75

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

BUSINESS: ResMed Inc. develops, manufactures, and distributes medical equipment for treating, diagnosing, and managing sleep-disordered breathing (SDB) and other respiratory disorders. SDB includes obstructive sleep apnea and other respiratory disorders that occur during sleep. Markets its products in over 68 countries through a combination of wholly owned subsidiaries and independent distributors. FY'08 R&D: $60.5 mill (7.2% of sales). FY'07 depreciation rate: 8.8%. Employs about 2,700. Officers and directors own 4.5% of stock; T. Rowe Price, 7.3%; William Blair, 5.3% (9/07 proxy). Chairman: Peter C. Farrell. President & CEO: Kieran T. Gallahue. Inc.: DE. Address: 14040 Danielson Street, Poway, CA 92064. Telephone: 858-746-2400. Internet: www.resmed.com.

ResMed closed out fiscal 2008 on a sound note ... (Years end June 30th.) Revenue in the fiscal fourth quarter totaled $235.2 million, a 23% increase over the year-earlier figure. Favorable currency movements added $14.1 million to the top line, though. Still, growth was stimulated by regions around the globe. Specifically, the company's overseas operations continued to fire on all cylinders, posting a 32% sales advance. France and Germany were the main drivers in Europe. At home, ResMed was able to get back on track, returning to mid-double-digit growth. Many new products were recently launched in the Americas, and initial feedback has been very positive. This robust revenue gain allowed the company to report a 14% share-net gain in the period. But bottom-line growth lagged a bit because margins narrowed. This was mainly the result of costs associated with bolstering the sales-force. Too, R&D outlays were 24% higher.

... and Wall Street applauded the performance. These shares were stuck in a rut, trending sideways to lower with the overall market. But the issue traded up sharply following the recent earnings announcement. In addition, we look for strong share-earnings growth in the coming six to 12 months. All told, momentum investors may want to keep a close eye on this neutrally ranked stock.

We think fiscal 2009 will shape up to be a banner year for ResMed. Indeed, the medical equipment maker should earn $1.75 a share on sales of $985 million. Both figures represent hefty advances over the comparable 2008 tallies. We think the company's new products will quickly gain traction in the marketplace.

This issue offers worthwhile 3- to 5-year capital gains potential. Profit growth should easily exceed double-digits on an annual basis out to 2011-2013. We think the niche market ResMed serves remains one of the most attractive segments in the medical supplies industry. Recent studies suggest that the risks associated with sleep-disordered breathing are much greater than medical professionals previously believed. Indeed, home sleep testing, which would no doubt buoy the top line, will probably be accepted by most insurers before long.

Erik A. Antonson *August 29, 2008*

(A) Fiscal years end on June 30th.
(B) Diluted earnings. Excludes nonrecurring losses: FY'01, 27¢; FY'05, 3¢; FY'06, 4¢; FY'07, 53¢; FY'08, 5¢. Next earnings report due early November.
(C) Includes intangibles. In FY'07: $253.4 million, $3.26 a share.
(D) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	95

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RENAISSANCERE NYSE-RNR

RECENT PRICE 48.93 | P/E RATIO 5.8 (Trailing: 6.7 Median: 8.0) | RELATIVE P/E RATIO 0.37 | DIV'D YLD 1.9% | VALUE LINE

TIMELINESS 3 New 5/4/07
SAFETY 3 New 5/4/07
TECHNICAL 4 Lowered 7/18/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+195%)	32%
Low	95	(+95%)	19%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	3
to Sell	1	3	1	1	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	119	122	124
to Sell	103	108	111
Hld's(000)	62029	60811	57594

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	16.7	16.9	14.4	27.2	34.9	44.2	50.1	56.6	52.2	61.1	66.8	60.3
Low:	10.8	11.5	10.0	12.0	20.7	28.8	34.0	46.6	34.5	40.6	49.3	43.9

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
3-for-1 split 5/02
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-26.7	-18.0
3 yr.	-4.6	11.3
5 yr.	6.3	63.2

RenaissanceRe Holdings Ltd. was established in Bermuda in 1993. In July of 1995 the company went public with an offering of 8,100,000 shares at a price of $6.50 (adjusted for the May 2002 three-for-one split). Merrill Lynch & Company was the lead underwriter for the IPO. RNR had further public offerings in 1996, 1997, and 2001, which resulted in proceeds of $84 million, $240 million, and $347 million respectively.

CAPITAL STRUCTURE as of 3/31/08

Total Debt $451.0 mill. Due in 5 Yrs $415.8 mill.
LT Debt $451.0 million LT Interest $33.6 mill. (9% of Cap.)
No Defined Benefit Pension Plan
Pfd Stock $650 mill. Pfd Div'd $42.9 mill
Common Stock 64,508,046 shs. as of 4/24/08

MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Bonds	3111.9	3914.4	3816.5
Stocks	227.1	90.6	99.5
Receivables	419.2	475.1	499.4
Other	4010.8	3806.3	3754.5
Total Assets	7769.0	8286.4	8169.9
Unearned Prems	578.4	563.3	674.0
Reserves	2098.2	2028.5	1986.0
Other	1811.9	1401.6	1365.1
Total Liab.	4488.5	3993.4	4025.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	19.5%	24.5%	7.0%
Invest Income	22.0%	27.5%	16.0%
Earnings	8.5%	7.5%	13.0%
Dividends	14.5%	9.5%	4.0%
Book Value	16.0%	15.5%	18.0%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	301.5	338.8	348.3	414.1	1402.7
2006	351.7	430.9	367.1	380.1	1529.8
2007	362.6	358.5	367.1	336.2	1424.4
2008	308.9	360	370	361.1	1400
2009	360	380	390	395	1525

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.62	2.39	d4.07	d2.97	d3.99
2006	2.49	1.81	3.48	2.78	10.57
2007	2.63	2.53	1.85	.88	7.89
2008	2.05	2.30	1.85	2.20	8.40
2009	2.15	2.40	1.95	2.30	8.80

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.19	.19	.19	.19	.76
2005	.20	.20	.20	.20	.80
2006	.21	.21	.21	.21	.84
2007	.22	.22	.22	.22	.88
2008	.23	.23			

© VALUE LINE PUB., INC.	11-13
P/C Prem Earned p sh	30.30
Investment Inc p sh	10.80
Underwriting Inc p sh	32.40
Earnings per sh A	10.15
Div'ds Decl'd per sh B	1.08
Book Value per sh	90.15
Common Shs Outst'g C	65.00
Price to Book Value	125%
Avg Ann'l P/E Ratio	12.0
Relative P/E Ratio	.80
Avg Ann'l Div'd Yield	.9%
P/C Premiums Earned	1970
Loss to Prem Earned	40.0%
Expense to Prem Writ	Nil
Underwriting Margin	60.0%
Income Tax Rate	10.0%
Net Profit ($mill)	665
Inv Inc/Total Inv	9.0%
Total Assets ($mill)	11440
Shr. Equity ($mill)	5860
Return on Shr. Equity	11.5%
Retained to Com Eq	10.5%
All Div'ds to Net Prof	16%

Bold figures are Value Line estimates

BUSINESS: RenaissanceRe Holdings Ltd. provides property catastrophe and specialty reinsurance coverage to insurers and reinsurers on a global basis. Policies are written through the principal operating subsidiary Renaissance Re and joint ventures, DaVinci, Top Layer Re, Starbound, Glencoe Group and Starbound II. Mix of premiums earned as of 12/31/07: reinsurance, 69.2% and individual risk 30.8%. The company has approximately 236 empls. Officers and directors own 3.6% of common stock; FMR LLC, 10.7%; AXA Financial, Inc., 8.5%; Pzena Investment Management, 8.2% (4/08). CEO and President: Neill A.Currie. Incorporated: Bermuda. Address: 8-20 E. Broadway, Pembroke HM 19, Bermuda. Telephone.: 441-295-4513. Internet: www.renre.com.

RenaissanceRe Holdings likely posted a share-net decline of about 10% for the June interim. The company was expected to issue its second-quarter results shortly after this report went to press. The performance downturn probably stemmed from the competitive rate environment affecting the insurance markets. Furthermore, RNR has been maintaining its underwriting discipline. The combination of these two factors likely weighed on the top line (premiums earned), resulting in a relatively flat figure for the period. Offsetting factors should have come from the commercial property business, which typically has heavy renewals occurring in May and June. Nonetheless, the company ought to register a boost in profits by year's end.

We look for the 2008 earnings tally to increase 5%-10%. Premiums should decline in the low single-digit range this year. The softening market conditions for both the catastrophe and specialty units of the reinsurance segment seem set to contribute to this trend. Meanwhile, the independent risk unit will likely continue to have trouble finding quality attractively priced policies. However, RNR's emphasis on underwriting discipline should decrease claims, benefit its combined ratio, and drive the earnings advance.

Recent acquisitions ought to pick up steam as the year progresses. Synergies should result, as those takeovers meld with RNR and effectively minimize expenses. Claims Management Services (CMS) is now part of one of RNR's wholly owned subsidiaries. CMS was previously employed as a third party administrator, focusing on claims adjustments. Meanwhile, the buyout of Agro National augurs well for the company's longer-term prospects. The need for multi-peril crop insurance will likely rise in the years to come. Recent flooding in the Midwest, resulting in damaged crops and rising commodity prices, should only reinforce the need for coverage in these areas.

These average ranked shares may appeal to patient accounts. The equity offers wide long-term appreciation potential for the pull to 2011-2013. However, some uncertainty stems from this year's hurricane season. Therefore, the stock may not be suitable for conservative accounts.

Bryan Fong *August 1, 2008*

(A) Diluted earnings. Quartly egs. may not sum due to rounding/changes in shares outstanding. Next egs. report due early August.
(B) Dividends historically paid in late February, May, August, and November.
(C) In millions, adjusted for split.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	5

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ROCKWELL AUTO. NYSE-ROK

RECENT PRICE 43.73 | P/E RATIO 11.0 (10.6 / 20.0) | RELATIVE P/E RATIO 0.71 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 4 Lowered 7/4/08
SAFETY 3 Lowered 7/15/05
TECHNICAL 4 Lowered 6/27/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+175%)	30%
Low	80	(+85%)	18%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	11	0	0	6	0	0	2	0	0
to Sell	12	0	0	5	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	157	181	175
to Sell	202	188	228
Hld's(000)	96570	98151	98857

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	70.6	61.6	64.9	54.5	49.4	22.8	36.1	50.0	63.3	79.5	75.6	69.7								
Low:	44.3	32.1	39.9	27.7	11.8	14.7	18.8	28.5	45.4	53.5	56.7	42.8								
	49.52	49.05	50.88	58.82	47.47	37.53	35.43	36.89	38.97	23.29	21.04	22.11	24.00	27.84	32.68	33.53	*39.00*	*44.75*	Sales per sh [A]	*53.60*
	4.73	4.76	5.16	6.05	5.93	5.38	4.01	4.81	5.48	2.42	2.05	2.21	2.69	3.68	4.59	4.61	*5.05*	*5.55*	"Cash Flow" per sh	*7.25*
	2.14	2.51	2.82	3.37	3.45	2.89	2.31	3.01	3.35	.94	.90	1.12	1.61	2.63	3.49	3.53	*3.95*	*4.20*	Earnings per sh [B]	*5.50*
	.92	.96	1.04	1.08	1.16	1.16	1.02	1.02	1.02	.66	.66	.66	.66	.78	.97	1.16	*1.30*	*1.40*	Div'ds Decl'd per sh [C]	*1.55*
	1.75	1.96	2.60	3.16	3.96	3.30	2.14	1.97	1.72	.85	.56	.59	.53	.69	.88	.88	*.95*	*1.05*	Cap'l Spending per sh	*1.30*
	12.61	13.38	15.32	17.40	19.48	23.26	17.03	13.81	14.55	8.71	8.66	8.55	10.13	9.18	11.27	11.68	*11.65*	*11.75*	Book Value per sh [D]	*21.40*
	220.30	221.00	218.60	217.00	218.50	206.80	190.60	190.90	183.50	183.70	185.80	185.60	183.80	179.70	170.20	149.23	*141.00*	*133.00*	Common Shs Outst'g [E]	*125.00*
	11.8	12.3	13.2	12.1	15.7	21.6	21.9	16.5	12.6	37.9	20.6	18.9	21.2	19.4	18.3	18.2	*Bold figures are*		Avg Ann'l P/E Ratio	*18.0*
	.72	.73	.87	.81	.98	1.25	1.14	.94	.82	1.94	1.13	1.13	1.12	1.03	.99	.96	*Value Line*		Relative P/E Ratio	*1.20*
	3.6%	3.1%	2.8%	2.6%	2.1%	1.9%	2.0%	2.0%	2.4%	1.9%	3.6%	3.0%	1.9%	1.5%	1.5%	1.8%	*estimates*		Avg Ann'l Div'd Yield	*1.2%*
	6752.0	7043.0	7151.0	4279.0	3909.0	4104.0	4411.1	5003.2	5561.4	5003.9	*5500*	*5950*	Sales ($mill) [A]	*6700*
	14.2%	17.1%	18.4%	12.9%	12.5%	13.2%	15.7%	18.6%	19.3%	18.7%	*18.0%*	*17.5%*	Operating Margin	*19.0%*
	306.0	337.0	369.0	272.0	206.0	198.0	186.7	171.2	153.6	117.9	*130*	*140*	Depreciation ($mill)	*165*
	459.0	582.0	636.0	173.0	174.0	213.0	307.8	490.3	628.1	569.3	*580*	*600*	Net Profit ($mill)	*740*
	32.7%	34.6%	32.6%	28.5%	21.6%	28.8%	29.7%	32.3%	29.5%	27.8%	*28.5%*	*29.0%*	Income Tax Rate	*30.0%*
	6.8%	8.3%	8.9%	4.0%	4.5%	5.2%	7.0%	9.8%	11.3%	11.4%	*10.6%*	*10.1%*	Net Profit Margin	*11.1%*
	2113.0	1474.0	1386.0	830.0	809.0	916.0	1162.5	1245.7	894.7	637.5	*585*	*150*	Working Cap'l ($mill)	*670*
	908.0	911.0	924.0	922.0	767.0	764.0	757.7	748.2	748.2	405.7	*600*	*400*	Long-Term Debt ($mill)	*400*
	3245.0	2637.0	2669.0	1600.0	1609.0	1587.0	1861.0	1649.1	1916.2	1742.8	*1645*	*1560*	Shr. Equity ($mill)	*2650*
	11.6%	17.2%	18.5%	8.0%	8.5%	10.1%	12.6%	21.4%	24.7%	28.0%	*26.0%*	*30.5%*	Return on Total Cap'l	*24.0%*
	14.1%	22.1%	23.8%	10.8%	10.8%	13.4%	16.5%	29.7%	32.7%	32.7%	*35.5%*	*38.5%*	Return on Shr. Equity	*27.5%*
	7.9%	14.7%	16.6%	.2%	3.2%	5.7%	10.0%	21.1%	24.4%	22.1%	*24.5%*	*26.5%*	Retained to Com Eq	*20.5%*
	44%	33%	30%	98%	70%	57%	40%	29%	25%	32%	*31%*	*31%*	All Div'ds to Net Prof	*26%*

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-12.3	-9.7
3 yr.	18.9	27.3
5 yr.	170.5	85.8

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1224.2 mill. Due in 5 Yrs $990.6 mill.
LT Debt $904.1 mill. LT Interest $13.4 mill. (19% of Cap'l)

Leases, Uncapitalized Annual rentals $70.7 mill.

Pfd Stock None
Pension Assets-9/07 $2.7 bill. Oblig. $2.49 bill.
Common Stock 146,742,863 shs.

MARKET CAP: $6.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	414.7	624.2	760.7
Receivables	879.3	927.7	980.4
Inventory (LIFO)	599.5	504.7	592.7
Other	294.5	325.4	330.9
Current Assets	2188.0	2382.0	2664.7
Accts Payable	470.5	498.5	466.4
Debt Due	219.8	521.4	320.1
Other	603.0	724.8	692.3
Current Liab.	1293.3	1744.5	1478.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-4.0%	2.5%	*9.5%*
"Cash Flow"	-3.0%	5.5%	*9.5%*
Earnings	--	13.0%	*9.5%*
Dividends	-1.5%	4.5%	*8.0%*
Book Value	-6.0%	--	*12.5%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	1184.9	1218.4	1264.7	1335.2	5003.2
2006	1301.4	1377.8	1428.4	1453.7	5561.4
2007	1146.3	1206.5	1280.6	1370.5	5003.9
2008	1331.9	1406.6	*1350*	*1411.5*	*5500*
2009	*1375*	*1450*	*1525*	*1600*	*5950*

Fiscal Year Ends	EARNINGS PER SHARE [A B] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.65	.61	.68	.69	2.63
2006	.80	.83	.83	1.03	3.49
2007	.76	.65	1.07	1.07	3.53
2008	*1.04*	*.96*	*.95*	*1.00*	*3.95*
2009	*1.05*	*1.00*	*1.05*	*1.10*	*4.20*

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.165	.165	.165	.165	.66
2005	.165	.165	.225	.225	.78
2006	.225	.225	.225	.290	.97
2007	.290	.290	.290	.290	1.16
2008	.290	.290			

BUSINESS: Rockwell Automation is a world leader in electronic controls. It has two operating segments: Architecture & Software and Control Products & Solutions. Sold graphic systems unit, 10/96; aerospace and defense ops., 12/96; Power Systems (Dodge and Reliance Electric), 1/07. Spun off Semiconductor business (called Conexant Systems), 12/98; Avionics business (called Rockwell Collins), 7/01; FirstPoint Contact, 9/04. R&D: 2.9% of '07 sales. Has about 20,000 employees. Officers and directors own 2.3% of common stock (12/07 proxy). President & Chief Executive Officer: Keith Nosbusch. Incorporated: Delaware. Address: 1201 South Second Street, Milwaukee, Wisconsin 53204. Telephone: 414-382-2000. Internet: www.rockwell.com.

Rockwell Automation revised its bottom-line guidance for the third quarter (fiscal year ends September 30th). Greater-than-expected deterioration in ROK's markets in the United States and Europe led to the new outlook. The company's performance is influenced by the overall economy, so, as the economic environment weakens, capital spending also drops, which hurts demand for Rockwell's services. Consequently, management now expects third-quarter share net to be between $0.93 and $1.00. The company also believes it will miss its earlier guidance for fiscal 2008 of earnings between $4.25 and $4.45 a share. Of note, the company plans to give more detailed guidance for the year when results for the June period are announced.

We have scaled back our estimates for fiscal 2008. We are cautious about this issue's near-term prospects in light of the poor visibility and the current operating environment. Accordingly, we look for sales of about $5.5 billion and earnings of roughly $3.95 a share.

Rockwell will likely continue to add new businesses to its operations. Since divesting its Power Systems business in fiscal 2007, the company has been adding bolt-on acquisitions in an effort to strengthen its offerings in the automation market. On point, we believe the recent additions of CEDES's Safety and Automation business and Incuity Software may provide a boost to Rockwell's results.

International business will probably be a growth driver over the coming years. The company's investment in emerging markets should boost top- and bottom-line gains over the long-haul. Management highlighted Asia and Latin America as regions that will likely begin to contribute more meaningfully to results starting in the second half of this year.

We have lowered these shares' Timeliness rank to 4 (Below Average). Management's earnings revision coupled with the tough operating environment limit this issue's appeal for the near term. However, the recent drop in ROK's share price may create an interesting entry point for long-term investors. Indeed, this stock has above-average capital appreciation potential over the 2011-2013 time frame.

Richard Gallagher *July 11, 2008*

Company's Financial Strength	A
Stock's Price Stability	65
Price Growth Persistence	95
Earnings Predictability	55

(A) Fsc. yr. ends Sept. 30th. (B) Dil. eqs. Excl. n/r gains (losses): '96, (11¢); '97, 8¢; '98, ($3.47); '99, (11¢); '00, 35¢; '01, 71¢; '02, (30¢); '03, 37¢; '04, 24¢; '05, 14¢. Excl. disc. op.: '03, 2¢; '04, 32¢; '05, 11¢; '06, (2¢); '07, $5.70. '07 total may not sum due to change in dil. shs. Next eqs. rpt. due late July. (C) Dividends historically paid in March, June, Sept., and Dec. ■ Div'd reinvest. plan avail. (D) Inc. intg. in '07: $7.38/sh. (E) In mill. (F) Spun off Automotive unit, 9/97; Semi. unit, 12/98; Avionics unit, 7/01.

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ROLLINS, INC. NYSE-ROL

RECENT PRICE 15.97 | P/E RATIO 22.8 (Trailing: 24.2 / Median: 28.0) | RELATIVE P/E RATIO 1.39 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 3 Lowered 5/9/08
SAFETY 3 Lowered 6/11/04
TECHNICAL 4 Lowered 6/6/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+55%)	13%
Low	18	(+15%)	5%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	1	0	0	0	0	0
to Sell	0	1	1	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	72	58	76
to Sell	47	67	61
Hld's(000)	40764	40405	40232

High:	7.3	6.4	5.3	6.6	6.3	8.4	11.1	12.2	14.7	15.3	21.1	19.9
Low:	5.5	4.5	4.4	3.3	4.4	5.4	7.3	9.4	10.6	12.5	13.7	15.8

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 3/03
3-for-2 split 3/05
3-for-2 split 12/07
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	4.8	-9.4
3 yr.	25.3	30.2
5 yr.	56.3	98.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
4.39	4.78	5.01	5.13	5.37	4.80	5.34	5.82	6.38	6.43	6.60	6.66	7.25	7.87	8.43	8.89	10.05	11.35	Revenues per sh	14.80
.38	.44	.48	.45	.27	d.86	.12	.20	.28	.37	.48	.55	.64	.76	.83	.91	1.00	1.10	"Cash Flow" per sh	1.45
.32	.37	.41	.39	.19	d.92	.03	.07	.09	.17	.27	.34	.41	.51	.56	.64	.70	.80	Earnings per sh A	1.10
.12	.13	.15	.15	.17	.18	.15	.06	.06	.06	.06	.09	.11	.13	.17	.20	.25	.28	Div'ds Decl'd per sh B=	.36
.06	.06	.07	.08	.09	.08	.10	.19	.14	.08	.10	.10	.14	.25	.18	.16	.20	.20	Cap'l Spending per sh	.20
1.08	1.33	1.60	1.77	1.63	1.30	.78	.71	.77	.84	.90	1.37	1.62	1.73	2.08	2.32	2.60	2.90	Book Value per sh C	4.30
120.12	120.40	120.91	121.02	116.76	112.23	102.90	100.85	101.74	101.49	100.80	101.60	103.59	102.02	101.84	100.64	99.50	99.00	Common Shs Outst'g D	98.00
19.0	18.6	18.6	18.6	33.4	--	NMF	67.3	48.3	33.6	23.2	26.5	26.4	25.2	24.8	26.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.15	1.16	1.22	1.24	2.09	--	NMF	3.84	3.14	1.72	1.27	1.51	1.39	1.34	1.34	1.37			Relative P/E Ratio	1.35
2.0%	1.8%	1.9%	2.1%	2.7%	3.0%	2.6%	1.2%	1.3%	1.1%	.9%	1.0%	1.0%	1.0%	1.2%	1.2%			Avg Ann'l Div'd Yield	1.7%
						549.1	586.6	649.6	652.3	665.4	677.0	750.9	802.4	858.9	894.9	1000	1125	Revenues ($mill)	1450
						.9%	3.7%	5.1%	7.3%	9.8%	11.8%	12.9%	13.1%	14.0%	14.5%	14.3%	14.3%	Operating Margin	14.5%
						8.9	13.4	18.4	20.3	21.6	20.2	23.0	24.3	26.9	27.1	28.0	29.0	Depreciation ($mill)	35.0
						3.2	7.2	9.6	16.9	27.1	35.8	43.7	52.8	57.8	64.7	71.0	80.0	Net Profit ($mill)	110
						38.0%	38.0%	38.0%	38.0%	38.0%	40.4%	41.0%	40.0%	39.3%	38.3%	39.0%	39.0%	Income Tax Rate	39.0%
						.6%	1.2%	1.5%	2.6%	4.1%	5.3%	5.8%	6.6%	6.7%	7.2%	7.0%	7.1%	Net Profit Margin	7.5%
						84.0	d3.6	d21.8	d8.0	d3.7	25.4	d41.2	d53.2	d34.1	d27.5	d25.0	d20.0	Working Cap'l ($mill)	25.0
						6.1	2.5	.3	--	--	--	--	--	--	.6	90.0	80.0	Long-Term Debt ($mill)	50.0
						80.2	71.8	78.6	85.5	90.7	138.8	167.5	177.0	211.5	233.6	260	290	Shr. Equity ($mill)	420
						3.7%	9.6%	12.1%	19.8%	29.9%	25.8%	26.1%	29.8%	27.3%	27.6%	20.0%	21.5%	Return on Total Cap'l	23.0%
						4.0%	10.0%	12.2%	19.8%	29.9%	25.8%	26.1%	29.8%	27.3%	27.7%	27.0%	27.5%	Return on Shr. Equity	26.0%
						NMF	1.5%	4.5%	12.8%	23.3%	19.3%	19.5%	22.1%	19.3%	19.0%	17.5%	18.0%	Retained to Com Eq	17.5%
						NMF	85%	63%	36%	22%	25%	25%	26%	29%	31%	36%	35%	All Div'ds to Net Prof	33%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1.6 mill. Due in 5 Yrs $1.6 mill.
LT Debt $0.8 mill. LT Interest $0.1 mill.
Debt consists entirely of capital lease obligations (1% of Cap'l)
Leases, Uncapitalized Annual rentals $23.3 mill.
Pension Assets-12/07 $164.3 mill. Oblig. $147.7 mill.

Pfd Stock None

Common Stock 100,913,267 shs. as of 4/15/08

MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	63.3	71.3	71.4
Receivables	52.7	54.5	53.9
Inventory (FIFO)	8.4	8.8	8.7
Other	26.7	25.6	27.0
Current Assets	151.1	160.2	161.0
Accts Payable	16.3	19.1	18.6
Debt Due	--	1.2	.8
Other	168.9	167.4	165.0
Current Liab.	185.2	187.7	184.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	5.0%	5.5%	10.0%
"Cash Flow"	--	17.5%	9.5%
Earnings	--	26.5%	11.5%
Dividends	--	23.0%	13.5%
Book Value	2.5%	19.5%	13.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	184.4	214.3	209.3	194.4	802.4
2006	194.2	232.2	227.8	204.7	858.9
2007	201.2	239.6	238.1	216.0	894.9
2008	210.1	275	275	239.9	1000
2009	260	295	295	275	1125

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.11	.18	.15	.07	.51
2006	.11	.19	.17	.10	.56
2007	.13	.21	.19	.12	.64
2008	.14	.22	.21	.13	.70
2009	.15	.25	.25	.15	.80

Calendar	QUARTERLY DIVIDENDS PAID B= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.027	.027	.027	.027	.11
2005	.033	.033	.033	.033	.13
2006	.042	.042	.042	.042	.17
2007	.05	.05	.05	.05	.20
2008	.063	.062			

BUSINESS: Rollins, Inc. owns and operates Orkin Exterminating, one of the nation's largest pest- and termite-control service providers. Services approximately 1.7 million customers in the United States, Canada, Latin America, the Caribbean, the Middle East, and Asia. Sold off Orkin Lawn Care and Orkin Planiscaping, 7/97, and Rollins Protective Services, 10/97. Acq'd PRISM, 5/99 and PCO Svcs., 10/99; Western Pest Svcs, 4/04; Industrial Fumigant Co., 10/05; HomeTeam Pest Defense, 4/08. Has about 8,500 employees. Rollins family & directors own 58.8% of com.; M. Gabelli, 6.0% (3/08 proxy). Chrmn.: R. Randall Rollins. Pres., CEO, & COO: Gary W. Rollins. Inc.: DE. Addr.: 2170 Piedmont Rd., N.E., Atlanta, GA 30324. Telephone: 404-888-2000. Internet: www.rollins.com.

Rollins' first-quarter results came in as expected. Commercial services were quite strong, while the residential business was seasonally slow. Additionally, elevated gasoline prices for Rollins' fleet of trucks added to operating expenses.

The company continues to expand its global reach. In the March interim, three new international franchises came on line in the Middle East. Specifically, they are in Saudi Arabia, Qatar, and Bahrain. We like this strategy, as we believe overseas operations offer the company vast growth potential.

Additionally, growth through acquisitions continues. In April, Rollins paid $137 million in cash to Centex Corporation for *HomeTeam Pest Defense*. In addition to traditional pest-control services, *HomeTeam* installs its proprietary Taexx "tubes-in-the-walls" technology in new homes, as a way to stave off an infestation. We believe that the acquisition will be beneficial to Rollins over the long haul. However, given the weak state of the homebuilding sector and the growing pains that will inevitably come with integrating the new segment, we do not think that *HomeTeam* will add substantially to Rollins' bottom line in the near term.

We recommend that momentum investors take a pass on these shares for the time being. The company has a number of things going for it, including international expansion and the fact that pest control is a recession-resistant business. However, the near-term outlook is somewhat cloudy, due to the recent acquisition amid a severe housing slump. The stock is ranked to perform roughly in line with the broader market averages over the coming six to 12 months (Timeliness: 3). We think that the recent acquisition and overseas expansion will yield steady earnings growth over the next 3 to 5 years. However, much of our positive outlook appears to already be discounted in the issue's recent quotation, leaving it with below-average share-price appreciation potential over the pull to 2011-2013. Our projections may prove to be conservative, though. The strong balance sheet provides the flexibility to seek further growth opportunities.

Matthew E. Spencer *June 6, 2008*

(A) Avg. shrs through 1997, diluted after. Excl. nonrecurring gains (charges): '95, (14¢); '97, $2.09; '98, 7¢; '04, 12¢; '05, 3¢. Total may not sum due to rounding. Next earnings report due late July.
(B) Dividends paid in mid-March, June, September, and December.
= Dividend reinvestment plan available.
(C) Incl. intang. in '07: $206.6 mill., $2.05/sh.
(D) In mill., adj. for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	80
Earnings Predictability	80

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ROSS STORES, INC. NDQ-ROST

RECENT PRICE 37.50 | P/E RATIO 16.0 (Trailing: 18.5 Median: 15.0) | RELATIVE P/E RATIO 1.03 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 1 Raised 4/25/08
SAFETY 3 Raised 5/24/96
TECHNICAL 1 Raised 8/8/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+85%)	17%
Low	50	(+35%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	2	0	3	0	1
to Sell	0	1	0	0	0	2	4	2	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	114	123	147
to Sell	145	127	125
Hld's(000)	126796	128742	123333

High:	10.6	12.5	13.1	12.2	17.1	23.6	28.1	32.9	31.4	31.8	35.2	40.2	
Low:	4.9	5.8	8.5	6.0	8.3	15.9	16.3	21.0	22.3	22.1	24.4	21.2	

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 3/97
2-for-1 split 6/99
2-for-1 split 12/03
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 45 30 15

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	16.7	-18.0
3 yr.	26.5	11.3
5 yr.	72.3	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC	11-13
5.12	5.68	6.46	7.25	8.56	10.38	11.80	13.90	16.82	18.91	22.79	25.93	28.90	34.31	39.97	44.56	50.40	56.40	Sales per sh [AB]	76.10
.26	.25	.28	.36	.56	.77	.90	1.09	1.22	1.30	1.73	2.02	1.87	2.15	2.51	2.85	3.35	3.80	"Cash Flow" per sh	5.50
.16	.14	.16	.22	.39	.59	.70	.85	.91	.96	1.26	1.47	1.19	1.36	1.70	1.90	2.35	2.65	Earnings per sh [C]	4.00
--	.01	.03	.03	.04	.05	.06	.07	.08	.09	.10	.13	.18	.22	.26	.32	.40	.48	Div'ds Decl'd per sh [D]	.72
1.03	1.16	1.30	1.48	1.67	1.99	2.30	2.67	2.90	3.45	4.15	5.00	5.22	5.80	6.53	7.24	8.45	9.40	Book Value per sh	14.55
203.69	197.56	195.46	196.81	197.33	191.67	185.00	177.55	161.05	157.92	154.98	151.21	146.72	144.11	139.36	134.10	130.00	125.00	Common Shs Outst'g [E]	115.00
12.6	13.8	11.6	8.3	11.8	13.5	14.0	12.4	9.5	13.8	15.8	15.4	22.5	20.1	16.6	15.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.76	.82	.76	.56	.74	.78	.73	.71	.62	.71	.86	.88	1.19	1.07	.90	.81			Relative P/E Ratio	1.00
--	.3%	1.5%	1.7%	.8%	.6%	.6%	.6%	.9%	.7%	.5%	.6%	.7%	.8%	.9%	1.1%			Avg Ann'l Div'd Yield	1.20%
2182.4	2468.6	2709.0	2986.6	3531.3	3920.6	4240.0	4944.2	5570.2	5975.2	6550	7050	Sales ($mill) [AB]	8750
30.6%	31.0%	30.9%	30.7%	25.6%	25.6%	22.6%	22.5%	24.4%	24.7%	23.0%	23.5%	Gross Margin	24.0%
11.6%	11.9%	11.0%	10.3%	11.2%	11.5%	9.2%	8.8%	8.9%	9.1%	9.5%	10.0%	Operating Margin	10.5%
349	378	409	452	507	568	649	734	797	890	965	1050	Number of Stores	1300
133.8	155.6	151.8	155.0	201.2	228.1	179.5	199.6	241.6	261.1	305	335	Net Profit ($mill)	460
39.0%	39.1%	39.1%	39.1%	39.1%	39.1%	39.1%	39.2%	39.3%	38.6%	39.0%	39.0%	Income Tax Rate	39.0%
6.1%	6.3%	5.6%	5.2%	5.7%	5.8%	4.2%	4.0%	4.3%	4.4%	4.7%	4.8%	Net Profit Margin	5.3%
170.8	190.7	197.0	225.4	295.7	408.7	411.1	349.9	431.7	387.4	390	330	Working Cap'l ($mill)	370
--	--	30.0	--	25.0	50.0	50.0	--	150.0	150.0	150	150	Long-Term Debt ($mill)	150
424.7	473.4	467.5	544.5	643.2	755.4	765.6	836.2	909.8	970.6	1100	1175	Shr. Equity ($mill)	1675
31.5%	32.9%	30.8%	28.7%	30.1%	28.3%	22.0%	23.9%	22.9%	23.3%	24.5%	25.5%	Return on Total Cap'l	25.0%
31.5%	32.9%	32.5%	26.5%	31.3%	30.2%	23.5%	23.9%	26.6%	26.9%	27.5%	28.5%	Return on Shr. Equity	27.5%
29.1%	30.4%	29.8%	26.0%	29.0%	27.9%	20.2%	20.2%	22.9%	22.7%	23.5%	23.5%	Retained to Com Eq	22.5%
8%	8%	8%	9%	7%	8%	14%	15%	14%	16%	17%	18%	All Div'ds to Net Prof	18%

CAPITAL STRUCTURE as of 5/3/08
Total Debt $150.0 mill. Due in 5 Yrs. None
LT Debt $150.0 mill. LT Int. $10.0 mill. (13% cap'l)

Leases, Uncapitalized Annual rentals $308.0 mill.

No Defined Benefits Pension Plan

Pfd Stock None

Common Stock 132,815,055 shs. as of 5/22/08

MARKET CAP: $5.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	372.6	263.7	308.0
Receivables	30.1	37.5	48.9
Inventory (Retail)	1051.7	1025.3	1026.6
Other	60.6	71.5	81.4
Current Assets	1515.0	1398.0	1466.9
Accts Payable	698.1	637.2	661.6
Debt Due	--	--	--
Other	385.2	373.4	386.4
Current Liab.	1083.3	1010.6	1048.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	16.5%	15.0%	11.5%
"Cash Flow"	16.0%	12.0%	14.0%
Earnings	15.5%	9.5%	16.0%
Dividends	21.0%	24.5%	18.5%
Book Value	14.5%	13.5%	14.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [AB] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	1123	1171	1236	1411	4944.2
2006	1291	1308	1362	1608	5570.2
2007	1411	1445	1468	1652	5975.2
2008	1556	1625	1594	1775	6550
2009	1675	1700	1725	1950	7050

Fiscal Year Begins	EARNINGS PER SHARE [AC] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.34	.29	.25	.48	1.36
2006	.41	.32	.31	.66	1.70
2007	.48	.37	.36	.70	1.90
2008	.60	.53	.43	.79	2.35
2009	.67	.58	.50	.90	2.65

Cal-endar	QUARTERLY DIVIDENDS PAID [D] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.029	.043	.043	.043	.16
2005	.05	.05	.05	.06	.21
2006	.06	.06	.06	.06	.24
2007	.075	.075	.075	.075	.30
2008	.095	.095			

BUSINESS: Ross Stores, Inc. operates a chain of 838 off-price retail stores, mostly in the West and Southeast. Stores offer primarily first-quality, in-season apparel, shoes, cosmetics, apparel-related accessories, fragrances, giftware, linens, and a variety of home merchandise, sold 20%-70% below department- and specialty-store prices. Also has 52 dd's DISCOUNTS stores in CA. Has 39,100 full-time and part-time employees. *Off. & dir. own* 3.4% of stock; Invesco Ltd., 11.7%; Cap'l Research Global Investors, 10.7%; FMR, LLC, 10.2%; Eminence Cap'l, 6.9% (4/08 proxy). Chrmn.: Norman A. Ferber. Vice Chairman, CEO & Pres.: Michael Balmuth. Inc.: Delaware. Addr.: 4440 Rosewood Dr., Bldg. 4, Pleasanton, CA 94588-3050. Tel.: 925-965-4400. Internet: www.rossstores.com.

We have raised our fiscal 2008 share-net estimate for Ross Stores by $0.10, to $2.35, to reflect the company's strong sales trends. Ross has been able to deliver solid top-line gains year to date on lower in-store inventories, which is contributing to faster turns and fewer markdowns compared to the prior year. As a result, the company probably saw sales gains in the typically clearance-driven month of July.

The buying environment remains strong. The difficult retailing environment has increased the supply of branded merchandise available at closeout prices. Ross has been able to take advantage of these bargains and improve the marketability of its offerings. Indeed, the company's ability to offer quality products at cheap prices has enabled it to achieve a string of comparable-store sales gains over the past several quarters. Struggling women's specialty stores still have not right-sized their inventory levels, creating a particularly attractive opportunity in the dress, shoe, and accessory lines, which have been Ross' strongest performers over the past few months.

Management plans to roll out its new micro-merchandising technology this fall. The software will be gradually released over the coming three years, with 15% of product categories being updated in the current quarter, followed by an additional 50% in 2009, and the remaining 35% in 2010. The system enhancements should improve Ross' ability to buy and allocate products at a more local level. We look for these micro-merchandising tools to boost profitability across the board by enabling the company to operate with the leanest inventory possible. Also, faster inventory turns should help Ross to continue to offer a steady stream of exciting, on-trend products.

Ross shares possess our Highest (1) ranking for Timeliness. The company's sustained growth in the face of a difficult retailing environment has helped ROST stock to rise nearly 10% in price since our May report. Further, we look for the company to achieve annual average earnings growth in the mid-teens over the haul to 2011–2013. However, much of this potential is already reflected in the stock's price, limiting its appeal for that period.

Jerry W. Gray Jr. *August 8, 2008*

(A) Fiscal year ends on Saturday closest to Jan. 31 of following calendar year.
(B) Excl. sales of leased departments. May not sum to total due to rounding.
(C) Diluted earnings. Next earnings report due late Aug. Excl. nonrecurring gain (losses): '94, 3¢; '99, (3¢); '04, (5¢).
(D) Dividends historically paid in early January, June, August, and November. Two dividends paid in 4Q.
(E) In millions, adj. for stock splits.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	60
Earnings Predictability	85

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SAFECO CORP. NYSE-SAF

RECENT PRICE 67.25 | P/E RATIO 11.2 (Trailing: 10.7 Median: 14.0) | RELATIVE P/E RATIO 0.69 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS — Suspended 5/2/08
SAFETY 3 Lowered 6/30/00
TECHNICAL — Suspended 5/2/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+55%)	14%
Low	70	(+5%)	4%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	2	0	0	0	0	1	0	
Options	0	1	1	0	0	0	0	0	
to Sell	0	1	0	0	0	0	0	0	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	124	128	116
to Sell	186	178	188
Hld's(000)	71790	67702	64430

	High:	55.4	56.0	46.8	35.9	32.9	38.0	39.8	52.7	58.3	64.9	69.1	67.4
	Low:	36.5	38.3	21.8	18.0	21.5	25.0	31.8	37.9	45.2	49.1	53.2	41.1

LEGENDS
— 12.0 x Earnings p sh
···· Relative Price Strength
2-for-1 split 12/95
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	10.0	-9.7
3 yr.	—	27.3
5 yr.	—	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
13.97	15.33	16.31	17.16	18.01	19.95	30.88	34.00	35.76	35.03	32.72	35.37	43.54	46.97	53.26	62.16	65.90	72.50	P/C Prem Earned p sh	89.35
7.19	7.56	7.88	8.54	8.84	8.82	11.14	12.28	12.75	12.92	12.10	12.12	3.66	3.92	4.83	5.43	5.30	5.85	Investment Inc p sh A	7.00
d.93	d.09	d.72	.04	.31	.26	1.07	d.66	d4.24	d6.31	d1.83	d.04	3.63	4.17	6.78	5.32	5.35	5.45	Underwriting Inc p sh	7.15
2.48	3.39	2.50	3.17	3.48	3.33	2.51	1.90	.90	d.72	2.16	2.91	4.22	5.11	6.65	6.31	6.00	6.00	Earnings per sh B	7.25
.78	.86	.93	1.02	1.11	1.22	1.34	1.46	1.46	.93	.74	.74	.78	.94	1.10	1.40	1.60	1.70	Div'ds Decl'd per sh C	1.90
19.49	22.04	22.47	31.61	32.58	44.63	40.90	33.31	36.80	28.46	32.07	36.24	30.87	33.37	37.30	37.85	40.60	44.70	Book Value per sh	69.00
125.63	125.86	125.90	125.98	126.31	141.20	136.30	128.90	127.60	127.70	138.20	138.60	127.00	123.60	105.30	88.70	85.00	80.00	Common Shs Outst'g D	75.00
130%	137%	120%	95%	109%	101%	114%	109%	65%	100%	101%	99%	146%	157%	151%	162%			Price to Book Value	125%
10.2	8.9	10.8	9.5	10.2	13.6	18.7	19.1	26.7	--	15.1	12.3	10.7	10.3	8.5	9.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
.62	.53	.71	.64	.64	.78	.97	1.09	1.74	--	.82	.70	.57	.55	.46	.51			Relative P/E Ratio	.80
3.1%	2.9%	3.5%	3.4%	3.1%	2.7%	2.9%	4.0%	6.1%	3.3%	2.3%	2.1%	1.7%	1.8%	2.0%	2.3%			Avg Ann'l Div'd Yield	2.2%
4208.3	4383.0	4563.4	4472.8	4521.3	4901.8	5529.1	5805.4	5608.3	5576.0	5600	5800	P/C Premiums Earned	6700						
72.8%	78.3%	82.8%	88.6%	74.4%	70.4%	63.2%	62.6%	58.5%	63.1%	64.5%	65.0%	Loss to Prem Earned E	65.0%						
23.2%	23.6%	29.2%	29.6%	31.2%	29.7%	28.4%	28.5%	28.8%	28.3%	28.0%	27.5%	Expense to Prem Writ E	27.0%						
4.0%	-1.9%	-12.0%	-18.2%	-5.6%	-.1%	8.3%	8.9%	12.7%	8.6%	8.0%	7.5%	Underwriting Margin	8.0%						
11.1%	5.2%	--	--	19.8%	26.7%	30.3%	30.2%	26.9%	22.4%	23.0%	21.0%	Income Tax Rate	21.0%						
351.9	252.2	114.6	d48.3	322.4	404.5	570.4	650.4	780.0	640.8	510	480	Net Profit ($mill)	545						
6.4%	7.0%	6.9%	6.8%	6.3%	5.9%	4.1%	4.2%	4.5%	5.1%	5.0%	5.2%	Inv Inc/Total Inv	6.0%						
30892	30572	31512	30093	34656	35845	14586	14887	14199	12640	12250	12750	Total Assets ($mill)	15000						
6418.0	5136.0	5538.8	4478.0	5275.4	5023.3	3920.9	4124.6	3927.9	3392.6	3450	3575	Shr. Equity ($mill)	5175						
5.5%	4.9%	2.1%	NMF	6.1%	8.1%	14.5%	15.8%	19.9%	18.9%	15.0%	13.5%	Return on Shr. Equity	10.5%						
2.9%	1.4%	NMF	NMF	3.1%	6.0%	11.9%	12.9%	16.5%	14.6%	11.0%	9.5%	Retained to Com Eq	7.5%						
53%	76%	NMF	NMF	44%	25%	18%	18%	17%	23%	27%	28%	All Div'ds to Net Prof	26%						

CAPITAL STRUCTURE as of 3/31/08
Total Debt $504.0 mill. Due in 5 Yrs $500.0 mill.
(13% of Cap'l)
Leases, Uncapitalized $66.2 mill.
Pension Assets-12/07 $178.8 mill.
Oblig. $168.2 mill.
Common Stock 89,908,568 shs.
as of 4/25/08
MARKET CAP: $6.0 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	9119.0	7763.9	7485.4
Stocks	1529.7	1402.6	1375.4
Mortgages	759.0	331.0	373.2
Other	2791.3	3142.9	3063.2
Total Assets	14199.0	12640.4	12297.2
Unearned Premiums	2175.3	2240.9	2219.9
Reserves(p/c)	5171.4	5185.0	5133.5
Other	2924.4	1821.9	1611.5
Total Liabilities	10271.1	9247.8	8964.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	11.5%	9.5%	6.5%
Invest Income	-6.0%	-18.0%	7.0%
Earnings	6.0%	50.5%	3.0%
Dividends	.5%	2.0%	9.0%
Book Value	--	2.0%	11.5%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1428	1457	1460	1460	5805.4
2006	1422	1415	1383	1388	5608.3
2007	1368	1395	1412	1401	5576.0
2008	1383	1400	1405	1412	5600
2009	1435	1440	1455	1470	5800

Calendar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.48	1.38	.77	1.48	5.11
2006	1.60	1.71	1.46	1.88	6.65
2007	1.64	1.65	1.51	1.51	6.31
2008	1.64	1.50	1.35	1.51	6.00
2009	1.51	1.50	1.40	1.59	6.00

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.185	.185	.19	.22	.78
2005	.22	.22	.25	.25	.94
2006	.25	.25	.30	.30	1.10
2007	.30	.30	.40	.40	1.40
2008	.40	.40			

BUSINESS: Safeco is a property and casualty insurance company. The company has four business segments: Safeco Personal Insurance, Safeco Business Insurance (SBI), Surety, and P&C and other. Safeco Personal Insurance writes auto, homeowners, and other property and specialty insurance products for individuals. SBI offers a wide array of products to businesses. Safeco completed the sale of its life and investments business in 2004. Has approximately 7,055 employees. Officers and directors control approximately 3.3% of common stock (3/08 proxy). President and CEO: Paula Rosput Reynolds. Chairman: Jay Brown. Incorporated: Washington. Address: Safeco Plaza, 1001 4th Ave., Seattle, WA 98184. Tel.: 206-545-5000. Internet: www.safeco.com.

The sale of Safeco appears to be progressing. Since our March review, Liberty Mutual Group has agreed to purchase Safeco for $6.2 billion in a cash deal. In its attempt to create the nation's fifth-largest property and casualty insurer, Liberty offered $68.25 a share, that, at the time of the announcement, represented a 51% premium over SAF's closing price the day prior. Safeco's board quickly approved the sale and, more recently, the expiration of a regulatory waiting period leaves few obstacles. Despite tighter credit markets, we do not foresee Liberty having any trouble funding the offer, as it holds a sizable cash reserve on hand and has already assumed an additional $1 billion in debt. The pending merger still awaits shareholder approval, though we do not anticipate any significant opposition here either. The deal should close in the third quarter. Once under the Liberty umbrella, SAF shares will no longer receive coverage in *The Survey*.

Investors were quick to take advantage. After reaching a 10-year high, the stock price has experienced a steady regression over the last 16 months. That said, Liberty still valued these shares at a touch under last year's peak quotation. And investors were quick to follow suit. Indeed, the issue soared 45% immediately following the announcement, and is now trading just below the purchase price. Thus, it appears the window of opportunity is limited for momentum-based investors for now. The stock's Timeliness rank has been suspended, as it is no longer trading on business fundamentals.

Meanwhile, an earnings decline appears inevitable this year. Safeco's earnings were flat in the first quarter, as market-share erosion persists despite product price reductions. Now, as the company looks to spur profitability through rate increases, its market position will likely be further tested.

The stock is a subpar long-term selection. On its own, Safeco should generate average annual earnings gains in the mid-single-digit range for the pull to 2011-2013. Still, much of that growth already seems to be priced into the issue following the recent run. In fact, at its current valuation, the stock is now trading just below our 3- to 5-year Target Price Range.

Jason A. Smith *June 20, 2008*

(A) P/C and life through 2003. (B) Based on dil. shares. Incl. capital gains: '01, $0.48; '00, $0.73; '99, $1.14; '98, $1.06. Excl. capital gains and losses 2002 and thereafter. Excl. nonrecur. items (net): '08 Q1, ($0.07); '07, $0.66; '02, ($0.17); '01, ($7.46); '97, $0.30. Excl. $0.45 of disc. items and a $0.02 extraordinary loss in 2001. Next egs. report early Aug. (C) Div'ds. historically paid in late Jan., Apr., July, Oct. (D) In mill., adj. for split. (E) Statutory.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistance	65
Earnings Predictability	15

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SONIC AUTOMOTIVE NYSE-SAH

RECENT PRICE 10.69 | P/E RATIO 4.4 (Trailing: 4.6 Median: 10.0) | RELATIVE P/E RATIO 0.28 | DIV'D YLD 4.5% | VALUE LINE

TIMELINESS 5 Lowered 7/25/08
SAFETY 3 New 8/11/06
TECHNICAL 2 Raised 7/25/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+370%)	50%
Low	35	(+325%)	45%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	1	1	
to Sell	0	0	1	0	0	0	1	1	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	64	69	66
to Sell	82	73	72
Hld's(000)	35881	36490	33407

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	--	--	23.82	65.84	82.53	132.90	156.29	171.87	170.64	177.50	187.85	186.61	196.56	197.00	205.00	Sales per sh	231.25
	--	--	--	--	--	.23	.95	1.39	2.13	2.59	2.86	2.43	2.72	2.96	2.86	3.35	2.45	2.80	"Cash Flow" per sh	4.20
	--	--	--	--	--	.27	.74	1.27	1.69	1.91	2.51	2.07	2.22	2.33	2.21	2.54	1.75	1.95	Earnings per sh A	2.85
	--	--	--	--	--	--	--	--	--	--	--	.10	.44	.48	.48	.48	.50	.50	Div'ds Decl'd per sh B	.65
	--	--	--	--	--	3.75	4.94	9.22	9.90	12.76	15.49	16.94	18.48	19.79	21.16	21.95	24.80	26.50	Book Value per sh C	34.00
	--	--	--	--	--	22.50	24.36	40.60	45.54	40.55	41.14	41.22	41.66	41.98	42.72	42.41	40.00	40.00	Common Shs Outst'g D	40.00
	--	--	--	--	--	20.2	12.7	10.3	5.6	7.4	9.5	10.0	10.1	9.6	11.2	10.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	--	--	--	--	--	1.16	.66	.59	.36	.38	.52	.57	.53	.51	.60	.57			Relative P/E Ratio	.95
	--	--	--	--	--	--	--	--	--	--	--	.5%	2.0%	2.2%	1.9%	1.8%			Avg Ann'l Div'd Yield	1.1%
							1603.7	3350.8	6052.5	6337.4	7071.0	7034.2	7394.9	7884.8	7972.1	8336.9	7880	8200	Sales ($mill)	9250
							12.9%	13.6%	14.3%	15.4%	15.4%	15.3%	15.4%	15.4%	15.4%	15.5%	15.5%	15.5%	Gross Margin	16.0%
							3.6%	3.8%	3.8%	3.6%	3.5%	3.1%	3.2%	3.5%	3.7%	3.9%	3.0%	3.5%	Operating Margin	4.0%
							62	62	195	160	186	189	192	175	171	169	190	190	Number of Stores	210
							18.6	44.7	74.2	79.3	108.5	87.8	95.7	101.8	98.6	114.8	75.0	85.0	Net Profit ($mill)	145
							37.4%	38.8%	38.1%	39.0%	38.1%	34.5%	37.3%	38.0%	40.4%	39.3%	38.0%	38.0%	Income Tax Rate	38.0%
							1.2%	1.3%	1.2%	1.3%	1.5%	1.2%	1.3%	1.3%	1.2%	1.4%	.9%	1.0%	Net Profit Margin	1.6%
							79.1	177.7	219.1	219.0	263.2	357.3	258.1	296.2	181.4	154.0	135	125	Working Cap'l ($mill)	200
							131.3	417.3	485.2	517.4	643.0	694.9	668.8	712.3	598.6	697.8	600	600	Long-Term Debt ($mill)	600
							142.4	402.6	450.9	517.3	637.2	698.3	769.7	830.8	903.8	930.8	995	1060	Shr. Equity ($mill)	1360
							11.1%	8.1%	12.7%	9.3%	9.6%	7.1%	7.6%	7.8%	8.0%	8.6%	8.0%	8.5%	Return on Total Cap'l	10.0%
							13.0%	11.1%	16.4%	15.3%	17.0%	12.6%	12.4%	12.3%	10.9%	12.3%	7.5%	8.0%	Return on Shr. Equity	10.5%
							15.4%	11.9%	16.5%	15.3%	17.0%	12.0%	10.2%	9.8%	8.6%	10.1%	5.5%	6.5%	Retained to Com Eq	8.5%
							--	--	--	--	--	5%	18%	20%	21%	18%	27%	24%	All Div'ds to Net Prof	18%

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-54.4	-18.0
3 yr.	-35.5	11.3
5 yr.	-34.6	83.2

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

LEGENDS: 11.0 x "Cash Flow" p sh; Relative Price Strength; 2-for-1 split 1/99; Options: Yes; Shaded area indicates recession

High: 6.2 18.4 18.9 12.3 24.0 39.8 29.0 26.4 25.0 29.9 33.1 21.7
Low: 4.7 4.8 7.7 5.7 6.0 13.3 13.2 17.9 19.1 20.1 19.3 7.8

Percent shares traded: 45, 30, 15

CAPITAL STRUCTURE as of 6/30/08
Total Debt $783.4 mill. Due in 5 Yrs $430.0 mill.
LT Debt $647.7 mill. LT Interest $50.0 mill.
(LT Interest earned: 3.0x; total interest coverage: 2.0x)
(42% of capital)

Leases, Uncapitalized: Annual rentals $115.5 mill.
Pension Liability None

Common Stock 40,082,000 shs.
MARKET CAP: $425 million (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	7.6	12.7	11.4
Receivables	396.2	385.8	279.7
Inventory (Avg Cst)	1016.5	992.0	1156.2
Other	196.4	222.6	150.8
Current Assets	1616.7	1613.1	1598.1
Accts Payable	91.1	68.0	--
Debt Due	992.1	4.1	135.7
Other	237.3	1359.6	1440.6
Current Liab.	1320.5	1431.7	1576.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	23.0%	4.5%	4.5%
"Cash Flow"	30.0%	4.0%	11.0%
Earnings	24.5%	3.0%	11.5%
Dividends	--	--	5.0%
Book Value	19.0%	10.5%	10.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	1825	2051	2087	1921	7884.8
2006	1835	2033	2068	2036	7972.1
2007	1954	2090	2185	2108	8336.9
2008	1902	1979	1740	2259	7880
2009	1950	2050	1800	2400	8200

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.44	.66	.65	.58	2.33
2006	.50	.42	.66	.63	2.21
2007	.52	.65	.70	.67	2.54
2008	.44	.49	.42	.40	1.75
2009	.47	.50	.48	.50	1.95

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.10	.10	.10	.12	.42
2005	.12	.12	.12	.12	.48
2006	.12	.12	.12	.12	.48
2007	.12	.12	.12	.12	.48
2008	.12	.12	.12		

BUSINESS: Sonic Automotive Inc. is primarily an automotive retailer with 169 franchises and 34 collision repair centers (as of 12/31/07) in 15 states. It sells new (61% of 2007 sales, 27% gross profit) and used (23%, 10%) cars, replacement parts and services, (14%, 47%) and financing/insurance (2%, 16%). Sells more than 20 different brands of new cars (5 largest, 61% of '07 sales). Sonic had about 11,400 employees at the end of 2007. Officers & Directors own 33.7% of common stock; Artisan Partners, 6.1%; Dimensional Fund, 6.8%; Lord Abbett & Co., 6.7% (3/08 Proxy). Chairman & CEO: Bruton Smith. Incorporated: DE. Address: 6415 Idlewild Road, Suite 109, Charlotte, NC 28212. Telephone: 704-566-2400. Internet: www.sonicautomotive.com

Sonic Automotive struggled throughout the second quarter. The company continues to suffer from weak demand. Elevated gas prices have turned many consumers away from purchasing new vehicles. Indeed, same-store sales fell by 7% during the period, with SUVs and larger cars experiencing significant declines. There has also been waning demand for import and luxury vehicles, an area that Sonic specializes in. The company is selling more used vehicles, although unit margins have been on the decline, as prices have deteriorated. We expect tough times to continue for Sonic and the entire retail auto sector this year. Thus, we anticipate a regression at the top line based on the ongoing weakness.

Pricing has been an issue for the company. A high supply of vehicles and diminishing demand has resulted in lower selling prices and higher depreciation rates. These conditions have squeezed margins. During the second quarter, margins for new vehicles fell modestly, while profitability for used autos declined by 80 basis points. We target earnings of $1.75 a share in 2008, which represents a significant dropoff. In 2009, the bottom line may recover somewhat, pending an improvement in the auto environment.

Business for repairs and maintenance has been sound. Revenues in this segment increased in the June period despite recent consumer trends. Higher-margin repair revenues have helped to offset some of the declines in the retail and wholesale business.

The company will probably not expand in the near future. Sonic's high debt level makes it difficult to acquire more dealerships at this point. This somewhat dampens prospects for long-term profit growth for Sonic.

We expect moderate earnings growth for the company over the next few years. Although expansion remains unlikely, the company should benefit from improved leverage and a better operating environment. This supports the case for wide appreciation potential for Sonic shares out to 2011–2013.

Meantime, the stock is ranked to underperform the year-ahead broader-market averages.

Garrett Sussman August 8, 2008

(A) Diluted shares. Next earnings report due late October. Excludes disc. ops. In '06, ($0.33), '07 ($0.41).
(B) Dividends initiated with October, 2003 payment. Dividends historically paid mid-January, April, July, and October.
(C) Includes intangibles. In 2007: $1.4 billion, $33.00 a share.
(D) In millions. Adjusted for stock split.

Company's Financial Strength	B
Stock's Price Stability	60
Price Growth Persistence	50
Earnings Predictability	85

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SAP AG (ADR) NYSE-SAP

RECENT PRICE 57.28 | P/E RATIO 18.8 (Trailing: 23.7 Median: 47.0) | RELATIVE P/E RATIO 1.17 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 2 Raised 8/3/07
SAFETY 3 New 11/25/05
TECHNICAL 2 Raised 8/15/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+125%)	24%
Low	85	(+50%)	12%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	117	119	111
to Sell	88	98	116
Hld's(000)	43825	47407	49080

	High:	60.1	55.0	85.9	49.1	39.0	41.9	45.8	46.6	57.7	59.9	59.4	43.0
	Low:	29.7	23.8	30.6	21.3	9.9	18.3	35.0	36.6	43.3	44.2	43.0	

LEGENDS
20.0 x "Cash Flow"p ADR
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.7	-12.2
3 yr.	39.8	7.2
5 yr.	105.7	58.6

Percent shares traded: 7.5 | 5 | 2.5

Founded in 1972, SAP is the recognized leader in providing collaborative business solutions for all types of industries. SAP stock was first traded on November 4, 1988 on the German Stock Exchange. The SAP American Depositary Receipt (ADR) covered on this page has been listed on the New York Stock Exchange since August 3, 1998. The ratio between the ADR and the underlying ordinary shares is 1 to 1.

CAPITAL STRUCTURE as of 12/31/07

Total Debt None

Leases, Uncapitalized Annual rentals $229.2 mill.

Pension Assets-12/07 $506.6 mill. Oblig. $483.3 mill.

Common Stock 1,198,193,579 shares (Equivalent to 1,198,193,579 American Depositary Receipts) [B]

MARKET CAP: $69 billion (Large Cap)

CURRENT POSITION ($MILL.)	2005	2006	12/31/07
Cash Assets	4053.7	4394.2	4023.8
Receivables	2655.7	3220.3	4226.7
Inventory (Avg Cst)	22.9	5.2	7.3
Other	762.6	726.1	1097.9
Current Assets	7494.9	8345.9	9355.7
Accts Payable	217.4	805.1	1043.9
Other	3179.4	2854.8	3626.6
Current Liab.	3396.8	3659.9	4670.5

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	13.5%	16.0%
"Cash Flow"	--	28.5%	17.0%
Earnings	--	35.0%	17.0%
Dividends	--	31.0%	15.0%
Book Value	--	25.0%	23.0%

Calendar	QUARTERLY REVENUES ($ mill.) [C] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	2047	2387	2385	3260	10079
2006	2694	2897	2922	3895	12408
2007	3152	3534	3532	4735	14953
2008	3961	4515	4524	6025	19025
2009	4350	5025	5050	6575	21000

Calendar	EARNINGS PER ADR [B] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.26	.28	.33	.65	1.52
2006	.31	.45	.40	.85	2.01
2007	.38	.54	.50	.92	2.34
2008	.46	.66	.70	1.23	3.05
2009	.55	.78	.82	1.40	3.55

Calendar	QUARTERLY DIVIDENDS PAID [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.236	--	--	.24
2005	--	.347	--	--	.35
2006	--	.434	--	--	.43
2007	--	.622	--	--	.62
2008	--	.777			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
	1.17	1.00	.94	.89	1.05	1.26	1.36	1.18	1.32	1.46	1.55	1.55	Translation Rate(Euro/$)	1.30
	4.14	4.09	4.67	5.19	6.17	7.01	8.05	7.96	9.79	12.48	16.05	17.85	Revenues per ADR	24.35
	.62	.62	.64	.61	.61	1.29	1.63	1.68	2.17	2.67	3.55	4.10	"Cash Flow" per ADR	5.50
	.49	.48	.47	.41	.42	1.09	1.42	1.52	2.01	2.34	3.05	3.55	Earnings per ADR	4.85
	.13	.14	.12	.13	.13	.17	.24	.35	.43	.62	.78	.90	Gross Div'ds Decl'd/ADR	1.05
	.36	.28	.21	.27	.26	.28	.23	.24	.38	.49	.60	.60	Cap'l Spending per ADR	.75
	1.70	2.05	1.85	2.20	2.39	3.70	4.92	5.41	6.39	7.92	9.60	11.80	Book Value per ADR	22.40
	1254.8	1257.1	1258.9	1259.3	1259.9	1261.7	1264.0	1265.8	1267.5	1198.2	1185.0	1175.0	Equiv ADRs Outst'g [B]	1150.0
	89.0	70.7	NMF	83.1	60.2	27.0	28.6	27.7	25.2	21.7	Bold figures are		Avg Annual P/E Ratio	22.5
	4.63	4.03	NMF	4.26	3.29	1.54	1.51	1.47	1.36	1.15	Value Line		Relative P/E Ratio	1.50
	.3%	.4%	.2%	.4%	.5%	.6%	.6%	.8%	.9%	1.3%	estimates		Avg Annual Div'd Yield	1.0%
	5191.9	5146.0	5881.2	6534.1	7772.4	8848.9	10173	10079	12408	14953	19025	21000	Revenues ($mill)	28000
	25.0%	19.0%	16.8%	23.0%	25.4%	27.7%	29.6%	31.6%	29.0%	29.1%	30.5%	32.0%	Operating Margin	32.0%
	162.8	173.9	209.6	249.0	231.9	271.5	283.9	241.0	282.7	381.1	575	625	Depreciation ($mill)	750
	618.2	605.2	595.5	517.3	533.3	1356.8	1774.2	1890.2	2469.7	2823.6	3625	4175	Net Profit ($mill)	5600
	45.0%	38.4%	38.0%	44.6%	54.1%	39.0%	36.8%	35.3%	30.0%	32.2%	30.0%	31.0%	Income Tax Rate	32.5%
	11.9%	11.8%	10.1%	7.9%	6.9%	15.3%	17.4%	18.8%	19.9%	18.9%	19.1%	19.9%	Net Profit Margin	20.0%
	2703.9	2785.9	2653.8	1717.6	1304.9	3549.5	4210.4	4098.1	4686.0	4685.2	5225	6025	Working Capital ($mill)	9075
	--	--	3.7	6.5	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
	2133.3	2577.3	2332.3	2767.8	3011.4	4672.8	6219.7	6847.3	8097.5	9494.4	11375	13875	Shr. Equity ($mill)	25750
	29.0%	23.5%	25.5%	18.7%	17.7%	29.0%	28.5%	27.6%	30.5%	29.7%	32.0%	30.0%	Return on Total Cap'l	22.0%
	29.0%	23.5%	25.5%	18.7%	17.7%	29.0%	28.5%	27.6%	30.5%	29.7%	32.0%	30.0%	Return on Shr. Equity	22.0%
	20.7%	17.0%	18.9%	12.9%	11.4%	24.0%	23.1%	21.7%	23.2%	21.2%	23.5%	22.5%	Retained to Com Eq	17.0%
	29%	28%	26%	31%	36%	17%	19%	21%	24%	29%	26%	25%	All Div'ds to Net Prof	22%

BUSINESS: SAP AG develops, markets, sells, and supports enterprise application software products for corporations, government agencies, and educational institutions in Europe, the Middle East, Africa, North and Latin America, and Asia/Pacific. The company offers SAP Business All-in-One; SAP Business ByDesign; and SAP Business One. It also offers custom development, active global support, consulting, and education services, as well as managed services, and running and managing SAP solutions on behalf of customers. Employs about 51,275. Officers & directors own 10.4% of common stock (4/08 Form 20-F). Chairman & CEO: Dr. Henning Kagermann. Address: Dietmar-Hopp-Allee 16, Walldorf, Germany 69190. Telephone: 49 62 2774 7474. Internet: www.sap.com.

SAP bounced back from a rocky start in 2008, posting higher-than-expected license sales and software-related service revenues. More specifically, Europe's largest maker of business management software said its top line rose 20% (28% at constant currencies) in the June interim, to 2.91 billion euros. Software license sales, a key indicator of future support revenues and growth in general, rose 25% (34% net of currency exchange), to 898 million euros. This figure surpassed our expectation by almost 10%. Importantly, SAP managed to generate considerable growth in license sales in the U.S., despite concerns that the economic slowdown would begin to hurt demand. In fact, rival Oracle warned that as a result of the difficult operating environment in the U.S., demand for new software licenses would likely slow as 2008 wears on.

Investors were pleased with the German firm's second-quarter performance. This issue has risen some 15% since our May review, and remains ranked 2 (Above Average) for Timeliness. The group seems to have partially reversed the lackluster March-quarter showing by returning to its traditional area of strength — providing services to large and global enterprises. The group clearly has momentum, and ought to be able to convert its pipeline into steady earnings growth.

We are raising our 2008 and 2009 bottom-line estimates. The company recently said that it expected its operating margin to come in at the high end of its target of 28.5%–29.0%. Management also expects revenue growth from software and software-related services to be at the upper end of its forecast of 24%–27%. Ongoing share repurchases should also boost per-share results. Consequently, we have boosted our 2008 and 2009 share-earnings estimates by $0.25 each, to $3.05 and $3.55, respectively.

This timely issue also offers solid 3- to 5-year total return potential. SAP should continue reporting healthy annual profit growth thanks to overall execution and the continued strength in all three core areas of the business—the established business, the midmarket, and business user solutions. Finally, it is one of the few software makers that pays a dividend.

Erik M. Manning *August 22, 2008*

(A) Dividend is paid annually the day after the yearly shareholders meeting, usually in late May or early June.

(B) Each SAP American Depositary Receipt represents one SAP ordinary share. Next earnings report due late October.

(C) Quarterly revenue totals are calculated by taking reported revenue figures in euros and multiplying that figure by euro/dollar ratio on last day of the quarter.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	45
Earnings Predictability	50

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STARBUCKS CORP. NDQ-SBUX

RECENT PRICE 17.51 | P/E RATIO 19.9 (Trailing: 20.6 / Median: 43.0) | RELATIVE P/E RATIO 1.21 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 2 Raised 3/9/07
TECHNICAL 4 Lowered 5/30/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+185%)	29%
Low	35	(+100%)	18%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	1	0	0	0
Options	1	1	0	0	2	2	0	0	0
to Sell	0	1	0	0	1	1	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	290	265	245
to Sell	330	297	345
Hld's(000)	455169	448360	459419

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	5.6	7.5	10.3	12.7	12.8	12.9	16.7	32.1	32.5	40.0	36.6	21.0						
Low:	3.3	3.6	5.0	5.8	6.7	9.2	9.8	16.5	22.3	28.7	19.9	15.4						

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/95
2-for-1 split 3/99
2-for-1 split 4/01
2-for-1 split 10/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-47.7	-9.4
3 yr.	-34.6	30.2
5 yr.	38.1	98.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	.22	.37	.61	.82	1.12	1.53	1.83	2.29	2.88	3.49	4.24	5.18	6.66	8.30	10.29	12.75	14.85	16.20	Sales per sh A	25.00
	.01	.04	.06	.09	.12	.17	.21	.27	.35	.45	.55	.64	.85	1.09	1.28	1.54	1.60	1.75	"Cash Flow" per sh	3.00
	.01	.02	.03	.05	.06	.09	.11	.14	.18	.23	.28	.34	.48	.61	.73	.87	.85	.95	Earnings per sh B F	1.75
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.18	.20	.24	.55	.73	.84	1.11	1.31	1.53	1.81	2.22	2.64	3.13	2.72	2.95	3.09	3.40	3.80	Book Value per sh	7.00
	419.21	437.36	463.50	567.66	620.67	632.47	717.07	733.13	752.63	760.09	776.46	787.39	794.61	767.44	756.60	738.29	720.00	710.00	Common Shs Outst'g C	700.00
	NMF	NMF	NMF	41.5	50.3	49.3	46.4	50.1	46.5	45.0	38.6	35.9	40.3	43.2	45.8	36.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	24.0
	NMF	NMF	NMF	2.78	3.15	2.84	2.41	2.86	3.02	2.31	2.11	2.05	2.13	2.30	2.46	1.91			Relative P/E Ratio	1.60
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
							1308.7	1680.1	2169.2	2649.0	3288.9	4075.5	5294.2	6369.3	7786.9	9411.5	10700	11500	Sales ($mill) A	17500
							21.0%	20.5%	20.9%	21.4%	21.0%	20.4%	21.4%	22.0%	21.3%	20.2%	19.0%	19.0%	Gross Margin D	20.0%
							15.1%	15.1%	15.8%	15.7%	14.9%	15.3%	15.7%	16.4%	15.2%	15.0%	13.5%	14.0%	Operating Margin	15.0%
							1688	2135	2619	3266	3880	4546	5215	6000	7102	8505	9450	10500	Number of Stores E	13500
							81.4	101.7	136.9	181.2	218.0	268.3	391.8	494.5	581.5	672.6	610	675	Net Profit ($mill) F	1230
							38.3%	38.0%	37.6%	37.3%	37.0%	38.5%	37.2%	37.9%	35.8%	36.3%	36.0%	36.0%	Income Tax Rate	36.0%
							6.2%	6.1%	6.3%	6.8%	6.6%	6.6%	7.4%	7.8%	7.5%	7.1%	5.7%	5.9%	Net Profit Margin	7.0%
							157.8	134.9	146.5	148.6	310.0	315.3	585.5	d17.7	d405.8	d459.1	d500	d300	Working Cap'l ($mill)	250
							--	7.0	6.5	5.8	5.1	4.4	3.6	2.9	2.0	550.1	550	550	Long-Term Debt ($mill)	500
							794.3	961.0	1148.4	1375.9	1726.6	2082.4	2486.8	2090.6	2228.5	2284.1	2440	2700	Shr. Equity ($mill)	4900
							10.3%	10.6%	11.9%	13.1%	12.6%	12.9%	15.7%	23.6%	26.1%	23.9%	21.0%	21.0%	Return on Total Cap'l	23.0%
							10.2%	10.6%	11.9%	13.2%	12.6%	12.9%	15.8%	23.7%	26.1%	29.4%	25.0%	25.0%	Return on Shr. Equity	25.0%
							10.2%	10.6%	11.9%	13.2%	12.6%	12.9%	15.8%	23.7%	26.1%	29.4%	25.0%	25.0%	Retained to Com Eq	25.0%
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/30/08
Total Debt $1252.4 mill. Due in 5 Yrs $1000.0 mill.
LT Debt $549.9 mill. LT Interest $27.5 mill. (18% of Cap'l)

Leases, Uncapitalized Annual rentals $531.6 mill.

No Defined Benefit Pension Plan

Pfd Stock None.

Common Stock 728.0 mill. shs. as of 5/5/08

MARKET CAP: $12.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	453.6	438.7	371.5
Receivables	224.3	287.9	300.3
Inventory (FIFO)	636.2	691.7	607.3
Other	215.7	278.2	300.1
Current Assets	1529.8	1696.5	1579.2
Accts Payable	340.9	390.8	313.4
Other	1594.7	1764.8	1766.0
Current Liab.	1935.6	2155.6	2079.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	24.5%	24.0%	15.5%
"Cash Flow"	26.0%	23.5%	15.0%
Earnings	27.5%	26.5%	15.5%
Dividends	--	--	Nil
Book Value	15.5%	9.5%	15.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	1589.5	1518.7	1601.8	1659.3	6369.3
2006	1934.1	1885.8	1963.7	2003.3	7786.9
2007	2355.7	2255.6	2359.2	2441.0	9411.5
2008	2767.6	2526.0	2676.4	2730	10700
2009	2970	2720	2880	2930	11500

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.17	.12	.16	.16	.61
2006	.22	.16	.18	.17	.73
2007	.26	.19	.21	.21	.87
2008	.28	.15	.20	.22	.85
2009	.31	.17	.22	.25	.95

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Starbucks Corp. is the leading retailer, roaster, and brand of specialty coffee in the world. Sells whole bean coffees through its specialty sales group, mail-order business, supermarkets, and online. Has 7,257 company-owned stores in the U.S. and 1,867 in international markets. Also has 7,102 licensed stores worldwide. Retail sales: 85% of '07 total; Specialty sales, 15%. Has joint ventures with Pepsi-Cola and Dreyer's to develop bottled coffee drinks and ice creams, respectively; partnership with Kraft Foods to distribute coffee in grocery stores. Has approximately 172,000 employees. Off./Dir. own 5.5% of common (1/08 proxy). CEO: Howard Schultz. Inc.: WA. Addr.: 2401 Utah Ave. So., Seattle, WA 98134. Tel.: 206-447-1575. Web: www.starbucks.com.

Starbucks is experiencing some serious growing pains for the first time in its storied history. In fact, we now expect share net to decline slightly in fiscal 2008 (ends September 28th), to $0.85, because of lower customer counts at its domestic stores, particularly those located in the California and Florida markets that are being hard hit by the housing downturn. (Together, California and Florida account for nearly one-third of Starbucks' U.S. retail revenues.) Rising commodity costs, big investments in new sales initiatives, and heightened price competition from the likes of McDonald's and Dunkin' Donuts are also contributing to the profit squeeze. Of note, the company's operating margin is now tracking a few hundred basis points below its peak of 16%-plus, which was achieved in fiscal 2005.

The long-term outlook is still solid, in our view. Howard Schultz, who returned to the CEO position in January, will be hard-pressed to orchestrate a quick turnaround in the current climate. But Starbucks seems to have a good recovery plan in place. For starters, the company has reduced its U.S. development pipeline substantially, so that it may focus more of its attention and resources on boosting comps at existing sites. And it is spending more on product innovation, which should breathe new life into the *Starbucks* brand and help the firm to maintain its dominant market position in the coffee segment of the restaurant industry. Specifically, in the coming quarters, we look for the company to reemphasize drip coffee, increase its advertising efforts, and discontinue its breakfast sandwich program, which appears to have had a negative impact on transaction times. Meanwhile . . .

International expansion remains a priority. While store openings are being scaled back at home, Starbucks intends to aggressively expand overseas in the years ahead. China, where the company has already established a strong presence, will probably see the largest number of openings during the balance of the decade.

These shares are untimely. We still have faith in management and the Starbucks concept, however. And we believe that patient investors will be rewarded handsomely over the long haul.

Justin Hellman *June 6, 2008*

(A) Fiscal year ends on the Sunday closest to September 30th.
(B) Based on primary earnings through '96; diluted thereafter. Excludes nonrecurring gains (losses): '94, $0.03; '96, $0.04; '98, ($0.07); '00, ($0.11); '02, ($0.01). Next earnings report due in late July.
(C) In millions, adjusted for stock splits.
(D) Excludes occupancy costs prior to '94.
(E) Includes company-operated stores only.
(F) Includes stock-based compensation starting in '06.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	95
Earnings Predictability	95

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SCHOLASTIC CORP. NDQ-SCHL

RECENT PRICE 26.72 | P/E RATIO 14.0 (Trailing: 10.6 / Median: 20.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 4 Lowered 8/1/08
SAFETY 3 New 11/29/96
TECHNICAL 3 Raised 7/11/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+105%)	20%
Low	35	(+30%)	7%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	2	0	0	1	2
to Sell	0	1	0	1	2	0	0	0	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	78	95	100
to Sell	98	81	94
Hld's(000)	34543	34445	36383

High: 33.4 28.5 32.1 48.5 50.7 56.8 39.1 37.8 40.0 36.2 40.0 37.6
Low: 10.4 14.4 19.5 21.8 34.1 33.1 22.7 25.9 28.2 25.0 29.8 24.8

LEGENDS
9.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 30 20 10

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-19.8	-12.2
3 yr.	-30.0	7.2
5 yr.	-11.4	58.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
22.68	17.95	21.52	23.90	29.28	29.83	32.49	34.49	41.24	55.61	49.06	49.87	56.40	51.06	54.46	50.58	57.89	53.95	Sales per sh A	60.00
1.86	1.47	1.86	1.99	2.47	1.04	1.86	2.23	2.83	3.43	3.62	2.82	3.12	3.13	3.20	2.92	4.60	4.05	"Cash Flow" per sh	4.55
.82	.89	1.02	1.19	1.42	.01	.73	1.10	1.63	2.24	2.51	1.46	1.51	1.58	1.63	1.38	2.82	2.15	Earnings per sh AB	2.55
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.30	Div'ds Decl'd per sh	.30
.35	.52	1.41	.69	.96	.91	.62	.88	1.35	2.56	2.01	2.14	1.10	1.22	1.58	1.15	1.49	1.75	Cap'l Spending per sh	2.25
5.18	4.99	7.01	7.97	9.10	9.18	9.76	10.79	12.64	13.99	18.40	19.66	21.61	23.01	25.02	26.21	22.92	29.75	Book Value per sh	37.45
21.58	30.77	29.35	31.38	31.72	32.40	32.58	33.48	34.01	35.29	39.07	39.26	39.60	40.73	41.94	43.08	38.10	36.00	Common Shs Outst'g D	35.00
17.6	19.0	20.4	20.3	23.2	NMF	25.8	20.9	15.8	17.0	16.2	25.3	20.3	20.6	19.8	22.9	12.0		Avg Ann'l P/E Ratio	18.0
1.07	1.12	1.34	1.36	1.45	NMF	1.34	1.19	1.03	.87	.99	1.44	1.07	1.10	1.07	1.20	.69		Relative P/E Ratio	1.20
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		Avg Ann'l Div'd Yield	Nil
1058.4	1154.7	1402.5	1962.3	1917.0	1958.3	2233.8	2079.9	2283.8	2179.1	2205.6	2050	Sales ($mill) A	2250
11.2%	12.0%	10.5%	10.9%	11.9%	8.7%	8.1%	9.5%	9.0%	8.7%	12.3%	11.5%	Operating Margin	11.0%
36.9	37.9	39.4	40.2	42.6	52.1	63.2	63.1	65.8	67.0	64.6	69.0	Depreciation ($mill)	73.0
23.6	36.8	56.8	80.7	98.7	58.6	60.5	64.3	68.6	58.9	110.6	85.0	Net Profit ($mill)	95.0
38.1%	37.5%	36.1%	38.8%	35.6%	35.0%	35.5%	35.5%	36.2%	36.4%	38.4%	38.0%	Income Tax Rate	38.0%
2.2%	3.2%	4.1%	4.1%	5.1%	3.0%	2.7%	3.1%	3.0%	2.7%	5.0%	4.1%	Net Profit Margin	4.2%
201.0	222.4	253.9	394.6	468.1	404.4	485.3	564.5	685.2	490.6	476.3	640	Working Cap'l ($mill)	750
243.5	248.0	241.1	585.3	525.8	482.2	492.5	539.9	529.9	233.2	351.8	350	Long-Term Debt ($mill)	200
318.1	361.4	430.0	493.7	718.9	772.6	856.0	937.1	1049.3	1129.0	873.1	1130	Shr. Equity ($mill)	1385
5.8%	7.6%	9.8%	9.4%	9.2%	5.9%	5.7%	5.5%	5.5%	5.3%	10.2%	6.5%	Return on Total Cap'l	6.5%
7.4%	10.2%	13.2%	16.3%	13.7%	7.6%	7.1%	6.9%	6.5%	5.2%	12.7%	7.5%	Return on Shr. Equity	7.0%
7.4%	10.2%	13.2%	16.3%	13.7%	7.6%	7.1%	6.9%	6.5%	5.2%	12.7%	6.5%	Retained to Com Eq	6.0%
--	--	--	--	--	--	--	--	--	--	--	13%	All Div'ds to Net Prof	11%

CAPITAL STRUCTURE as of 5/31/08 F
Total Debt $411.3 mill. Due in 5 Yrs $349.7 mill.
LT Debt $351.8 mill. LT Interest $28.1 mill.
Includes $56.7 mill. capital lease obligations.
(Total interest coverage: 6.5x) (29% of Cap'l)
Leases, Uncapitalized Annual rentals $47.7 mill.
Pension Assets-5/07 $144 mill. Oblig. $173.6 mill.
Pfd Stock None
Common Stock 37,982,463 shares
Includes 1,656,200 shares of Class A voting stock (100% owned by the Robinson family)
(Options exercisable: 14.5%) C
as of 6/30/08
MARKET CAP: $1.0 billion (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	205.3	22.8	120.0
Receivables	266.8	281.6	220.1
Inventory (FIFO)	431.5	422.9	370.2
Other	175.3	177.4	207.7
Current Assets	1078.9	904.7	918.0
Accts Payable	141.7	135.4	109.7
Debt Due	41.4	71.7	59.5
Other	210.6	207.0	272.5
Current Liab.	393.7	414.1	441.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	1.5%	3.0%
"Cash Flow"	5.5%	-1.5%	2.5%
Earnings	6.0%	-6.5%	4.0%
Dividends	--	--	Nil
Book Value	11.0%	10.5%	6.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	323.7	683.3	480.8	592.1	2079.9
2006	498.4	696.7	487.7	601.0	2283.8
2007	334.9	735.5	497.0	611.7	2179.1
2008	531.3	690.5	447.7	536.1	2205.6
2009	330	710	470	540	2050

Fiscal Year Ends	EARNINGS PER SHARE ABE Aug.31	Nov.30	Feb.28	May 31	Full Fiscal Year
2005	d1.23	1.80	d.02	1.03	1.58
2006	d.52	1.60	d.37	.92	1.63
2007	d1.12	1.75	d.22	.93	1.38
2008	.12	2.06	d.09	.75	2.82
2009	d.80	2.05	d.05	.95	2.15

Calendar	QUARTERLY DIVIDENDS PAID CG Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	--	--	--	--	--
2008	--	--	.075		

BUSINESS: Scholastic Corp. creates and distributes children's books and classroom magazines and educational technology. Sells directly to children and teachers in elementary and secondary schools through sch. book clubs, book fairs and library sales. Has oper. in U.S. and 15 foreign countries. 2008 sales by business seg.: Children's Pub., 53%; International, 21%; Educ'l Pub., 19%; Media, Lic. & Adv., 7%. Acq'd Grolier, 6/00. Has about 10,200 full-time employees. Robinson family owns all Class A shares and 17.3% of common; all other off. & dir. own 5.5% of common; T. Rowe Price, 7.4% (8/07 Proxy). Chairman, President & CEO: Richard Robinson. Inc.: DE. Address: 557 Broadway, New York, NY 10012. Telephone: 212-343-6100. Internet: www.scholastic.com.

Scholastic's earnings rallied substantially in fiscal 2008 (year ended May 31st). The world renowned educational publisher enjoyed a significant margin recovery last fiscal year. Sales comparisons were paltry because of the discontinuation of the direct-to-home and the school-based continuities businesses, as well as lower volume in the second half of the fiscal year related to the recent consumer spending squeeze. However, a favorable sales mix enabled the company to generate higher gross margins. Moreover, the decision to exit the aforementioned units significantly improved the share-net picture, as the ailing divisions were written off as discontinued operations and have been excluded from our actual figures. Meanwhile, efforts to exercise efficient marketing strategies within book clubs that focus on subscription fulfillment have helped offset declining sales.

We look for challenging comparisons in the fiscal year ahead. The divestiture of a large portion of the ailing direct-to-home continuities business has made for difficult sales comparisons. In addition, recent indicators foretell of an increasingly tough funding environment for educational publishing. Hence, further spending will be necessary to buoy this segment. Meanwhile, an overall softening of the economy is likely to hurt performance. Furthermore, unless the company can put out another smash-hit series to recreate the success of the highly acclaimed *Potter* books, it is unlikely that Scholastic will be able to enjoy the substantial gains that it generated during the *Potter* era.

Still, the company's margins should stay afloat over the next 3 to 5 years. Revenues and profits in the international segment ought to rise over the long term, particularly for print products in the educational segment. Too, the company's decision to initiate a dividend distribution, coupled with ongoing share repurchases, indicates that management is making good use of ample free cash flows.

However, these shares are untimely for the year ahead. Furthermore, the stock offers below average price appreciation potential to 2011–2013. In light of these factors, investors can find more-suitable options.

Simon R. Shoucair *August 15, 2008*

(A) Fiscal year ends May 31st. (B) Primary EPS through 1997. Dil. thereafter. Excl. nonrecur. gains (losses): '96, (43¢); '97, (2¢); '00, (15¢); '01, ($1.23); '02, 4¢; '03, (3¢); '04, (5¢); '07, 4¢. Next egs. rept. due late Sept. (C) Com. shrs. elect at least 1/5 of board; Class A shares elect remaining board members and exercise all other voting rights. (D) In mill., adjusted for split. (E) Qrtly. egs. may not sum due to changes in shares out. (F) Reflects $200 mill. new debt for stock repurchase, 6/07. (G) Dividend initiated in mid-2008.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	35
Earnings Predictability	45

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STEELCASE, INC. NYSE-SCS

RECENT PRICE 11.49 | P/E RATIO 13.1 (Trailing: 11.5 Median: 33.0) | RELATIVE P/E RATIO 0.83 | DIV'D YLD 5.2% | VALUE LINE

TIMELINESS 4 Lowered 6/6/08
SAFETY 3 New 7/14/00
TECHNICAL 3 Raised 6/20/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

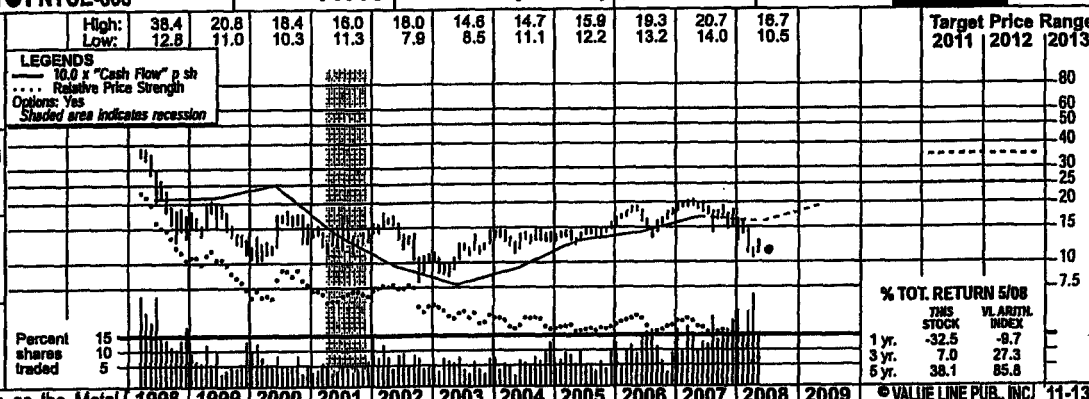
	Price	Gain	Ann'l Total Return
High	35	(+205%)	36%
Low	25	(+120%)	26%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	1	3
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	84	95	83
to Sell	79	68	77
Hld's(000)	78038	74035	78692



Steelcase Inc, then known as the Metal Office Furniture Company, began manufacturing office safes in 1912. In the subsequent years, the company gradually expanded its business mix, becoming the dominant supplier in nearly every category of the office-furniture industry. It assumed the Steelcase name in 1954. On February 18, 1998, a group of equity owners sold, in aggregate, 13,972,500 shares of Class A common stock in an initial public offering.

CAPITAL STRUCTURE as of 2/29/08
Total Debt $258.7 mill. Due in 5 Yrs $258.7 mill.
LT Debt $250.5 mill. LT Interest $16.4 mill.
(Total int. coverage: 13.5x) (17% of Capital)
Leases, Uncapitalized: Annual rentals $57.0 mill.
Pension Assets-2/08 $57.2 mill. Oblig. $218.3 mill.
Common Stock 135,091,029 shares as of 12/31/07
Class A: 78,743,499 shares
Class B: 56,347,530 shares
(Each Class B share is convertible into one Class A share and entitles the holder to 10 votes.)
MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	2/29/08
Cash Assets	423.8	560.3	264.0
Receivables	381.9	352.6	397.0
Inventory (LIFO)	147.9	144.0	146.7
Other	174.5	172.7	127.0
Current Assets	1128.1	1229.6	934.7
Accts Payable	189.6	222.0	248.9
Debt Due	261.8	5.1	8.2
Other	384.8	417.0	427.9
Current Liab.	836.2	644.1	683.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	--	-3.5%	6.5%
"Cash Flow"	--	-9.5%	19.0%
Earnings	--	-14.5%	NMF
Dividends	--	-5.0%	7.0%
Book Value	--	-5.0%	3.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A May Per	Aug.Per	Nov.Per	Feb.Per	Full Fiscal Year
2005	676.0	702.9	750.7	739.3	2868.9
2006	727.3	789.7	802.0	778.4	3097.4
2007	808.5	825.2	885.9	901.3	3420.8
2008	805	825	875	895	3400
2009	815	835	920	930	3500

Fiscal Year Begins	EARNINGS PER SHARE AB May Per	Aug.Per	Nov.Per	Feb.Per	Full Fiscal Year
2005	.09	.13	.16	.12	.50
2006	.14	.20	.24	.13	.71
2007	.23	.25	.30	.22	1.00
2008	.18	.20	.28	.19	.85
2009	.24	.28	.35	.28	1.15

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.06	.06	.06	.06	.24
2005	.06	.06	.09	.09	.30
2006	.10	.10	.10	.10	.40
2007	.13	.15	.15	.15	.58
2008	.15	.15			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	17.85	21.94	26.33	20.98	17.52	15.85	17.59	19.19	21.09	24.67	25.20	25.95	Sales per sh A	30.35
	2.14	2.16	2.48	1.41	.96	.78	.94	1.29	1.42	1.70	1.60	1.95	"Cash Flow" per sh	2.80
	1.44	1.21	1.36	.24	d.10	d.18	.08	.50	.71	1.00	.85	1.15	Earnings per sh B	1.90
	.41	.44	.44	.39	.24	.24	.24	.30	.45	.60	.60	.60	Div'ds Decl'd per sh C	.64
	1.11	1.25	1.77	.84	.52	.29	.33	.48	.40	.57	.65	.70	Cap'l Spending per sh	.85
	9.76	10.33	11.09	10.56	8.50	8.15	8.05	8.06	8.43	8.57	8.70	7.30	Book Value per sh D	10.45
	153.62	151.16	147.59	147.29	147.61	147.98	148.58	149.49	146.85	136.65	135.00	135.00	Common Shs Outst'g E	135.00
	15.7	12.3	10.7	56.0	--	--	NMF	29.0	24.3	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.82	.70	.70	2.87	--	--	NMF	1.54	1.31	.89			Relative P/E Ratio	1.00
	1.8%	3.0%	3.0%	2.9%	1.9%	2.0%	1.8%	2.1%	2.6%	3.4%			Avg Ann'l Div'd Yield	2.2%
	2742.5	3316.1	3885.8	3089.5	2586.9	2345.6	2613.8	2868.9	3097.4	3420.8	3400	3500	Sales ($mill) A	4100
	15.5%	12.5%	12.7%	7.8%	6.4%	5.2%	5.6%	8.4%	6.9%	9.1%	9.0%	11.5%	Operating Margin	13.5%
	107.0	141.8	162.5	172.4	157.0	141.4	127.6	119.4	101.4	92.4	95.0	100	Depreciation ($mill)	120
	221.4	184.2	203.6	34.7	d15.2	d26.6	11.7	74.1	106.9	143.2	120	160	Net Profit ($mill)	260
	37.0%	39.0%	36.5%	35.1%	--	--	--	36.0%	14.2%	37.0%	37.0%	37.0%	Income Tax Rate	37.0%
	8.1%	5.6%	5.2%	1.1%	NMF	NMF	.4%	2.6%	3.5%	4.2%	3.5%	4.6%	Net Profit Margin	6.3%
	290.6	200.1	319.8	208.9	311.6	398.7	447.8	291.9	585.5	251.7	300	385	Working Cap'l ($mill)	750
	--	257.8	327.5	433.6	294.2	319.6	258.1	2.2	250.0	250.5	250	250	Long-Term Debt ($mill)	150
	1500.0	1562.2	1636.5	1555.5	1255.1	1205.3	1196.8	1204.9	1237.9	910.9	905	985	Shr. Equity ($mill) D	1410
	14.8%	10.5%	10.6%	2.1%	NMF	NMF	1.4%	6.1%	7.8%	13.0%	11.0%	13.5%	Return on Total Cap'l	17.0%
	14.8%	11.8%	12.4%	2.2%	NMF	NMF	1.0%	6.1%	8.6%	15.7%	13.5%	16.0%	Return on Shr. Equity	18.5%
	10.6%	7.5%	8.4%	NMF	NMF	NMF	NMF	2.1%	3.2%	NMF	4.5%	8.0%	Retained to Com Eq	12.5%
	29%	37%	32%	NMF	NMF	NMF	NMF	66%	63%	NMF	68%	51%	All Div'ds to Net Prof	33%

BUSINESS: Steelcase, Inc. is the world's leading producer of office furniture and systems. The company, its subsidiaries, and joint ventures operate more than 50 manufacturing facilities globally. Products are distributed through a network of more than 800 independent dealers. Int'l operations generated 26% of 2007 sales. Has 13,500 employees. 2007 depreciation rate: 5.1%. Officers & directors control 3.0% of Class A and 39.0% of Class B shares; Fifth Third Bank (as trustee, agent, or custodian), 11.5% of Class A and 62.2% of Class B; Ariel Capital Management, 15.3% of Class A (5/08 Proxy). Pres. & CEO: James P. Hackett. Chrmn.: Earl D. Holton. Inc.: MI. Address: 901 44th St. SE, Grand Rapids, MI 49508. Telephone: (616) 247-2710. Internet: www.steelcase.com.

Fiscal 2008 (ends February 28, 2009) is likely to be less favorable for Steelcase. The challenging economic conditions have likely caught up with the company, as a slowdown in corporate spending has weighed upon the entire commercial furnishings industry. The turmoil from the residential housing market spilled over into the financial services sector via the subprime mortgage crisis. As a result, many office furniture companies have been hit hard. This review had gone to press by the time the company announced its fiscal first-quarter figures. Nonetheless, we anticipate that the aforementioned factors hampered revenues. Furthermore, we look for higher costs to reduce share earnings this year.

On the upside, we anticipate an earnings rebound in fiscal 2009. Based on the company's performance prior to the recent macroeconomic downturn, we believe management's growth strategies were gaining traction. Hence, Steelcase is well positioned to benefit from an economic recovery. We look for decent revenue growth both on the domestic side and abroad, accompanied by cost savings generated from newly adopted lean manufacturing methods and plant consolidation, to spark a profit recovery next year.

Steelcase is firming its footprint in the international arena. Recent acquisitions have broadened the company's exposure to rapidly expanding commercial furniture markets in developing countries. Indeed, the burgeoning commerce and financial sectors in countries like China offer considerable promise for long-term profitability. We believe the company's efficient global supply system enhances its competitive stance.

These shares are untimely. The challenging economic climate and difficulties facing the financial services markets have hurt the company's near-term earnings prospects. This will likely hold the stock back over the next few months.

However, we look for earnings to rally considerably to 2011–2013. Moreover, the current quotation offers wide appreciation potential over the next 3 to 5 years. In addition, investors with an income bent should take note of the impressive dividend yield.

Simon R. Shoucair *July 4, 2008*

(A) Fiscal year ends on the last Friday in February of the following calendar year.
(B) Diluted earnings. Excludes net nonrecurring (charges) gains: '00, 7¢; '01, 23¢; '02, $1.70; '03, (8¢); '04, (1¢); '05, (17¢); '07, (7¢). Next egs. report due late Sept. Sales and earnings may not sum due to rounding. (C) Div. historically paid in the middle of January, April, July, and October. In March '08 a special div. of $1.75 was paid. (D) Includes intangibles. At 2/25/08: $284.8 million, $1.90 per share. (E) In millions.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	10
Earnings Predictability	25

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SEALED AIR NYSE-SEE

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
19.96	11.7 (Trailing: 12.4 Median: 25.0)	0.75	2.4%	

TIMELINESS 3 Raised 1/25/08
SAFETY 3 Raised 10/5/07
TECHNICAL 2 Raised 7/4/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+125%)	24%
Low	30	(+50%)	13%

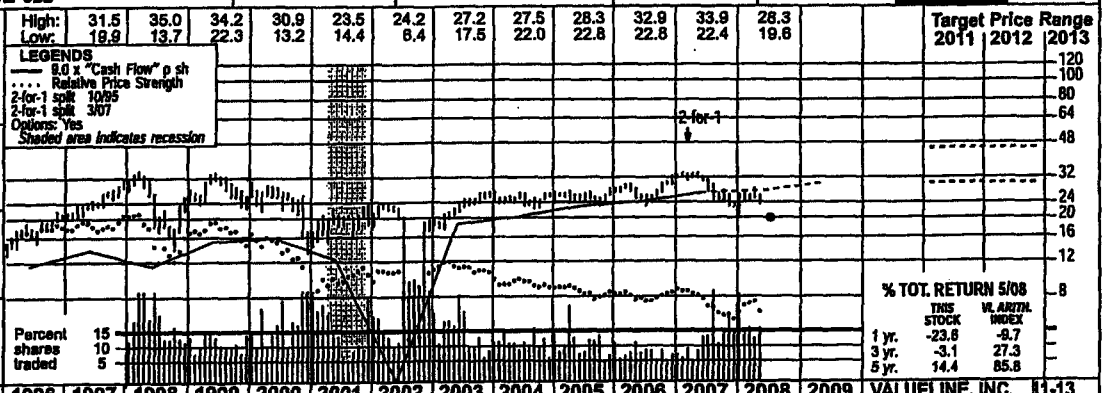
Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	1	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	140	141	145
to Sell	146	140	130
Hld's(000)	143788	145960	144876

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUELINE, INC.	11-13
High:	31.5	35.0	34.2	30.9	23.5	24.2	27.2	27.5	28.3	32.9	33.9	26.3								
Low:	19.9	13.7	22.3	13.2	14.4	8.4	17.5	22.0	22.8	22.8	22.4	19.6								
	5.77	5.67	6.49	8.55	9.28	9.83	15.01	16.88	18.18	18.31	19.06	20.76	22.79	25.07	26.82	28.78	30.00	31.95	Sales per sh	37.70
	.57	.63	.65	.87	1.28	1.54	1.27	1.70	1.77	1.37	d1.22	2.07	2.25	2.53	2.68	2.98	3.05	3.35	"Cash Flow" per sh	3.90
	.27	.33	.47	.63	.82	1.01	.75	.92	.96	.61	d2.15	1.00	1.13	1.35	1.52	1.65	1.70	1.90	Earnings per sh [A]	2.30
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	.30	.40	.48	.56	Div'ds Decl'd per sh [B]	.90
	.15	.28	.22	.25	.20	.28	.49	.45	.68	.87	.55	.73	.62	.59	1.04	1.30	1.10	1.15	Cap'l Spending per sh	1.40
	d.86	d.37	.14	1.26	2.19	3.00	2.56	3.26	4.46	5.07	4.84	6.60	8.00	8.54	10.26	12.50	14.10	15.80	Book Value per sh [C]	21.15
	77.37	78.70	79.96	84.56	85.04	85.71	166.97	168.27	168.71	167.55	168.08	170.17	166.67	162.95	161.35	161.61	161.00	161.00	Common Shs Outst'g [D]	161.00
	22.6	19.6	16.8	19.1	21.6	24.3	32.7	30.4	25.7	31.6	--	22.7	22.1	18.9	18.2	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	1.37	1.16	1.09	1.28	1.35	1.40	1.70	1.73	1.67	1.62	--	1.29	1.17	1.01	.98	.92			Relative P/E Ratio	1.15
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	1.1%	1.4%			Avg Ann'l Div'd Yield	2.1%
							2506.8	2839.6	3067.7	3067.5	3204.3	3531.9	3798.1	4085.1	4327.9	4651.2	4830	5140	Sales ($mill)	6065
							20.9%	22.8%	21.5%	20.2%	20.6%	19.6%	18.3%	18.3%	16.2%	15.4%	15.5%	16.0%	Operating Margin	16.0%
							141.5	145.5	140.8	141.7	144.0	154.1	159.6	155.8	148.4	166.3	170	175	Depreciation ($mill)	190
							178.9	211.5	225.3	156.7	d309.1	240.4	215.6	256.8	283.5	315.7	335	365	Net Profit ($mill)	440
							37.5%	46.8%	45.5%	47.3%	--	36.2%	33.2%	32.0%	31.5%	24.6%	31.5%	31.5%	Income Tax Rate	31.5%
							7.1%	7.4%	7.3%	5.1%	NMF	6.8%	5.7%	6.3%	6.6%	6.8%	6.9%	7.1%	Net Profit Margin	7.3%
							309.6	221.1	202.5	149.4	d96.5	237.4	307.4	161.9	350.6	194.5	120	165	Working Cap'l ($mill)	170
							996.5	665.1	944.5	788.1	868.0	2259.8	2088.0	1813.0	1826.6	1531.6	1550	1700	Long-Term Debt ($mill)	1950
							2228.1	2310.7	2144.0	2216.3	2140.0	1123.6	1333.5	1392.1	1654.8	2019.8	2270	2545	Shr. Equity ($mill)	3400
							5.6%	7.2%	7.4%	6.3%	NMF	9.0%	8.4%	9.5%	10.2%	10.8%	8.5%	9.0%	Return on Total Cap'l	8.5%
							8.0%	9.2%	10.5%	7.1%	NMF	21.4%	16.2%	18.4%	17.1%	15.6%	14.5%	14.5%	Return on Shr. Equity	13.0%
							16.6%	25.5%	20.9%	10.3%	NMF	17.7%	16.2%	18.4%	14.2%	12.4%	11.0%	11.0%	Retained to Com Eq	8.5%
							40%	34%	30%	44%	NMF	17%	--	--	17%	20%	27%	29%	All Div'ds to Net Prof	39%



Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.6	-9.7
3 yr.	-3.1	27.3
5 yr.	14.4	85.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1881.5 mill. Due in 5 Yrs $1330 mill.
LT Debt $1530.7 mill. LT Interest $140 mill.
(LT Interest earned: 4.0x)
(43% of Cap'l)

Leases, Uncapitalized Annual rentals $25.6 mill.

Pension Assets-12/07 $256 mill. Oblig. $306 mill.

Pfd Stock None

Common Stock 160,141,847 shs.
MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	407.0	430.3	430.9
Receivables	721.3	789.8	796.2
Inventory (LIFO)	509.4	581.7	642.4
Other	119.0	134.3	145.5
Current Assets	1756.7	1936.1	2015.0
Accts Payable	283.9	316.3	313.7
Debt Due	25.7	340.2	350.8
Other	1096.5	1085.1	1065.1
Current Liab.	1406.1	1741.6	1729.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	11.5%	7.5%	6.0%
"Cash Flow"	8.5%	34.0%	5.5%
Earnings	6.5%	--	6.5%
Dividends	--	--	25.5%
Book Value	17.0%	17.0%	10.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	969.8	1020.0	1019.7	1075.6	4085.1
2006	1019.1	1081.9	1081.4	1145.5	4327.9
2007	1094.7	1145.4	1160.9	1250.2	4651.2
2008	1177.4	1180	1195	1277.6	4830
2009	1210	1265	1285	1380	5140

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.30	.33	.34	.38	1.35
2006	.30	.35	.41	.46	1.52
2007	.39	.41	.40	.45	1.65
2008	.35	.42	.44	.49	1.70
2009	.42	.49	.47	.52	1.90

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	.075	.075	.075	.075	.30
2007	.10	.10	.10	.10	.40
2008	.12	.12			

BUSINESS: Sealed Air Corporation is a leading manufacturer of a variety of packaging and performance-based materials and equipment systems, servicing food, industrial, medical, and consumer applications. The company sells foam-in-place packaging (Instapak), air-cellular cushioning materials (PolyCap), padded mailers (Jiffy), polyethylene foam, food and medical-device packaging materials (Cryovac). Acquired Trigon Ind. Ltd., 1/95; pack. div. of Southcorp Hold., 6/96; Cryovac div. of W.R. Grace, 3/98. Has approx. 17,700 empls. 2007 depr. rate: 5.4%. Fgn. sls.: 55% of 2007 tot. Off. & dir. own 1.9% of comm. stk. (4/08 proxy). Pres. & CEO: William V. Hickey. Inc.: DE. Addr.: 200 Riverfront Blvd., Elmwood Park, NJ 07407. Tel.: 201-791-7600. Web: www.sealedair.com.

Sealed Air's operating margins have been burdened by a sharp rise in material costs. Most of the difficulties relate back to the use of petroleum in the resin used in the manufacture of packaging materials. Indeed, roughly 40% of the increase in cost of goods sold came from the rise in petrochemical-based raw material costs. However, the Food Packaging unit may give margins a boost as the recent trade deal between the U.S. and South Korea should increase the amount of domestic beef shipped to the latter nation. **Most of the year-to-year sales growth came from acquisitions in the Other Business division.** The unit's top line rose 40%, year to year, largely due to the additions in the second half of 2007 of Alga Plastics, a medical packaging company, and Ethafoam, a maker of insulation and weatherproofing materials. At this juncture, however, margins have been narrowed despite the expansions, inasmuch as costs have been higher since the new units have the manufacturing integrated into the company.

Sealed Air's global manufacturing strategy is making progress in emerging markets. The recently opened plants in China and Mexico should permit easier access to these new and growing markets. In fact, within the Chinese market, a deal was recently reached with a multinational, Shanghai-based retailer to launch a pilot program using the company's case-ready packaging format. Moreover, international operations contributed over 80% of the year-over-year sales increase, although a portion of that was due to the weakened state of the U.S. dollar.

A difficult operating environment during 2008 will likely limit earnings. A challenging cost structure, as well as a competitive packaging market, should limit year-to-year share-net growth during 2008 to about 3%. We are anticipating some improvements to the cost structure and a focus abroad to lead to double-digit earnings growth in 2009.

Despite its recent struggles, Sealed Air is an appealing option for long-term investors. With the 35% dip in stock price over the last six months, the price appreciation potential of issue to 2011-2013 is above average.

Christopher T. Wells *July 4, 2008*

(A) Primary earnings until 1996, diluted after. Excl. nonrec. losses: '94, $0.28; '97, $0.14; '98, $1.45; '05, $0.01; '06, ($0.10); '07, $0.24. Next earnings report due late July.
(B) Div'ds. hist. paid in mid-March, June, Sept., and Dec.
(C) Incl. intang. In '07: $1.97 billion, $12.18/sh.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	B
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	5

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SMITHFIELD FOODS NYSE-SFD

RECENT PRICE 21.32 | P/E RATIO NMF (Trailing: 20.5 Median: 15.0) | RELATIVE P/E RATIO NMF | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 12/7/07
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 5/30/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+110%)	21%
Low	30	(+40%)	10%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	2	1	0	1	1	1	0	0
Options	1	1	0	1	0	0	0	0	0
to Sell	1	1	0	1	0	0	1	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	116	132	119
to Sell	131	111	121
Hld's(000)	99830	108625	111395

	1992	1993	1994	P1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
	17.56	21.65	23.27	33.08	51.58	51.51	45.10	47.07	58.19	66.70	72.21	83.50	102.06	102.58	105.95	84.46	86.20	92.60	Sales per sh A D	112.05
	.38	.63	.81	.65	1.10	1.49	1.95	1.77	2.81	3.12	1.82	3.04	4.47	3.59	3.68	3.00	2.95	3.50	"Cash Flow" per sh	5.10
	.07	.28	.46	.27	.59	.83	1.16	.76	1.56	1.81	.24	1.48	2.66	1.71	1.58	1.04	.95	1.40	Earnings per sh A B D	2.60
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	1.35	.44	1.40	1.04	.92	1.24	1.14	.91	1.37	1.55	1.65	1.36	1.81	3.52	4.25	3.42	3.30	3.15	Cap'l Spending per sh	2.75
	2.09	2.32	2.81	3.37	4.10	4.81	6.48	8.25	10.03	12.36	11.87	14.57	17.09	18.24	19.93	22.68	23.75	25.20	Book Value per sh	31.80
	65.05	66.85	65.59	72.06	75.04	75.07	83.59	109.41	105.01	110.28	109.46	110.98	111.25	111.17	112.42	134.40	141.50	142.00	Common Shs Outst'g C	145.00
	NMF	15.8	15.1	24.1	13.9	18.3	10.9	16.1	9.2	12.1	NMF	15.5	10.7	16.7	16.5	28.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	NMF	.92	.99	1.61	.87	1.05	.57	.92	.60	.62	NMF	.88	.57	.89	.89	1.50			Relative P/E Ratio	1.00
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
							3775.0	5150.5	5899.9	7356.1	7904.5	9267.0	11354	11403.6	11911.1	11351.2	12200	13150	Sales ($mill) A D	16250
							6.6%	6.1%	8.2%	7.6%	3.9%	5.9%	6.9%	5.5%	5.2%	5.3%	5.0%	5.5%	Operating Margin	6.5%
							68.6	119.0	140.1	148.1	172.7	175.1	198.9	207.9	224.9	264.2	275	285	Depreciation ($mill)	330
							94.9	75.1	155.1	195.8	26.3	162.7	298.4	191.5	188.4	139.2	145	215	Net Profit ($mill)	405
							33.9%	37.4%	37.4%	37.0%	32.9%	34.1%	33.6%	32.2%	25.4%	34.3%	35.0%	35.0%	Income Tax Rate	35.0%
							2.5%	1.5%	2.6%	2.7%	.3%	1.8%	2.6%	1.7%	1.6%	1.2%	1.2%	1.6%	Net Profit Margin	2.5%
							215.9	609.8	635.4	798.5	833.0	1056.6	1445.6	1177.8	1372.5	2174.0	2350	1955	Working Cap'l ($mill)	1625
							594.2	1187.8	1146.2	1387.1	1599.1	1696.8	2151.7	2313.9	2838.6	3474.4	3825	3575	Long-Term Debt ($mill)	3000
							542.2	902.9	1053.1	1362.8	1299.2	1617.2	1901.4	2028.2	2240.8	3048.2	3365	3580	Shr. Equity ($mill)	4610
							9.9%	4.8%	8.8%	8.7%	2.5%	6.6%	8.9%	6.0%	5.3%	3.4%	3.5%	4.5%	Return on Total Cap'l	6.5%
							17.5%	8.3%	14.7%	14.4%	2.0%	10.1%	15.7%	9.4%	8.4%	4.6%	4.5%	6.0%	Return on Shr. Equity	9.0%
							17.5%	8.3%	14.7%	14.4%	2.0%	10.1%	15.7%	9.4%	8.4%	4.6%	4.5%	6.0%	Retained to Com Eq	9.0%
							--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 4/27/08
Total Debt $3883.4 mill. Due in 5 Yrs $2970 mill.
LT Debt $3474.4 mill. LT Interest $225.0 mill.
(Total interest coverage: 2.2x) (53% of Cap'l)

Leases, Uncapitalized Annual rentals $48.9 mill.
Pension Assets-5/08 $847.3 mill.
Pension Oblig. $1025.9 mill.

Common Stock 134,398,175 shs.
as of 6/11/08

MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	4/27/08
Cash Assets	89.4	57.8	57.3
Receivables	650.8	689.1	738.1
Inventory (FIFO)	1585.2	1805.8	2278.4
Other	94.2	181.0	776.2
Current Assets	2419.6	2733.7	3850.0
Accts Payable	539.9	524.0	589.8
Debt Due	258.8	254.3	409.0
Other	443.1	582.9	677.2
Current Liab.	1241.8	1361.2	1676.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.0%	8.5%	2.5%
"Cash Flow"	12.0%	6.0%	7.0%
Earnings	10.0%	4.0%	10.0%
Dividends	--	--	Nil
Book Value	17.5%	12.0%	8.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	2929.5	2872.0	2926.7	2675.4	11403.6
2006	2768.9	2804.2	3276.8	3061.2	11911.1
2007	2616.7	2747.0	3119.1	2868.4	11351.2
2008	2850	3025	3350	2975	12200
2009	3075	3275	3575	3225	13150

Fiscal Year Begins	EARNINGS PER SHARE A B Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Fiscal Year
2005	.44	.55	.63	.09	1.71
2006	.36	.41	.55	.36	1.68
2007	.43	.17	.43	.01	1.04
2008	d.05	d.02	.45	.57	.95
2009	.05	.10	.50	.75	1.40

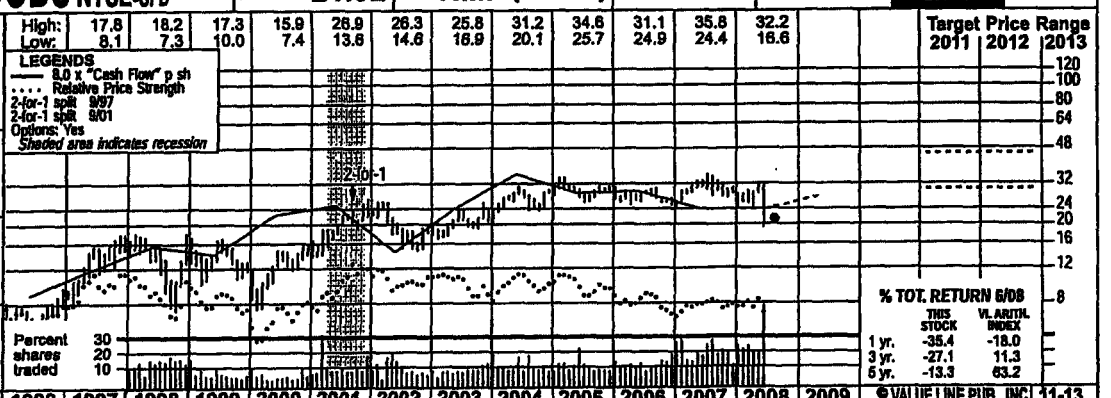
Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

(A) FY ends Sunday nearest April 30th of the following calendar year. (B) Primary egs. through 1996, dil. thereafter. Earnings may not sum to total due to rounding. Excl. nonrec. items: '92, d7¢; '97, d32¢; '00, 88¢; '01, 1¢. Excl. disc. ops: '94, d13¢; '95, d12¢; '03, 57¢; '04, d2¢; '05, d17¢; '06, d19¢; '07, d8¢. Next egs. rpt. due late August. (C) In mill., adjusted for splits. (D) Ed Kelly, Inc. electronics subsidiary discontinued, 4/95. Incl. John Morrell & Co. after 12/21/95.

Company's Financial Strength B
Stock's Price Stability 75
Price Growth Persistence 65
Earnings Predictability 40

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BUSINESS: Smithfield Foods, Inc., is the largest hog producer and pork processor in the world. The company conducts its business through six segments, Hog Production (HP), Pork, Beef, International, Corporate, and Other, each comprised of a number of subsidiaries. Brand names include: *Smithfield Lean Generation, Smithfield Premium, John Morrell, Farmland,* and *Gwaltney.* Acquired Premium Standard Farms, 5/07. Signed definitive aggrement to sell beef business, transaction still pending. 2007 depr. rate: 6.1%. Has about 58,100 employees. Off./dir. own 13.6% of common stock (Proxy 7/07). *Chairman:* Joseph W. Luter, III. CEO & President: C. Larry Pope. Inc.: VA. Address: 200 Commerce Street, Smithfield, VA 23430. Tel.: 757-365-3000. Internet: www.smithfieldfoods.com.

Smithfield Foods is in the midst of a very difficult stretch. This was evident in the final quarter of fiscal 2007 (ended April 27, 2008) when the company earned a penny a share. That figure was well below both our estimate of $0.20 a share and the year-earlier tally of $0.36. For the full fiscal year, Smithfield reported share earnings of $1.04, well off the prior-year figure of $1.68. More significant, we expect the recent problems to continue during the current fiscal year.

The biggest problem remains the Hog Production Group (HPG). Indeed, the losses keep piling up for this segment, which has been hampered by both lower live pig prices and considerably higher raising costs. The latter is the result of skyrocketing corn and soybean prices. During the April period, the average live hog price was $42 per hundredweight, while the average raising cost was $54 per hundredweight. While we don't expect such a huge discrepancy to continue, fiscal 2008 is shaping up to be another difficult year for the world's largest hog producer. The struggles in HPG will probably more than offset any gains registered by a thriving pork processing business. Thus, we now look for earnings to fall in fiscal 2008.

The sale of the company's beef processing business is progressing. Smithfield hopes to complete the deal by the fiscal second (October) quarter. The sale of the red meat operations to Brazilian beef packer JBS S.A. should net $565 million in cash. (Note: SFD's fiscal 2007 data were restated, with the beef business treated as a discontinued operation.)

The recent operating problems have brought about some liquidity concerns. In fact, Smithfield recently sold $350 million of convertible notes due 2013, with the intention of using the proceeds to pay down its short-term credit facilities. The company also agreed to sell seven million shares (5% stake in SFD) to COFCO, China's largest agricultural trading and processing company, to raise monies for working capital purposes and to reduce its debt-laden balance sheet. That said,

We recommend that investors avoid these untimely shares, given the company's aforementioned operating problems and liquidity issues.

William G. Ferguson *August 1, 2008*

HEARING EXHIBIT 00000462

A. SCHULMAN INC. NDQ-SHLM

RECENT PRICE 22.28 | P/E RATIO 23.7 (Trailing: 24.8 Median: 20.0) | RELATIVE P/E RATIO 1.45 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Raised 8/10/07
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 5/9/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

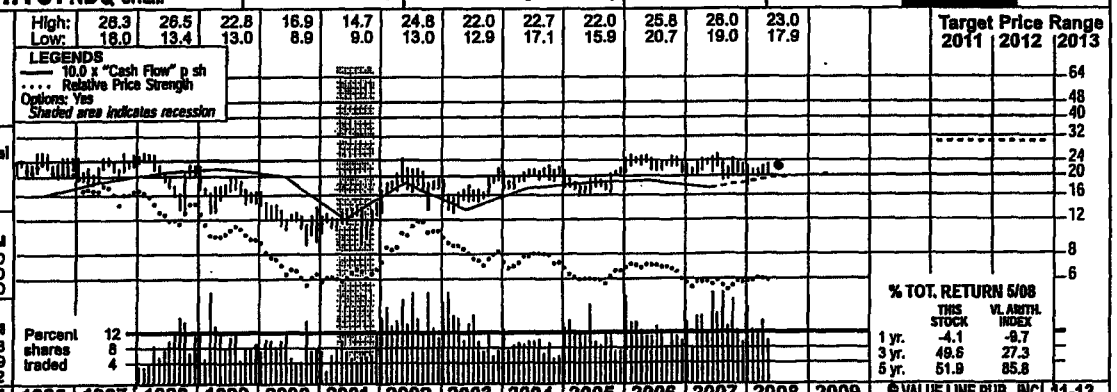
	Price	Gain	Ann'l Total Return
High	40	(+80%)	18%
Low	30	(+35%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	2	2	0	0	0	0	1	1	0
Options	1	0	0	0	0	0	1	0	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	66	67	48
to Sell	50	51	89
Hld's(000)	24951	25285	24632



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
19.74	18.32	19.99	27.33	25.83	27.50	29.85	31.66	35.20	33.38	32.81	36.67	40.14	46.74	53.45	64.58	71.50	76.30	Sales per sh A	94.00
1.57	1.43	1.58	1.54	1.59	1.89	2.10	2.20	2.02	1.21	1.86	1.35	1.74	1.86	1.90	1.75	1.95	2.50	"Cash Flow" per sh	3.45
1.18	1.04	1.19	1.43	1.12	1.37	1.48	1.51	1.25	.43	1.08	.53	.91	.89	1.07	.82	.95	1.45	Earnings per sh B	2.05
.22	.25	.29	.33	.38	.41	.45	.49	.54	.54	.54	.54	.54	.58	.58	.58	.60	.60	Div'ds Decl'd per sh C	.64
.43	.49	.58	1.56	.49	.75	.93	1.13	1.11	1.14	.91	.65	.72	.88	.97	1.06	.90	.95	Cap'l Spending per sh	1.10
8.26	7.84	9.21	10.75	11.43	10.83	10.97	11.41	10.99	10.99	12.06	12.72	14.04	15.01	13.31	15.39	17.40	19.25	Book Value per sh	26.00
37.09	37.39	37.46	37.60	37.81	36.23	33.28	31.13	29.33	29.21	29.46	30.01	30.92	30.72	30.24	27.67	27.00	27.00	Common Shs Outst'g D	25.00
20.1	22.4	21.0	19.8	20.4	15.9	14.9	11.7	11.3	28.0	15.4	31.4	21.1	21.3	20.7	27.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
1.22	1.32	1.38	1.33	1.28	.92	.77	.67	.73	1.43	.84	1.79	1.11	1.13	1.12	1.46			Relative P/E Ratio	1.15
.9%	1.1%	1.2%	1.2%	1.7%	1.9%	2.0%	2.8%	3.8%	4.5%	3.2%	3.2%	2.8%	3.1%	2.6%	2.6%			Avg Ann'l Div'd Yield	1.8%
						993.4	985.6	1032.5	975.2	966.6	1100.5	1241.3	1435.6	1616.4	1787.1	1930	2060	Sales ($mill) A	2350
						10.2%	10.4%	8.7%	5.8%	8.8%	6.7%	7.2%	5.4%	3.5%	4.4%	4.5%	4.5%	Operating Margin	4.5%
						17.8	20.8	21.6	22.7	22.8	24.7	25.9	25.1	24.9	25.8	27.0	28.0	Depreciation ($mill)	35.0
						52.2	47.8	37.7	12.7	32.2	16.0	27.9	32.1	32.7	22.6	25.0	40.0	Net Profit ($mill)	50.0
						39.6%	38.7%	44.6%	56.0%	44.2%	57.6%	48.9%	35.0%	47.4%	52.2%	47.0%	45.0%	Income Tax Rate	44.0%
						5.2%	4.8%	3.7%	1.3%	3.3%	1.4%	2.2%	2.2%	2.0%	1.3%	1.3%	1.9%	Net Profit Margin	2.1%
						288.3	290.3	277.2	289.3	301.0	319.5	358.3	405.7	403.7	417.2	455	400	Working Cap'l ($mill)	350
						40.0	65.0	83.6	105.4	81.0	68.7	49.7	63.2	120.7	123.1	160	160	Long-Term Debt ($mill)	150
						366.3	356.2	323.5	322.1	356.4	382.8	435.2	462.1	403.5	427.0	470	520	Shr. Equity ($mill)	650
						13.1%	11.8%	10.0%	3.7%	7.9%	4.1%	6.2%	6.4%	6.9%	4.8%	4.0%	5.5%	Return on Total Cap'l	6.0%
						14.2%	13.4%	11.7%	3.9%	9.0%	4.2%	6.4%	6.9%	8.1%	5.3%	5.5%	7.5%	Return on Shr. Equity	7.5%
						9.9%	9.0%	6.7%	NMF	4.5%	NMF	2.6%	3.1%	3.7%	1.5%	2.0%	4.5%	Retained to Com Eq	5.5%
						31%	33%	43%	NMF	50%	101%	59%	55%	54%	72%	95%	41%	All Div'ds to Net Prof	31%

CAPITAL STRUCTURE as of 2/29/08
Total Debt $165.4 mill. Due in 5 Yrs $2.7 mill.
LT Debt $162.7 mill. LT Interest $9.6 mill.
(Total interest coverage: 4.2x) (26% of Cap'l)
Leases, Uncapitalized Annual rentals $3.2 mill.

Pension Assets-8/07 $8.4 mill. Oblig. $38.3 mill.

Pfd Stock $1.1 mill. Pfd Div'd $.05 mill.
10,316 shs. 5% cum. ($100 par)

Common Stock 27,454,541 shares
as of 3/22/08
MARKET CAP: $600 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	2/29/08
Cash Assets	50.7	43.0	44.7
Receivables	272.9	317.8	354.7
Inventory (Avg Cst)	286.1	263.0	295.9
Other	17.6	16.2	19.1
Current Assets	627.3	640.0	714.4
Accts Payable	135.9	141.8	148.9
Debt Due	11.0	2.8	2.7
Other	76.7	78.2	78.5
Current Liab.	223.6	222.8	230.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	10.0%	9.5%
"Cash Flow"	1.0%	1.5%	11.0%
Earnings	-3.5%	--	14.0%
Dividends	4.5%	1.5%	1.5%
Book Value	3.0%	5.0%	10.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	363.2	350.0	374.9	347.5	1435.6
2006	396.5	371.3	427.3	421.3	1616.4
2007	442.7	412.8	467.0	464.6	1787.1
2008	496.6	479.8	480	473.6	1930
2009	500	510	520	530	2060

Fiscal Year Ends	EARNINGS PER SHARE A B Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	.23	.22	.23	.21	.89
2006	.40	.12	.29	.26	1.07
2007	.09	.06	.37	.30	.82
2008	.36	d.13	.39	.33	.95
2009	.35	.30	.40	.40	1.45

Cal-endar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.135	.135	.135	.135	.54
2005	.145	.145	.145	.145	.58
2006	.145	.145	.145	.145	.58
2007	.145	.145	.145	.145	.58
2008	.145	.15			

BUSINESS: A. Schulman Inc. sells high-performance plastic resins which are used as raw materials in its customers' manufacturing operations. The company also purchases plastic resins for resale or to formulate proprietary compounds tailored to customer specifications. A. Schulman acts as a manufacturer (62% of '07 sales), merchant (19%), and distributor (19%). Foreign sales, 69% of '07 total. '07 depr. rate: 5.9%. Has about 2,410 employees. Officers/directors own 11.2% of stock; Barclay's, 6.4%; Snyder, 5.2%; Dimensional Funds, 6.4%; Royce & Assoc.; 11.1%; Barrington, 5.6% (11/07 proxy). Chairman & CFO: R. A. Stefanko. President & CEO: Joseph M. Gingo. Inc.: DE. Addr.: 3550 W. Market St., Akron, OH 44333. Tel.: 330-666-3751. Internet: www.aschulman.com.

A. Schulman's fiscal second-quarter loss requires an explanation. (Fiscal 2008 ends August 31st.) The bottom-line deficit of $0.13 is GAAP-based and includes an array of relatively minimal charges related to asset impairments, severance costs, lease terminations, and restructuring. Similar charges were included in last year's fiscal second quarter. From a purely operating viewpoint, the company earned $0.12 a share in the second quarter of fiscal 2007 and $0.29 in this year's second interim.

Top-line increases in the second half of fiscal 2008 are unlikely to match those of the first half. The company's North American business has weakened since the end of the fiscal second quarter, due to very sluggish economic conditions. And since 45% of Schulman's U.S. sales are dependent on the domestic auto industry, it is easy to see why top-line advances will be tough to come by. In addition, overseas sales are starting to weaken, and foreign operations are expected to account for 70% of 2008 revenue. Currency gains are unlikely to increase, as the dollar looks to have started stabilizing against the euro.

In an attempt to maintain margins, Schulman has been on a radical cost-cutting streak. Two plants have been shuttered in Texas, the workforce has been cut at the Ohio plant, and an Ontario facility is expected to be closed. Working capital needs should be lowered over the next two years, and lower-margin products are being phased out. Most important, however, raw material purchases are being addressed in a more efficient manner. Admittedly, there is only so much Schulman can do on this front, though, since oil is a major ingredient of its high-performance plastic resins.

This stock has good total return potential. The decent and gradually rising dividend (recently raised to $0.15 a share/quarter) is a pleasant sweetener for the patient investor. That Schulman is gaining a solid footprint in faster-growing and more-lucrative Asian markets is the bright spot. Too, by 2011-2013, the domestic auto market should have recovered and be more interested in Schulman's proprietary *Invision* product, particularly since it is priced so competitively.

Jeremy J. Butler *June 13, 2008*

(A) Fiscal year ends Aug. 31st.
(B) Diluted earnings. Weighted avgerage until '97. Excludes nonrecurring (loss)/gain: '98, (6¢); '04, (16¢); '05 2Q, 22¢.

Next earnings report due late June.
(C) Dividends historically paid in the first week of February, May, August, and November.
(D) In mill., adjusted for stock splits.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	55

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SELECTIVE INSUR. NDQ-SIGI

RECENT PRICE 21.93 | P/E RATIO 10.4 (Trailing: 10.5 Median: 12.0) | RELATIVE P/E RATIO 0.65 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 4 Lowered 5/9/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 6/20/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+105%)	22%
Low	30	(+35%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	1	0	0	0
Options	0	1	0	2	0	2	0	1	0
to Sell	0	0	0	1	1	2	0	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	61	62	82
to Sell	91	79	76
Hld's(000)	40532	39574	38649

High: 14.2 14.6 11.3 12.9 14.1 15.7 16.5 23.0 29.6 29.2 29.1 27.0
Low: 9.2 8.3 7.3 10.0 9.7 10.9 15.9 20.9 24.9 19.0 20.4

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
2-for-1 split 12/97
2-for-1 split 2/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.2	-8.7
3 yr.	-3.9	27.3
5 yr.	82.8	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
9.97	10.81	12.00	12.88	11.95	11.46	12.67	15.04	16.29	17.29	18.42	20.75	23.57	24.94	26.16	27.94	*29.05*	*30.40*	P/C Prem Earned p sh	*35.75*
1.37	1.41	1.42	1.59	1.67	1.70	1.74	1.82	1.97	1.90	1.92	2.10	2.15	2.39	2.74	3.21	*3.20*	*3.55*	Investment Inc p sh	*4.90*
d.61	d.78	d.62	d.28	d.33	d.02	d.45	d1.03	d1.23	d1.16	d.74	d.49	.70	1.21	.97	.25	*Nil*	*.15*	Underwriting Inc p sh	*.90*
.49	.51	.67	.90	.93	1.14	.87	.94	.51	.50	.75	1.05	1.80	2.24	2.30	2.22	*2.10*	*2.40*	Earnings per sh A	*3.10*
.28	.28	.28	.28	.28	.28	.28	.30	.30	.30	.30	.31	.35	.40	.44	.49	*.52*	*.52*	Div'ds Decl'd per sh B■	*.60*
5.80	5.87	5.81	7.58	8.15	9.58	10.65	10.73	11.46	11.58	12.16	13.73	15.77	17.26	18.81	19.81	*20.75*	*23.10*	Book Value per sh	*28.45*
53.78	55.01	56.67	57.65	58.18	59.01	57.05	53.12	50.41	51.06	53.64	54.60	55.94	56.86	57.27	54.31	*53.00*	*52.00*	Common Shs Outst'g C	*52.00*
87%	112%	114%	106%	105%	124%	108%	87%	78%	104%	101%	99%	119%	142%	144%	122%	*Bold figures are Value Line estimates*		Price to Book Value	*130%*
10.2	13.0	9.9	8.9	9.2	10.5	13.2	9.9	17.7	24.1	16.5	13.0	10.5	10.9	11.8	10.9			Avg Ann'l P/E Ratio	*12.0*
.62	.77	.65	.60	.58	.61	.69	.56	1.15	1.24	.90	.74	.55	.58	.64	.58			Relative P/E Ratio	*.80*
5.5%	4.2%	4.2%	3.5%	3.3%	2.4%	2.4%	3.2%	3.4%	2.5%	2.4%	2.3%	1.8%	1.6%	1.6%	2.0%			Avg Ann'l Div'd Yield	*1.6%*
723.0	799.1	821.3	883.0	988.3	1133.1	1318.4	1418.0	1499.7	1517.3	*1540*	*1580*	P/C Premiums Earned	*1860*
70.2%	74.1%	74.8%	74.3%	72.3%	70.5%	65.7%	63.9%	64.0%	65.9%	*67.0%*	*67.0%*	Loss to Prem Earned	*66.0%*
31.5%	31.4%	31.0%	30.0%	29.2%	29.2%	29.9%	30.0%	31.1%	32.0%	*33.0%*	*32.5%*	Expense to Prem Writ	*31.5%*
-1.7%	-5.5%	-5.8%	-4.3%	-1.5%	.3%	4.3%	6.1%	4.8%	2.2%	*Nil*	*.5%*	Underwriting Margin	*2.5%*
15.9%	15.3%	--	--	20.4%	22.8%	25.1%	27.2%	24.1%	21.7%	*26.0%*	*27.0%*	Income Tax Rate	*27.0%*
53.6	53.7	26.5	26.3	39.5	58.0	112.6	137.1	140.5	124.8	*118*	*132*	Net Profit ($mill)	*170*
5.8%	5.8%	5.9%	5.4%	4.9%	4.8%	4.4%	4.4%	4.6%	4.9%	*4.5%*	*4.5%*	Inv Inc/Total Inv	*4.5%*
2432	2513	2573	2702	3030	3439	3929	4394	4768	5002	*5220*	*5560*	Total Assets ($mill)	*6840*
607.6	570.0	577.8	591.2	652.1	749.8	882.0	981.1	1077.2	1076.0	*1100*	*1200*	Shr. Equity ($mill)	*1480*
8.8%	9.4%	4.6%	4.5%	6.1%	7.7%	12.8%	14.0%	13.0%	11.6%	*10.5%*	*11.0%*	Return on Shr. Equity	*11.5%*
6.1%	6.6%	1.9%	1.9%	3.7%	5.5%	10.8%	11.9%	10.9%	9.3%	*8.0%*	*8.5%*	Retained to Com Eq	*9.5%*
30%	30%	58%	58%	40%	29%	15%	15%	16%	20%	*23%*	*21%*	All Div'ds to Net Prof	*18%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $286.2 mill. *Due in 5 Yrs None*
LT Debt $286.2 mill. LT Interest $23.0 mill.
Includes: $8.7 mill. 4.25% senior unsecured notes ('32), convertible into common stock at $29.29/sh. (22% of Cap'l)
Leases, *Uncapitalized* $11.2 million.
Pension Assets-12/07 $148 mill. Oblig. $153 mill.
Pfd Stock None
Common Stock 53,306,769 shs.

Market Cap: $1.2 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	2946.9	3079.3	3026.0
Stocks	307.4	274.7	232.8
Mortgages	--	--	--
Other	1513.4	1648.0	1711.7
Total Assets	4767.7	5002.0	4970.5
Unearned Prems	791.5	841.3	850.5
Reserves	2288.8	2542.6	2567.3
Other	610.2	542.0	507.0
Total Liab'ties	3690.5	3925.9	3924.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	8.0%	8.5%	*6.0%*
Invest Income	5.5%	7.5%	*11.0%*
Earnings	8.5%	31.0%	*6.5%*
Dividends	4.5%	8.0%	*6.0%*
Book Value	8.0%	9.5%	*8.5%*

Calendar	NET PREM. EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	342.7	350.5	361.1	363.7	1418.0
2006	370.2	374.8	377.6	377.1	1499.7
2007	380.0	376.3	378.3	382.7	1517.3
2008	381.3	*380*	*382*	*396.7*	*1540*
2009	*390*	*390*	*395*	*405*	*1580*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.52	.51	.58	.63	2.24
2006	.57	.53	.59	.61	2.30
2007	.50	.49	.63	.60	2.22
2008	.36	*.52*	*.60*	*.62*	*2.10*
2009	*.48*	*.56*	*.66*	*.70*	*2.40*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.085	.085	.085	.095	.35
2005	.095	.095	.095	.11	.40
2006	.11	.11	.11	.11	.44
2007	.12	.12	.12	.13	.49
2008	.13	.13			

BUSINESS: Selective Insurance Group, Inc. is a holding company for five property/casualty insurance companies. (Main subsidiary: Selective Insurance Company of America.) Markets products primarily in the East and Midwest. New Jersey accounted for 30% of premiums written in '07; 33% in '06. Mix of 2007 premiums written: personal lines, 13%; commercial lines, 87%. Commercial premiums by industry (as percentage of total): automobile, 24%; general liability, 31%; workers' compensation, 25%; other, 20%. Has about 2,100 employees. Officers/directors own 4.0% of common stock (4/08 Proxy). Chairman, President & CEO: Gregory E. Murphy. Inc.: N.J.. Address: 40 Wantage Ave., Branchville, N.J. 07890. Telephone: 973-948-3000. Internet: www.selective.com.

We think Selective Insurance will post its second consecutive year of declining earnings in 2008. The insurer started this year off on rough ground with net premiums earned barely improving in the first quarter, and operating earnings decreasing 35%, year over year. Specifically, higher losses in the commercial auto segment and pricing pressures were the primary factors behind the 300-basis-point deterioration in the insurer's combined ratio in the March interim. What's more, we believe that over the next few quarters, Selective will face greater competition, lower retention on larger accounts, and flat renewal pricing. As a result, growth in the personal and commercial automobile lines' premiums earned will likely be minimal. Our assumption for lower investment income this year also does not augur well for the profits. All told, we expect the bottom line to drop 5% in 2008, to $2.10.

Earnings should make a recovery in 2009. The underwriting margin will probably not improve much over the next year, given our expectations for intensified competition in the standard commercial lines and personal lines. In addition, we think that the premium pricing environment will remain relatively soft through 2009, thereby limiting premium growth to 2.5%. However, the insurer should be able to improve the expense ratio by about 50 basis points through greater cost-cutting. Also, Selective will likely maintain adequate reserves to cover any unusual events. Finally, the company ought to remain successful at gaining new business, assuming retention of its solid underwriting efforts and technological advantage over new market entrants.

The bottom line should advance at a mid-single-digit pace over the pull to 2011–2013. Ongoing reserve strengthening and decent premium growth will likely offset greater catastrophe losses. Further, prospects for an improving economic picture over this time frame presage investment income growth.

This equity has slipped 12% since our March review. Additionally, it is ranked to underperform the broader markets in the year ahead, and only offers average capital appreciation potential over the next 3 to 5 years.

Randy Shrikishun *June 20, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	80
Earnings Predictability	70

(A) Diluted eqs. Excludes cap'l gains/losses beginning in 2002: '05, 9¢. Excl. loss from discontinued ops.: '01, 1¢. Next eqs. report due late July. (B) Dividends historically paid in early-March, June, September, December. ■ Div'd reinvestment plan available. (C) In mill., adj. for stock splits.

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SHAW COMM. 'B' TSE-SJR.B.TO E F

RECENT PRICE 20.06 | P/E RATIO 18.4 (Trailing: 20.1 Median: NMF) | RELATIVE P/E RATIO 1.13 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 3 Lowered 2/22/08
SAFETY 3 Raised 7/2/04
TECHNICAL 3 Raised 6/20/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+175%)	31%
Low	35	(+75%)	18%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	69	87	68
to Sell	66	52	78
Hld's(000)	209398	220004	235579

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	4.1	9.4	17.0	22.8	18.3	17.3	10.3	12.2	13.6	18.8	28.7	24.9								
Low:	1.9	3.7	9.0	11.8	13.3	5.1	6.1	9.9	10.3	12.4	18.4	17.0								
	.81	1.14	1.13	1.58	2.18	2.46	2.37	2.03	2.36	3.39	4.07	4.48	4.49	5.02	5.85	6.43	7.10	7.75	Revenues per sh AG	9.90
	.20	.26	.28	.34	.29	.45	.37	.49	.82	.70	.53	1.08	1.30	1.45	1.80	2.00	2.40	2.65	"Cash Flow" per sh	3.50
	.10	.12	.15	.12	d.01	.06	d.08	.06	.23	d.43	d.72	d.19	.12	.27	.48	.89	1.05	1.20	Earnings per sh BG	1.80
	.02	.03	.02	.02	.02	.02	.02	.02	.02	.03	.03	.04	.08	.16	.30	.57	.72	.84	Div'ds Decl'd per sh C	1.05
	.13	.26	.35	.33	.88	.81	.79	.87	1.42	1.79	1.60	.56	.55	.77	1.23	1.29	1.60	1.65	Cap'l Spending per sh	1.75
	.97	1.07	1.68	1.82	2.03	2.07	2.64	3.43	4.49	3.41	4.53	3.89	3.89	3.53	4.30	4.62	5.00	5.55	Book Value per sh	7.00
	204.60	205.12	254.86	279.99	280.01	280.06	330.20	359.22	411.25	463.54	463.70	463.71	462.94	439.96	420.00	431.33	430.00	425.00	Common Shs Outst'g D	420.00
	20.5	19.5	20.3	18.7	--	39.0	--	NMF	NMF	--	--	--	NMF	43.1	29.7	23.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	26.0
	1.24	1.15	1.33	1.25	--	2.25	--	NMF	NMF	--	--	--	NMF	2.29	1.58	1.22			Relative P/E Ratio	1.75
	.8%	1.2%	.6%	.8%	.8%	.7%	.4%	.2%	.1%	.2%	.2%	.5%	.8%	1.3%	2.1%	2.8%			Avg Ann'l Div'd Yield	3.0%
							783.8	728.3	971.0	1572.0	1888.6	2076.7	2079.7	2209.8	2459.3	2774.4	3050	3300	Revenues ($mill) AG	4150
							40.3%	43.0%	41.0%	29.3%	33.5%	39.5%	44.8%	44.4%	43.5%	44.7%	48.0%	48.0%	Operating Margin	48.5%
							147.0	159.1	219.6	471.4	577.9	586.2	545.4	541.0	550	473.1	600	625	Depreciation ($mill)	700
							d10.1	41.6	118.5	d147.4	d288.3	d47.8	94.9	138.1	204.3	388.5	430	510	Net Profit ($mill)	760
							NMF	43.6%	31.3%	--	--	--	44.8%	37.8%	35.0%	26.9%	35.0%	35.0%	Income Tax Rate	35.0%
							NMF	5.7%	12.2%	NMF	NMF	NMF	4.8%	6.2%	8.3%	14.0%	14.1%	15.5%	Net Profit Margin	17.8%
							d189.3	d218.6	d498.0	d242.5	d267.8	d536.6	d679.6	d383.4	d644.3	d271.7	d200	d50.0	Working Cap'l ($mill)	250
							1225.3	1337.3	1590.3	4155.7	3469.6	2645.5	2307.6	2693.4	2995.9	2771.3	2600	2600	Long-Term Debt ($mill)	2600
							1415.6	1777.6	2390.4	2273.7	2789.5	2495.1	2492.0	2053.1	1809.7	1994.0	2150	2350	Shr. Equity ($mill)	2950
							2.2%	2.9%	4.5%	NMF	NMF	1.5%	4.0%	5.2%	6.5%	10.4%	11.0%	12.5%	Return on Total Cap'l	17.0%
							NMF	2.3%	5.0%	NMF	NMF	NMF	3.8%	6.7%	11.5%	19.5%	20.0%	21.5%	Return on Shr. Equity	25.0%
							NMF	.8%	4.4%	NMF	NMF	NMF	1.1%	1.7%	4.0%	9.4%	8.5%	9.5%	Retained to Com Eq	13.0%
							NMF	76%	32%	NMF	NMF	NMF	79%	81%	64%	52%	52%	51%	All Div'ds to Net Prof	43%

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 2/00
2-for-1 split 7/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.9	-9.7
3 yr.	67.4	27.3
5 yr.	168.6	85.8

CAPITAL STRUCTURE as of 2/29/08
Total Debt $2645.6 mill. Due in 5 Yrs $1500.0 mill.
LT Debt $2645.1 mill. LT Interest $230.0 mill.
(Interest not covered.) (57% of Cap'l)

Leases, Uncapitalized None

No Defined Benefit Pension Plan

Common Stock 430,875,570 shs.
Consisting of 22,563,064 mill. Cl. A voting shares and 408,312,512 mill. Cl. B non-voting shs.

MARKET CAP: $8.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	2/29/08
Cash Assets	--	165.3	--
Receivables	154.6	155.5	173.3
Inventory (FIFO)	53.7	60.6	63.3
Other	21.2	208.8	209.1
Current Assets	229.5	590.2	445.7
Accts Payable	421.3	441.4	475.4
Debt Due	297.2	297.2	.5
Other	155.3	123.3	169.2
Current Liab.	873.8	861.9	645.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	14.0%	15.5%	13.5%
"Cash Flow"	15.5%	18.0%	17.0%
Earnings	--	--	61.0%
Dividends	15.5%	34.0%	29.5%
Book Value	9.5%	1.5%	10.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	537.1	549.9	559.9	562.9	2209.8
2006	589.5	611.2	626.7	631.9	2459.3
2007	671.0	685.7	702.2	715.5	2774.4
2008	743.8	763.2	768	775	3050
2009	800	825	825	850	3300

Fiscal Year Ends	EARNINGS PER SHARE A B Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	.02	.08	.08	.09	.27
2006	.09	.12	.15	.12	.48
2007	.19	.19	.21	.31	.90
2008	.26	.26	.26	.27	1.05
2009	.30	.29	.30	.31	1.20

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.025	.025	.035	.035	.120
2005	.015	.04	.05	.05	.155
2006	.055	.065	.09	.09	.30
2007	.125	.14	.165	.165	.595
2008	.18	.18			

BUSINESS: Shaw Communications Inc. is the second-largest multiple-system cable TV operator in Canada. The cable TV unit (72% of 2007 revenues) serves 2.2 million basic cable and 1.5 million Internet subscribers, mainly in Alberta and British Columbia. Also provides satellite TV and services (25%). Cancom (94%-owned) results consolidated with those of Shaw as of 7/00. Acq'd: Moffat Comm., 3/01; Monarch Cablesystems, 3/04. Radio broadcasting div. was spun off (9/1/99). 2007 depr. rate: 9%. JR Shaws control 78.8% of Cl. A shares (12/07 proxy). Chrmn: JR Shaw. Pres.: Peter Bissonnette. CEO: Jim Shaw. Inc.: Alberta. Addr.: Suite 900, 630-3rd Ave. S.W., Calgary, Alberta T2P 4L4 Canada. Tel.: 403-750-4500. Web: www.shaw.ca.

Shaw Communications reported strong results during the fiscal second quarter (year ends August 31, 2008). The company posted earnings of $0.26 a share during the interim, up 37% from last year's figure. Healthy subscriber growth and increased demand for add-on services have contributed to profits. These positive trends ought to continue for the remainder of this year. We target earnings of $1.05 a share in fiscal 2008, on a 10% top-line advance. In 2009, share net may well increase another 12%–15% based on further market-share gains in Canada.

Cable television and Internet sales continue to lead the way. The proliferation of high-definition televisions resulted in more digital cable subscribers. This segment's customer base climbed 11%, year over year, in the second quarter. Also, satellite revenue advanced decently thanks to improved penetration in rural areas. Price increases have also helped. Investments in on-demand and its HDTV offering should begin to reap benefits for the company. Meanwhile, Shaw continues to experience success at its online segment, with over 1.5 million subscribers installed. Overall penetration currently stands at roughly 67%, with this figure likely to rise further in the coming months.

The company ought to benefit from gains in digital phone sales. Shaw continues to build its footprint in Canada, which augurs well for increases in its customer base. Service was recently added to include new regions in both Ontario and Saskatchewan. Digital phone revenues might well increase at a double-digit pace this year.

These shares have above-average price appreciation potential out to the 2011–2013 time frame. We forecast solid annual bottom-line growth for the company over that period based on strengthening prospects in the cable industry. In the meantime, the stock is ranked to mirror the broader market averages over the coming six to 12 months.

Garrett Sussman *June 27, 2008*

CASH POSITION	5-Year Av'g	2/29/08
Current Assets to Current Liabilities:	41%	69%
Cash & Equiv's to Current Liabilities:	1%	NMF
Working Capital to Revenues:	NMF	NMF

Company's Financial Strength	C++
Stock's Price Stability	80
Price Growth Persistence	45
Earnings Predictability	25

(A) Fiscal years end August 31st. (B) Diluted earnings. Excl. non-recurring gains (losses): '95, $0.02; '96, $0.48; '98, $0.16; '04 ($0.03); '05 $0.10; '06, $0.43. Incl. invest. gains: '00, $0.93. Next earnings report due early July. (C) Div'd. info. pertains to Class B non-voting shares. Dividends paid monthly beginning in March '05. (D) In mill., adj. for stock splits. (E) All figures in Canadian dollars and Canadian GAAP. (F) Also trades on the NYSE, under the SJR ticker symbol. (G) Excl. media div. oper. results from 9/1/98.

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SCHLUMBERGER NYSE-SLB

RECENT PRICE 95.91 | P/E RATIO 20.0 (Trailing: 21.7 Median: 31.0) | RELATIVE P/E RATIO 1.28 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 2 Lowered 12/28/07
SAFETY 2 Raised 2/15/08
TECHNICAL 2 Raised 8/15/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

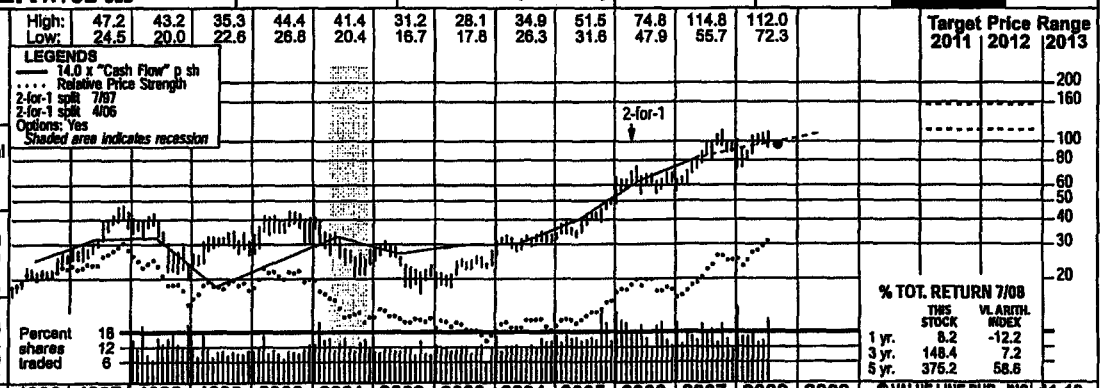
	Price	Gain	Ann'l Total Return
High	155	(+60%)	13%
Low	115	(+20%)	6%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	1	0
Options	1	0	0	0	3	3	1	5	3
to Sell	2	0	0	0	3	3	0	3	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	510	574	544
to Sell	554	544	599
Hld's(000)	941229	927109	927740



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
6.55	6.88	6.91	7.84	9.08	10.69	10.81	7.42	8.39	11.93	11.57	11.85	9.75	12.15	16.33	19.47	22.55	26.25	Sales per sh	37.10
1.42	1.41	1.35	1.51	1.76	2.28	2.32	1.31	1.75	2.35	1.92	2.12	2.18	2.86	4.51	5.94	6.90	7.95	"Cash Flow" per sh	9.95
.69	.60	.55	.67	.87	1.26	1.25	.41	.64	.71	.60	.78	1.03	1.67	3.04	4.18	4.80	5.60	Earnings per sh A	6.75
.30	.30	.30	.36	.38	.38	.38	.38	.38	.38	.38	.38	.38	.41	.48	.70	.81	.84	Div'ds Decl'd per sh B	.95
.84	.71	.81	.97	1.17	1.50	1.73	.70	1.16	1.76	1.17	.87	1.03	1.35	2.09	2.45	3.50	3.50	Cap'l Spending per sh	2.25
4.37	4.52	4.73	5.10	5.71	6.72	7.43	6.82	7.24	7.27	4.81	5.02	5.20	6.45	8.85	12.44	16.30	20.40	Book Value per sh C	37.65
967.34	974.20	969.05	972.55	986.15	996.07	1092.7	1131.9	1145.4	1152.5	1164.3	1171.9	1177.0	1177.6	1177.9	1195.6	1200.0	1200.0	Common Shs Outst'g D	1200.0
22.7	25.9	25.6	23.2	24.6	27.1	25.8	73.0	59.0	40.6	39.9	29.2	30.3	23.7	20.5	20.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.38	1.53	1.68	1.55	1.54	1.56	1.34	4.16	3.84	2.08	2.18	1.66	1.60	1.26	1.11	1.05			Relative P/E Ratio	1.35
1.9%	1.9%	2.1%	2.3%	1.8%	1.1%	1.2%	1.3%	1.0%	1.3%	1.6%	1.7%	1.2%	1.0%	.8%	.8%			Avg Ann'l Div'd Yield	.7%
						11818	8394.9	9611.0	13746	13474	13893	11480	14309	19230	23277	27050	31500	Sales ($mill)	44500
						24.3%	18.5%	21.7%	24.1%	19.4%	17.8%	25.2%	28.7%	33.6%	36.2%	36.2%	36.2%	Operating Margin	32.0%
						1138.3	1020.9	1270.8	1896.1	1545.1	1570.9	1307.9	1351.0	1561.4	1954.0	2275	2600	Depreciation ($mill)	3600
						1394.2	459.7	734.6	809.2	694.4	910.8	1236.1	2022.5	3747.1	5151.7	5900	6900	Net Profit ($mill)	8350
						20.9%	22.9%	23.8%	34.8%	25.1%	28.5%	20.9%	22.8%	24.0%	21.9%	23.0%	23.0%	Income Tax Rate	23.0%
						11.8%	5.5%	7.6%	5.9%	5.2%	6.6%	10.8%	14.1%	19.5%	22.1%	21.8%	21.9%	Net Profit Margin	18.8%
						4886.5	5131.5	3502.3	1487.1	734.5	3574.4	2358.6	3039.2	2730.9	3550.5	4700	4500	Working Cap'l ($mill)	5000
						3285.4	3183.2	3573.0	6215.7	6028.6	6097.4	3944.2	3591.3	4663.9	3794.5	4000	4000	Long-Term Debt ($mill)	4500
						8119.1	7721.0	8295.2	8378.5	5606.1	5881.3	6116.7	7591.6	10420	14876	19550	24450	Shr. Equity ($mill)	45175
						12.9%	5.0%	7.3%	6.9%	7.5%	8.9%	13.2%	18.9%	25.5%	26.1%	25.5%	24.0%	Return on Total Cap'l	17.0%
						17.2%	6.0%	8.9%	9.7%	12.4%	15.5%	20.2%	26.6%	36.0%	34.6%	30.0%	28.0%	Return on Shr. Equity	18.5%
						12.4%	.6%	3.7%	4.5%	4.7%	8.1%	13.0%	20.3%	30.5%	29.4%	25.0%	24.0%	Retained to Com Eq	16.0%
						28%	89%	58%	53%	62%	46%	36%	24%	15%	15%	17%	15%	All Div'ds to Net Prof	14%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $5366.6 mill. Due in 5 Yrs $4018 mill.
LT Debt $4118.5 mill. LT Interest $245.0 mill. (20% of Cap'l)
Leases, Uncapitalized Annual rentals $213 mill.

Pension Assets-12/07 $2170 mill. Oblig. $2030 mill.
Pfd Stock None
Common Stock 1,199,597,272 shs.

MARKET CAP: $115 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	2998.9	3169.0	2899.9
Receivables	4242.0	5361.1	6211.5
Inventory (Avg Cst)	1246.9	1638.2	1800.5
Other	697.9	887.1	985.4
Current Assets	9185.7	11055.4	11897.3
Accts Payable	3848.0	4550.7	4768.6
Debt Due	1321.5	1671.6	1248.1
Other	1285.3	1282.6	1214.7
Current Liab.	6454.8	7504.9	7231.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.5%	8.5%	15.0%
"Cash Flow"	9.0%	17.0%	14.5%
Earnings	12.0%	35.5%	14.5%
Dividends	3.5%	7.0%	10.0%
Book Value	4.5%	7.5%	26.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3159	3429	3698	4023	14309
2006	4238	4687	4955	5350	19230
2007	5464	5639	5926	6248	23277
2008	6290	6746	6925	7089	27050
2009	7325	7850	8050	8275	31500

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.33	.38	.43	.53	1.67
2006	.58	.73	.81	.92	3.04
2007	.96	1.02	1.09	1.11	4.18
2008	1.06	1.16	1.25	1.33	4.80
2009	1.25	1.35	1.45	1.55	5.60

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.094	.094	.094	.094	.38
2005	.094	.094	.105	.105	.40
2006	.105	.125	.125	.125	.48
2007	.175	.175	.175	.175	.70
2008	.175	.21	.21		

BUSINESS: Schlumberger Ltd. is the world's leading oilfield services company. Oilfield Services (87% of revenue; 85% of pretax profit) technologies include wireline, drilling & measurements, well testing, well services, completions, artificial lift, data & consulting services, and information solutions. Western Geco (13%, 15%) offerings include land and marine seismic, multiclient services, reservoir services, and data processing. Has operations in 80 countries. 74% of 2007 revenues were generated outside North America. Employs 80,000. FMR owns 5.9% of common shares; Officers and directors, 3.3% (3/08 Proxy). Chairman & CEO: Andrew Gould. Inc.: Netherlands Antilles. U.S. Address: 5599 San Felipe, 17th Fl., Houston, TX 77056. Tel.: 713-513-2000. Web: www.slb.com.

Schlumberger is benefiting from the broad upturn in the oilfield services industry. Drilling customers have more cash flow with oil prices at record levels. As a result, most of the company's extensive product line is enjoying higher demand, and there's a solid-to-strong tone to the majority of operating regions. These trends point to around a 15% gain in earnings per share this year.

But not everything is great. One soft spot has been drilling in Canada, where changes in the laws affecting producers combined with low natural gas prices to dampen activity in the first half of 2008. A rise in gas prices, plus some new prospects, seems to be helping that region get going again, though. The slow ramp-up of the seismic business—used in oil and gas exploration—is also a concern. A rising backlog has not yet translated into higher revenues. All told, margin growth appears to have slowed, which has kept a lid on the stock price lately.

There is plenty of earnings growth yet to be had. Even assuming relatively stable margins in the coming year, profits still stand to benefit from higher volume. There are 35 new offshore rigs scheduled to begin working in the second half of 2008, and Schlumberger should pick up its fair share of the trade. We now figure share net could climb another 15%-17% in 2009. Moreover, the 180 new rigs set for delivery to customers out to 2012 augur well for an extended business upturn.

The company is boosting its capacity aggressively to meet product demand while the market is hot. The push is broad-based, as the company beefs up its mainstay lines and increases its technological edge by way of niche acquisitions. The reward promises to be higher profits down the road. Extra strong cash flow is supporting the expansion.

This good-quality stock remains a timely consideration. The latest earnings release indicated that things are basically fine here. But there is some concern that oil prices—which skyrocketed before pulling back—are hurting the global economy. That, in turn, could reduce oil usage and limit the demand for oilfield services. The developing sideways pattern in the stock suggests some recognition of this.

Robert Mitkowski, Jr. *August 15, 2008*

(A) Based on diluted earnings. Excludes nonrecurring gains (losses): '93, ($1.03); '98, (68¢); '99, (16¢); '01, (47¢); '02, ($5.21); '03, (88¢); '04, (2¢); '05, 28¢; '06, (3¢); '08, 3¢. Next earning report due mid-October.
(B) Dividends historically paid early January, April, July, and October.
(C) Includes intangibles. In '07: $5.1 bill., or $4.30/share.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	60
Price Growth Persistence	55
Earnings Predictability	65

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SILGAN HOLDINGS NDQ-SLGN

RECENT PRICE 50.66 | P/E RATIO 14.1 (Trailing: 15.9 Median: 10.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Raised 5/2/08
SAFETY 3 Raised 10/5/06
TECHNICAL 2 Raised 6/27/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

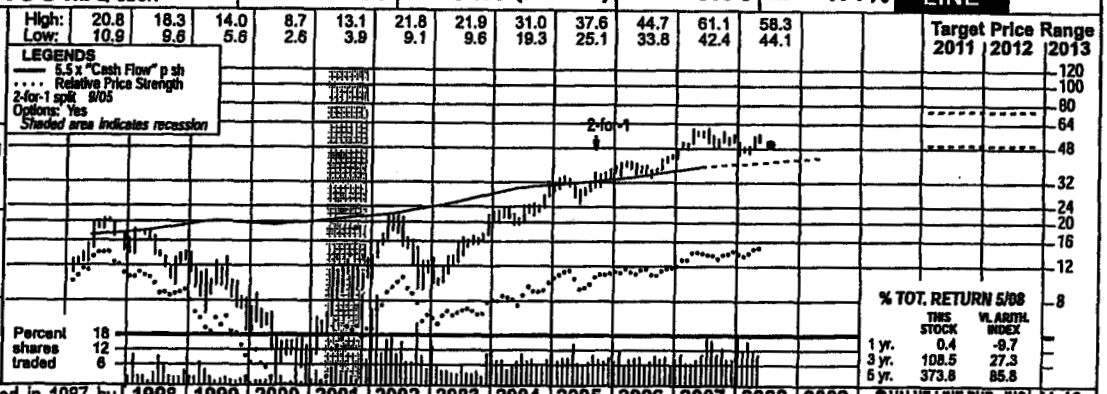
	Price	Gain	Ann'l Total Return
High	75	(+50%)	11%
Low	50	(Nil)	1%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	1	0	0	2	0	0
to Sell	0	0	0	2	0	0	2	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	94	87	83
to Sell	81	79	91
Hld's(000)	27160	26854	27472



Silgan Holdings was founded in 1987 by Co-Chief Executive Officers, R. Philip Silver and D. Greg Horrigan, who are former senior member managers, of Continental Group's packaging operations. The company went public in 1996, but the two co-CEO's maintained a major stake in the company. Since its inception, the company has had an appetite for acquisitions, purchasing 19 businesses in 17 years.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1225.7 mill. Due in 5 Yrs $900.0 mill.
LT Debt $895.3 mill. LT Interest $58.5 mill.
(Total Interest Coverage:4.0x) (63% of Cap'l)

Leases, Uncapitalized: Annual rentals $28.3 mill.

Pension Assets $368.4 mill.
Oblig. $430.3 mill.

Pfd Stock None
Common Stock 37,799,554 shs.
as of 4/30/08
MARKET CAP: $2.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	16.7	95.9	169.1
Receivables	232.4	219.8	282.1
Inventory (Avg Cst)	426.6	427.8	517.7
Other	42.1	27.7	29.6
Current Assets	717.8	771.2	998.5
Accts Payable	299.9	273.0	234.4
Debt Due	26.4	112.9	330.4
Other	106.7	105.0	131.7
Current Liab.	433.0	490.9	696.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.0%	6.0%	4.0%
"Cash Flow"	8.0%	11.0%	6.5%
Earnings	10.5%	20.0%	9.5%
Dividends	--	--	11.0%
Book Value	--	80.5%	20.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	530.1	581.2	797.5	586.8	2495.6
2006	569.9	597.2	856.4	644.0	2667.5
2007	650.8	683.6	904.8	683.8	2923.0
2008	679.8	710	935	715.2	3040
2009	700	730	965	730	3125

Calendar	EARNINGS PER SHARE A E Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.35	.59	1.20	.37	2.51
2006	.48	.53	1.19	.69	2.88
2007	.77	.74	1.26	.55	3.32
2008	.63	.80	1.47	.70	3.60
2009	.65	.90	1.60	.80	3.95

Calendar	QUARTERLY DIVIDENDS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.075	.075	.075	.23
2005	.10	.10	.10	.10	.40
2006	.12	.12	.12	.12	.48
2007	.16	.16	.16	.16	.64
2008	.17	.17			

© VALUE LINE PUB., INC	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
Sales per sh	47.62	52.91	53.03	54.36	54.53	63.27	65.43	66.96	70.97	77.45	81.05	83.35	93.25
"Cash Flow" per sh	3.29	3.69	3.52	3.76	4.03	4.63	5.45	5.79	6.27	7.01	7.40	7.85	9.45
Earnings per sh A	1.21	1.34	.99	1.07	1.42	1.59	2.27	2.51	2.88	3.32	3.60	3.95	5.05
Div'ds Decl'd per sh	--	--	--	--	--	--	.23	.40	.48	.64	.68	.76	.96
Cap'l Spending per sh	2.36	2.49	2.52	2.61	3.27	2.90	2.78	2.39	3.24	4.11	3.60	3.75	4.05
Book Value per sh B	d1.57	d1.39	d.58	.42	1.73	3.31	5.61	7.33	9.75	13.25	15.95	19.20	29.95
Common Shs Outst'g C	36.51	35.09	35.41	35.71	36.46	36.55	36.99	37.27	37.59	37.74	37.50	37.50	37.00
Avg Ann'l P/E Ratio	11.9	7.2	5.2	8.2	10.7	9.0	10.2	12.6	13.5	15.9	Bold figures are Value Line estimates		12.0
Relative P/E Ratio	.62	.41	.34	.42	.58	.51	.54	.67	.73	.83			.80
Avg Ann'l Div'd Yield	--	--	--	--	--	--	1.0%	1.3%	1.2%	1.2%			1.5%
Sales ($mill)	1738.7	1856.8	1877.5	1941.0	1988.3	2312.2	2420.4	2495.6	2667.5	2923.0	3040	3125	3450
Operating Margin	13.1%	13.1%	13.1%	13.3%	13.2%	12.4%	13.1%	13.2%	13.7%	14.0%	13.5%	14.0%	15.0%
Depreciation ($mill)	74.3	82.1	89.0	95.5	94.9	110.7	118.5	121.2	126.2	138.0	140	145	160
Net Profit ($mill)	45.9	47.4	35.5	38.6	52.2	58.6	83.2	94.7	109.3	126.6	135	150	190
Income Tax Rate	36.9%	36.2%	39.1%	40.0%	39.5%	40.0%	41.2%	39.1%	33.0%	36.5%	36.0%	36.0%	37.0%
Net Profit Margin	2.6%	2.6%	1.9%	2.0%	2.6%	2.5%	3.4%	3.8%	4.1%	4.3%	4.5%	4.8%	5.5%
Working Cap'l ($mill)	98.9	81.9	147.7	119.9	204.9	194.5	211.5	200.3	284.8	280.3	345	395	535
Long-Term Debt ($mill)	891.0	843.9	986.5	886.8	936.7	953.9	819.9	699.5	929.2	879.6	850	775	500
Shr. Equity ($mill)	d57.3	d48.7	d20.4	15.1	63.1	120.8	207.4	273.4	366.5	500.1	600	720	1110
Return on Total Cap'l	10.4%	11.4%	8.5%	8.9%	8.5%	8.7%	10.5%	11.9%	10.7%	11.3%	11.0%	11.5%	12.5%
Return on Shr. Equity	--	--	--	NMF	NMF	48.5%	40.1%	34.6%	29.8%	25.3%	23.0%	21.0%	17.0%
Retained to Com Eq	--	--	--	NMF	NMF	48.5%	36.1%	29.2%	24.9%	20.5%	18.5%	17.0%	14.0%
All Div'ds to Net Prof	--	--	--	--	--	--	10%	16%	17%	19%	19%	19%	19%

BUSINESS: Silgan Holdings, Inc. manufactures consumer goods packaging products. It produces steel and aluminum containers for human and pet food; customer-designed plastic containers for personal care, healthcare, food, pharmaceutical, and household products; and specialty packaging items, including metal caps, plastic bowls, and paper containers. The company has over 60 manufacturing facilities throughout North America. Has around 8,400 employees. Officers & directors own 34.3% of outstanding common shares (4/08 Proxy). President & CEO: Anthony J. Allott. Co-chairmen: R. Philip Silver & D. Greg Horrigan. Inc. Delaware. Address: 4 Landmark Square, Suite 400, Stamford, CT 06901. Telephone: (203) 975-7110. Internet: www.silganholdings.com.

Silgan Holdings continues to face a very volatile price/cost environment. As oil continues its record run, the cost of raw materials remains a persistent obstacle. Silgan continues to battle these inflating input costs, however, with price increases. Double-digit metal food can price hikes are already on tap for 2008. The plastics segment, meanwhile, has been slow to pass through much of these higher costs. But product price increases, albeit at a lower rate than most contractually protected can hikes, are likely to come to fruition here this year, as well. And, although resin costs appear to be still on the rise, the supply/demand situation signals that a price regression may develop by yearend, which would relieve some margin pressure within the plastics segment.

Sales growth of 3%-5% is likely this year and next. Innovation remains vital, and the recent acquisition should bolster SLGN's footing in the niche closures segment. Further, Silgan should continue to shift the remainder of its metal can product mix to higher-margin EZ Open tops.

Internal cost reductions remain a priority. A focus on trimming overhead costs should help margin expansion return in 2009. Indeed, plant consolidation is already under way on the metal food can side, while reduced SG&A expenses ought to help the plastics closures business.

This stock appears to be a bit overvalued at its recent quotation. The company's earnings did not decline as far as the market had anticipated in the first quarter, with the ensuing relief rally lifting the share price about 10% since our April report. Despite the stronger-than-expected start, we are leaving our 2008 and 2009 share-earnings estimates unchanged. And, although we believe the profits will continue to advance in the high-single-digit range over the long haul, investors appear to have priced in much of this growth. In fact, these shares are already trading within our 3- to 5-year Target Price Range. **The issue has little appeal for long-term investors for now.**

Jason A. Smith *July 4, 2008*

CASH POSITION	5-Year Av'g	3/31/08
Current Assets to Current Liabilities:	152%	143%
Cash & Equiv's to Current Liabilities:	9%	24%
Working Capital to Sales:	9%	10%

(A) Diluted earnings. Excludes nonrecurring items, net: '02, $1.09; '03, (90¢); '04, 8¢; '05, (19¢); '06, (14¢); '07, (10¢); '08 Q1, (8¢). Next earnings report early Aug.
(B) Includes intangibles. In '07: $310.7 million, $8.23/share.
(C) In millions, adj. for split. (D) Dividends historically paid mid-Mar., mid-Jun., mid-Sept., mid-Dec.
(E) Total may not sum due to rounding.

Company's Financial Strength	C++
Stock's Price Stability	70
Price Growth Persistence	80
Earnings Predictability	85

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SCOTTS MIRACLE-GRO NYSE-SMG

RECENT PRICE 19.72 | P/E RATIO 9.9 (Trailing: 12.8 Median: 20.0) | RELATIVE P/E RATIO 0.63 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 4 Lowered 4/25/08
SAFETY 3 Lowered 4/6/07
TECHNICAL 3 Raised 7/4/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+230%)	36%
Low	45	(+130%)	24%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	0	0	3	0	0	
to Sell	2	0	0	0	2	0	3	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	98	87	110
to Sell	115	117	97
Hld's(000)	43160	43269	43120

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:					15.9	20.8	24.0	21.0	23.9	25.4	30.3	37.0	48.1	54.7	57.4	40.7			Target Price Range	
Low:					9.8	13.0	16.0	14.1	16.6	17.4	22.9	27.9	33.2	37.2	33.5	19.3			2011 2012 2013	
9.79	11.06	14.38	19.60	20.24	24.09	30.40	44.79	31.62	30.45	29.25	29.85	31.07	34.95	40.50	44.80	45.80	48.85	Sales per sh A	58.45
.73	.93	.88	1.18	.74	1.61	2.11	3.18	2.38	1.38	2.40	2.44	2.41	2.47	3.00	2.82	3.15	3.40	"Cash Flow" per sh	4.60
.42	.54	.64	.44	.02	.80	.81	1.14	1.13	.26	1.60	1.62	1.51	1.47	1.91	1.69	2.00	2.25	Earnings per sh B	3.30
--	--	--	--	--	--	--	--	--	--	--	--	--	.13	.50	.50	.50	.50	Div'ds Decl'd per sh C	1.00
.47	.38	.79	.83	.49	.76	1.13	1.81	1.30	1.10	.95	.81	.54	.60	.86	.84	1.10	1.00	Cap'l Spending per sh	1.15
4.17	3.39	3.99	5.52	5.03	5.67	6.19	7.32	8.56	8.82	9.67	11.38	13.33	15.14	16.24	7.48	9.00	10.85	Book Value per sh D	18.45
42.15	42.15	42.16	37.39	37.15	37.40	36.81	36.80	55.80	57.40	60.20	64.00	65.60	67.80	66.60	64.10	64.50	64.50	Common Shs Outst'g E	65.00
20.0	16.4	14.0	21.8	NMF	14.8	20.0	16.8	16.0	75.9	14.0	15.8	20.4	24.4	23.2	27.8	Bold figures are		Avg Ann'l P/E Ratio	17.0
1.21	.97	.92	1.46	NMF	.85	1.04	.96	1.04	3.89	.76	.90	1.08	1.30	1.25	1.46	Value Line		Relative P/E Ratio	1.15
--	--	--	--	--	--	--	--	--	--	--	--	--	.3%	1.1%	1.1%	estimates		Avg Ann'l Div'd Yield	1.8%
1113.0	1648.3	1764.3	1747.7	1760.6	1910.1	2037.9	2389.3	2697.1	2871.8	2955	3150	Sales ($mill) A	3800
14.0%	13.5%	13.7%	8.6%	16.1%	13.4%	13.3%	12.4%	14.3%	12.9%	12.5%	12.5%	Operating Margin	13.5%
37.8	60.2	66.3	63.6	43.5	52.2	57.7	57.2	67.0	67.5	70.0	75.0	Depreciation ($mill)	100
49.1	69.1	73.1	15.5	101.0	103.8	100.5	100.4	132.7	113.4	130	145	Net Profit ($mill)	200
40.3%	40.9%	37.1%	46.0%	38.0%	36.4%	36.6%	36.5%	37.7%	39.7%	36.0%	36.0%	Income Tax Rate	36.0%
4.4%	4.2%	4.1%	.9%	5.7%	5.4%	4.9%	4.2%	4.9%	3.9%	4.4%	4.6%	Net Profit Margin	5.3%
135.3	274.8	234.1	249.1	278.3	364.4	396.7	301.6	445.8	412.7	450	480	Working Cap'l ($mill)	580
359.2	893.6	813.4	816.5	731.2	702.2	608.5	382.4	475.2	1031.4	980	900	Long-Term Debt ($mill)	600
403.9	443.3	477.9	506.2	593.9	728.2	874.6	1026.2	1081.7	479.3	580	700	Shr. Equity ($mill)	1200
8.5%	8.1%	9.1%	4.3%	10.2%	9.4%	8.3%	8.5%	9.8%	9.7%	11.0%	11.5%	Return on Total Cap'l	12.0%
12.2%	15.6%	15.3%	3.1%	17.0%	14.3%	11.5%	9.8%	12.3%	23.7%	22.5%	20.5%	Return on Shr. Equity	17.5%
17.3%	21.2%	14.0%	3.1%	17.0%	14.3%	11.5%	8.9%	9.2%	16.2%	17.0%	16.0%	Retained to Com Eq	12.5%
20%	18%	9%	--	--	--	--	9%	25%	31%	22%	All Div'ds to Net Prof	30%

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-37.9	-9.7
3 yr.	-17.6	27.3
5 yr.	18.1	85.8

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 11/05
Options: Yes
Shaded area indicates recession

2-for-1

Percent shares traded 18 12 6

CAPITAL STRUCTURE as of 3/29/08
Total Debt $1727.7 mill. Due in 5 Yrs $1113.8 mill.
LT Debt $1445.9 mill. LT Interest $85.0 mill.
(Total Int. coverage: 2.4x)
(76% of Cap'l)
Leases, Uncapitalized Annual rentals $37.5 mill.
Pension Assets-9/07 $221 mill. Oblig. $249 mill.
Pfd Stock None

Common Stock 64,518,590 shs.
as of 5/1/08
(Options Exercisable 5.3%)
MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	48.1	67.9	76.9
Receivables	380.4	397.8	1035.1
Inventory (FIFO)	409.2	405.9	625.1
Other	104.3	127.7	159.7
Current Assets	942.0	999.3	1896.8
Accts Payable	200.4	202.5	368.0
Debt Due	6.0	86.4	281.8
Other	289.8	297.7	421.2
Current Liab.	496.2	586.6	1071.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	5.5%	6.5%
"Cash Flow"	9.0%	6.0%	9.0%
Earnings	15.0%	11.5%	12.0%
Dividends	--	--	16.0%
Book Value	9.0%	7.5%	6.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Dec.Per.	Mar.Per.	Jun.Per.	Sep.Per.	Full Fiscal Year
2005	246.5	813.4	901.2	406.2	2369.3
2006	249.5	907.5	1048	492.1	2697.1
2007	271.2	993.3	1098.4	508.9	2871.8
2008	308.7	958.0	*1148.3*	*540*	*2955*
2009	*330*	*1050*	*1200*	*570*	*3150*

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.Per.	Mar.Per.	Jun.Per.	Sep.Per.	Full Fiscal Year
2005	d.95	1.22	1.29	d.13	1.47
2006	d.78	1.36	1.92	d.64	1.91
2007	d.88	1.23	1.98	d.63	1.69
2008	d.89	1.19	*1.86*	*d.16*	*2.00*
2009	*d.90*	*1.30*	*2.00*	*d.15*	*2.25*

Cal-endar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	.125	.125	.25
2006	.125	.125	.125	.125	.50
2007	.125	.125	.125	.125	.50
2008	.125	.125			

BUSINESS: The Scotts Miracle-Gro Company (formerly Scotts Co.) is the world's largest maker and marketer of turf & horticultural products. Brand names include *Scotts, Turf Builder, Ortho & Miracle-Gro.* Foreign sales: 18.4% of '07 total. Acquired Republic, 11/92; Grace-Sierra, 12/93; Miracle-Gro, 5/95; Miracle Garden Care, 1/97; Emerald Green, 10/97; Levington Ltd., 12/97; Ortho, 12/98; Rhone-Poulenc, 1/99; Smith & Hawken, 10/04; Morning Song, 11/05. Has 6,120 empls. Hagedorn Partnership owns 32.4% of common; Off. & Dir., 35.5% (incl. Hagedorn Partnership shares); three institutions, 25.8% (12/07 Proxy). CEO: James Hagedorn. Incorporated: Ohio. Address: 14111 Scottslawn Road, Marysville, OH 43041. Tel.: 937-644-0011. Internet: www.scottscompany.com.

Scotts Miracle-Gro's near-term prospects have weakened. (So, too, has its stock price, which recently fell to a six-year low). The major damage started in early May when the company reported March-quarter earnings, and lowered 2008 share guidance from $2.37 to the $2.00-$2.20 range. The main reasons for the reduced expectations were 1) a slow start to the lawn and garden season weather-wise; 2) the impact of the economic slowdown on lawn services and Smith & Hawken (outdoor living products); 3) recalls from two product lines that will likely trim share net by $0.10; and 4) a spike in urea costs. Until these conditions improve, untimely Scotts shares may continue to lag the market

Our earnings estimates for fiscal 2009 (begins October 1st) and beyond have been cut significantly. Investors are concerned about commodity prices such as urea (fertilizers) and grains (birdseed). With Scotts recently losing a modest share of the fertilizer market, we believe the category leader won't be able to pass along all of its increased urea costs. We remain cautious about consumer spending for lawn services, and their trading-down approach. The absence of recall expenses, though, should be a plus going forward.

Key competitors are hurting, as well. Spectrum Control is unprofitable and Central Garden & Pet is modestly positive. Scotts spends more on advertising than these and other rivals combined. An added impediment to competitors' growth is Scotts having merchandisers and in-store counselors at its leading retail customers. So, Scotts should boost its market share.

Long-term investors might consider taking advantage of Scotts' current problems. The company should benefit from favorable demographic trends, namely gardening correlating with an aging population, and the population moving to warmer climates, which have longer growing seasons. Scotts has over a 50% share of the lawn and garden market, and a large research budget. Balance sheet deleveraging is also likely to bolster earnings. Furthermore, should CEO Jim Hagedorn adhere to his planned retirement in about three years, his family, which controls Scotts, might opt to sell the company.

Jerome H. Kaplan *July 4, 2008*

(A) Fiscal year ends Sept. 30th.
(B) Prim. egs. through 1997, dil. thereafter. Incl. non-rec. gains/(losses): '92, $0.01; '93, ($0.34); '94, ($0.02); '95, $0.14; '98, ($0.26); '98, ($0.32); '00, ($0.11); '01, ($.80); '02, ($0.05); '03, ($0.17); '04, ($.52); '05, ($0.74); '06 ($.71); '07 ($.68). Next egs. rpt. due late July. (C) Div'ds paid early Mar., June, Sept., and Dec. Excl. $8.00 special paid 3/07. (D) Incl. intang. As of 9/30/07: $881.7 million, $13.75/share. (E) In mill., adj. for stock split. (F) Qtrs do not add to total due to share changes.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	80
Earnings Predictability	30

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SNAP-ON INC. NYSE-SNA

RECENT PRICE 50.00 | P/E RATIO 12.5 (14.1 / 10.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 2 Raised 5/2/08
SAFETY 2 Raised 11/10/95
TECHNICAL 2 Raised 7/4/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+130%)	25%
Low	85	(+70%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	3	2	4	1
to Sell	0	0	1	0	0	3	2	3	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	131	134	156
to Sell	129	126	120
Hld's(000)	49828	50305	51092

	High:	48.3	48.4	37.8	32.4	34.4	35.2	32.4	34.7	38.7	48.7	57.8	62.2
	Low:	34.3	25.5	26.4	20.9	21.2	20.7	22.6	27.2	30.6	36.4	44.6	37.9

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 9/96
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.3	-18.0
3 yr.	63.1	11.3
5 yr.	105.2	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
15.46	17.73	18.57	21.26	24.43	27.63	30.18	33.23	37.63	38.17	36.21	38.39	41.66	40.52	43.38	50.57	*53.30*	*56.95*	Sales per sh	*70.10*
1.50	1.85	1.99	2.38	2.69	3.12	2.67	3.56	3.70	3.02	2.69	2.39	2.47	2.54	2.97	4.61	*5.55*	*6.20*	"Cash Flow" per sh	*8.00*
1.04	1.35	1.53	1.84	2.16	2.44	1.88	2.60	2.52	1.84	1.80	1.35	1.40	1.65	2.04	3.23	*4.00*	*4.60*	Earnings per sh A	*6.10*
.72	.72	.72	.72	.76	.82	.86	.90	.94	.96	.97	1.00	1.00	1.00	1.08	1.11	*1.20*	*1.20*	Div'ds Decl'd per sh Bm	*1.40*
.33	.52	.65	.52	.86	.92	.80	.60	1.00	.93	.79	.51	.67	.69	.87	1.08	*1.05*	*1.15*	Cap'l Spending per sh	*1.35*
10.45	10.99	11.92	12.35	13.62	14.74	12.98	14.10	14.60	13.39	14.26	17.38	19.22	16.50	18.50	22.29	*25.40*	*28.15*	Book Value per sh	*39.35*
63.62	63.85	64.32	60.79	60.79	60.52	56.75	56.55	57.82	57.94	58.25	58.17	57.78	58.30	58.17	57.43	*56.50*	*55.75*	Common Shs Outst'g C	*53.50*
21.1	18.5	16.1	13.9	14.7	16.8	20.1	12.5	10.5	15.3	16.4	21.1	22.9	21.0	20.6	15.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.5*
1.28	1.09	1.06	.93	.92	.97	1.05	.71	.68	.78	.90	1.20	1.21	1.12	1.11	.81			Relative P/E Ratio	*1.10*
3.3%	2.9%	2.9%	2.8%	2.4%	2.0%	2.3%	2.8%	3.6%	3.4%	3.3%	3.5%	3.1%	2.9%	2.6%	2.2%			Avg Ann'l Div'd Yield	*1.5%*
1772.6	1945.6	2175.7	2095.7	2109.1	2233.2	2407.2	2362.2	2522.4	2904.2	*3010*	*3175*	Sales ($mill)	*3750*
10.0%	13.2%	13.6%	11.4%	10.2%	7.5%	8.4%	9.3%	10.1%	13.8%	*15.5%*	*16.0%*	Operating Margin	*16.5%*
45.0	55.4	66.2	68.0	51.7	60.3	61.0	52.2	51.9	75.7	*80.0*	*85.0*	Depreciation ($mill)	*95.0*
111.9	152.9	147.7	106.7	105.2	78.7	81.7	95.7	120.6	189.2	*230*	*260*	Net Profit ($mill)	*335*
36.0%	36.0%	36.1%	36.5%	36.0%	32.6%	32.1%	36.9%	34.4%	32.5%	*33.5%*	*33.5%*	Income Tax Rate	*35.0%*
6.3%	7.9%	6.8%	5.1%	5.0%	3.5%	3.4%	4.1%	4.8%	6.5%	*7.5%*	*8.2%*	Net Profit Margin	*9.0%*
621.7	753.5	648.4	590.0	498.6	564.5	518.4	566.8	431.2	548.2	*645*	*630*	Working Cap'l ($mill)	*930*
246.8	607.5	473.0	445.5	304.3	303.0	203.2	201.7	505.6	502.0	*500*	*350*	Long-Term Debt ($mill)	*125*
762.3	825.3	844.0	775.8	830.4	1010.9	1110.7	962.2	1076.3	1280.1	*1435*	*1570*	Shr. Equity ($mill)	*2100*
11.7%	11.6%	12.6%	10.1%	10.4%	6.9%	7.1%	9.1%	8.1%	11.6%	*13.0%*	*14.5%*	Return on Total Cap'l	*15.0%*
14.7%	18.5%	17.5%	13.8%	12.7%	7.8%	7.4%	9.9%	11.2%	14.8%	*16.5%*	*16.5%*	Return on Shr. Equity	*16.0%*
8.0%	12.1%	11.0%	6.6%	5.9%	2.0%	2.2%	3.9%	5.3%	9.7%	*11.5%*	*12.5%*	Retained to Com Eq	*12.5%*
46%	34%	37%	52%	54%	74%	71%	60%	53%	34%	*29%*	*26%*	All Div'ds to Net Prof	*22%*

CAPITAL STRUCTURE as of 3/29/08
Total Debt $523.2 mill. Due in 5 Yrs $375.0 mill.
LT Debt $502.7 mill. LT Interest $35.0 mill.
(Total interest coverage: 7.2x)
(26% of Capital)

Pension Assets-12/07 $888.8 mill.
Oblig. $860.6 mill.

Preferred Stock None
Common Stock 57,496,067 shares

MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	63.4	93.0	114.3
Receivables	559.2	586.9	620.3
Inventory (LIFO)	323.0	322.4	351.7
Other	167.6	185.1	178.6
Current Assets	1113.2	1187.4	1264.9
Accts Payable	178.8	171.6	197.1
Debt Due	43.6	15.9	20.6
Other	459.6	451.7	437.5
Current Liab.	682.0	639.2	655.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	4.0%	*7.5%*
"Cash Flow"	2.0%	1.5%	*15.5%*
Earnings	0.5%	2.5%	*17.5%*
Dividends	3.5%	2.0%	*4.5%*
Book Value	3.5%	6.5%	*13.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	612.8	608.6	567.2	573.6	2362.2
2006	604.7	636.1	610.8	670.8	2522.4
2007	719.1	726.7	696.5	761.9	2904.2
2008	721.6	*758.4*	*730*	*800*	*3010*
2009	*765*	*800*	*780*	*830*	*3175*

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.31	.46	.41	.47	1.65
2006	.37	.60	.48	.59	2.04
2007	.66	.90	.70	.98	3.23
2008	.97	*1.05*	*.88*	*1.10*	*4.00*
2009	*1.00*	*1.25*	*1.05*	*1.30*	*4.60*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.25	.25	.25	.25	1.00
2005	.25	.25	.25	.25	1.00
2006	.27	.27	.27	.27	1.08
2007	.27	.27	.27	.30	1.11
2008	.30	.30			

BUSINESS: Snap-on Inc. is a leading global manufacturer and marketer of tools, diagnostics, equipment, software, and service solutions for professional users. Product lines include hand and power tools, tool storage, diagnostics software, information and management systems, shop equipment and other solutions for vehicle dealers and repair centers. The company also derives income from various financing programs. Has about 11,600 employees. Officers & directors own 2.8% of stock; Lord, Abbett & Co., 8.1%; Harris Associates 7.6%; EARNEST Partners, 5.9% (3/08 proxy). Chairman: Jack D. Michaels. CEO: Nicholas T. Pinchuk. Incorporated: DE. Address: 2801 80th Street, Kenosha, WI 53143. Telephone: 262-656-5200. Internet: www.snapon.com.

Snap-on hit the ground running this year. First-quarter profits increased mightily, thanks to better-than-expected margins, lower restructuring costs, and favorable currency translations. Revenue growth was somewhat soft, though, due to inventory corrections, lower North American franchise sales, and reduced OEM facilitation and tool sales.

The tool maker will probably continue humming along in 2008. Top-line growth should be more robust in the coming quarters, since demand has remained strong. The Commercial & Industrial group ought to benefit from higher industrial volume, continued strong sales in emerging markets, and increased power tool revenues. The Tools business will probably continue posting slight top-line gains, thanks to foreign exchange gains and heightened activity overseas. A moderate decline in North American franchise sales in likely, though. Finally, the Diagnostics & Information segment should get back on track in the second half, when the timing of OEM programs improves.

We have raised our full-year share-net target by a quarter, to $4.00. Better pricing and the ongoing benefits from Rapid Continuous Improvement and other cost-reduction initiatives should keep offsetting higher production and raw material expenses. Lower restructuring costs and currency translation gains will also boost the bottom line.

Snap-on is branching out abroad. Management has increased spending to further expand the company's presence in emerging markets. Snap-on also recently bought a 60% interest in Zhejiang Wanda Tools, a hot-forged hand tool maker in China. The majority stake in Wanda represents the company's first hand tool manufacturing facility in China, and it complements existing production capabilities. It could also serve as an export base for non-Snap-on branded hand tools.

We like this issue. The stock is ranked to outperform relative to the broader market in the year ahead (Timeliness: 2). In addition, it offers solid 3- to 5-year capital gains potential, as the company ought to be able to successfully penetrate emerging, high-growth markets. The decent dividend yield only sweetens the pot.

Erik A. Antonson *July 25, 2008*

(A) Years end on Saturday closest to December 31st. Based on average shares thru '96; diluted thereafter. Excludes nonrecurring losses: '98, $1.95; '99, 44¢; '01, $1.47; '02, 4¢; '05, 6¢; '06, 35¢; '07, 14¢. Excludes gain from accounting change: '02, 5¢. Next earnings report due late July.
(B) Dividends historically paid in March, June, September, December.
■ Dividend reinvestment plan available.
(C) In millions, adjusted for split.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	60
Earnings Predictability	65

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SONIC CORP. NDQ-SONC

RECENT PRICE 19.07 | P/E RATIO 17.7 (Trailing: 18.7 Median: 20.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 4/4/08
SAFETY 3 New 9/15/00
TECHNICAL 3 Lowered 5/23/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+135%)	24%
Low	30	(+55%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	0	0
Options	0	1	2	1	0	0	0	0	2
to Sell	0	1	2	3	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	98	70	60
to Sell	81	100	86
Hld's(000)	59609	55996	56962

	High:	4.0	5.1	6.7	8.0	11.2	14.6	14.2	20.7	24.0	24.8	26.2	23.3
	Low:	1.7	2.1	4.3	4.5	6.4	8.7	8.8	13.4	17.8	18.1	20.0	18.5

LEGENDS
13.5 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 8/95
3-for-2 split 5/98
3-for-2 split 12/00
3-for-2 split 2/02
3-for-2 split 5/04
3-for-2 split 5/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.0	-8.4
3 yr.	2.9	30.2
5 yr.	83.2	98.8

Sonic Corp. traces its roots to 1953, when Troy Smith opened his first Top Hat Drive-In, in Shawnee Oklahoma. The company changed its name to Sonic in 1958. Sonic Corp, incorporated in Delaware in 1990, went public in February 1991, raising $52 million dollars. The lead underwriter was First Boston Corporation. A secondary offering raised $28 million in September 1995.

CAPITAL STRUCTURE as of 2/29/08
Total Debt $801.6 mill. Due in 5 Yrs $280.8 mill.

LT Debt $770.9 mill. LT Interest $48.0 mill.
(Includes $36.1 mill. in capital leases)
(LT Interest earned: 3.1x; total interest coverage: 2.8x) (100% of Cap'l)
Leases, Uncapitalized: Annual rentals $14.6 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 59,915,959 shs.

MARKET CAP: $1.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	2/29/08
Cash Assets	9.6	25.4	31.0
Receivables	21.3	23.1	20.8
Inventory (Avg Cst)	4.2	4.4	--
Other	7.4	20.8	9.1
Current Assets	42.5	73.7	60.9
Accts Payable	23.4	25.3	22.6
Debt Due	7.6	22.9	30.7
Other	47.1	66.3	38.7
Current Liab.	78.1	114.5	92.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.5%	17.5%	16.0%
"Cash Flow"	20.5%	16.0%	13.5%
Earnings	20.0%	18.0%	15.0%
Dividends	--	--	Nil
Book Value	18.5%	18.0%	5.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Nov.Per	Feb.Per	May.Per	Aug.Per	Full Fiscal Year
2005	142.2	132.6	167.7	180.6	623.1
2006	159.8	148.9	186.5	198.0	693.2
2007	174.8	161.5	209.9	224.3	770.5
2008	190.2	174.6	220	240.2	825
2009	205	190	240	265	900

Fiscal Year Ends	EARNINGS PER SHARE A B Nov.Per	Feb.Per	May.Per	Aug.Per	Full Fiscal Year
2005	.17	.13	.24	.27	.81
2006	.18	.14	.27	.29	.88
2007	.20	.16	.31	.34	1.01
2008	.22	.15	.31	.37	1.05
2009	.25	.21	.40	.44	1.30

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	NO CASH DIVIDENDS BEING PAID				
2005					
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	2.29	2.74	3.15	3.64	4.48	5.06	6.01	7.00	8.24	12.60	13.75	15.00	Revenues per sh A	20.00
	.39	.49	.59	.69	.83	.92	1.07	1.25	1.42	1.97	1.90	2.20	"Cash Flow" per sh	3.05
	.22	.28	.35	.41	.50	.57	.68	.81	.88	1.01	1.05	1.30	Earnings per sh B	2.10
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.70	.49	.39	.68	.57	.62	.65	.97	1.03	.81	.75	.75	Cap'l Spending per sh	1.05
	1.38	1.59	1.74	2.21	2.58	3.01	3.75	4.32	4.66	NMF	NMF	NMF	Book Value per sh	5.75
	85.49	94.07	89.05	90.74	89.42	88.24	89.28	88.97	84.14	61.14	60.00	60.00	Common Shs Outst'g C	60.00
	17.4	17.5	16.4	18.3	22.5	18.4	20.8	25.1	23.3	22.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
	.90	1.00	1.07	.94	1.23	1.05	1.10	1.34	1.26	1.17			Relative P/E Ratio	1.15
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	219.1	257.6	280.1	330.6	400.2	446.6	536.4	623.1	693.2	770.5	825	900	Total Revenues ($mill) A	1200
	27.7%	29.1%	31.3%	31.4%	31.1%	30.0%	25.8%	25.7%	24.9%	24.9%	25.0%	25.0%	Operating Margin	26.0%
	14.8	18.5	20.3	23.9	26.1	29.2	32.5	35.8	40.7	45.1	48.0	51.0	Depreciation ($mill)	58.0
	22.2	27.4	32.6	39.0	47.7	52.3	63.0	75.4	78.7	71.2	65.0	80.0	Net Profit ($mill)	125
	37.1%	37.2%	37.2%	37.3%	37.2%	37.2%	36.8%	36.3%	36.6%	36.4%	36.0%	36.0%	Income Tax Rate	36.0%
	10.1%	10.6%	11.7%	11.8%	11.9%	11.7%	11.7%	12.1%	11.4%	9.2%	7.9%	8.9%	Net Profit Margin	10.4%
	d7.3	d7.7	d6.4	d3.4	d12.9	d3.2	d14.5	d30.0	d35.6	d40.8	5.0	90.0	Working Cap'l ($mill)	100
	68.8	79.6	90.5	121.8	121.2	165.9	116.7	92.2	151.5	727.2	800	800	Long-Term Debt ($mill)	500
	132.0	149.8	155.3	200.7	230.7	265.4	334.8	384.5	391.7	d106.8	d65.0	15.0	Shr. Equity ($mill)	345
	11.9%	13.0%	14.5%	13.1%	14.5%	12.9%	14.7%	16.4%	15.3%	14.7%	12.0%	13.0%	Return on Total Cap'l	17.0%
	16.8%	18.3%	21.0%	19.4%	20.7%	19.7%	18.8%	19.6%	20.1%	NMF	NMF	NMF	Return on Shr. Equity	36.0%
	16.8%	18.3%	21.0%	19.4%	20.7%	19.7%	18.8%	19.6%	20.1%	NMF	NMF	NMF	Retained to Com Eq	36.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Sonic Corporation franchises and operates the largest chain of drive-in restaurants in the United States. As of August 31, 2007, there were 3,343 Sonic drive-ins, of which 2,689 were franchised and 654 were company-owned through a limited liability partnership. Sonic offers made-to-order sandwiches, an assortment of frozen and fountain drinks, as well as dessert items. The average Sonic has between 24 to 36 covered parking spaces and features an intercom speaker system through which orders are placed. Has roughly 357 corporate employees. Officers and directors own 8.5% of common stock (12/07 proxy). Chairman: E. Dean Werries, Inc.: DE. Address: 101 Park Avenue, Oklahoma City, OK 73102. Telephone: 405-280-7654. Internet: www.sonicdrivein.com.

Sonic shares are coming under pressure. The current softness in the economy has weakened consumer confidence. In addition, with the cost of food rising significantly in recent months, consumer discretionary spending has slowed and, at the same time, the company's operating expenses have increased. As a result of present conditions, fewer people are dining out. This undermined price hikes and led to a negative earnings comparison in the 2008 fiscal second quarter (year ends August 31st). Moreover, with the threat of higher minimum wages and commodities costs, it is likely that this trend will continue to check earnings growth in the coming months. The current climate has led to some investor profit-taking, as the stock is down roughly 12% since our last review. Hence, the offering will probably only mirror the broader market averages over the next six to 12 months.

Still, we remain optimistic about the restaurant chain's prospects. Despite the likelihood of a sluggish performance in fiscal 2008, we look for a strong rally in the following year. We believe the slowdown in traffic is primarily linked to the difficult economic environment. Indeed, once the economy begins to show signs of stabilization, we look for customer traffic to bounce back considerably. Too, management's recent efforts to shift marketing away from specials, like the "Happy Hour", which essentially sell themselves and offer lower margins, toward premium and snack menu items, augurs well for top-line growth.

We are confident in Sonic's business model. The company's underlying growth fundamentals are promising. Although the current economic climate is difficult, we expect volume in core and developing markets to rise steadily over the long term, driven mainly by the company's successful marketing program, new unit growth, and higher franchising income. Indeed, the unique ascending royalty rate and early conversion of older license agreements augur well for profits.

The stock offers good price appreciation potential over the next 3 to 5 years. The company's growth initiatives and emphasis on cost management should yield decent profit growth to 2011–2013.

Simon R. Shoucair *June 6, 2008*

(A) Fiscal year ends August 31st.

(B) Diluted earnings. Excludes nonrecurring losses: '98, 6¢; '03, 1¢; '07, 10¢. Next earnings report due early July.

(C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	95
Earnings Predictability	100

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SOVEREIGN BANCORP NYSE-SOV

RECENT PRICE 7.73 | P/E RATIO 12.9 (8.6 / 12.8) | RELATIVE P/E RATIO 0.84 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 5 Lowered 6/1/07
SAFETY 3 New 1/30/98
TECHNICAL 3 Lowered 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	14	(+80%)	16%
Low	10	(+30%)	7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	0	1	0	0	0	0	0
Options	1	1	1	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	163	189	133
to Sell	173	182	174
Hld's(000)	229328	241486	272997

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	17.6	21.7	25.0	9.5	12.9	15.1	24.0	23.6	23.6	26.6	26.7	13.3		
Low:	8.5	8.3	6.7	8.0	6.8	10.7	12.0	18.4	19.1	19.5	9.9	6.5		
	100.30	89.43	114.82	113.30	116.14	120.05	115.61	138.38	131.08	138.02	*107.00*	*104.00*	Mortgage Loans per sh	*118.00*
	73.47	49.50	103.14	89.66	97.50	91.02	87.36	101.02	110.57	103.69	*76.70*	*79.50*	Savings Deposits per sh	*92.00*
	1.01	1.12	1.10	1.07	1.22	1.38	1.60	1.69	1.49	1.05	*.60*	*.70*	Earnings per sh [A]	*1.20*
	.08	.09	.10	.10	.10	.10	.11	.16	.30	.32	*Nil*	*Nil*	Div'ds Decl'd per sh [B]	*Nil*
	7.18	7.69	8.21	8.48	10.06	10.85	13.74	15.46	17.83	14.12	*12.80*	*12.75*	Book Value per sh	*12.80*
	167.72	236.75	237.53	259.85	274.71	300.42	363.07	375.93	473.76	481.40	*665.00*	*670.00*	Common Shs Outst'g [C]	*680.00*
	14.9	9.6	6.6	9.1	10.8	11.9	12.9	12.7	14.5	19.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*10.0*
	.77	.55	.43	.47	.59	.68	.68	.68	.78	1.01			Relative P/E Ratio	*.65*
	.5%	.9%	1.3%	1.0%	.7%	.6%	.5%	.8%	1.4%	1.6%			Avg Ann'l Div'd Yield	*Nil*
	1461.0	1737.7	2509.9	2648.5	2492.1	2452.0	2706.4	3565.3	4923.9	5187.0	*4995*	*5465*	Gross Income ($mill)	*6950*
	59.0%	57.1%	56.4%	44.1%	38.1%	29.5%	30.3%	37.3%	50.9%	53.8%	*51.0%*	*51.0%*	Int Cost to Gross Inc	*52.0%*
	170.3	209.3	213.6	287.0	355.9	422.2	554.5	676.2	653.3	517.8	*350*	*475*	Net Profit ($mill)	*820*
	34.2%	31.8%	33.9%	30.3%	26.2%	27.8%	24.7%	24.2%	24.2%	25.0%	*25.0%*	*25.0%*	Income Tax Rate	*25.0%*
	11.7%	12.0%	8.5%	10.8%	14.3%	17.2%	20.5%	19.0%	13.3%	10.0%	*7.0%*	*8.7%*	Net Profit Margin	*11.8%*
	21914	26607	33458	35475	39524	43505	*54471*	*63679*	*89642*	*84746*	*81500*	*82500*	Total Assets ($mill)	*95000*
	6901.5	10485	4515.0	6035.0	5395.1	6755.3	10623	13295	19564	19705	*20000*	*19500*	FHLB Advances ($mill)	*18500*
	1204.1	1821.5	1948.9	2202.5	2764.3	3260.4	4988.4	5810.7	8644.4	6992.3	*8500*	*8550*	Shr. Equity ($mill)	*8700*
	5400	8400	6700	3500	6700	5000	4500	1603	2981	5114	*4000*	*3500*	New Loan Volume ($mill)	*4000*
	.7%	.5%	.6%	.7%	.7%	.6%	.5%	.4%	.6%	.6%	*1.0%*	*1.0%*	Problem Assets to Lns	*1.0%*
	5.5%	6.8%	5.8%	6.2%	7.0%	7.5%	9.2%	9.1%	9.6%	8.3%	*10.5%*	*10.5%*	Shr. Eq. to Total Assets	*9.0%*
	19.0%	20.9%	23.2%	18.8%	21.7%	35.3%	34.8%	30.6%	26.2%	25.9%	*26.0%*	*25.0%*	G&A Exp to Gross Inc	*21.0%*
	.78%	.79%	.84%	.81%	.90%	.97%	1.02%	1.06%	.73%	.61%	*.45%*	*.55%*	Return on Total Assets	*.85%*
	14.1%	11.5%	11.0%	13.0%	12.9%	12.9%	11.1%	11.6%	7.6%	7.4%	*4.0%*	*5.5%*	Return on Shr. Equity	*9.5%*

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-84.8	-18.0
3 yr.	-62.4	11.3
5 yr.	-45.7	63.2

Target Price Range

2011	2012	2013
		64
		48
		40
		32
		24
		20
		16
- - - - -	- - - - -	12
- - - - -	- - - - -	8
		6

LEGENDS
10.5 x Earnings p sh
Relative Price Strength
6-for-5 split 1/07
6-for-5 split 3/98
Options: Yes
Shaded area indicates recession

Percent shares traded 18 12 6

Sovereign Bancorp is the holding company for Sovereign Bank, a Federal Savings Bank, and for Sovereign Community Bank, headquartered in Wyomissing, Pennsylvania. Sovereign Bancorp was created in 1984 under the name Penn Savings Bank, through the merger of two financial institutions. It assumed its current name on December 31, 1991. Sovereign was incorporated by Sovereign Bank in 1987.

CAPITAL STRUCTURE as of 3/31/08
FHLB Advances $19581.3 mill. (63% Debt + Eq.)
Other Debt $4767.5 mill. (15% Debt + Eq.)

Leases, Uncapitalized Annual rentals $98.8 mill.

No Defined Benefit Pension Plan

Common Stock 482,538,997 as of 4/30/08
MARKET CAP: $3.7 billion (Mid Cap)

EARNINGS FACTORS

MARGIN (%)	2006	2007	3/31/08
Earning Asset Yield	6.38	6.63	5.45
Cost of Funds	3.88	4.19	3.22
Yield-Cost Margin	2.48	2.44	2.23

NET CHANGES ($mill)	2006	2007	3 Mos. 2008
Loans	25401.0	-4808.8	-1957.2
Savings Deposits	14406.8	-2468.6	-919.2
FHLB Advances	6288.5	141.5	-124.1
Other Borrowing	1860.3	-865.1	-1653.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Mortgage Lns	2.5%	3.5%	*NMF*
Savings Dep	4.5%	1.5%	*NMF*
Earnings	7.0%	4.5%	*NMF*
Dividends	15.0%	22.5%	*NMF*
Book Value	12.0%	12.0%	*NMF*

Calendar	SAVINGS DEPOSITS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	36686	36102	37333	37977
2006	38820	52546	52783	52385
2007	52563	49845	50098	49916
2008	48997	*49000*	*50000*	*51000*
2009	*52000*	*52500*	*53000*	*53250*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.36	.45	.46	.42	1.69
2006	.38	.37	.41	.33	1.49
2007	.35	.33	.19	.18	1.05
2008	.20	*.13*	*.13*	*.14*	*.60*
2009	.16	*.17*	*.18*	*.19*	*.70*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.029	.038	.038	.057	.16
2006	.057	.076	.076	.08	.29
2007	.08	.08	.08	.08	.32
2008					

BUSINESS: Sovereign Bancorp, Inc. is the holding company for Sovereign Bank. Operates about 750 community banking offices throughout Penn., New Jersey, Rhode Isl., Conn., Mass., and New Hampshire. Acquired Main St. Bancorp 3/02, First Essex 2/04, Seacoast Financial Services 7/04, Waypoint Fncl. 1/05, Independence Community Bank 6/06. Loan portfolio as of 12/31/07: Commercial loans, 53.5%; consumer loans, 46.5%. Has about 11,975 employees. Officers and directors own 6.8% of common stock; Banco Santander Central Hispano, S.A., 24.4%; Relational Investors, LLC, 6.3%. (3/08 proxy). President and CEO: Joseph C. Campanelli. Inc.: PA. Address: 2000 Market Street, Philadelphia, PA 19103. Tel.: 215-557-4630. Internet: www.sovereignbank.com.

Sovereign Bancorp has raised some fresh capital. Management has been moving to help shore up finances in the face of deteriorating economic conditions. Previous actions included closing up its auto loan operations in the Southeast and Southwest, selling $7 billion in noncore assets, cutting $100 million in operating expenses, and eliminating the dividend. Most recently, it issued 179.7 million shares of common stock at $8.00 per share, netting proceeds of $1.39 billion. It also sold $500 million in fixed-rate 10-year subordinated notes, yielding 8.75%.

The operating environment remains difficult. Reflecting ongoing turmoil in the credit arena, Sovereign's nonperforming loans rose more than 170% year on year in the March quarter, to $418 million. This represented 0.71% of total loans, up 18 basis points. Meanwhile, the provision for credit losses nearly tripled, to $135 million. We were previously looking for a share-net decline of 15%–20% this year, but dilution from the stock issuance increases the shortfall to over 40%.

Some improvement appears in the cards. Rate cuts by the Federal Reserve have helped reduce funding costs for lenders, thus paving the way for improved profitability. As early evidence of this, the company's net interest margin posted an 18-basis-point year-over-year increase in the first quarter, to 2.88%.

Our 2009 share-net estimate has been reduced by $0.25. This largely reflects the dilutive impact of the new shares, but also modestly lower expectations for the pace of Sovereign's profit recovery. Overall, under the assumption that economic conditions stabilize, we continue to look for a resumption in share-net growth next year.

This untimely issue remains best suited for aggressive investors. Reflecting the continued difficulties facing lenders, the stock has shed more than 63% of its market value in the past 12 months. Our projections call for earnings to double over the coming 3 to 5 years. But even with the stock's price decline, this suggests below-average appreciation potential over the period. The shares retain speculative appeal, however, based on the likelihood that the bank will eventually be acquired.

Mario Ferro *July 18, 2008*

(A) Based on diluted shares outstanding. Excludes non-recurring items: '97, (30¢); '98, (21¢); '99, (17¢); '00, (67¢); '01, (67¢); '02, (5¢); '03, (7¢); '04, (32¢); '05, 4¢; '06, ($1.19); '07, ($3.90). Next earnings report due mid-October.
(B) Dividends suspended 1/08.
(C) In millions, adjusted for stock splits and dividends. Plus stock dividend of 5% in '06.

Company's Financial Strength	B
Stock's Price Stability	60
Price Growth Persistence	45
Earnings Predictability	70

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STAPLES NDQ-SPLS

RECENT PRICE 23.75 | P/E RATIO 15.8 (17.0 / 21.0) | RELATIVE P/E RATIO 1.03 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Lowered 5/30/08
SAFETY 2 Raised 1/11/08
TECHNICAL 3 Lowered 6/6/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+90%)	18%
Low	35	(+45%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	0	0	0	0	1	2	0
to Sell	1	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	266	289	285
to Sell	337	330	308
Hld's(000)	621995	612777	618642

High:	8.9	20.5	24.0	19.2	13.0	15.0	18.6	22.6	24.1	28.0	27.7	25.8	
Low:	5.1	7.1	11.0	6.8	7.3	7.8	10.5	15.8	18.6	21.1	19.7	19.9	

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
3-for-2 split 7/95
3-for-2 split 3/96
3-for-2 split 2/98
3-for-2 split 1/99
3-for-2 split 4/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.1	-9.7
3 yr.	12.5	27.3
5 yr.	89.2	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
2.25	2.79	4.19	5.74	7.25	9.13	10.30	13.03	15.66	15.44	16.34	17.60	19.41	22.01	25.27	27.64	29.10	31.70	Sales per sh [A]	42.90
.08	.11	.14	.22	.30	.41	.49	.71	.73	.80	.95	1.11	1.33	1.56	1.79	1.98	2.10	2.25	"Cash Flow" per sh	3.25
.05	.06	.08	.14	.19	.26	.35	.45	.39	.44	.59	.75	.93	1.12	1.28	1.38	1.50	1.60	Earnings per sh [B]	2.35
--	--	--	--	--	--	--	--	--	--	--	--	.13	.17	.22	.29	.33	.38	Div'ds Decl'd per sh [C]	.65
.63	.70	.81	1.14	1.39	1.71	2.40	2.67	2.59	2.95	3.75	4.89	5.53	6.06	6.99	8.16	9.30	10.95	Book Value per sh	14.55
392.19	401.48	476.96	534.36	547.55	567.25	691.57	685.63	681.49	695.99	709.66	748.79	744.50	730.44	718.73	700.98	702.00	703.00	Common Shs Outst'g [D]	670.00
41.2	31.5	31.4	31.7	30.1	28.0	37.7	39.1	28.3	24.1	20.0	19.5	20.6	19.5	19.4	17.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
2.50	1.86	2.06	2.12	1.89	1.61	1.96	2.23	1.84	1.24	1.09	1.11	1.09	1.04	1.05	.91			Relative P/E Ratio	1.15
--	--	--	--	--	--	--	--	--	--	--	--	.7%	.8%	.9%	1.2%			Avg Ann'l Div'd Yield	1.2%
7123.2	8936.8	10674	10744	11596	13181	14448	16079	18161	19373	20425	22300	Sales ($mill) [A]	28750
26.0%	26.6%	26.2%	26.2%	27.7%	30.3%	30.3%	30.3%	30.4%	30.7%	30.5%	30.5%	Gross Margin	30.6%
7.2%	7.9%	6.7%	7.2%	8.2%	8.9%	9.7%	10.1%	10.0%	10.0%	10.5%	10.3%	Operating Margin	10.9%
913	1129	1307	1436	1488	1559	1680	1780	1884	2038	2140	2250	Number of Stores	2575
238.0	315.0	263.6	306.9	417.1	551.9	708.4	834.4	948.2	995.7	1070	1145	Net Profit ($mill)	1610
40.1%	39.0%	40.5%	38.5%	37.0%	37.0%	36.5%	36.5%	35.9%	36.0%	35.0%	35.0%	Income Tax Rate	35.0%
3.3%	3.5%	2.5%	2.9%	3.6%	4.2%	4.9%	5.2%	5.2%	5.1%	5.2%	5.2%	Net Profit Margin	5.5%
798.8	738.6	644.8	807.1	542.2	1355.7	1584.7	1664.6	1643.0	1945.5	2680	3575	Working Cap'l ($mill)	5800
205.0	500.9	441.3	350.2	732.0	567.4	557.9	527.6	316.5	342.2	340	360	Long-Term Debt ($mill)	350
1656.9	1828.6	1763.8	2054.2	2658.9	3662.9	4115.2	4425.5	5021.7	5718.0	6530	7700	Shr. Equity ($mill)	9750
13.2%	14.1%	12.6%	13.4%	12.6%	13.4%	15.6%	17.4%	18.1%	16.7%	16.0%	14.5%	Return on Total Cap'l	16.0%
14.4%	17.2%	14.9%	14.9%	15.7%	15.1%	17.2%	16.9%	16.9%	17.4%	16.0%	14.5%	Return on Shr. Equity	16.0%
14.4%	17.2%	14.9%	14.9%	15.7%	15.1%	14.8%	16.1%	15.7%	13.8%	13.0%	11.5%	Retained to Com Eq	12.0%
--	--	--	--	--	--	14%	15%	17%	21%%	22%	23%	All Div'ds to Net Prof	27%

CAPITAL STRUCTURE as of 5/3/08
Total Debt $366.8 mill. Due in 5 Yrs $353.2 mill.
LT Debt $338.3 mill. LT Interest $22.0 mill.
Total int. coverage and LT int. earned: over 25x)
(5% of Cap'l)

Leases, Uncapitalized Annual rentals $757 mill.
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 702,121,445 shs.
as of 5/20/08
Options Exercisable 5.0%
MARKET CAP: $16.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	1475.4	1272.4	1221.7
Receivables	720.8	822.2	894.6
Inventory (Avg Cst)	1919.7	2053.1	2044.4
Other	315.5	407.6	395.3
Current Assets	4431.4	4555.3	4556.0
Accts Payable	1486.2	1560.7	1638.2
Debt Due	201.2	23.8	28.5
Other	1101.0	1025.3	955.9
Current Liab.	2788.4	2609.8	2622.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.0%	9.5%	9.5%
"Cash Flow"	19.0%	16.5%	10.5%
Earnings	20.5%	21.5%	11.0%
Dividends	--	--	19.0%
Book Value	17.5%	18.0%	12.5%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	3899	3472	4246	4462	16079
2006	4238	3880	4757	5286	18161
2007	4589	4290	5168	5326	19373
2008	4884	4700	5225	5616	20425
2009	5400	5050	5600	6250	22300

Fiscal Year Begins	EARNINGS PER SHARE [B] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.21	.20	.32	.39	1.12
2006	.25	.22	.36	.45	1.28
2007	.29	.25	.38	.46	1.38
2008	.30	.25	.45	.50	1.50
2009	.32	.30	.45	.53	1.60

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.13	--	--	.13
2005	--	.17	--	--	.17
2006	--	.22	--	--	.22
2007	--	.29	--	--	.29
2008	--	.33			

BUSINESS: Staples Inc. is one of the largest office supply superstore chains in the U.S. It operated 1,738 leased stores in North America, and a total of 303 stores internationally operating in Europe, Asia and South America as of 5/3/08. Also sells Staples-branded products in over 2,400 grocery stores (mainly Safeway) in the U.S. Acquired Quill in 5/98 and a large European mail-order operation in 10/92. Sales mix in 2007: office supplies and services (42%), business machines (31%), computers and access. (20%), furniture (7%). Has 75,588 empl. (43% are part time). Off./dir. own 1.9% of stock; FMR LLC 14.9%, (5/08 Proxy). Chrmn. and CEO: Ronald L. Sargent. Inc.: DE. Address: 500 Staples Drive, Framingham, MA 01702. Tel.: 508-253-5000. Internet: www.staples.com.

Staples delivered healthy results in the April quarter, despite economic headwinds. Same-store sales declined 6% owing to weak customer traffic and a lower average ticket in the North American Retail division. The company has diligently worked to lower inventory per store in an attempt to cut expenses in this weak spending environment. North American Delivery, however, saw top-line growth of 8%, though earnings were pressured by increasing fuel costs, which were up over 50% from year-ago prices. The bright side was clearly the International division, thanks to better economic conditions in the countries served abroad. All told, we estimate Staples' share net will advance close to 10% this year.

Regulatory authorities have approved Staples' takeover of Corporate Express. After multiple offers, Corporate Express has accepted Staples' latest proposal of 9.25 euro per share, and the European Commission has approved the deal, which was the final hurdle. Corporate Express will likely add over $8 billion in sales and help Staples establish a contract business in Europe and Canada. The all-cash deal will also extend its global reach into Australia and New Zealand. Staples expects to garner savings through logistics and procurement management as well as favorable volume pricing. The transaction, which is expected to close in the third quarter of 2008, will be excluded from our financial presentation until it is finalized.

Share repurchases have been put on the back burner. The company has suspended its stock buyback program while it digests its acquisition of Corporate Express. There is over $1 billion left on the current authorization, but the company does not expect to re-instate the program for at least 18 months. We have adjusted our share-net projections slightly downward to adjust for the larger share count.

This Average ranked issue offers decent total return potential for the 3 to 5 years ahead. Staples has thus far weathered the downturn with minimal impact and will likely benefit once business spending strengthens. At this point, we anticipate average price performance in the year ahead.

Mary Beth Wiedenkeller *July 11, 2008*

(A) Fiscal year ends on Sat. closest to Jan. 31st of the following cal. year. Same-store sales gains (decreases) since fiscal '94: '95, 20%; '96, 14%; '97, 10%; '98, 11%, '99, 9%; '00, 7%; '01, (4%); '02, 1%; '03, 4%; 04, 4%; '05, 3%; '06, 3%; '07 (3%) (B) Diluted earnings starting in '96. Excl. nonrecur. gains and (losses): '92, (4¢); '93, 2¢; '94, (2¢); '97, (4¢); '98, (12¢); '99, (9¢); '00, (44¢); 01, (8¢); '02, 5¢; '03, (13¢); '06, 4¢. Next eqs report due mid-August. (C) Annual div'd payable about 4/20 each year. (D) In millions, adj. for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	70
Earnings Predictability	100

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SPX CORP. NYSE-SPW

RECENT PRICE 119.51 | P/E RATIO 18.7 (22.1 / 17.0) | RELATIVE P/E RATIO 1.27 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 2 Raised 5/9/08
SAFETY 3 New 7/27/90
TECHNICAL 2 Raised 7/18/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	210	(+75%)	16%
Low	140	(+15%)	5%

Insider Decisions

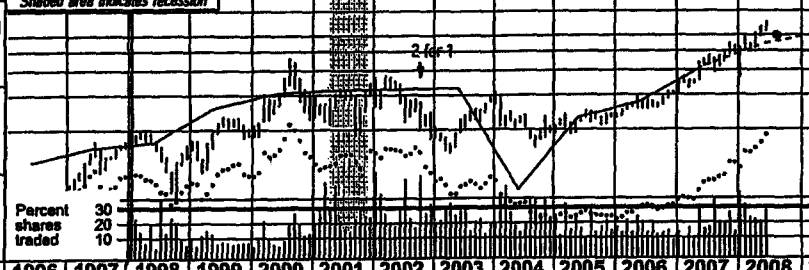
	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	3	1	0	0	2	1	2
to Sell	0	0	3	1	0	0	3	1	3

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	119	118	144
to Sell	121	145	143
Hld's(000)	45745	46514	45905

High:	35.3	39.6	47.0	93.0	69.0	75.7	59.2	63.2	50.2	62.5	110.0	140.8
Low:	18.7	18.0	24.4	37.0	37.5	35.9	30.7	32.5	37.8	45.4	60.4	73.3

LEGENDS
12.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 10/02
Options: Yes
Shaded area indicates recession



Target Price Range 2011 | 2012 | 2013
320
200
160
120
100
80
60
40

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	51.5	-18.0
3 yr.	199.7	11.3
5 yr.	222.4	63.2

18

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	'11-13
28.81	27.15	38.89	38.36	37.57	36.80	30.35	43.19	44.17	50.93	62.58	68.38	58.89	68.61	73.40	91.35	*119.25*	*129.15*	Revenues per sh [F]	*157.00*
1.70	1.18	1.92	1.79	2.21	2.61	2.78	4.18	4.92	5.10	5.15	5.22	1.59	3.68	4.43	6.67	*8.70*	*10.00*	"Cash Flow" per sh	*13.20*
.80	.34	.60	.30	.86	1.52	2.27	2.53	2.96	3.20	3.33	3.41	.30	2.03	3.07	4.85	*6.40*	*7.50*	Earnings per sh [AB]	*10.25*
.20	.20	.20	.20	.20	.05	--	--	--	--	--	--	1.00	1.00	1.00	1.00	*1.00*	*1.00*	Div'ds Decl'd per sh [C]	*1.20*
.73	.54	1.73	1.08	.68	.90	1.15	1.62	2.03	1.86	1.17	.94	.54	1.10	.99	1.72	*1.90*	*2.15*	Cap'l Spending per sh	*2.80*
7.03	5.22	5.66	5.67	3.59	d1.73	6.49	8.79	10.03	21.23	20.99	27.82	28.66	33.75	35.90	38.00	*42.25*	*47.40*	Book Value per sh [D]	*68.35*
27.81	27.85	28.03	28.63	29.53	25.06	60.15	62.80	60.64	80.79	80.63	74.32	74.24	62.56	58.77	52.79	*52.00*	*51.50*	Common Shs Outst'g [E]	*50.00*
11.4	24.5	13.7	25.2	14.1	18.6	14.0	15.0	19.7	17.2	17.2	12.7	NMF	21.8	17.6	17.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
.69	1.45	.90	1.69	.88	1.07	.73	.86	1.28	.88	.94	.72	NMF	1.16	.95	.91			Relative P/E Ratio	*1.15*
2.2%	2.4%	2.4%	2.7%	1.6%	.2%	--	--	--	--	--	--	2.3%	2.3%	1.8%	1.2%			Avg Ann'l Div'd Yield	*.8%*
1825.4	2712.3	2678.9	4114.3	5045.8	5081.5	4372.0	4292.2	4313.3	4822.3	*6200*	*6650*	Revenues ($mill) [F]	*7850*
12.8%	16.9%	18.3%	16.9%	16.3%	14.1%	8.7%	9.0%	9.1%	10.7%	*10.8%*	*11.5%*	Operating Margin	*12.0%*
69.4	105.4	110.9	174.9	139.1	123.6	97.1	87.9	75.2	79.0	*110*	*120*	Depreciation ($mill)	*135*
97.8	157.0	187.7	237.2	276.0	264.6	21.1	142.3	184.9	273.3	*340*	*395*	Net Profit ($mill)	*525*
38.7%	53.2%	40.9%	42.4%	38.1%	36.4%	NMF	47.7%	39.1%	31.3%	*34.5%*	*35.0%*	Income Tax Rate	*36.0%*
5.4%	5.8%	7.0%	5.8%	5.5%	5.2%	.5%	3.3%	4.3%	5.7%	*5.5%*	*5.9%*	Net Profit Margin	*6.7%*
296.3	221.6	425.8	896.2	953.0	1131.4	2056.7	757.6	735.1	472.4	*455*	*660*	Working Cap'l ($mill)	*915*
1466.5	1017.0	1295.8	2450.8	2414.6	2530.2	2414.3	720.9	753.6	1240.7	*1075*	*1075*	Long-Term Debt ($mill)	*500*
390.5	552.3	608.2	1715.3	1682.4	2067.2	2127.8	2111.2	2109.4	2006.0	*2195*	*2440*	Shr. Equity ($mill)	*3420*
6.5%	13.5%	12.4%	7.3%	8.8%	7.9%	1.8%	6.1%	7.5%	9.4%	*11.5%*	*12.0%*	Return on Total Cap'l	*14.0%*
25.0%	28.4%	30.9%	13.8%	16.3%	12.8%	1.0%	6.7%	8.8%	13.6%	*15.5%*	*16.0%*	Return on Shr. Equity	*15.5%*
25.0%	28.4%	30.9%	13.8%	16.3%	12.8%	NMF	3.3%	5.9%	10.8%	*13.0%*	*14.0%*	Retained to Com Eq	*13.5%*
--	--	--	--	--	--	NMF	52%	32%	21%	*15%*	*13%*	All Div'ds to Net Prof	*11%*

CAPITAL STRUCTURE as of 3/29/08

Total Debt $1623 mill. Due in 5 Yrs $1044 mill.
LT Debt $1231 mill. LT Interest $70.0 mill.
(Total interest coverage: 4.8x)
(38% of Capital)

Leases, Uncapitalized Annual rentals $41.2 mill.
Pension Assets-12/07 $1318 mill.
Oblig. $1180 mill.

Common Stock 53,407,530 shares as of 4/25/08
MARKET CAP: $6.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	477.2	354.1	384.8
Receivables	1127.0	1299.9	1392.6
Inventory (LIFO)	514.3	703.8	738.5
Other	340.0	271.6	380.5
Current Assets	2458.5	2629.4	2896.4
Accts Payable	521.1	733.8	738.8
Debt Due	211.0	334.4	392.2
Other	991.3	1068.8	1166.0
Current Liab.	1723.4	2157.0	2297.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.5%	8.0%	*13.0%*
"Cash Flow"	8.5%	-.5%	*18.0%*
Earnings	14.0%	1.0%	*20.0%*
Dividends	21.0%	--	*3.0%*
Book Value	30.5%	15.5%	*12.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	977	1061	1060	1193	4292.2
2006	954	1043	1056	1262	4313.3
2007	1033	1227	1208	1355	4822.3
2008	1392.5	*1552.5*	*1555*	*1700*	*6200*
2009	*1500*	*1650*	*1650*	*1850*	*6650*

Calendar	EARNINGS PER SHARE [AB] Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	.06	.44	.72	.81	2.03
2006	.38	.68	.87	1.18	3.07
2007	.55	1.20	1.36	1.70	4.85
2008	1.14	*1.56*	*1.70*	*2.00*	*6.40*
2009	*1.35*	*1.85*	*2.00*	*2.30*	*7.50*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.25	.25	.25	.75
2005	.25	.25	.25	.25	1.00
2006	.25	.25	.25	.25	1.00
2007	.25	.25	.25	.25	1.00
2008	.25	.25	.25		

BUSINESS: SPX Corporation is a global *multi-industry manufacturing company.* Provides flow technology solutions, test and measurement products, thermal equipment and services, and industrial products and services. Products and services include: wet and dry cooling systems, thermal service and repair work, heat exchangers, power transformers, pumps, metering systems, valves, packaged cooling towers, boilers, heating and ventilation equipment, etc. Employs about 14,300. Officers & directors own 4.9% of common stock; FMR, 15.0%; AXA, 14.8% (4/08 Proxy). President & CEO: Christopher J. Kearney. Chairman: Charles E. Johnson II. Incorporated: DE. Address: 13515 Ballantyne Corporate Place, Charlotte, NC 28277. Telephone: 704-752-4400. Internet: www.spx.com.

SPX Corporation stormed out of the gates this year . . . The top line rose 35%, to $1.39 billion. Internal revenue growth was 7%, and acquisitions and favorable currency exchanges made up the difference. Flow Technology sales more than doubled, but this was almost entirely the result of last year's acquisition of APV. The remainder of this group's revenue advance was driven by strong demand in the power, oil & gas, and sanitary markets. The power industry's need for cooling systems lifted the Thermal Equipment & Services top line. Finally, the demand for domestic power transformers was robust, due to the overwhelming need to upgrade U.S. utility infrastructure. This helped fuel a 26% sales advance for the Industrial Products & Services segment. Almost all of the top-line growth here was generated internally. All told, the good first-quarter revenue gain enabled the diversified manufacturer to more than double its profits.

. . . and Wall Street took notice. The stock price had risen above $140 (or more than 30% since our April review) before succumbing to the recent bear market. Still, thanks to the mostly positive share-price momentum and the strong earnings advances posted of late, we have raised this equity's Timeliness rank. It is now expected to outperform relative to the broader market in the year ahead, so momentum investors may want to take a closer look at this issue.

The company should not slow down much in the second half, despite the likelihood of ongoing macroeconomic weakness. In fact, we are raising our 2008 share-earnings target by a dime, to $6.40. This increase is due to SPX's solid first-quarter showing, strong order trends in the global infrastructure markets, and management's ability to drive productivity and improve margins.

SPX sold its Air Filtration business to The Riverside Company. The business was a part of the Flow Technology segment, and operated primarily in Europe. The terms of the deal were not disclosed.

This timely equity's 3- to 5-year total return potential is below average. Although the company will likely post solid profit gains over the long haul, better options are out there.

Erik A. Antonson *July 25, 2008*

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	45
Earnings Predictability	20

(A) Avg. shares thru '97, then dil. Qtrly. EPS may not sum due to rounding. Excl. net nonrecur.: '92, d25¢; '93, d67¢; '95, d50¢; '96, d$3.10; '97, d$2.02; '98, d$2.32; '99, d90¢; '00, 16¢; '01, d62¢; '02, d$1.79; '03, d37¢; '04, d53¢; '05, $12.63; '06, 24¢; '07, d11¢; '08, d1¢. Next earnings report due late July. (B) '02 & '04 restated to reflect FASB 145 and 128, respectively. (C) Div'ds. paid in Jan., Apr., July, and Oct. (D) Incl. intang. In '07: $2.7 bill., $51.27/sh. (E) In mill., adj. for split. (F) General Signal through Q3'98; SPX from Q4'98.

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STERICYCLE INC. NDQ-SRCL

RECENT PRICE 58.70 | P/E RATIO 34.5 (Trailing: 39.1 / Median: 28.0) | RELATIVE P/E RATIO 2.10 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 4/11/08
SAFETY 3 Raised 6/15/01
TECHNICAL 4 Lowered 5/30/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+45%)	10%
Low	55	(-5%)	-1%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	1	0	0	0	0	1	0
Options	1	0	0	1	2	1	0	0	1
to Sell	1	0	0	1	2	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	132	130	176
to Sell	145	166	149
Hld's(000)	73589	70040	69383

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	4.0	5.4	4.9	10.6	15.7	20.3	26.0	26.6	31.8	38.2	62.6	62.7		
Low:	1.8	2.7	2.4	3.8	6.5	12.5	16.0	20.8	21.4	28.3	36.5	49.9		
	1.53	2.26	5.32	4.84	4.97	5.60	5.77	6.90	8.92	10.67	12.35	13.50	Revenues per sh	17.65
	.22	.38	.67	.67	.79	1.03	1.12	1.30	1.53	1.82	2.10	2.35	"Cash Flow" per sh	3.30
	.14	.20	.22	.29	.55	.72	.85	1.04	1.21	1.44	1.70	1.95	Earnings per sh A	2.75
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.10	.06	.19	.21	.18	.26	.37	.30	.41	.55	.60	.65	Cap'l Spending per sh	.90
	1.23	2.01	2.21	3.14	4.00	4.91	5.54	5.91	7.06	8.17	9.40	11.40	Book Value per sh	18.25
	43.46	58.56	60.84	74.16	80.77	80.87	89.45	88.30	88.50	87.41	86.00	86.00	Common Shs Outst'g B	85.00
	28.6	18.0	27.7	39.1	28.9	29.5	27.8	25.5	27.4	33.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
	1.49	1.03	1.80	2.00	1.63	1.68	1.47	1.36	1.48	1.75			Relative P/E Ratio	1.65
	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
	66.7	132.8	323.7	359.0	401.5	453.2	516.2	609.5	789.6	932.8	1060	1160	Revenues ($mill)	1500
	15.7%	16.7%	29.6%	31.8%	28.9%	31.7%	32.4%	31.1%	29.4%	29.2%	30.0%	30.5%	Operating Margin	31.0%
	4.1	9.9	23.5	25.2	15.0	17.3	21.8	21.4	27.0	31.1	34.0	37.0	Depreciation ($mill)	45.0
	5.7	12.3	17.3	24.2	49.2	65.8	78.2	93.1	108.7	129.5	150	170	Net Profit ($mill)	235
	10.2%	--	47.2%	53.8%	39.5%	39.5%	39.2%	39.1%	39.0%	38.1%	39.0%	39.0%	Income Tax Rate	42.0%
	8.6%	9.3%	5.3%	6.7%	12.2%	14.5%	15.1%	15.3%	13.8%	13.9%	14.2%	14.7%	Net Profit Margin	15.7%
	1.2	26.8	47.9	34.6	40.6	28.7	32.3	45.3	76.6	60.8	100	155	Working Cap'l ($mill)	475
	23.5	355.4	345.1	267.4	224.1	163.0	190.4	348.8	443.1	613.8	600	500	Long-Term Debt ($mill)	300
	53.7	118.1	134.7	232.5	354.8	428.8	495.4	521.6	625.1	714.1	810	980	Shr. Equity ($mill)	1550
	7.9%	3.3%	7.7%	8.4%	9.8%	12.1%	12.2%	11.4%	11.5%	12.2%	12.0%	12.5%	Return on Total Cap'l	13.0%
	10.6%	10.4%	12.8%	10.4%	13.9%	15.3%	15.8%	17.8%	17.4%	18.1%	18.5%	17.5%	Return on Shr. Equity	15.0%
	10.6%	10.4%	12.8%	10.4%	15.2%	16.6%	15.8%	17.8%	17.4%	18.1%	18.5%	17.5%	Retained to Com Eq	15.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Target Price Range 2011 | 2012 | 2013: 128 / 96 / 80 / 64 / 48 / 40 / 32 / 24 / 16 / 12

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.5	-9.4
3 yr.	119.4	30.2
5 yr.	172.0	98.8

LEGENDS
17.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/02
2-for-1 split 6/07
Options: Yes
Shaded area indicates recession

Percent shares traded: 30 / 20 / 10

Stericycle, Inc. was incorporated in Delaware in March of 1989 as a medical waste management service company. The company completed its initial public offering of 6.9 million shares at $4.50 each on August 23, 1996. Net proceeds totaled approximately $31 million. The lead underwriter was Dillon, Read & Co. Inc. A secondary offering was completed in February of 1999, with 7.0 million shares being sold at $7.25. Proceeds from the this offering totaled approximately $47.2 million.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $672.3 mill. Due in 5 Yrs $115.4 mill.
LT Debt $649.9 mill. LT Interest $31.5 mill.
(Int. coverage: 7.1x) (49% of Cap'l)
Leases, Uncapitalized: Annual rentals $32.4 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 86,215,065 shs.
as of 5/2/08 (adj. for 2-for-1 stock div. paid 5/31/07)
MARKET CAP: $5.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	16.0	18.4	11.4
Receivables	130.4	157.4	164.0
Inventory (LIFO)	--	--	--
Other	72.2	34.5	34.3
Current Assets	218.6	210.3	209.7
Accts Payable	25.0	40.0	27.9
Debt Due	22.7	22.0	22.4
Other	94.3	87.7	113.9
Current Liab.	142.0	149.7	164.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	28.0%	11.5%	12.5%
"Cash Flow"	--	18.0%	13.0%
Earnings	--	34.5%	13.5%
Dividends	--	--	Nil
Book Value	20.0%	20.0%	16.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	140.6	149.1	153.2	166.6	609.5
2006	179.2	198.4	203.3	208.7	789.6
2007	211.1	232.8	237.3	251.6	932.8
2008	254.8	265	265	275.2	1060
2009	280	290	290	300	1160

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.24	.26	.27	.27	1.04
2006	.28	.31	.31	.31	1.21
2007	.33	.36	.37	.38	1.44
2008	.39	.42	.43	.46	1.70
2009	.45	.49	.49	.52	1.95

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Stericycle Incorporated is the largest provider of regulated medical waste management services in the United States, as well as the only company in the industry with a national presence. The company provides medical waste collection, transportation, treatment, and disposal to its approximately 394,600 customers in the continental United States, Puerto Rico, Canada, Europe, and Latin America. Has 78 treatment centers and 98 transfer sites. Has roughly 6,342 employees. 2007 depreciation rate: 9.8%. Officers and directors own 8.4% of stock (4/08 proxy). Chairman: Jack W. Schuler. President & CEO: Mark C. Miller. Incorporated: Delaware. Addr.: 2816 North Keith Drive, Lake Forest, Illinois 60045. Tel.: 847-367-5910. Internet: www.stericycle.com.

Stericycle is off to a strong start. Despite the souring economic picture, the company continues to benefit from favorable trends in the medical waste sector. Indeed, firmer pricing has continued to boost revenues and profits across the company's segments. With its domestic and foreign demand remaining healthy and with limited competition, we believe that Stericycle is likely to enjoy solid growth over the next several quarters.

The growth in small-quantity accounts was primarily driven by SteriSafe. The bulk of small-quantity customers continue to opt for the premium Select and Preferred services. The expansion of this business augurs well for profits, as margins in this unit are quite high. As economic pressures weigh on large hospitals, the rising trend of patient care at doctors' offices and small clinics benefits small-quantity revenues and profits. Such factors have contributed to premium pricing strength and ought to further widen margins in this segment.

Meanwhile, the large-quantity segment has benefited from rising demand for the BioSystems platform. As was the case last year, higher recall activity, particularly among pharmaceutical products, and stricter hospital reimbursement policies should continue to drive revenue gains in the large-quantity segment. Insurers have begun to withhold more patient reimbursements for certain infections and medical errors that are due to hospital staff mistakes. As a result, hospitals are placing more emphasis on limiting these errors. This has driven up demand for external resources to minimize operational risks. We believe this should be a positive for the BioSystems platform, as well as some of Stericycle's other services, such as nascent water management and pharmaceutical waste compliance.

We believe the company's increased international exposure enhances its longer-term prospects. The company is experiencing robust revenue and earnings growth from foreign operations. We believe recent acquisitions, particularly in the U.K., ought to help boost profitability in the coming years.

This stock is a timely choice for year-ahead investment.

Simon R. Shoucair *June 6, 2008*

(A) Diluted earnings. Excludes nonrecurring losses: '99, 5¢; '01, 5¢; '02, 8¢, '05, (57¢), '06, (8¢); '07, (12¢). Extraordinary losses: '01, 16¢. Next earnings report due late July. From 2007 onward our earnings presentation will include acquisition related charges.
(B) In millions, adjusted for splits.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	85

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STERIS CORP. NYSE-STE

RECENT PRICE 37.43 | P/E RATIO 22.7 (Trailing: 23.2 Median: 23.0) | RELATIVE P/E RATIO 1.47 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 1 Raised 8/15/08
SAFETY 3 New 9/14/98
TECHNICAL 2 Raised 8/29/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+75%)	16%
Low	40	(+5%)	3%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	1	0	0	0	0
Options	0	0	0	1	0	0	0	5	3
to Sell	0	0	0	1	0	0	0	4	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	100	94	88
to Sell	103	103	115
Hld's(000)	60004	59396	58803

	1992	1993	1994	1995	1996[E]	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	25.1	35.9	35.1	17.2	24.9	27.7	28.2	27.7	27.7	28.3	31.7	38.2								
Low:	11.3	18.5	9.4	7.9	11.6	16.3	19.4	19.8	21.6	21.3	24.3	20.7								
	.78	1.32	1.83	2.54	8.65	10.58	11.83	11.44	11.65	12.48	13.94	15.54	16.08	17.32	18.43	21.35	*22.85*	*25.25*	Sales per sh [A]	*31.25*
	.09	.17	.28	.41	.99	1.32	1.66	1.13	1.11	1.34	1.81	2.04	1.97	1.82	*2.29*	*2.58*	*2.90*	*3.35*	"Cash Flow" per sh	*4.20*
	.08	.14	.23	.33	.77	.94	1.10	.51	.43	.65	1.12	1.33	1.23	.91	1.34	1.40	*1.65*	*2.05*	Earnings per sh [A B]	*2.65*
	--	--	--	--	--	--	--	--	--	--	--	--	--	.16	.18	.23	*.28*	*.34*	Div'ds Decl'd per sh [F]	*.44*
	.03	.08	.25	.28	.30	.58	1.15	1.16	.74	.95	.84	.97	.81	.76	.75	.98	*1.10*	*1.25*	Cap'l Spending per sh	*1.60*
	.79	1.01	1.27	1.74	4.34	5.28	6.46	6.34	6.18	7.01	8.17	9.73	10.85	10.91	11.92	11.92	*11.95*	*12.55*	Book Value per sh [D]	*17.25*
	34.14	34.74	35.04	35.89	67.97	68.02	67.43	66.47	68.67	69.47	69.74	69.95	69.63	66.98	64.98	59.26	*58.00*	*55.00*	Common Shs Outst'g [C]	*52.00*
	43.7	34.9	28.7	45.7	21.3	22.5	26.0	27.7	29.4	29.3	20.3	17.6	18.7	27.5	18.2	19.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*20.0*
	2.65	2.06	1.95	3.06	1.33	1.30	1.35	1.58	1.91	1.50	1.11	1.00	.99	1.46	.98	1.06			Relative P/E Ratio	*1.35*
	--	--	--	--	--	--	--	--	--	--	--	--	--	.6%	.7%	.8%			Avg Ann'l Div'd Yield	*.8%*
							797.6	760.6	800.1	866.7	972.1	1087.0	1119.7	1160.3	1197.4	1265.1	*1325*	*1390*	Sales ($mill) [A]	*1625*
							21.3%	14.3%	14.0%	14.7%	17.7%	17.4%	17.5%	14.4%	17.5%	16.3%	*16.5%*	*18.0%*	Operating Margin	*18.5%*
							33.3	39.7	46.6	48.9	46.5	48.7	51.2	57.9	60.3	62.8	*64.0*	*66.0*	Depreciation ($mill)	*75.0*
							78.9	35.1	29.5	46.2	79.4	94.2	86.0	64.1	88.3	90.2	*100*	*115*	Net Profit ($mill)	*145*
							38.0%	38.0%	37.5%	37.0%	36.0%	31.7%	39.4%	40.8%	39.0%	35.3%	*33.0%*	*36.0%*	Income Tax Rate	*36.0%*
							9.9%	4.6%	3.7%	5.3%	8.2%	8.7%	7.7%	5.5%	7.4%	7.1%	*7.6%*	*8.4%*	Net Profit Margin	*8.8%*
							236.3	233.2	186.0	146.5	163.3	272.3	198.3	226.1	267.3	283.0	*270*	*230*	Working Cap'l ($mill)	*415*
							221.5	268.7	205.8	115.2	59.7	109.1	104.3	*114.5*	*100.8*	179.3	*180*	*140*	Long-Term Debt ($mill)	*140*
							435.9	421.1	424.4	487.1	569.5	680.7	755.6	730.8	774.3	706.2	*690*	*690*	Shr. Equity ($mill)	*900*
							12.8%	6.3%	6.1%	8.3%	12.8%	12.1%	10.2%	7.9%	10.5%	10.5%	*11.5%*	*14.0%*	Return on Total Cap'l	*14.0%*
							18.1%	8.3%	7.0%	9.5%	13.9%	13.8%	11.4%	8.8%	11.4%	12.8%	*14.5%*	*17.0%*	Return on Shr. Equity	*16.0%*
							18.1%	8.3%	7.0%	9.5%	13.9%	13.8%	11.4%	7.3%	9.9%	10.7%	*12.5%*	*14.5%*	Retained to Com Eq	*14.0%*
							--	--	--	--	--	--	--	17%	13%	16%	*16%*	*14%*	All Div'ds to Net Prof	*13%*

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	26.0	-12.2
3 yr.	26.7	7.2
5 yr.	52.4	58.6

Target Price Range 2011 2012 2013

CAPITAL STRUCTURE as of 6/30/08
Total Debt $178.3 mill. Due in 5 Yrs $42.4 mill.
LT Debt $177.5 mill. LT Interest $9.0 mill.
(Incl. $.1 million capital leases) (20% of Cap'l)
Leases, Uncapitalized Annual rentals $16.8 mill.

Pension Assets-3/08 $48.5 mill. Oblig. $62.6 mill.
Pfd Stock None

Common Stock 59,074,314 shs.
as of 7/31/08

MARKET CAP: $2.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	52.3	51.9	49.0
Receivables	251.2	249.8	214.3
Inventory (FIFO)	132.0	147.2	168.9
Other	49.2	64.5	62.2
Current Assets	484.7	513.4	494.4
Accts Payable	76.2	75.5	71.0
Debt Due	.8	.7	.8
Other	140.4	154.2	133.7
Current Liab.	217.4	230.4	205.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	8.5%	*8.5%*
"Cash Flow"	9.5%	9.5%	*11.0%*
Earnings	6.0%	10.5%	*14.0%*
Dividends	--	--	*15.0%*
Book Value	12.0%	10.0%	*7.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	268.1	273.4	287.5	331.3	1160.3
2006	265.1	283.5	299.0	349.8	1197.4
2007	280.9	295.0	314.0	375.2	1265.1
2008	311.6	*320*	*330*	*363.4*	*1325*
2009	*330*	*335*	*345*	*380*	*1390*

Fiscal Year Begins	EARNINGS PER SHARE [A B] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.24	.23	.34	.10	.91
2006	.23	.28	.36	.47	1.34
2007	.22	.25	.34	.59	1.40
2008	.43	*.23*	*.38*	*.61*	*1.65*
2009	*.38*	*.45*	*.53*	*.69*	*2.05*

Calendar	QUARTERLY DIVIDENDS PAID [F] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	.04	.04	.04	.04	.16
2006	.04	.04	.05	.05	.18
2007	.05	.05	.06	.06	.22
2008	.06	.06	.08		

BUSINESS: STERIS Corporation is a manufacturer of infection-prevention systems and similar consumables, accessories, and services for the worldwide health-care markets. Offers a portfolio of over 2,500 products, including its flagship *STERIS SYSTEM 1*, to approximately 35,000 customers. Operates 50 facilities in 14 countries. Acq. Surgicot, 9/96; Joslyn Sterilizer, 7/97; Isomedix, 9/97; Hamo Holding AG, 4/03; Albert Browne Limited, 8/04. 2007 foreign sales: 23.0% of total. Has about 5,300 empls. Barclays Global Investors owns 9.5% of common stock; off. and dir., 10.8%, including Richard Breeden, 8.7% (6/08 proxy). Pres. & CEO: Walt Rosebrough. Chmn.: John Wareham. Inc.: OH. Addr.: 5960 Heisley Rd., Mentor, OH 44060. Tel.: 440-354-2600. Web: www.steris.com.

STERIS performed well in the June period (fiscal 2008 began April 1st). Share earnings nearly doubled, thanks to an 11% rise in sales, successful cost-cutting efforts, a lower effective tax rate, and a reduced share count. Looking ahead, sales and earnings comparisons will probably be more modest in the next few quarters. Management believes that the top line will grow at a 4%-6% clip this year, suggesting that much of the advance was already recorded in the fiscal first quarter. Our $1.65-per-share earnings estimate is at the high end of guidance, but this implies that the bottom line will be roughly flat for the remainder of the fiscal year. The effective tax rate will probably return to a normalized level, affecting sequential comparisons. Also, fiscal 2007's fourth quarter was especially strong, which will make comparisons challenging this year.

We think earnings will grow at a nearly 25% pace in fiscal 2009, to $2.05 per share. Sales growth will probably be moderate once again (about 5%), since the company's products do not seem to be taking hold with consumers. STERIS will probably focus on the cost side to keep the bottom line increasing at a healthy pace. We also believe the company will continue buying back stock, giving a boost to per-share results.

The company announced that it is raising its dividend. Shareholders will receive a distribution of $0.08 per share in mid-September, 33% greater than the previous payout.

This stock's Timeliness rank has risen a notch since our May review. Because of strong June-period results, the share price has risen over 20% since our May review. As a result, STE now carries our Highest (1) rank for year-ahead relative price performance. However, this stock's 3- to 5-year capital appreciation potential now falls below the *Value Line* median. Earnings should benefit from cost-cutting and share repurchases, but top-line growth will probably remain tepid. We advise interested parties to monitor this stock closely, because the emergence of a sales growth catalyst would probably make these shares an attractive long-term holding.

Tom Nikic *August 29, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	65

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(A) Fisc. year ends March 31st of the following year. *Value Line*'s fisc. year is one year behind the company's reporting fisc. year. (B) Dil egs. Excl. nonrecurring gains/(losses): '96, ($2.31); '98, 10¢; '99, (36¢); '00, (41¢); 06, (11¢); '07, (20¢). Egs. may not sum due to rounding and change in shs. outstanding. Next egs. rpt. due late October. (C) In millions, adjusted for stock splits. (D) Including intangibles: as of 3/31/08: $338.0 million, $5.54/share. (E) Acq. Amsco for approx. 30.4 million shares. (F) Div. historically paid mid Feb., May, Aug., and Nov.

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CONSTELLATION NYSE-STZ

RECENT PRICE 22.43 | P/E RATIO 13.0 (Trailing: 14.3 Median: 14.0) | RELATIVE P/E RATIO 0.84 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Raised 4/11/08
SAFETY 3 New 6/19/98
TECHNICAL 3 Raised 7/11/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+55%)	12%
Low	25	(+10%)	3%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	1	0	1	0	0	2	0
to Sell	0	0	1	0	1	0	0	0	0

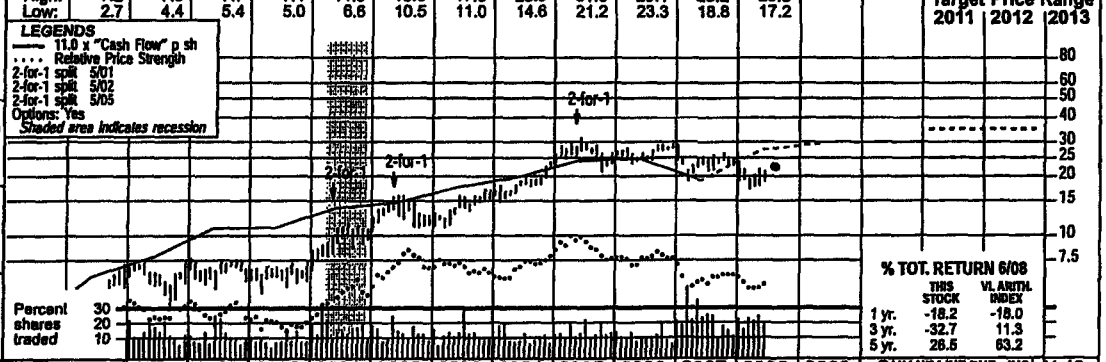
Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	120	161	168
to Sell	191	168	160
Hld's(000)	170662	167429	174215

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	7.2	7.5	7.7	7.4	11.6	18.0	17.3	23.9	31.6	29.1	29.2	23.8
Low:	2.7	4.4	5.4	5.0	6.6	10.5	11.0	14.6	21.2	23.3	18.8	17.2

Target Price Range 2011 | 2012 | 2013

LEGENDS
11.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/01
2-for-1 split 5/02
2-for-1 split 5/05
Options: Yes
Shaded area indicates recession



% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.2	-18.0
3 yr.	-32.7	11.3
5 yr.	26.5	63.2

A predecessor company to Constellation Brands, Inc. was founded in 1945. On March 1, 1973, Canandaigua Wine Company, Inc. completed its initial public offering of 500,000 shares of common stock at $20.00 a share (later split into Class 'A' and Class 'B'), underwritten by Merrill Lynch. The company changed its name to Constellation Brands effective Sept. 20, 2000.

CAPITAL STRUCTURE as of 5/31/08
Total Debt $5292.9 mill. Due in 5 Yrs $2650.0 mill.
LT Debt $4575.1 mill. LT Interest $230.0 mill.

(LT Interest earned: 3.9x; Total interest coverage: 3.9x) (60% of Cap'l)

Leases, Uncapitalized Annual rentals $88.6 mill.
Pension Assets $391.9 mill. Oblig. $507.7
Pfd Stock None

Common Stock 217,776,480 shs.
Incl. 23,756,894 Cl. 'B' voting stock.
'B' shares entitled to ten votes each.
as of 6/30/08
MARKET CAP: 4.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/31/08
Cash Assets	33.5	20.5	25.2
Receivables	881.0	731.6	791.1
Inventory (FIFO)	1948.1	2179.5	2270.7
Other	160.7	267.4	238.4
Current Assets	3023.3	3199.0	3325.4
Accts Payable	376.1	349.4	370.0
Debt Due	470.6	608.8	717.8
Other	744.4	760.1	698.5
Current Liab.	1591.1	1718.3	1786.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.0%	6.0%	1.0%
"Cash Flow"	20.0%	14.0%	6.0%
Earnings	21.5%	18.5%	4.5%
Dividends	--	--	Nil
Book Value	20.5%	26.5%	8.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A May 31	Aug.31	Nov.30	Feb.28	Full Fiscal Year
2005	1097	1192	1267	1047	4603
2006	1156	1417	1501	1142	5216
2007	901	893	1095	884	3773
2008	932	958	1185	900	3975
2009	965	995	1230	960	4150

Fiscal Year Ends	EARNINGS PER SHARE A B May 31	Aug.31	Nov.30	Feb.28	Full Fiscal Year
2005	.30	.41	.52	.36	1.59
2006	.31	.43	.58	.36	1.68
2007	.21	.35	.55	.33	1.44
2008	.34	.45	.61	.35	1.75
2009	.35	.48	.67	.40	1.90

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

© VALUE LINE PUB., INC.	11-13
Sales per sh A	21.45
"Cash Flow" per sh	2.95
Earnings per sh B	2.05
Div'ds Decl'd per sh	Nil
Cap'l Spending per sh	1.00
Book Value per sh C	22.15
Common Shs Outst'g D	210.00
Avg Ann'l P/E Ratio	15.0
Relative P/E Ratio	1.00
Avg Ann'l Div'd Yield	Nil
Sales ($mill) A	4500
Operating Margin	26.0%
Depreciation ($mill)	175
Net Profit ($mill)	440
Income Tax Rate	37.0%
Net Profit Margin	9.8%
Working Cap'l ($mill)	780.0
Long-Term Debt ($mill)	5000
Shr. Equity ($mill)	4650
Return on Total Cap'l	4.5%
Return on Shr. Equity	9.5%
Retained to Com Eq	9.5%
All Div'ds to Net Prof	Nil

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	10.42	16.02	14.28	15.84	14.48	16.63	18.59	20.60	22.19	17.46	18.50	19.40
	.71	.99	1.00	1.25	1.34	1.61	1.81	2.19	2.25	1.73	2.50	2.70
	.42	.54	.65	.79	1.04	1.25	1.35	1.59	1.68	1.44	1.75	1.90
	--	--	--	--	--	--	--	--	--	--	Nil	Nil
	.35	.40	.41	.40	.38	.49	.54	.59	.82	.67	.80	.85
	3.03	3.57	3.67	5.37	6.23	11.13	12.64	13.31	14.54	12.80	14.50	16.40
	143.76	146.05	167.88	178.02	188.71	213.67	219.87	223.47	235.06	216.05	215.00	214.00
	14.8	12.3	10.2	13.0	12.8	11.8	14.7	16.6	15.5	15.9	Bold figures are Value Line estimates	
	.77	.70	.66	.67	.70	.67	.78	.88	.84	.83		
	--	--	--	--	--	--	--	--	--	--		
	1497.3	2340.5	2396.7	2820.5	2731.6	3552.4	4087.6	4603.4	5216	3773	3975	4150
	12.5%	13.0%	14.2%	15.2%	17.2%	18.0%	17.6%	18.8%	17.0%	16.7%	25.5%	26.0%
	38.6	64.7	70.4	85.4	60.1	80.1	93.1	119.9	131.7	154.7	160	165
	63.5	80.5	97.3	138.0	192.2	266.2	314.1	380.2	403.8	220.0	380	410
	40.7%	40.1%	40.0%	40.0%	39.3%	36.0%	36.0%	31.8%	38.0%	40.8%	37.0%	37.0%
	4.2%	3.4%	4.1%	4.9%	7.0%	7.5%	7.7%	8.3%	7.7%	5.8%	9.5%	9.9%
	440.4	557.8	763.8	636.1	744.9	1041.7	1595.9	1402.8	1432.2	1460.7	1200	1000
	831.7	1237.1	1307.4	1293.2	1191.6	1778.9	3204.7	2515.8	3714.9	4648.7	4700	4800
	435.3	520.8	616.3	955.7	1175.0	2377.6	2779.9	2975.2	3417.5	2766	3125	3500
	6.5%	7.3%	7.5%	8.3%	9.5%	8.1%	6.4%	8.7%	7.5%	5.2%	5.0%	5.0%
	14.6%	15.5%	15.8%	14.4%	16.4%	11.2%	11.3%	12.6%	11.8%	8.0%	12.0%	12.0%
	14.6%	15.5%	15.8%	14.4%	16.4%	11.1%	10.9%	12.4%	11.8%	8.0%	12.0%	12.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil

BUSINESS: Constellation Brands, Inc. is a leading international producer and marketer of beverage alcohol brands with a broad portfolio of wine, spirits, and imported beers. Acquired BRL Hardy Limited, Australia's largest wine producer, in fiscal '03 and The Robert Mondavi Corp. in fiscal '04. U.S. Consists of two business divisions: Constellation Wines (branded wines and U.K. wholesale, 89% of '07 net sales) and Constellation Beers and Spirits (imported beers and spirits, 11%). Owns 46 production facilities. Has about 8,200 employees. Sands family owns 6.1% Cl. A, 65% Cl. B shs. (6/08 Proxy). Chairman: Richard Sands. CEO: Robert S. Sands. Incorporated: DE. Address: 370 Woodcliff Drive, 3rd Floor, Fairport, NY 14450. Telephone: 585-218-3600. Internet: www.cbrands.com.

Constellation Brands will likely record 21.0% and 5.5% share-net and revenue advances, respectively, in fiscal 2008 (year ends February 28, 2009). Although the company is experiencing some operating woes, it still posted favorable first-quarter results. Management is adopting the necessary measures to ensure profitability is enhanced this year.

The main growth catalysts thus far have been increased pricing and a better product mix. It implemented planned price increases in the U.K. and Australia in an attempt at boosting profits and improving operating margins. Indeed, Constellation, like many other companies in the beverage industry, continues to feel the pressure of rising raw material costs and cautionary spending practices. Although there have been increases in sales because of higher prices, volume levels have declined. We expect further volume declines, if prices continue to escalate. Also, STZ is seeking to simplify its brand portfolio, by focusing more on high-end wine brands and eliminating those with lower margins. This seems to be a good strategy because consumers are opting for more premium wine offerings of late.

Other spirits are high for Constellation, as well. Management is aggressively promoting its *Svedka* vodka brand, and within the past year has gained a substantial number of new accounts both here and abroad. Nevertheless, STZ is streamlining where necessary. It intends to sell a Quebec production facility, thereby eliminating excess capacity and reducing costs. As for the recent buyout of Anheuser-Busch by Inbev, consequences here remain speculative (Modelo, a Mexican brewery, has exclusive rights to distribute Anheuser-Busch beer in Mexico). But Modelo's joint venture with Constellation is intact through 2016.

Constellation still has to contend with a difficult business environment. In Australia and the U.K., continued pricing pressures are likely to have some fallout. And in the U.S., inflationary prices are leading to more cautious spending habits.

This neutrally ranked stock has limited appreciation potential for the 3- to 5-year period. As a result, it is not particularly attractive at this time.

Nira Maharaj *August 1, 2008*

(A) Excl. excise taxes. Until '95, fiscal yr. ended Aug. 31st. Beginning in '96, fiscal yr. ends last day of Feb. of the following cal. yr. (B) Prim. shares to fisc. '92; then diluted. Excl. nonrecur. gains/(losses): '98, (69¢); '99, (17¢); '02, 12¢; '03, (43¢); '04, (33¢); '05, (23¢); '06, (30¢); '07, ($4.27). Next earnings report due early October. (C) Incl. intang.: in '07: $4319.0 mill., $19.72/sh. (D) In mill., adj. for stock splits.

Company's Financial Strength	B
Stock's Price Stability	70
Price Growth Persistence	85
Earnings Predictability	85

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SUPERIOR INDS. NYSE-SUP

RECENT PRICE 20.61 | P/E RATIO 34.4 (Trailing: 52.8 Median: 17.0) | RELATIVE P/E RATIO 2.11 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 3 Lowered 6/6/08
SAFETY 3 Lowered 7/2/04
TECHNICAL 3 Lowered 6/20/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

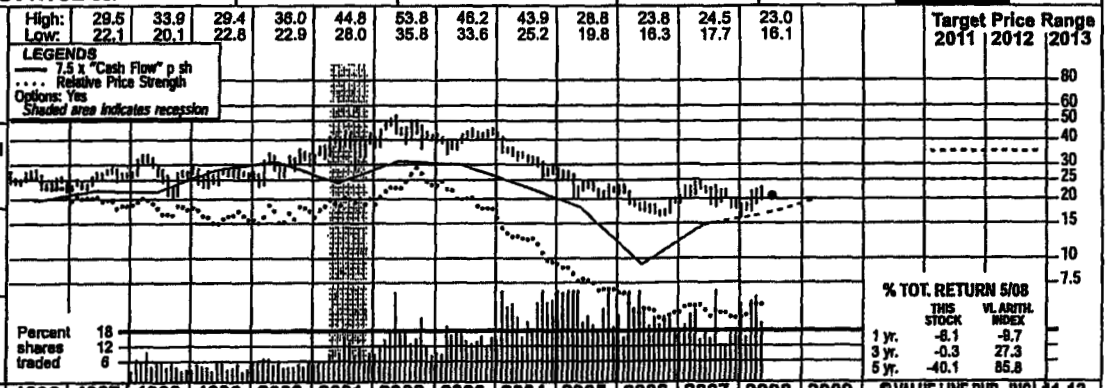
	Price	Gain	Ann'l Total Return
High	35	(+70%)	16%
Low	25	(+20%)	7%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	57	57	45
to Sell	54	53	59
Hld's(000)	25820	25759	25241



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
10.84	13.07	15.42	17.98	17.80	19.68	19.75	21.61	24.96	24.81	29.45	31.39	33.87	31.75	29.68	35.93	34.65	37.95	Sales per sh	48.95
1.57	2.22	2.80	2.78	2.62	2.95	2.89	3.75	4.14	3.23	4.17	4.01	3.15	2.41	1.24	1.96	2.25	2.75	"Cash Flow" per sh	4.60
.95	1.47	1.85	1.78	1.63	1.96	1.88	2.62	3.04	2.10	2.91	2.73	1.67	.76	d.23	.35	.60	1.00	Earnings per sh (A)	2.30
.10	.11	.17	.20	.23	.27	.31	.35	.39	.43	.49	.54	.60	.64	.64	.64	.64	.64	Div'ds Decl'd per sh (B)■	.75
.84	1.79	2.03	.89	.48	.48	1.34	1.25	3.17	1.44	1.80	2.41	2.05	3.79	2.75	1.41	1.00	1.10	Cap'l Spending per sh	3.00
4.56	5.88	6.76	7.89	8.87	10.30	11.42	13.35	15.45	17.30	19.96	22.12	22.66	21.73	21.05	20.67	20.50	20.85	Book Value per sh	20.60
30.00	30.06	29.61	29.03	28.32	27.90	27.31	26.45	25.84	25.93	26.57	26.77	26.62	26.61	26.61	26.63	27.00	27.00	Common Shs Outst'g (C)	24.00
17.3	23.6	17.8	15.9	15.3	13.2	14.6	10.0	9.7	17.7	15.2	15.1	19.6	30.6	30.6	60.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
1.05	1.39	1.17	1.06	.96	.76	.76	.57	.63	.91	.83	.86	1.04	1.63	1.63	3.19			Relative P/E Ratio	.85
.6%	.3%	.5%	.7%	.9%	1.0%	1.1%	1.3%	1.3%	1.2%	1.1%	1.3%	1.8%	2.7%	3.4%	3.0%			Avg Ann'l Div'd Yield	2.5%
						539.4	571.8	644.9	643.4	782.6	840.3	901.8	844.9	789.9	956.9	935	1025	Sales ($mill)	1175
						19.8%	23.4%	23.0%	17.7%	19.2%	16.0%	10.6%	7.5%	2.8%	4.8%	6.0%	7.5%	Operating Margin	10.5%
						26.7	28.5	26.9	28.4	32.6	33.6	39.3	44.0	39.1	42.9	45.0	47.0	Depreciation ($mill)	54.0
						52.3	70.8	79.9	55.4	76.3	73.7	44.7	20.2	d6.1	9.3	15.0	25.0	Net Profit ($mill)	55.0
						35.2%	34.8%	34.8%	34.3%	35.0%	35.0%	32.5%	30.1%	30.1%	61.4%	45.0%	40.0%	Income Tax Rate	35.0%
						9.7%	12.4%	12.4%	8.6%	10.0%	8.8%	5.0%	2.4%	NMF	1.0%	1.6%	2.4%	Net Profit Margin	4.7%
						144.8	176.8	170.6	209.2	271.8	304.9	281.7	249.1	233.5	260.5	275	300	Working Cap'l ($mill)	200
						.7	.3	--	--	--	--	--	--	--	--	Nil	Nil	Long-Term Debt ($mill)	Nil
						312.0	353.1	399.3	448.7	530.4	592.2	603.3	578.1	560.2	550.6	555	565	Shr. Equity ($mill)	495
						16.7%	20.0%	20.0%	12.3%	14.8%	12.4%	7.4%	3.5%	NMF	1.7%	2.5%	4.5%	Return on Total Cap'l	11.0%
						16.8%	20.1%	20.0%	12.3%	14.8%	12.4%	7.4%	3.5%	NMF	1.7%	2.5%	4.5%	Return on Shr. Equity	11.0%
						14.1%	17.5%	17.5%	9.9%	12.4%	10.1%	4.8%	.6%	NMF	NMF	NMF	1.5%	Retained to Com Eq	7.5%
						16%	13%	12%	20%	16%	19%	35%	83%	NMF	NMF	110%	63%	All Div'ds to Net Prof	33%

CAPITAL STRUCTURE as of 3/31/08
Total Debt Nil

Leases, Uncapitalized Annual rentals $2.7 mill.

Pension Assets-12/07 Nil Oblig. $20.8 mill.

Pfd Stock None

Common Stock 26,643,065 shares

MARKET CAP: $550 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	78.1	106.8	105.2
Receivables	138.6	125.7	143.9
Inventory (LIFO)	118.7	107.2	103.2
Other	11.2	16.4	15.5
Current Assets	346.6	356.1	367.8
Accts Payable	61.0	51.6	51.0
Debt Due	--	--	--
Other	52.1	44.0	45.0
Current Liab.	113.1	95.6	96.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.0%	4.0%	7.0%
"Cash Flow"	-4.0%	-13.5%	16.0%
Earnings	-16.5%	-36.0%	NMF
Dividends	10.5%	8.0%	2.5%
Book Value	9.0%	4.0%	-.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	211.9	226.5	187.6	218.9	844.9
2006	183.5	219.9	174.3	212.2	789.9
2007	244.9	255.2	227.6	229.2	956.9
2008	222.2	242.8	230	240	935
2009	250	275	240	260	1025

Calendar	EARNINGS PER SHARE (A) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.34	.18	d.02	.26	.76
2006	.06	.08	d.20	d.17	d.23
2007	.08	.12	d.03	.18	.35
2008	.12	.16	.10	.22	.60
2009	.20	.30	.20	.30	1.00

Calendar	QUARTERLY DIVIDENDS PAID (B)■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.138	.138	.155	.155	.59
2005	.155	.155	.16	.16	.63
2006	.16	.16	.16	.16	.64
2007	.16	.16	.16	.16	.64
2008	.16	.16			

BUSINESS: Superior Industries International, Inc. designs and manufactures highly stylized aluminum and steel wheels for the automotive industry. OEM customers include GM (36% of '07 sales), Ford (33%), Chrysler (13%), Honda, Mazda, Nissan, and Toyota. Production of other aluminum parts, including control arms and bed plates, for auto industry disconl., 1/06. '07 depreciation rate: 6.5%. Est. plant age: 8 years. Has about 5,300 employees. Officers & directors control 19% of common (incl. Louis L. Borick, 13%); Third Ave. Mgmt., 18%; Barclays Global, 10%; Dimensional Fund, 9%; (Proxy 4/08). Chairman, Pres. & CEO: Steven J. Borick. Inc.: DE. Address: 7800 Woodley Ave., Van Nuys, CA 91406. Telephone: 818-781-4973. Internet: www.supind.com.

Superior Industries has lost its top-line momentum. A strike at another supplier, which lasted until mid-May, and lower aluminum prices, which are passed along to customers, contributed to the weak first-quarter revenues. The company's relatively narrow sales base, from both a customer and geographic perspective, has been the biggest hurdle of late, though. The vast majority of the wheel maker's products wind up in the U.S., where vehicle sales appear headed for a multiyear low. Compounding matters, the three domestic auto makers continue to lose market share. In fact, the swing in popularity of late from light trucks and SUVs to more fuel-efficient passenger cars appears to have accelerated the trend.

The earnings recovery figures to remain on track, with share earnings likely to reach $0.60 in 2008 and $1.00 in 2009. The headwind from a weak U.S. auto market remains the big concern but, for now, we think the progress being made on margins will be enough to keep profits on the rise. The company made significant improvement over the course of 2007, as it dealt with production inefficiencies at several plants. Superior appears to have made further strides in the March quarter, though this was partially obscured by strike-related issues. Meanwhile, the company's European joint venture also got off to a good start this year, generating higher unit volumes and gross profits.

The company figures to remain debt-free. With the earnings improvement we look for in 2008, combined with a very modest capital spending budget, Superior should generate free cash flow this year. To help minimize spending, the parts maker has been utilizing equipment from a plant closed last year at other facilities. Meanwhile, management continues to evaluate opportunities in Asia. This may well necessitate additional cash outlays in the future if the company opts to establish production capabilities in that region.

These shares do not stand out at the moment. The Timeliness rank on this stock has dropped a notch, to 3 (Average), since our March report. Moreover, the current valuation seems to discount much of the earnings recovery we envision over the next three to five years.

Robert M. Greene, CFA *June 27, 2008*

(A) Primary earnings through '97, diluted thereafter. Excludes nonrec. gains / (losses): '05, (98¢); '06, (13¢); '07, 13¢. Excls. earnings from disc. ops.: '06, 1¢. Next earnings report due early August. Quart. egs. adjusted to sum to full-year total.

(B) Div'ds historically paid in late Jan., April, July, Oct.■ Div'd reinvestment plan available. (C) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	20
Earnings Predictability	20

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SUSQUEHANNA BANC. NDQ-SUSQ

RECENT PRICE 16.27 | P/E RATIO 11.2 (Trailing: 12.3 Median: 15.0) | RELATIVE P/E RATIO 0.70 | DIV'D YLD 6.6% | VALUE LINE

TIMELINESS 3 New 2/22/08
SAFETY 3 New 2/22/08
TECHNICAL 4 Lowered 8/15/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+115%)	25%
Low	25	(+55%)	17%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	4	2	2	0	1	2
Options	0	0	0	0	1	0	0	0	0
to Sell	0	0	0	1	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	58	114	72
to Sell	82	37	73
Hld's(000)	31413	40702	42426

High: 25.9 26.8 21.4 18.0 36.0 26.0 28.0 27.1 27.3 27.9 27.3 22.9
Low: 14.3 15.5 14.9 11.3 15.0 17.3 20.1 22.2 20.5 22.1 16.3 10.5

LEGENDS
15.0 x Earnings p sh
Relative Price Strength
3-for-2 split 7/97
3-for-2 split 7/98
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-12.4	-12.2
3 yr.	-38.5	7.2
5 yr.	-31.5	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC	11-13
.90	.91	.94	.99	1.01	1.20	1.26	1.30	1.40	1.41	1.55	1.56	1.60	1.70	1.86	1.23	1.45	1.60	Earnings per sh A	2.00
.39	.41	.45	.49	.52	.55	.57	.62	.70	.77	.81	.86	.89	.93	.97	1.01	1.05	1.09	Div'ds Decl'd per sh B■	1.21
7.73	8.36	8.29	9.38	9.85	10.25	10.91	10.92	11.56	12.54	13.47	13.73	16.13	16.66	17.98	20.12	21.00	22.25	Book Value per sh D	24.00
22.44	23.58	23.48	29.13	29.70	33.83	35.86	37.02	39.22	39.34	39.64	39.86	46.59	46.85	52.08	56.30	86.00	86.00	Common Shs Outst'g C	100.00
9.7	12.6	11.5	11.3	12.8	15.2	18.0	13.6	10.0	13.6	14.5	15.3	15.6	14.3	14.9	20.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.59	.74	.75	.76	.80	.88	.94	.78	.65	.70	.79	.87	.82	.76	.80	1.06			Relative P/E Ratio	1.00
4.4%	3.6%	4.2%	4.4%	4.0%	3.0%	2.5%	3.5%	5.0%	4.0%	3.6%	3.6%	3.6%	3.8%	3.9%	4.1%			Avg Ann'l Div'd Yield	4.0%
						4064.8	4310.6	4792.9	5051.1	5544.6	5953.1	7475.1	7466.0	8225.1	13078	14250	15000	Total Assets ($mill)	18750
						2616.7	2791.4	2882.8	3481.8	3791.3	4220.6	5198.9	5164.9	5498.4	8663.0	9350	9850	Loans ($mill)	12250
						154.2	160.9	165.0	172.2	187.2	187.0	214.0	242.2	256.8	275.9	390	415	Net Interest Inc ($mill)	530
						5.3	7.2	3.7	7.3	10.7	10.2	10.0	12.3	8.7	21.8	50.0	45.0	Loan Loss Prov'n ($mill)	55.0
						30.9	40.0	74.0	84.2	94.2	101.8	114.6	125.1	136.3	120.7	180	190	Noninterest Inc ($mill)	260
						113.2	124.5	155.6	167.8	181.7	189.4	219.0	242.6	262.8	277.0	340	360	Noninterest Exp ($mill)	450
						45.6	46.2	55.0	55.7	61.7	62.4	70.2	79.6	83.6	69.1	125	140	Net Profit ($mill)	200
						31.6%	30.3%	31.0%	31.5%	30.7%	30.0%	29.5%	29.2%	31.2%	29.3%	30.0%	30.0%	Income Tax Rate	30.0%
						1.12%	1.12%	1.15%	1.10%	1.11%	1.05%	.94%	1.07%	1.02%	.53%	.90%	.95%	Return on Total Assets	1.05%
						370.2	467.4	825.5	847.0	754.5	744.2	974.5	841.4	751.0	1562.7	1700	1800	Long-Term Debt ($mill)	2250
						391.2	404.4	453.4	493.5	533.9	547.4	751.7	780.5	938.3	1729.0	1800	1915	Shr. Equity ($mill)	2400
						9.6%	9.4%	9.5%	9.8%	9.6%	9.2%	10.1%	10.5%	11.4%	13.2%	13.0%	13.0%	Shr. Eq. to Total Assets	13.0%
						64.4%	64.8%	60.1%	68.9%	68.4%	70.9%	69.6%	69.2%	66.8%	66.2%	65.5%	65.5%	Loans to Tot Assets	65.5%
						11.6%	11.9%	12.1%	11.3%	11.6%	11.4%	9.3%	10.2%	8.9%	4.0%	7.0%	7.5%	Return on Shr. Equity	8.5%
						6.7%	6.3%	6.1%	5.2%	5.6%	5.2%	4.2%	4.6%	3.7%	1.0%	2.0%	2.5%	Retained to Com Eq	3.5%
						42%	48%	49%	54%	52%	55%	55%	55%	59%	76%	72%	68%	All Div'ds to Net Prof	60%

CAPITAL STRUCTURE as of 6/30/08
LT Debt $1805.6 mill. Due in 5 Yrs $850.0 mill.
LT Interest $45.0 mill.

Pension Assets-12/07 $84.9 mill.

Oblig. $81.9 mill.

Pfd Stock None

Common Stock 86.0 million shares

MARKET CAP: $1.4 billion (Mid Cap)

ASSETS($MILL.)	2006	2007	6/30/08
Loans, Net	5498	8663	9132
Cash Assets	195	327	335
Securities	1404	2064	2034
Other Earning	105	143	83
Other	1023	1881	1921
LIABILITIES($MILL.)			
Deposits	5878	8945	8988
Funds Borrowed	402	568	751
Long-Term Debt	751	1563	1806
Net Worth	936	1729	1716
Other	258	273	244
Total	8225	13078	13505
Loan Loss Reserv.	63	89	96

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	6.0%	6.5%	NMF
Earnings	5.5%	4.0%	4.5%
Dividends	6.5%	6.0%	5.5%
Book Value	6.5%	7.5%	4.0%
Total Assets	5.5%	5.5%	NMF

Calendar	NET LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	4938	5111	5281	5165
2006	4989	5684	5456	5498
2007	5332	5513	5784	8663
2008	8794	9132	9250	9350
2009	9475	9600	9725	9850

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.33	.40	.38	.59	1.70
2006	.38	.38	.49	.41	1.66
2007	.40	.19	.38	.27	1.23
2008	.33	.34	.38	.40	1.45
2009	.36	.39	.42	.43	1.60

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.22	.22	.22	.23	.89
2005	.23	.23	.23	.24	.93
2006	.24	.24	.24	.25	.97
2007	.25	.25	.25	.26	1.01
2008	.26	.26	.26		

BUSINESS: Susquehanna Bancshares, Inc. offers banking, investment advisory, asset management, and brokerage services in the mid-Atlantic region. As of 3/31/08, loans breakdown: real estate-commercial, 29.3%; real estate-residential, 24.4%; commercial and industrial, 21.3%; real estate-construction, 14.5%; leases, 6.0%; consumer, 4.5%. Net charge-offs to average loans, .25%; non-performing assets to total assets, 1.03%; allowance for loan losses to gross loans, 1.05%. Has roughly 3,300 employees. Barclays Global Investors, NA owns 5.4% of common shares outstanding; off./dir., 2.9% (3/08 Proxy). Chairman, CEO & President: William J. Reuter. Inc.: PA. Address: 26 North Cedar Street, Lititz, PA 17543. Telephone: (717) 626-4721. Internet: http://www.susquehanna.net.

Susquehanna Bancshares' operating performance has been a mixed bag. Loans outstanding grew 19% from the year-ago period, and may advance another 2%–3% by yearend. However, deposits only inched up 1% from the prior year, largely due to fierce deposit competition, which may create a shortfall and make funding those loans more costly for the time being. *(Note: Comparisons exclude the acquisition of Community Banks, discussed below.)*

The company's credit metrics are slipping . . . Net charge-offs jumped during the June period, to $10.7 million from $1.9 million in the prior year, and now account for .48% of loans outstanding from .14%. Too, nonperforming assets nearly tripled from a year earlier, and rose to .99% of total assets from .66%. Surprisingly, net interest margin is essentially even with last year, and the company's efficiency ratio—how much it costs to generate one dollar of revenue—has improved, from roughly 81 cents to 62 cents, year to year.

. . . and its allowance for loan losses may be too conservative. Given the general state of the economy, and the anemic condition of the real estate market specifically, it may be prudent to set aside more funds to cover uncollectable loans. SUSQ's allowance actually fell during the second quarter, to 1.04% of loans from 1.11% in the year-ago period, and may leave profits vulnerable should delinquencies rise. Nonetheless,

We're maintaining our share-earnings estimates for this year and next, at $1.45 and $1.60, respectively. Two recent acquisitions — Community Banks and investment manager Stratton Holding Company — should expand the company's reach, and be moderately accretive to the top and bottom lines in the years ahead. Consequently, share net may advance 18% and 10%, respectively, in 2008 and 2009.

Susquehanna Bancshares stock offers substantial total return potential. These shares have languished this year, largely due to waning investor sentiment about the banking sector as a whole. At its current quotation, the stock offers above-average appreciation potential over the 3- to 5-year horizon. Too, its stellar yield may appeal to income-hungry investors.

Sharif Abdou *August 22, 2008*

(A) Diluted earnings. Quarters may not sum due to rounding. Next earnings report due mid-October.

(B) Dividends historically paid in February, May, August, and November. ■Dividend reinvestment plan available.

(C) In millions, adjusted for stock splits.

(D) Includes intangibles. As of 6/30/08: $1.1 billion, $12.49/share.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	85

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SUPERVALU INC. NYSE-SVU

RECENT PRICE 25.99 | P/E RATIO 8.9 (Trailing: 9.2 Median: 12.0) | RELATIVE P/E RATIO 0.57 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Raised 5/4/07
SAFETY 3 Lowered 2/9/01
TECHNICAL 2 Raised 8/1/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+150%)	27%
Low	40	(+55%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	2	0	0	1	0	0	5
to Sell	0	0	0	0	0	0	0	0	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	162	194	181
to Sell	199	164	167
Hld's(000)	189765	200303	199466

	High:	21.1	28.9	28.9	22.9	24.1	30.8	28.8	35.2	35.9	38.6	49.8	37.5
	Low:	14.1	20.2	16.8	11.8	12.6	14.8	12.6	25.7	29.5	26.1	34.5	25.9

LEGENDS
5.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-32.4	-18.0
3 yr.	-0.1	11.3
5 yr.	60.0	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
87.70	110.58	118.02	122.22	123.74	142.91	145.04	151.04	175.22	157.34	143.32	149.97	144.25	145.59	178.98	207.77	*211.25*	*214.00*	Sales per sh A	*239.55*
2.13	2.58	2.57	2.86	3.04	3.38	3.54	3.78	4.38	4.38	4.14	4.39	4.70	4.64	6.37	7.59	*8.10*	*8.75*	"Cash Flow" per sh	*11.00*
1.16	1.29	1.14	1.22	1.30	1.40	1.57	1.78	1.78	1.80	1.91	2.14	2.38	2.26	2.32	2.76	*3.05*	*3.35*	Earnings per sh B	*4.35*
.38	.43	.46	.48	.50	.52	.53	.57	.55	.56	.57	.60	.60	.63	.66	.68	.69	.72	Div'ds Decl'd per sh Cm	*1.00*
1.06	1.61	2.12	1.75	1.83	1.92	2.00	3.03	3.00	2.20	2.86	2.44	1.94	2.26	4.00	5.62	*5.15*	*5.60*	Cap'l Spending per sh	*6.05*
7.92	8.81	8.46	8.97	9.73	9.94	10.82	13.53	13.55	14.42	15.03	16.40	18.53	19.20	25.39	28.08	*30.35*	*32.80*	Book Value per sh D	*42.40*
143.31	144.12	140.35	134.89	133.76	120.37	120.11	134.66	132.37	132.89	133.69	134.76	135.48	136.44	209.00	212.00	*213.00*	*214.00*	Common Shs Outst'g E	*215.00*
12.2	13.4	12.4	12.1	11.5	13.5	15.4	12.0	9.4	10.7	11.1	10.7	12.8	14.4	13.7	14.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	12.0
.74	.79	.81	.81	.72	.78	.80	.68	.61	.55	.61	.61	.68	.77	.74	.76			Relative P/E Ratio	.80
2.7%	2.5%	3.3%	3.2%	3.3%	2.7%	2.2%	2.7%	3.3%	2.9%	2.7%	2.6%	2.0%	1.9%	2.1%	1.7%			Avg Ann'l Div'd Yield	1.9%
17421	20339	23194	20909	19160	20210	19543	19864	37406	44048	*45000*	*45800*	Sales ($mill) A	*51500*
3.7%	3.9%	4.0%	4.4%	4.5%	4.5%	4.8%	4.6%	5.8%	6.1%	*6.3%*	*6.6%*	Operating Margin	*6.9%*
233.5	277.1	343.8	340.8	297.1	301.6	303.0	310.7	879.0	1017.0	*1070*	*1140*	Depreciation ($mill)	*1400*
191.3	232.0	235.9	240.7	257.0	289.9	334.2	322.2	452.0	593.0	*655*	*735*	Net Profit ($mill)	*960*
39.5%	40.1%	40.2%	40.2%	37.0%	38.4%	35.5%	36.0%	39.5%	39.3%	*39.0%*	*39.0%*	Income Tax Rate	*39.0%*
1.1%	1.1%	1.0%	1.2%	1.3%	1.4%	1.7%	1.6%	1.2%	1.3%	*1.5%*	*1.6%*	Net Profit Margin	*1.9%*
60.6	d332.0	d249.5	d97.5	122.1	165.1	494.9	661.3	d245.0	d460.0	*d480*	*d460*	Working Cap'l ($mill)	*215*
1248.3	1953.7	2008.5	1875.9	2019.7	1633.7	1578.9	1406.0	9192.0	8502.0	*8100*	*7700*	Long-Term Debt ($mill)	*6500*
1305.6	1821.5	1793.5	1916.7	2009.2	2209.6	2510.6	2619.5	5306.0	5953.0	*6460*	*7045*	Shr. Equity ($mill)	*9115*
9.4%	7.6%	7.8%	7.7%	7.7%	8.6%	9.1%	8.8%	5.1%	6.5%	*7.0%*	*7.0%*	Return on Total Cap'l	*8.0%*
14.7%	12.7%	13.2%	12.6%	12.8%	13.1%	13.3%	12.3%	8.5%	10.0%	*10.0%*	*10.5%*	Return on Shr. Equity	*10.5%*
9.8%	9.1%	9.1%	8.7%	9.0%	9.6%	10.1%	9.0%	6.4%	7.6%	*8.0%*	*8.0%*	Retained to Com Eq	*8.0%*
33%	29%	31%	31%	29%	27%	24%	27%	25%	24%	*22%*	*21%*	All Div'ds to Net Prof	*22%*

CAPITAL STRUCTURE as of 6/14/08
Total Debt $8850 mill. Due in 5 Yrs $4800 mill.
LT Debt $8404 mill. LT Interest $475 mill.

Incl. $1318.0 mill. cap. leases.
(LT earned: 3.1x; total coverage: 3.0x) (58% of Cap'l)
Leases, Uncapitalized Annual rentals $479.0 mill.
Pension Assets-2/08 $1.7 bill. Oblig. $1.9 bill.
Pfd Stock None
Common Stock 212,491,776 shs.
as of 4/18/08
Options Exercisable 6.7%
MARKET CAP: $5.5 bill. (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/14/08
Cash Assets	285	243	259
Receivables	957	951	886
Inventory (LIFO)	2749	2776	2956
Other	469	177	197
Current Assets	4460	4147	4298
Accts Payable	2741	3354	3386
Debt Due	286	331	446
Other	1678	822	892
Current Liab.	4705	4507	4724

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.0%	2.5%	*6.5%*
"Cash Flow"	7.0%	7.5%	*11.0%*
Earnings	6.5%	6.0%	*9.5%*
Dividends	3.0%	3.0%	*7.0%*
Book Value	10.0%	11.0%	*10.5%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) A Jun.Per	Sep.Per	Dec.Per	Feb.Per	Full Fiscal Year
2005	5972	4556	4695	4641	19864
2006	5783	10666	10657	10300	37406
2007	13292	10159	10211	10386	44048
2008	13347	*10175*	*10250*	*11228*	*45000*
2009	*13600*	*10400*	*10450*	*11350*	*45800*

Fiscal Year Begins	EARNINGS PER SHARE A B Jun.Per	Sep.Per	Dec.Per	Feb.Per	Full Fiscal Year
2005	.64	.49	.53	.60	2.26
2006	.57	.61	.54	.57	2.32
2007	.69	.69	.66	.73	2.76
2008	.76	.72	*.70*	*.87*	*3.05*
2009	*.85*	*.83*	*.77*	*.90*	*3.35*

Calendar	QUARTERLY DIVIDENDS PAID Cm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.145	.145	.1525	.1525	.60
2005	.1525	.1525	.1625	.1625	.63
2006	.1625	.1625	.165	.165	.66
2007	.165	.165	.17	.17	.67
2008	.17	.17	.1725		

BUSINESS: SUPERVALU INC. supplies more than 5,000 stores, and is a large retailer, with about 2,475 stores, including 873 licensed limited assortment food stores. Revenue (and operating earnings, after dep.) in '07: Supply Chain Services: $9.7 billion, ($274 million); Retail: $34.3 billion, ($1.6 billion). Acquired certain Albertson's retail operations 6/06. '07 dep. rate: 9.2%. Has about 192,000 employees. Officers & directors own 2.6% of common, AXA Financial, 10.8%, FMR, 5.8%, Goodman Sachs, 5.7%, Lord, Abbett, 8.2%, State Street, 5.0%, Wellington, 8.3% (5/08 Proxy). Chairman & CEO: Jeffrey Noddle. President & COO: Michael Jackson. Inc.: DE. Add.: 11840 Valley View Road, Eden Prairie, MN 55344. Tele.: 952-828-4000. Internet: www.supervalu.com.

SUPERVALU is operating in a difficult environment. Food price inflation, turmoil in the housing and financial markets, and high fuel costs are sapping consumer confidence. As a result, shoppers are making fewer trips to stores, although they are purchasing more per trip. And they are cutting back on impulse buys, using more coupons, and buying more economy sizes and promotional items. **Nevertheless, the food distributor is likely to post another nice gain in share net this year.** The consumer movement to lower-priced items is increasing sales of the company's more-profitable own-branded goods. And, Sav-A-Lot, the company's chain of limited assortment stores, should see higher sales as shoppers search for bargains. What's more, the company has been paying off the debt assumed to acquire certain of Albertson's retail operations in June of 2006, which lightens the interest burden. It also expects to achieve further cost savings, on the order of $40 million-$50 million this year, related to merging the Albertson's acquisition. Finally, the company also will benefit from having an extra week in its fiscal year. That will boost sales by an estimated $800 million and earnings by six cents. What's more . . .

The company continues to refurbish its store base. It aims to do major remodels of 165 stores, open 15 traditional supermarkets, and 55 to 65 limited assortment stores (including 30 licensed outlets) in fiscal 2008 (ends February 28, 2009). SUPERVALU has experienced high single-digit sales growth at remodeled stores. **SUPERVALU also is working to widen margins.** It is centralizing merchandising, increasing automation in the warehouses, and installing an updated pharmacy management system. It also is working with manufacturers to increase sales. Furthermore, it aims to increase the proportion of its own-branded products in the sales mix. To that end, it has rolled out a line of natural organic products and plans to introduce a premium line of its own-branded goods. Assuming a degree of success, we look for share net to advance at a decent annual pace into the next decade. If we're close to the mark, the stock should outpace the market averages over that span.

George A. Niemond *August 1, 2008*

(A) Fiscal year ends last Saturday in Feb. of following year. Interim periods are 16, 12, 12, and 12 weeks. (B) Based on average shares through '96, then diluted. Quarters may not add to total. Excludes nonrecurring gains (losses): '94, 84¢; '97, 82¢; '99, 11¢; '00, ($1.16); '01, 27¢; '03, (7¢); '04, 35¢; '05, (80¢). Next earnings report due mid-October. (C) Dividends historically paid mid-March, June, Sept., Dec. ■ Dividend reinvestment plan available. (D) Includes intangibles. In 2007, $42.02 a share. (E) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	70
Earnings Predictability	95

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SAFEWAY INC. NYSE-SWY

RECENT PRICE 26.27 | P/E RATIO 11.7 (Trailing: 12.6 Median: 17.0) | RELATIVE P/E RATIO 0.75 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 3 Lowered 3/7/08
SAFETY 3 Raised 11/18/94
TECHNICAL 4 Lowered 7/25/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

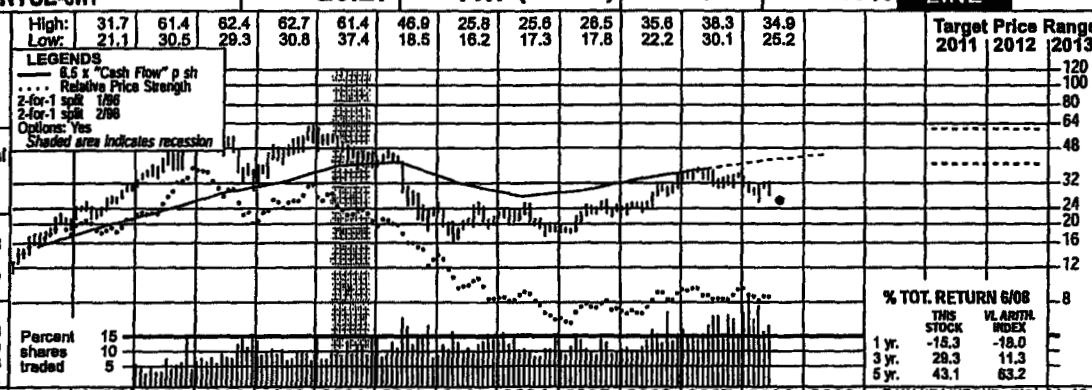
	Price	Gain	Ann'l Total Return
High	60	(+130%)	24%
Low	40	(+50%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	2	0	0	0	1	0	0	1
Options	0	1	0	0	0	0	0	1	0
to Sell	0	1	0	0	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	180	211	229
to Sell	199	191	178
Hld's(000)	401628	398004	393132



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
38.34	37.47	37.28	38.37	39.00	47.22	49.94	58.47	63.43	70.27	73.47	80.04	80.02	85.48	91.31	96.08	*103.45*	*107.00*	Sales per sh A	*122.90*
1.06	1.13	1.38	1.53	1.80	2.26	2.73	3.38	3.81	4.64	4.81	3.75	3.25	3.48	4.01	4.45	*4.90*	*5.25*	"Cash Flow" per sh	*6.40*
.21	.26	.51	.68	.97	1.25	1.59	1.88	2.13	2.59	2.76	1.80	1.25	1.40	1.73	1.99	*2.25*	*2.45*	Earnings per sh B	*3.15*
--	--	--	--	--	--	--	--	--	--	--	--	--	.15	.22	.27	*.32*	*.40*	Div'ds Decl'd per sh C	*.70*
.62	.94	1.54	1.86	2.68	4.51	6.29	8.28	10.69	12.07	8.23	8.20	9.62	10.95	12.88	15.23	*16.75*	*18.35*	Book Value per sh	*23.60*
395.20	406.00	419.20	427.40	442.80	476.20	490.30	493.60	504.10	488.10	441.00	444.20	447.70	449.40	440.10	440.10	*435.00*	*430.00*	Common Shs Outst'g D	*415.00*
17.1	16.3	12.8	14.3	17.8	20.7	26.3	25.1	22.0	18.5	11.8	11.7	17.0	15.8	15.7	17.2	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
1.04	.96	.84	.96	1.11	1.19	1.37	1.43	1.43	.95	.64	.67	.90	.84	.85	.91	*Value Line*		Relative P/E Ratio	*1.05*
--	--	--	--	--	--	--	--	--	--	--	--	--	.7%	.8%	.8%	*estimates*		Avg Ann'l Div'd Yield	*1.4%*
24484	*26860*	*31977*	*34301*	*32399*	*35553*	*35823*	*38416*	*40185*	*42286*	*45000*	*46000*							Sales ($mill) A	*51000*
31.3%	31.5%	31.9%	33.2%	33.7%	32.3%	32.1%	31.4%	31.3%	31.3%	*31.5%*	*31.5%*							Gross Margin	*32.0%*
8.7%	9.3%	9.7%	10.4%	10.0%	7.2%	5.8%	5.9%	6.4%	6.7%	*6.8%*	*6.8%*							Operating Margin	*7.5%*
1497	1659	1688	1773	1695	1817	1802	1775	1761	1743	*1750*	*1750*							Number of Stores	*1850*
806.7	970.9	1091.9	1327.7	*1309.4*	802.1	560.2	629.1	774.1	888.4	*1000*	*1075*							Net Profit ($mill)	*1325*
42.3%	*42.0%*	*41.5%*	*40.2%*	*37.2%*	*36.0%*	*29.4%*	*34.4%*	*37.6%*	*36.7%*	*37.0%*	*37.0%*							Income Tax Rate	*37.0%*
3.3%	3.4%	3.4%	3.9%	4.0%	2.3%	1.6%	1.6%	1.9%	2.1%	*2.2%*	*2.3%*							Net Profit Margin	*2.6%*
d573.7	d530.5	d556.0	d570.8	322.8	43.4	d194.4	d561.5	d1036	d1129	*d1200*	*d1200*							Working Cap'l ($mill)	*100*
4650.6	6357.4	5822.1	6712.3	7521.5	7072.3	6123.7	5605.3	5036.6	4657.7	*4600*	*4575*							Long-Term Debt ($mill)	*4500*
3082.1	4085.8	5389.8	5889.6	3627.5	3644.3	4306.9	4919.7	5666.9	6701.8	*7285*	*7880*							Shr. Equity ($mill)	*9795*
11.9%	10.9%	11.7%	12.2%	13.4%	9.4%	7.2%	7.8%	8.9%	9.3%	*10.0%*	*10.0%*							Return on Total Cap'l	*10.5%*
26.2%	23.8%	20.3%	22.5%	36.1%	22.0%	13.0%	12.8%	13.7%	13.3%	*13.5%*	*13.5%*							Return on Shr. Equity	*13.5%*
26.2%	23.8%	20.3%	22.5%	36.1%	22.0%	13.0%	11.9%	12.0%	11.6%	*12.0%*	*11.5%*							Retained to Com Eq	*10.5%*
--	--	--	--	--	--	--	7%	12%	13%	*14%*	*16%*							All Div'ds to Net Prof	22%

CAPITAL STRUCTURE as of 6/14/08
Total Debt $5851.5 mill. Due in 5 Yrs $3583.1 mill.
LT Debt $4601.1 mill. LT Interest $325.0 mill.
Incl. $542.8 mill. capitalized leases.
(LT Interest earned: 5.4x; total interest coverage: 4.8x) (40% of Cap'l)

Leases, Uncapitalized Annual rentals $451.8 mill.

Pension Assets-12/07 $2.3 bill. Oblig. $2.3 bill.

Pfd Stock None
Common Stock 435,400,000 shs.

MARKET CAP: $11.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/14/08
Cash Assets	216.6	277.8	326.1
Receivables	461.2	577.9	469.8
Inventory (LIFO)	2642.5	2797.8	2656.7
Other	245.4	354.0	396.1
Current Assets	3565.7	4007.5	3847.7
Accts Payable	2484.4	2825.4	2286.1
Debt Due	831.5	997.4	1250.4
Other	1305.5	1313.6	1195.9
Current Liab.	4601.4	5136.4	4732.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.0%	5.5%	5.0%
"Cash Flow"	6.0%	-2.0%	8.0%
Earnings	6.0%	-7.5%	11.0%
Dividends	--	--	22.0%
Book Value	15.5%	4.5%	10.5%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	8621	8803	8946	12046	38416
2006	8895	9367	9420	12503	40185
2007	9322	9823	9785	13356	42286
2008	9999	10120	*10125*	*14756*	*45000*
2009	*10400*	*10500*	*10500*	*14600*	*46000*

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.29	.30	.35	.46	1.40
2006	.32	.42	.39	.60	1.73
2007	.39	.49	.44	.67	1.99
2008	.44	.53	.47	.81	2.25
2009	*.50*	*.60*	*.55*	*.80*	*2.45*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	.05	.05	.10
2006	.05	.05	.0575	.0575	.215
2007	.0575	.0575	.069	.069	.253
2008	.069	.069	.083		

BUSINESS: Safeway Inc. operates about 1,750 supermarkets in the California, Pacific Northwest, Rocky Mountain, Southwest, Mid-Atlantic, and Western Canada regions, most with #1 or #2 market share. Operates 32 manufacturing and processing facilities. Acq'd. Vons Co., 4/97; Dominick's, 11/98; Carr-Gottstein, 4/99; Randall's, 9/99; Genuardi's, 4/01. Has a 49% interest in Casa Ley, a food retailer in Mexico (results are reported on a 1-quarter delay). Has 201,000 employees (80% unionized). 2007 depr. rate: 5.5%. AXA Financial owns 10.9% of stock; FMR Corp., 8.8%; Brandes Invest., 6.3%; offs. & dirs., 2.6% (4/08 proxy). CEO: Steven A. Burd. Inc.: DE. Address: 5918 Stoneridge Mall Road, Pleasanton, CA 94588-3229. Telephone: 925-467-3000. Internet: www.safeway.com.

Safeway's sales momentum has cooled off. Identical-store sales, excluding fuel purchases, dipped 0.3% in the June quarter, the retailer's weakest performance in several years. A weak economy and inflationary pressures are likely contributing to the softness. Safeway's exposure to western markets that have been hit hard by the housing slump isn't helping either. Notably, though, Kroger, the nation's largest supermarket operator, has yet to report any deterioration in its mid-single-digit "comp" growth. This appears to be raising concerns that Safeway's value-driven strategy, centered around its "Lifestyle" stores (see below), may be putting it at a disadvantage to more price-oriented formats.

We look for earnings to advance about 13% in 2008. Despite the lackluster sales, share net rose 8%, to $0.53, in the June quarter. Operating margins expanded modestly, helped by lower product losses, cutbacks in advertising, a shift to higher-margined private-label goods, and reduced employee costs. Share net also got a boost below the operating line from lower interest expense and a smaller share base. Of note, though, second-half growth will likely be heavily weighted toward the December quarter. This year's final interim will be one week longer than the prior-year period. Too, the savings from the cost-cutting program initiated last fall and incremental sales from recent initiatives to reignite "comps" will likely become more pronounced as 2008 winds down.

The rollout of the "Lifestyle" format continues. These supermarkets, which emphasize high-margined perimeter departments, now represent about 63% of the store base, up from 26% at the start of 2006. This transition will likely be largely completed by the end of next year. The subsequent reduction in costs related to this program should provide management with additional flexibility as it looks to win market share and boost profits.

These shares offer good total return potential to 2011-2013. Concerns that Safeway won't fare as well as more price-oriented retailers in the current economic climate appear to be undermining the stock. The long-term outlook, though, continues to look relatively bright in our view.

Robert M. Greene, CFA *August 1, 2008*

(A) Fiscal yr. ends on Sat. nearest Dec. 31. Interim periods are 12, 12, 12, and 16 wks. long. (B) Based on diluted shares outstanding. Next egs. report due early Oct. Excl. nonrecur. gain / losses: '01, d15¢; '02, d$3.04; '03, d$2.18; '05, d15¢; '06, 21¢. Excl. extra. loss: '97, 13¢. '02 results exclude Dominick's (loss of $1.47), which was temporarily classified as a disc. op. Quarterly egs. adjusted to sum to full-year total. (C) Initial quarterly dividend declared, 5/25/05. Div'ds paid in Jan., April, July, Oct. (D) In millions, adj. for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	15
Earnings Predictability	65

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STANDEX INT'L NYSE-SXI

RECENT PRICE 20.15 | P/E RATIO 15.6 (14.9 / 14.0) | RELATIVE P/E RATIO 1.06 | DIV'D YLD 4.2% | VALUE LINE

TIMELINESS 3 Raised 11/9/07
SAFETY 3 Lowered 4/28/06
TECHNICAL 2 Raised 7/25/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+150%)	28%
Low	35	(+75%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	3	2	0	1	0	0	0
Options	3	0	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	37	48	40
to Sell	48	39	46
Hld's(000)	9510	9270	9430

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	37.0	35.9	29.0	21.2	26.3	28.0	29.3	30.0	30.3	32.8	31.0	24.0								
Low:	24.5	19.0	19.5	14.3	18.3	18.8	18.7	21.5	23.8	26.0	17.1	15.7								
	28.81	33.27	36.30	40.63	41.84	43.00	47.16	49.74	51.69	49.34	47.49	47.12	47.30	54.46	48.35	50.72	55.60	56.00	Sales per sh A	68.00
	1.98	2.42	2.72	3.38	3.21	3.02	3.22	3.45	3.58	3.17	2.75	2.58	2.75	3.05	2.70	2.49	2.80	2.85	"Cash Flow" per sh	4.80
	1.17	1.47	1.78	2.41	2.21	2.00	2.13	2.36	2.39	2.02	1.66	1.47	1.79	2.04	1.67	1.23	1.45	1.55	Earnings per sh B	3.35
	.38	.43	.52	.63	.71	.75	.76	.76	.79	.83	.84	.84	.84	.84	.84	.84	.84	.84	Div'ds Decl'd per sh C	1.00
	.94	.71	.91	.86	1.14	.93	1.52	1.30	1.85	1.14	.63	.65	.60	.72	1.24	.84	1.00	1.00	Cap'l Spending per sh	1.10
	8.27	7.99	8.16	9.45	10.01	10.75	11.19	12.59	13.37	14.16	14.76	13.28	13.40	14.35	16.41	16.69	16.80	17.60	Book Value per sh D	23.20
	16.56	15.22	14.58	14.01	13.45	13.13	13.07	12.90	12.32	12.16	12.09	12.19	12.21	12.23	12.20	12.25	12.50	12.50	Common Shs Outst'g E	12.50
	10.9	12.8	14.0	12.5	14.2	14.4	14.9	10.5	8.4	10.3	13.9	14.5	14.6	13.1	17.1	23.3	21.3		Avg Ann'l P/E Ratio	13.0
	.66	.76	.92	.84	.89	.83	.77	.60	.55	.53	.76	.83	.77	.70	.92	1.22	1.19		Relative P/E Ratio	.85
	2.9%	2.3%	2.1%	2.1%	2.3%	2.6%	2.4%	3.1%	3.9%	4.0%	3.6%	4.0%	3.2%	3.1%	2.9%	2.9%	4.0%		Avg Ann'l Div'd Yield	2.3%
							616.2	641.4	637.0	600.2	574.0	574.5	577.5	666.2	589.9	621.2	695	700	Sales ($mill) A	850
							11.2%	11.6%	11.6%	11.3%	9.0%	8.4%	8.6%	8.3%	8.7%	7.2%	8.0%	8.0%	Operating Margin	10.0%
							13.9	13.8	13.6	13.7	12.9	13.6	11.5	11.9	12.0	15.2	17.0	16.5	Depreciation ($mill)	18.0
							26.2	30.7	30.5	24.9	20.4	17.9	22.1	25.3	20.9	15.3	18.0	19.0	Net Profit ($mill)	42.0
							38.4%	39.1%	38.4%	41.4%	31.7%	35.4%	30.9%	32.7%	34.5%	28.8%	34.5%	34.5%	Income Tax Rate	34.5%
							4.6%	4.8%	4.8%	4.1%	3.6%	3.1%	3.8%	3.8%	3.5%	2.5%	2.6%	2.7%	Net Profit Margin	4.9%
							148.9	146.5	145.0	139.8	44.0	105.8	85.1	64.7	127.3	116.0	90.0	105	Working Cap'l ($mill)	185
							163.4	148.1	153.4	153.0	50.1	109.0	108.8	53.3	113.7	164.2	120	120	Long-Term Debt ($mill)	115
							146.2	162.3	164.8	172.2	178.4	161.9	163.5	175.6	200.3	204.4	210	220	Shr. Equity ($mill)	285
							10.5%	11.5%	11.3%	9.5%	10.7%	7.6%	9.1%	12.2%	7.6%	5.3%	6.5%	7.0%	Return on Total Cap'l	11.0%
							19.3%	18.9%	18.5%	14.5%	11.4%	11.1%	13.5%	14.4%	10.5%	7.5%	8.5%	8.5%	Return on Shr. Equity	14.5%
							12.5%	12.9%	12.4%	8.6%	5.8%	4.8%	7.2%	8.6%	5.3%	2.4%	3.5%	4.0%	Retained to Com Eq	10.0%
							35%	32%	33%	41%	50%	57%	47%	40%	49%	67%	68%	55%	All Div'ds to Net Prof	30%

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.9	-18.0
3 yr.	-19.2	11.3
5 yr.	15.5	63.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $147.9 mill. Due in 5 Yrs $140.0 mill.
LT Debt $119.1 mill. LT Interest $7.2 mill.

(LT interest earned: 4.8x; total interest coverage: 3.7x) (34% of Cap'l)
Leases, Uncapitalized Annual rentals $3.4 mill.
Pension Assets-6/07 $234.9 mill. Oblig. $244.3 mill.

Pfd Stock None
Common Stock 12,491,897 shs.
as of 5/5/08
MARKET CAP: $250 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	32.6	24.1	20.3
Receivables	92.8	106.1	99.0
Inventory (FIFO)	75.7	91.3	100.3
Other	42.0	14.8	16.3
Current Assets	243.1	236.3	235.9
Accts Payable	54.5	66.0	65.6
Debt Due	3.9	4.2	28.8
Other	57.4	50.1	48.4
Current Liab.	116.8	120.3	142.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	2.0%	.5%	5.0%
"Cash Flow"	-1.5%	-3.0%	10.0%
Earnings	-3.0%	-4.0%	12.5%
Dividends	2.0%	.5%	3.0%
Book Value	4.5%	2.5%	6.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	160.7	167.9	163.1	174.5	666.2
2006	149.9	138.1	148.5	153.4	589.9
2007	149.5	139.3	160.7	171.7	621.2
2008	175.5	172.2	169.0	178.3	695
2009	175	175	170	180	700

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.62	.52	.40	.50	2.04
2006	.47	.35	.38	.47	1.67
2007	.43	.39	.15	.26	1.23
2008	.43	.45	.21	.36	1.45
2009	.35	.37	.41	.42	1.55

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.21	.21	.21	.21	.84
2005	.21	.21	.21	.21	.84
2006	.21	.21	.21	.21	.84
2007	.21	.21	.21	.21	.84
2008	.21	.21			

BUSINESS: Standex Intl. Corp.'s various products and services are in five segments. Food Service: Refrigerated cabinets, ovens, baking equip. & display cases. Air Distribution: Ducts for heating, ventilating & air conditioning. Engraving: Texturizes plastics, paper, etc. Engineered Products: Formed components for aerospace and other ind., and sensors & reed switches. Hydraulics Products: Provides components for hydraulic lifts for the truck industry. 2007 depr. rate: 6.1%. Has about 5,500 empls. Off. & dir. control 2.5% of stk; Royce and Assoc., 6.1%; Wedge Capital Mgmt., 5.7%; Empls.' Retirement Svgs. Plan, 4.7%. (9/07 proxy). Chmn: Edward J. Trainor. Pres. & CEO: Roger Fix. Inc.: DE. Address: 6 Manor Pkwy, Salem, NH 03079. Tel.: 603-893-9701. Internet: www.standex.com.

Standex International's recovery is facing some headwinds:

• Its big Food Service segment, bolstered by two acquisitions made in January, 2007, had performed very well, indeed, in the first nine months of fiscal 2008 (years end June 30th) and the fiscal year probably finished strongly. But looking ahead, we see some problems reflecting nervousness about the state of the economy and the high cost of gasoline that tend to discourage dining at restaurants, which provide an important market for food processing and storage equipment.

• Air distribution is being hit hard by the weakness of the housing market. Not only has customer demand fallen off sharply, but inventories are generally too high throughout the distribution network, and must be brought in line.

• Hydraulics supplies components for many large trucks. When the government made a change in engine regulations effective January, 2007, demand fell off sharply. Now the demand comeback is being slowed by the soaring price of diesel fuel.

Even so, the earnings recovery seems likely to continue in fiscal 2009, although the pace will probably be slower than we had anticipated. A program of consolidating production in lower-cost plants should continue to bear fruit, and synergism on the selling end in the Food Service units should help the company gain market share. In addition, the Spincraft unit is doing well with NASA, and will probably obtain business from a number of new programs. Once the company's soft markets recover, we expect the margins to expand again, permitting a rapid pickup in earnings, which gives the stock wide capital gains potential over the pull to 2011-2013.

We expect a buildup in working capital over the 3- to 5-year pull. Standex's free cash flow, after paying out dividends and investing in new plants, is more than enough to increase its funds. Years ago, the company was a heavy purchaser of its own stock, but that slowed to a crawl in fiscal 2002. Since then, over $160 million has been invested in new units, paid for by using excess "Cash Flow", additional debt, and funds derived from the disposal of discontinued operations.

Morton L. Siegel *July 25, 2008*

(A) Fiscal year ends June 30th.
(B) Prim. egs. through 1997, then diluted. Excl. nonrecur. gains (losses): '92, 12¢; '95, 23¢; '98, (61¢); '99, 5¢; '00, (22¢); '02, (31¢); '03, (31¢); '04, (93¢); '05, (13¢), '06, 18¢; '07, 48¢; '08, (3¢). Amort. FASB 106 liability over 20 years, began 1994. Next egs. rpt. due late Aug.
(C) Dividends historically paid in late Feb., May, Aug., and Nov.
(D) Includes intangibles. In 2007: $150.1 mill., $12.26/sh.
(E) In millions.

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	35
Earnings Predictability	75

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SENSIENT TECH. NYSE-SXT

RECENT PRICE 32.06 | P/E RATIO 17.8 (Trailing: 17.9 / Median: 14.0) | RELATIVE P/E RATIO 1.15 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 2 Raised 8/1/08
SAFETY 3 Lowered 11/4/05
TECHNICAL 3 Lowered 4/4/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+40%)	11%
Low	30	(-5%)	1%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	0	0	
Options	2	4	0	0	0	2	0	5	0
to Sell	2	4	0	1	0	2	0	5	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	75	89	69
to Sell	89	83	105
Hld's(000)	40579	41424	40283

High: 21.5 27.8 27.8 23.2 24.0 26.0 24.3 24.3 24.0 25.3 32.0 33.1
Low: 16.0 19.4 18.3 16.0 15.5 18.0 17.9 17.9 16.8 16.9 23.7 25.0

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 64 / 48 / 40 / 32 / 24 / 20 / 16 / 12 / 8 / 6

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	13.9	-18.0
3 yr.	48.8	11.3
5 yr.	41.3	63.2

Percent shares traded: 12 / 8 / 4

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
16.79	16.90	17.84	15.19	15.86	16.13	16.75	18.28	16.67	17.23	19.91	21.13	22.25	22.10	23.59	24.78	26.90	28.35	Sales per sh A	32.60
1.65	1.74	1.82	1.75	1.86	1.99	2.28	2.56	2.37	2.35	2.58	2.59	2.59	2.24	2.35	2.55	2.75	2.95	"Cash Flow" per sh	3.50
1.01	1.08	1.12	1.09	1.18	1.27	1.40	1.57	1.42	1.36	1.69	1.68	1.62	1.21	1.44	1.65	1.80	1.95	Earnings per sh B	2.40
.42	.44	.46	.48	.50	.53	.53	.53	.53	.53	.53	.59	.60	.60	.61	.68	.72	.74	Div'ds Decl'd per sh C ■	.80
.85	.69	1.06	.82	1.16	1.44	1.29	1.24	1.14	.80	1.00	1.59	1.06	.78	.84	.88	1.05	1.05	Cap'l Spending per sh	1.00
5.76	5.78	6.28	6.93	6.90	7.43	7.93	8.57	8.59	9.09	10.58	12.42	13.99	13.43	15.12	17.03	18.05	19.10	Book Value per sh D	23.00
52.62	52.77	52.12	52.20	50.84	51.18	51.16	50.34	48.55	47.41	47.21	46.72	47.07	46.33	46.57	47.35	48.00	48.50	Common Shs Outst'g E	50.00
16.2	15.9	14.4	14.1	14.9	14.2	15.9	14.3	13.5	14.8	13.2	12.7	12.9	16.5	14.2	16.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.98	.94	.94	.94	.93	.82	.83	.82	.88	.76	.72	.72	.68	.88	.77	1.07			Relative P/E Ratio	1.00
2.6%	2.6%	2.8%	3.1%	2.8%	2.9%	2.4%	2.4%	2.8%	2.6%	2.4%	2.8%	2.9%	3.0%	3.0%	2.6%			Avg Ann'l Div'd Yield	1.8%
						856.8	920.2	809.2	816.9	939.9	987.4	1047.1	1023.9	1098.8	1184.8	1290	1375	Sales ($mill) A	1630
						20.2%	21.1%	21.8%	20.5%	20.0%	17.6%	17.0%	15.5%	15.7%	16.2%	15.9%	15.9%	Operating Margin	16.4%
						44.2	48.9	45.6	46.3	41.3	43.1	46.2	46.8	43.0	44.3	45.0	48.0	Depreciation ($mill)	55.0
						72.6	80.1	69.6	65.0	80.7	77.9	75.8	58.8	66.4	77.8	88.0	95.0	Net Profit ($mill)	120
						32.5%	32.7%	28.2%	27.8%	31.0%	23.2%	24.9%	25.1%	29.0%	30.1%	30.0%	30.0%	Income Tax Rate	30.0%
						8.5%	8.7%	8.6%	8.0%	8.6%	7.9%	7.2%	5.5%	6.0%	6.6%	6.8%	6.9%	Net Profit Margin	7.4%
						148.0	162.9	239.3	223.0	266.3	254.3	281.0	76.2	291.1	380.7	420	465	Working Cap'l ($mill)	665
						291.6	385.4	417.1	423.1	511.7	525.9	525.2	283.1	441.3	449.6	440	430	Long-Term Debt ($mill)	400
						405.6	431.6	417.1	430.8	499.4	580.1	658.7	622.2	704.1	814.4	865	925	Shr. Equity ($mill)	1150
						11.8%	11.3%	10.4%	9.2%	9.3%	8.2%	7.5%	7.6%	6.8%	7.6%	8.0%	8.0%	Return on Total Cap'l	8.5%
						17.9%	18.6%	16.7%	15.1%	16.2%	13.4%	11.5%	9.1%	9.4%	9.6%	10.0%	10.0%	Return on Shr. Equity	10.5%
						11.2%	12.4%	10.5%	9.2%	11.0%	8.6%	7.2%	4.6%	5.4%	5.6%	6.0%	6.5%	Retained to Com Eq	7.0%
						37%	33%	37%	39%	32%	36%	37%	50%	43%	42%	40%	38%	All Div'ds to Net Prof	33%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $527.9 mill. Due in 5 Yrs $397.5 mill.
LT Debt $459.2 mill. LT Interest $31.0 mill.
(LT Interest earned:5.4x; total interest coverage: 3.1x) (34% of Cap'l)

Leases, Uncapitalized Annual rentals $7.8 mill.
Pension Assets-12/07 $21.2 million
Obligations $53.3 million

Common Stock 48,057,255 shs.
as of 4/30/08
MARKET CAP: $1.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	5.0	10.5	12.8
Receivables	178.3	196.5	216.8
Inventory (FIFO)	333.1	361.5	371.2
Other	35.3	41.5	48.7
Current Assets	551.7	610.0	649.5
Accts Payable	80.9	88.8	85.1
Debt Due	91.2	57.5	68.7
Other	88.5	83.0	86.0
Current Liab.	260.6	229.3	239.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.0%	5.5%	5.5%
"Cash Flow"	2.5%	-0.5%	6.5%
Earnings	2.0%	-1.0%	9.0%
Dividends	2.5%	3.5%	4.0%
Book Value	8.0%	10.0%	7.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	250.9	263.8	256.4	252.8	1023.9
2006	262.9	282.2	280.9	272.8	1098.8
2007	285.3	304.3	294.3	300.9	1184.8
2008	307.4	332.7	320	329.9	1290
2009	335	355	340	345	1375

Calendar	EARNINGS PER SHARE AB Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.33	.34	.30	.24	1.21
2006	.34	.40	.37	.33	1.44
2007	.37	.45	.44	.39	1.65
2008	.43	.53	.44	.40	1.80
2009	.45	.53	.47	.50	1.95

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.15	.15	.60
2005	.15	.15	.15	.15	.60
2006	.15	.15	.15	.16	.61
2007	.16	.16	.18	.18	.68
2008	.18	.18			

BUSINESS: Sensient Technologies supplies colors, flavors, and fragrances to makers of packaged foods, beverages, cosmetics, and inkjet inks. Sales breakdown (2007): flavors and fragrances, 65%; colors, 31%; other, 4%. Believed to be the second largest U.S. producer of dehydrated onion and garlic products. 46% of sales generated outside North America. Purchased Formulabs, 7/03; flavors operation of C. Melchers, 3/02. As of 12/31/07, had 3,623 employees. Officers & directors own 5.2% of common stock; Gabelli Asset Management, 9.4%; Dimensional Fund Advisors, 6.9% (3/08 proxy). Chairman, President & CEO: Ken Manning. Inc.: WI. Address: 777 E. Wisconsin Ave., Milwaukee, WI 53202. Telephone: 414-271-6755. Internet: www.sensient-tech.com.

Sensient Technologies posted healthy results for the June interim. The company's sales and earnings were up 9% and 18%, respectively, when compared to the prior-year period. This performance benefited from pricing improvements, new product launches, and favorable foreign currency translation. Thus far, the company has been able to offset rising materials and energy costs with price increases in all of its product offerings. We expect that Sensient will continue performing well, given its strong pipeline within cosmetics, pharmaceutical, and technical color product lines.

Raw material costs increases may temper bottom-line growth. Sensient has some flexibility within its cost structure, because it uses a wide range of materials for its products. It has also stockpiled some raw materials when the opportunity has arisen, though this creates some vulnerability should input costs head downward. Nonetheless, increases have dominated, which the company has been able to successfully pass onto customers. That said, ongoing rising commodity costs will likely shrink margins, as customers may push back when faced with continued price increases.

The new product pipeline is healthy. Proprietary technologies, coupled with an approximately $25 million research and development budget, is helping keep product innovation fresh. Recent introductions of new cosmetic formulations and self-dispersing pigments for inkjet inks contributed considerably to last quarter's results. Food and beverage offerings have the added pressure of keeping pace with trends, but new developments for organic food products are on tap, thanks to an increased focus on healthy lifestyles.

These shares have benefited from investor support despite broader market weakness. Plus, this issue has risen a notch in Timeliness, to 2, and is now ranked to outperform the market in the year ahead. But investors should keep in mind that successful product launches will be vital to future share-net advances. Moreover, at the current quotation, the stock does not offer worthwhile appreciation potential, as it already trades within our 3- to 5-year Target Price Range.

Mary Beth Wiedenkeller *August 1, 2008*

(A) Fiscal year ended September 30th. thru '99; calendar thereafter. (B) Primary egs. thru 1997, diluted thereafter. Excluding nonrecurring gains (losses): '92, (23¢); '93, (45¢); '94, (15¢); '95, 18¢; '96, (33¢); '00, (8¢); '01, 20¢; '03, 7¢; '04, (4¢); '05, (27¢). Next earnings report due late October. (C) Dividends historically paid in early March, June, September, and December ■ Dividend reinvestment plan avail. (D) Includes intangibles. At 3/31/08: $508.4 million, $10.48/share. (E) In millions, adjusted for stock split.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	80

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SYBA E, INC NYSE-SY

RECENT PRICE 36.38 | P/E RATIO 23.5 (Trailing: 23.9 Median: 22.0) | RELATIVE P/E RATIO 1.46 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 2 Lowered 7/4/08
SAFETY 3 Raised 3/2/01
TECHNICAL 4 Lowered 8/22/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+35%)	9%
Low	35	(-5%)	Nil

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	8	2	2	2	4	2	1	8	7
to Sell	2	9	2	2	4	10	1	8	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	85	111	135
to Sell	131	100	120
Hld's(000)	96788	97265	99851

	High:	23.6	11.3	19.8	31.0	26.4	19.2	22.1	23.2	24.1	26.1	28.7	36.5
	Low:	11.5	4.5	5.3	15.4	8.4	9.1	11.3	12.8	16.9	19.2	21.8	24.0

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	41.7	-12.2
3 yr.	57.9	7.2
5 yr.	114.1	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.89	8.93	13.43	13.17	13.22	11.30	10.69	10.77	10.96	9.38	8.77	7.90	8.26	9.04	9.60	11.76	14.10	15.20	Sales per sh	17.80
.90	1.43	2.22	1.27	.89	.62	1.09	1.83	2.01	1.81	1.70	1.65	1.58	1.76	1.84	2.41	2.95	3.20	"Cash Flow" per sh	3.50
.48	.86	1.38	.24	d.40	d.70	d.23	.69	.74	.44	.80	.79	.67	.92	1.03	1.32	1.55	1.80	Earnings per sh A	2.15
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.46	.90	1.51	1.67	1.08	.45	.61	.35	.35	.39	.43	.36	.32	.18	.20	.27	.30	.30	Cap'l Spending per sh	.35
2.63	3.99	6.53	6.05	5.19	4.64	3.71	4.15	5.60	7.26	6.13	7.53	7.92	7.72	9.24	10.67	9.75	11.65	Book Value per sh	18.75
44.93	47.78	51.65	72.65	76.51	80.00	81.17	80.92	87.66	98.73	94.66	98.53	95.52	90.53	91.28	87.21	78.00	78.00	Common Shs Outst'g B	80.00
32.3	38.1	34.3	NMF	--	--	--	15.8	30.4	36.6	17.3	19.9	26.0	22.2	21.6	18.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.96	2.25	2.25	NMF	--	--	--	.90	1.98	1.88	.94	1.13	1.37	1.18	1.17	.98			Relative P/E Ratio	1.35
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
867.5	871.6	960.5	926.1	829.9	778.1	788.5	818.7	876.2	1025.5	1100	1185	Sales ($mill)	1425
11.0%	19.3%	21.4%	20.2%	23.0%	24.3%	21.8%	23.9%	23.6%	25.0%	27.0%	27.5%	Operating Margin	27.0%
107.8	90.0	107.9	136.5	81.3	84.9	84.9	73.6	72.8	87.9	100	100	Depreciation ($mill)	100
d19.0	58.2	67.9	41.7	79.7	77.5	66.0	85.6	95.1	121.9	132	150	Net Profit ($mill)	180
--	36.9%	40.8%	38.8%	32.9%	32.5%	32.9%	37.4%	41.1%	35.9%	36.0%	36.0%	Income Tax Rate	36.0%
NMF	6.7%	7.1%	4.5%	9.6%	10.0%	8.4%	10.5%	10.9%	11.9%	12.0%	12.7%	Net Profit Margin	12.0%
84.2	127.3	157.5	108.6	107.9	254.8	290.2	573.3	455.2	604.7	525	575	Working Cap'l ($mill)	700
--	--	--	--	--	--	--	460.0	460.0	460.0	460	460	Long-Term Debt ($mill)	460
301.1	336.1	490.8	716.5	580.4	741.5	756.6	698.8	843.1	930.8	760	910	Shr. Equity ($mill)	1500
NMF	17.3%	13.8%	5.8%	13.7%	10.5%	8.7%	7.9%	7.7%	9.2%	11.0%	11.0%	Return on Total Cap'l	9.5%
NMF	17.3%	13.8%	5.8%	13.7%	10.5%	8.7%	12.2%	11.3%	13.1%	17.5%	16.5%	Return on Shr. Equity	12.0%
NMF	17.3%	13.8%	5.8%	13.7%	10.5%	8.7%	12.2%	11.3%	13.1%	17.5%	16.5%	Retained to Com Eq	12.0%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/30/08
Total Debt $460.0 mill. Due in 5 Years None
LT Debt $460.0 mill. LT Interest $8.1 mill.
$460 mill. 1.75% sub. notes due 2025, conv. at 130% of $25.22.
(Interest coverage: 27x) (38% of Cap'l)
Leases, Uncapitalized Annual rentals $44.9 mill.

No Defined Benefit Pension plan

Pfd Stock None
Common Stock 88,339,321 shs.
(Options exercisable: 8.7%)

MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	624.9	698.3	580.0
Receivables	218.3	245.3	234.4
Other	28.7	84.1	78.0
Current Assets	871.9	1027.7	892.4
Accts Payable	23.4	30.3	34.0
Deferred Revenue	193.4	203.7	225.9
Other	199.6	189.0	184.3
Current Liab.	416.4	423.0	444.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-2.0%	1.0%	10.0%
"Cash Flow"	8.0%	1.5%	10.0%
Earnings	--	10.5%	12.0%
Dividends	--	--	NMF
Book Value	5.5%	8.0%	12.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	191.9	204.4	199.3	223.1	818.7
2006	195.0	215.6	209.1	256.5	876.2
2007	230.0	245.0	255.3	295.2	1025.5
2008	260.2	282.7	275	282.1	1100
2009	275	295	300	315	1185

Calendar	EARNINGS PER SHARE AC Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.14	.17	.30	.32	.92
2006	.19	.29	.27	.28	1.03
2007	.16	.28	.37	.51	1.32
2008	.27	.37	.39	.52	1.55
2009	.31	.44	.45	.60	1.80

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Sybase, Inc. provides relational database management systems used in network-based client/server computing. Products include database server products, middleware, development tools, and wireless messaging services. Also provides consulting services and technical support. License fees 33.6% of 2007 revenues; Services, 66.4%; R&D, 14.9%. Acquired PowersoR, 2/95; Home Financial Network, 1/00; New Era of Networks, 6/01; Mobile 365, 11/06. Employs about 4,035 (6/30/08). Stock ownership: Four financial institutions, 24.4%; Officers & directors, 5.8% (3/08 proxy). Chairman, President & CEO: John Chen. Incorporated: DE. Address: One Sybase Drive, Dublin, CA 94568. Telephone: 925-236-5000. Internet: www.sybase.com.

Business activity at Sybase, Inc. is healthy. License revenues advanced by some 15% in the first half, benefiting from continued interest in its database server and analytics products and services (*ASE 15* and *Sybase IQ*) by existing and new customers. Moreover, growth at its messaging business, Sybase 365, remains strong, with a 40% advance in the first six months of 2008. That said, progress at the top line in the second half may only be modest. Although the difficult macroeconomic environment has yet to take a toll on Sybase, despite its large customer base in financial services, it is probably prudent to keep revenue estimates conservative, following the company's own forecast. Moreover, in any event, our sense is that the software vendor will be up against a difficult comparison in the December quarter. Meanwhile,

Share earnings should advance between 15% and 20% this year. We look for the company's operating margin to expand, reflecting a combination of higher revenues and its traditional emphasis on expense management. In addition, the $300 million Dutch Auction, which was completed earlier this year and reduced shares outstanding by some 10.7 million, will also work to support earnings progress in the next few quarters.

At this juncture, we continue to estimate respectable revenue and earnings growth for 2009. The assumptions here are that the company continues to experience good demand for its products and services, particularly in the international arena, and that contracting activity with its customers in financial services does not take a downturn.

Sybase shares remain favorably ranked for Timeliness. And market support for this issue has generally been good so far this year. As mentioned above, we expect the company to continue posting good financial results in the second half, though the quarterly comparisons may narrow. Accordingly, new commitments to this issue should be made carefully and by investors with a near-term horizon. Indeed, the stock's current valuation already incorporates a good portion of the revenue and earnings growth that we project over the longer term.

Charles Clark *August 22, 2008*

(A) Primary ergs. thru 1996, diluted thereafter. Excl. non-recur. items: '95, d51¢; '96, d65¢; '98, d64¢; '98, 5¢; '00, 4¢; '01, d43¢; '02, d$1.75; '03, 10¢; '04, 2¢; '07, 30¢.
Next ergs. rpt. due late October.
(B) In millions.
(C) Quarterly earnings may not sum to annual figure due to changes in shares outstanding.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	60
Earnings Predictability	70

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STRYKER CORP. NYSE-SYK

RECENT PRICE 67.20 | P/E RATIO 22.3 (Trailing: 25.5 Median: 32.0) | RELATIVE P/E RATIO 1.45 | DIV'D YLD 0.7% | VALUE LINE

TIMELINESS 2 Raised 8/8/08
SAFETY 2 Raised 12/6/02
TECHNICAL 3 Raised 8/15/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+125%)	23%
Low	110	(+65%)	14%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	1	0	0	1	0	0	0	0
Options	0	3	0	1	1	1	0	1	0
to Sell	1	5	0	0	1	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	299	378	340
to Sell	370	349	391
Hld's(000)	208120	211529	217230

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
High:	11.3	13.9	18.3	28.9	31.6	33.7	42.7	57.7	56.3	55.9	76.9	74.9								
Low:	6.1	7.8	11.1	12.2	21.7	21.9	29.8	40.3	39.7	39.8	54.9	58.4								
	1.23	1.44	1.76	2.24	2.35	2.55	2.86	5.41	5.84	6.61	7.60	9.08	10.59	12.02	13.25	14.60	*16.65*	*19.30*	Sales per sh	*27.75*
	.15	.20	.24	.30	.33	.41	.49	.67	.84	1.13	1.37	1.71	2.08	2.49	2.85	3.33	*3.85*	*4.55*	"Cash Flow" per sh	*6.85*
	.13	.16	.19	.23	.26	.32	.38	.41	.55	.67	.88	1.12	1.43	1.75	2.02	2.40	*2.88*	*3.45*	Earnings per sh A	*5.45*
	.01	.01	.01	.01	.03	.03	.03	.03	.04	.04	.05	.06	.07	.09	.11	.22	.33	.44	Div'ds Decl'd per sh B	.66
	.08	.05	.08	.09	.07	.09	.13	.20	.21	.41	.35	.36	.47	.67	.53	.46	.55	.55	Cap'l Spending per sh	.75
	.60	.75	.93	1.17	1.37	1.59	1.69	1.73	2.18	2.68	3.78	5.40	6.84	8.03	10.27	13.09	*16.55*	*18.10*	Book Value per sh C	*24.70*
	386.42	387.16	386.95	388.43	387.15	384.24	386.16	388.80	391.80	393.40	396.20	399.40	402.50	405.20	407.90	411.00	*412.50*	*400.00*	Common Shs Outst'g D	*370.00*
	36.6	22.0	21.2	24.6	25.0	27.5	26.7	35.5	37.1	40.3	33.0	32.4	33.0	27.7	23.6	27.9	*Bold figures are*		Avg Ann'l P/E Ratio	*24.0*
	2.22	1.30	1.39	1.65	1.57	1.59	1.39	2.02	2.41	2.07	1.80	1.65	1.74	1.47	1.27	1.46	*Value Line*		Relative P/E Ratio	*1.60*
	.1%	.3%	.3%	.2%	.4%	.3%	.3%	.2%	.2%	.1%	.2%	.2%	.1%	.2%	.2%	.3%	*estimates*		Avg Ann'l Div'd Yield	.5%
							1103.2	2103.7	2289.4	2602.3	3011.6	3625.3	4262.3	4871.5	5405.6	6000.5	*6870*	*7715*	Sales ($mill)	*10265*
							20.5%	*22.2%*	*23.7%*	*24.7%*	*24.9%*	*24.9%*	*25.6%*	*26.8%*	*27.0%*	*28.2%*	*29.0%*	*29.5%*	Operating Margin	*31.0%*
							37.6	101.7	109.4	172.0	186.1	229.7	250.9	289.9	331.8	366.6	*385*	*405*	Depreciation ($mill)	*475*
							150.3	*160.4*	221.0	271.8	357.1	453.5	586.5	719.1	830.4	1000.7	*1200*	*1405*	Net Profit ($mill)	*2060*
							22.2%	35.0%	34.0%	33.0%	31.8%	30.5%	30.0%	29.4%	26.2%	26.0%	*27.5%*	*27.0%*	Income Tax Rate	*27.0%*
							13.6%	7.6%	9.7%	10.4%	11.9%	12.5%	13.8%	14.8%	15.4%	16.7%	*17.5%*	*18.2%*	Net Profit Margin	*20.1%*
							612.3	440.8	379.6	459.7	443.8	547.1	1029.1	1621.3	2182.8	3571.9	*3770*	*4000*	Working Cap'l ($mill)	*4500*
							1488.0	1181.1	876.5	720.9	491.0	18.8	.7	184.2	--	--	*Nil*	*Nil*	Long-Term Debt ($mill)	*Nil*
							652.1	671.5	854.9	1056.2	1498.2	2154.8	2752.0	3251.8	4191.0	5378.5	*6825*	*7230*	Shr. Equity ($mill)	*9140*
							7.3%	11.8%	15.2%	17.0%	19.0%	21.4%	21.4%	20.9%	19.8%	18.6%	*17.5%*	*19.5%*	Return on Total Cap'l	*22.5%*
							23.0%	23.9%	25.9%	25.7%	23.8%	21.0%	21.3%	22.1%	19.8%	18.6%	*17.5%*	*19.5%*	Return on Shr. Equity	*22.5%*
							21.4%	22.2%	24.4%	24.2%	22.5%	19.9%	20.3%	21.0%	18.7%	16.9%	*15.5%*	*16.5%*	Retained to Com Eq	*19.5%*
							7%	7%	6%	6%	6%	5%	5%	5%	5%	9%	*11%*	*13%*	All Div'ds to Net Prof	*12%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.3	-12.2
3 yr.	20.0	7.2
5 yr.	70.2	58.6

CAPITAL STRUCTURE as of 6/30/08
Total Debt $23. mill. Due in 5 Yrs $23.8 mill.
LT Debt None LT Interest Nil

Leases, Uncapitalized Annual rentals $42.0 mill.

Pension Assets-12/07 $172.4 mill. Oblig. $230.7 mill.

Pfd Stock None

Common Stock 412,312,013 shares as of 7/31/08

MARKET CAP: $27.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1414.8	2410.8	2562.7
Receivables	907.0	1030.7	1132.0
Inventory (LIFO)	677.6	796.2	953.2
Other	534.9	667.2	707.0
Current Assets	3534.3	4904.9	5354.9
Accts Payable	252.2	265.5	268.2
Debt Due	14.8	16.8	23.8
Other	1084.5	1050.7	832.0
Current Liab.	1351.5	1333.0	1124.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	19.0%	14.5%	13.0%
"Cash Flow"	23.5%	21.0%	15.5%
Earnings	22.5%	24.0%	17.5%
Dividends	20.5%	26.5%	29.5%
Book Value	22.5%	29.5%	15.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1202	1218	1171	1278	4871.5
2006	1320	1327	1294	1462	5405.6
2007	1425	1464	1453	1658	6000.5
2008	1634	1713	*1655*	*1868*	*6870*
2009	*1860*	*1900*	*1865*	*2090*	*7715*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.42	.45	.40	.48	1.75
2006	.49	.52	.46	.55	2.02
2007	.58	.61	.55	.66	2.40
2008	.70	.73	.67	*.78*	*2.88*
2009	*.83*	*.87*	*.80*	*.95*	*3.45*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.07	--	--	--	.07
2005	.09	--	--	--	.09
2006	.11	--	--	--	.11
2007	.22	--	--	--	.22
2008	.33	--			

BUSINESS: *Stryker Corp. develops,* mfrs., & markets Orthopaedic implants (59.5% of '07 sales), and MedSurg Equipment (40.5%). Orthopaedic products include hip, knee, trauma, spinal, and craniomaxillofacial implants. MedSurg includes powered instruments, endoscopic systems, other operating room devices, specialty stretchers, and maternity beds. Physical Therapy Services business sold '07. About 36% of '07 sales were foreign. Acq. Howmedica 12/98. R&D: 6.3% of sales. '07 depr. rate: 20.5%. Has 16,025 employees. Off. and dir. (incl. Stryker family trust) own 26.0% of stock (4/08 proxy). Chairman: John Brown. Pres. & CEO: Stephen MacMillan. Inc.: MI. Addr.: P.O.Box 4085, Kalamazoo, MI 49003. Tel.: 616-385-2600. Web site: www.stykercorp.com.

Stryker continued to perform impressively in the second quarter. Revenues rose 17% (year over year) on a reported basis and a still-strong 12.6% in constant currencies (cc). Domestic sales were up 12.4% (to $1.05 billion), while international contributions surged 25.2% ($660 million), helped by a $65 million exchange-rate tailwind. Both the Orthopaedic implant and MedSurg Equipment segments posted double-digit percentage sales growth, with the former up 14.5% (to $1.0 billion) and the latter up 20.8% ($696 million). Significantly, too, strength was evident across all business lines except hips (up 2% cc), which is being hindered by the recent *Trident* recall and a slow start for the *Cormet* hip resurfacing product. Profits, meantime, rose 20%, topping our $0.72-a-share estimate by a penny.

Myriad concerns have inhibited the company's stock in recent months. Increased costs associated with resolving quality and compliance issues with the Food & Drug Administration have perturbed some on Wall Street. The weak hip business is another depressant, as is speculation that Stryker may use its growing cash reserves to execute a large, dilutive acquisition. Finally, there remains the ever-present concern about the medical devices maker's ability to keep share net rising at a 20%-plus rate.

Our expectations that the bottom line will rise 20% in both 2008 and 2009 stay unchanged . . . In conjunction with reporting second-quarter results, the company reiterated cc revenue growth guidance of 11%–13% and earnings per share of $2.88. Stryker's year-to-date results, its new-product pipeline, the prevailing business trends, and management's enviable long-term track record give us ample confidence that our near-term share-profit targets of $2.88 and $3.45 are achievable.

. . . and we think these shares will perform well over the long haul. Global socioeconomic and demographic trends ought to keep Stryker prosperous for years to come. As well, the debt-free company could benefit from some financial leverage. Indeed, concerns about an acquisition seem excessive. In all, we believe valuations are at levels that would support superior price appreciation over the next 3 to 5 years.

George Rho *August 29, 2008*

(A) Based on average shares through '96; diluted thereafter. Excludes extraordinary gains of $0.03 in 1996. *Excludes nonrecurring* losses (gains): '98, $0.57; '99, $0.71; '01, $0.01; '02, $0.03; '04, $0.29; '05, $0.11; '06, 13¢; 07, 4¢. Next earnings rpt. due late Oct. (B) Dividends historically paid at the end of January. (C) Includes intangibles. In 2007: $1097.3 million, $2.67/share. (D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	85
Earnings Predictability	100

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MOLSON COORS NYSE-TAP

RECENT PRICE 56.57 | P/E RATIO 16.2 (Trailing: 19.0 Median: NMF) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 2 New 11/2/07
SAFETY 3 New 5/6/05
TECHNICAL 3 Lowered 5/2/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+60%)	13%
Low	60	(+5%)	3%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	3	1	5	1	1	2	1	2	3
to Sell	3	1	5	2	1	2	1	2	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	162	179	197
to Sell	172	160	154
Hld's(000)	127666	132668	133727

LEGENDS
.... Relative Price Strength
2-for-1 split 10/07
Options: Yes
Shaded area indicates recession

High: 40.0 38.5 57.7 59.5
Low: 28.7 30.4 37.6 38.8

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	19.1	-18.0
3 yr.	84.1	11.3
5 yr.	—	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	--	--	--	--	--	--	--	--	32.14	33.00	34.25	35.90	36.90	Sales per sh [A]	40.90
--	--	--	--	--	--	--	--	--	--	--	--	--	4.14	4.58	4.72	6.25	6.55	"Cash Flow" per sh	7.75
--	--	--	--	--	--	--	--	--	--	--	--	--	1.98	2.16	2.79	3.50	3.75	Earnings per sh [A B]	4.60
--	--	--	--	--	--	--	--	--	--	--	--	--	.64	.64	.64	.76	.80	Div'ds Decl'd per sh [C]	.88
--	--	--	--	--	--	--	--	--	--	--	--	--	2.37	2.52	2.37	2.00	1.95	Cap'l Spending per sh	1.65
--	--	--	--	--	--	--	--	--	--	--	--	--	31.08	32.85	39.55	38.35	41.15	Book Value per sh [D]	51.15
--	--	--	--	--	--	--	--	--	--	--	--	--	171.34	177.11	180.75	181.00	181.00	Common Shs Outst'g [E]	181.00
--	--	--	--	--	--	--	--	--	--	--	--	--	16.6	15.9	16.8	Bold figures are		Avg Ann'l P/E Ratio	16.0
--	--	--	--	--	--	--	--	--	--	--	--	--	.88	.86	.88	Value Line		Relative P/E Ratio	1.15
--	--	--	--	--	--	--	--	--	--	--	--	--	1.9%	1.9%	1.4%	estimates		Avg Ann'l Div'd Yield	1.1%
--	--	--	--	--	--	--	--	--	--	--	--	--	5506.9	5845.0	6190.6	6500	6675	Sales ($mill) [A]	7400
--	--	--	--	--	--	--	--	--	--	--	--	--	17.4%	17.4%	17.8%	20.5%	21.0%	Operating Margin	21.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	392.8	438.4	345.8	480	490	Depreciation ($mill)	555
--	--	--	--	--	--	--	--	--	--	--	--	--	316.1	373.6	507.4	645	695	Net Profit ($mill)	850
--	--	--	--	--	--	--	--	--	--	--	--	--	25.0%	17.5%	20.1%	27.0%	27.0%	Income Tax Rate	27.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	5.7%	6.4%	8.2%	10.0%	10.4%	Net Profit Margin	11.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	d768.4	d341.8	41.2	540	800	Working Cap'l ($mill)	1375
--	--	--	--	--	--	--	--	--	--	--	--	--	2136.7	2129.8	2260.6	1850	1650	Long-Term Debt ($mill)	1050
--	--	--	--	--	--	--	--	--	--	--	--	--	5324.7	5817.4	7149.4	6950	7450	Shr. Equity ($mill)	9250
--	--	--	--	--	--	--	--	--	--	--	--	--	5.1%	5.6%	6.1%	7.5%	7.5%	Return on Total Cap'l	8.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	5.9%	6.4%	7.1%	9.5%	9.5%	Return on Shr. Equity	9.0%
--	--	--	--	--	--	--	--	--	--	--	--	--	3.7%	4.2%	5.3%	7.0%	7.5%	Retained to Com Eq	7.5%
--	--	--	--	--	--	--	--	--	--	--	--	--	38%	34%	28%	22%	21%	All Div'ds to Net Prof	19%

CAPITAL STRUCTURE as of 3/30/08
Total Debt $2065.2 mill. Due in 5 Yrs $769.2 mill.

LT Debt $2030.8 mill. LT Interest $160.0 mill. (25% of Cap'l)

Leases, Uncapitalized: N/A

Pension Liability: N/A

Common Stock 153,424,377 shs.
(includes 2,674,772 shares of Class A shares, 28,109,936 of exchangeable shares) as of 2/15/08.
MARKET CAP: $8.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	182.2	377.0	118.7
Receivables	828.6	871.2	846.3
Inventory (LIFO)	319.5	369.5	383.0
Other	128.1	159.1	141.0
Current Assets	1458.4	1776.8	1489.0
Accts Payable	419.7	380.7	310.5
Debt Due	4.4	4.3	34.4
Other	1376.1	1350.6	1206.4
Current Liab.	1800.2	1735.6	1551.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	--	3.5%
"Cash Flow"	--	--	9.5%
Earnings	--	--	12.0%
Dividends	--	--	5.5%
Book Value	--	--	7.0%

Calendar	QUARTERLY SALES ($ mill.) [A] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	1049	1546	1527	1384	5506.0
2006	1154	1583	1577	1531	5845.0
2007	1229	1676	1685	1600	6190.4
2008	1356	1750	1750	1644	6500
2009	1400	1790	1785	1700	6675

Calendar	EARNINGS PER SHARE [A B] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.09	.57	.89	.32	1.98[F]
2006	d.01	.71	.81	.62	2.13
2007	.14	.97	.95	.73	2.79
2008	.32	1.17	1.11	.90	3.50
2009	.30	1.20	1.22	1.03	3.75

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	.16	.16	.16	.16	.64
2006	.16	.16	.16	.16	.64
2007	.16	.16	.16	.16	.64
2008	.16	.20			

BUSINESS: Molson Coors Brewing Company, which was created by the February 2005 merger of Molson and Adolph Coors Company, is the fifth-largest brewer in the world, with combined beer sales of roughly 42 million barrels. It sells its products in three of the world's top-eight beer markets, including North America, Europe & Asia. The company's brands include Coors Light, Molson Canadian, Carling, Blue Moon, Coors, Killian's Irish Red & Zima XXX. Sold interest in Kaiser, '06. Began a domestic joint venture with SABMiller, 7/08. Has approximately 9,700 employees and 17 breweries worldwide. Chairman: Eric H. Molson. President and CEO: W. Leo Kiely III. Inc.: CO. Address: 1225 17th Street, Denver, CO 80202. Telephone: 303-279-6565. Internet: www.molsoncoors.com.

Molson Coors announced the launch of its joint venture with SABMiller. The partnership, called MillerCoors, creates a new entity that should be able to better compete in the U.S. beer market against Anheuser-Busch, which makes up nearly half of the business. MillerCoors started operating on July 1st, when both firms began transferring assets to the new firm. The entity will be based in Chicago, but Molson Coors and SABMiller will maintain their offices in Denver and Milwaukee, respectively. The venture is expected to save roughly $500 million in operating costs, which should provide a boost to TAP's profitability over the coming years.

Industry consolidation was punctuated with InBev's deal to acquire Anheuser-Busch. The agreement, which was announced in mid-July, could place pressure on TAP over the long haul. The larger competitor should benefit from economies of scale throughout the world.

The company should register good results in 2008. Molson Coors started the year off with a strong performance on the top and bottom lines. Sales were $1.35 billion, which beat our estimates by 4%, while share net came in at $0.32, topping our number by 14%. Management attributed the results to effective pricing and cost management. Indeed, the company has performed well, despite rising costs and the changing industry landscape. We believe this highlights TAP's strong management team, which has helped make this issue a top performer in the beverage industry of late. All told, we look for sales to increase to $6.5 billion and for earnings to jump to $3.50 a share in 2008.

Molson Coors' prospects beyond 2008 are cloudy. Given the new venture with SABMiller and the potential impact of a combined InBev-Budweiser entity, the beverage industry's consolidation will probably change the dynamics of the U.S. market going forward. Therefore, we believe most investors may want to consider taking a wait-and-see approach here.

These shares are ranked to outperform the broader market over the next six to 12 months. Thus, momentum investors may be interested in this issue's near-term prospects.

Richard Gallagher *August 1, 2008*

(A) Excludes excise taxes. Fiscal year ends last Sunday in December. (B) Based on diluted shares. Next earnings report due early August. (C) Dividends should be paid in mid-March, June, September, and December. (D) Includes intangibles. '07: $8385.8 mill., $46.93/sh. (E) In millions, includes exchangeable shares. (F) Year-end eps does not tally due to change in shares outstanding.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	NMF
Earnings Predictability	NMF

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TCF FINANCIAL CORP. NYSE-TCB

RECENT PRICE 14.96 | P/E RATIO 9.7 (Trailing: 8.1 Median: 14.0) | RELATIVE P/E RATIO 0.60 | DIV'D YLD 6.7% | VALUE LINE

TIMELINESS 4 Raised 5/25/07
SAFETY 3 Raised 10/9/92
TECHNICAL 3 Raised 5/9/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+135%)	27%
Low	25	(+65%)	18%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	4	2	0	0	0
Options	0	0	0	0	0	1	0	0	0
to Sell	0	1	0	0	0	3	0	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	102	125	116
to Sell	122	118	125
Hld's(000)	82750	85031	90167

High:	17.2	18.6	15.3	22.8	25.6	27.3	27.1	32.6	32.0	28.4	29.0	22.0	
Low:	9.4	7.9	10.6	9.0	16.4	17.5	18.3	23.9	24.5	24.2	17.2	14.5	

LEGENDS
12.8 x Earnings p sh
Relative Price Strength
2-for-1 split 12/95
2-for-1 split 12/97
2-for-1 split 9/04
Options: Yes
Shaded area indicates recession

2-for-1

Target Price Range 2011 | 2012 | 2013

80 60 50 40 30 25 20 15 10 7.5

Percent shares traded 15 10 5

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-38.7	-9.7
3 yr.	-26.3	27.3
5 yr.	-1.1	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
44.15	40.01	43.06	36.59	34.26	37.63	41.26	42.24	52.81	53.09	54.46	58.68	67.84	76.00	86.45	96.82	98.00	101.00	Mortgage Loans per sh	115.00
40.06	41.49	39.49	32.12	34.62	37.21	39.24	35.48	42.92	46.14	52.20	54.00	58.04	68.32	74.91	75.64	75.50	79.50	Savings Deposits per sh	90.00
.46	.38	.58	.43	.61	.85	.88	1.00	1.18	1.35	1.58	1.53	1.86	2.00	1.90	2.12	1.55	1.80	Earnings per sh A	2.25
.06	.09	.13	.15	.18	.23	.31	.36	.41	.50	.58	.65	.75	.85	.92	.97	1.00	1.04	Div'ds Decl'd per sh Bm	1.20
2.63	2.99	3.38	3.71	3.82	5.14	4.94	4.36	5.67	5.98	6.61	6.53	6.99	7.49	7.92	8.68	9.25	9.35	Book Value per sh C	12.40
79.99	96.89	96.71	142.42	143.77	185.64	171.14	185.61	160.58	153.86	147.71	140.95	137.19	133.35	130.42	126.60	126.50	126.00	Common Shs Outst'g D	125.00
6.5	10.8	7.7	14.5	15.1	15.0	16.3	13.5	12.6	15.7	15.0	14.7	15.3	13.6	13.9	11.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.80
.39	.64	.51	.97	.95	.86	.85	.77	.82	.80	.82	.84	.81	.72	.75	.62			Relative P/E Ratio	.85
2.0%	2.1%	2.6%	2.4%	2.0%	1.8%	2.1%	2.7%	2.8%	2.4%	2.4%	2.9%	2.6%	3.1%	3.5%	3.9%			Avg Ann'l Div'd Yield	4.2%
1040.4	1070.7	1168.3	1198.1	1152.2	1060.8	1113.3	1210.4	1375.6	1509.5	1150	1300	Gross Income ($mill)	1555
31.1%	30.6%	34.6%	28.8%	20.3%	15.1%	11.8%	17.7%	25.3%	27.7%	29.0%	28.5%	Int Cost to Gross Inc	27.5%
156.2	166.0	186.2	207.3	232.9	215.9	255.0	265.1	244.9	266.8	195	225	Net Profit ($mill)	280
41.1%	39.2%	38.5%	37.1%	34.9%	34.1%	33.7%	30.3%	31.4%	28.4%	30.0%	31.0%	Income Tax Rate	32.0%
15.0%	15.5%	15.9%	17.3%	20.2%	20.4%	22.9%	21.9%	17.8%	17.7%	17.0%	17.5%	Net Profit Margin	18.0%
10165	10662	11197	11359	12202	11319	12341	13365	14670	15977	16500	17500	Total Assets ($mill)	19700
1804.2	1759.8	1891.0	1959.5	1959.5	1470.0	1917.0	2325.5	3117.0	4167.0	4000	3500	FHLB Advances ($mill)	2000
845.5	809.0	910.2	917.0	977.0	920.9	958.4	998.5	1033.4	1099.0	1170	1180	Shr. Equity ($mill)	1550
--	--	--	--	--	--	--	--	22.8	8.0	8.0	10.0	New Loan Volume ($mill)	15.0
--	--	--	--	--	--	--	--	.9%	.6%	1.2%	1.0%	Problem Assets to Lns	.5%
8.3%	7.6%	8.1%	8.1%	8.0%	8.1%	7.8%	7.5%	7.0%	6.9%	7.0%	6.5%	Shr. Eq. to Total Assets	8.0%
29.6%	30.6%	26.9%	28.9%	32.9%	36.9%	37.6%	35.6%	33.2%	31.0%	33.0%	32.5%	G&A Exp to Gross Inc	33.0%
1.54%	1.56%	1.66%	1.83%	1.91%	1.91%	2.07%	1.98%	1.67%	1.67%	1.20%	1.30%	Return on Total Assets	1.40%
18.5%	20.5%	20.5%	22.6%	23.8%	23.4%	26.6%	26.6%	23.7%	24.3%	16.5%	19.0%	Return on Shr. Equity	17.5%

CAPITAL STRUCTURE as of 3/31/08
FHLB Advances $4167.0 mill.

Other ST Debt $138.4 mill.

Other LT Debt $247.6 mill.

Leases, Uncapitalized Annual rentals $31.5 mill.
Pension Assets-12/07 $67.5 mill. Oblig. $52.5 mill.

Pfd Stock None
Common Stock 126,313,200 shs.

MARKET CAP: $1.9 billion (Mid Cap)

EARNINGS FACTORS

MARGIN (%)	2006	2007	3/31/08
Earnings Asset Yield	7.64	6.92	6.60
Cost of Funds	3.48	3.62	2.81
Yield-Cost Margin	4.16	3.30	3.75

NET CHANGES ($mill)	2006	2007	3/31/08
Loans	1117.8	982.2	248.2
Savings Deposits	639.9	285.2	246.0
FHLB Advances	791.5	1050.0	--
Other Borrowing	605.4	334.9	-420.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Mortgage Lns	9.0%	10.0%	5.0%
Savings Dep	7.5%	9.0%	3.0%
Earnings	12.5%	8.0%	2.0%
Dividends	17.0%	13.0%	4.5%
Book Value	6.5%	5.5%	7.5%

Calendar	DEPOSITS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	8395	8424	8858	9111
2006	9575	9624	9661	9769
2007	9898	9843	9746	9577
2008	10357	10400	10500	10500
2009	10500	10600	10650	10700

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.47	.53	.50	.50	2.00
2006	.45	.52	.51	.42	1.90
2007	.65	.49	.48	.50	2.12
2008	.38	.34	.40	.43	1.55
2009	.40	.45	.45	.50	1.80

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.188	.188	.188	.188	.75
2005	.213	.213	.213	.213	.85
2006	.23	.23	.23	.23	.92
2007	.243	.243	.243	.243	.97
2008	.25	.25			

BUSINESS: TCF Financial is a national bank holding company. Has 453 branches in AZ, CO, MN, MI, IL, WI, and IN (12/31/07). TCF affiliates include mortgage banking, annuity, mutual fund, business equipment leasing, consumer loans, and student loans. Net loan losses, .3% of average loans and leases in 2007. Loan breakdown as of 12/31/07: consumer, 53%; residential real estate, 4%; comm. real estate, 21%; comm. business, 5%; lease financing, 17%. Has about 8,600 empl. Off. & dir. control 8.0% of common stock; company ESOP, 5.7%; Barclays Global, 5.5 % (3/08 proxy). Chrmn. and CEO: William A. Cooper. Pres.: Lynn A. Nagorske. Inc.: DE. Address: 200 Lake Street East, Wayzata, Minnesota 55391. Tel.: 612-661-6500. Internet: www.tcfexpress.com.

The tough times continue for TCF Financial. March-quarter share earnings were below our expectation, even though the bank booked gains on securities sales and on the recent Visa Inc. IPO. Fee income declined since the December quarter, and expenses, the loan-loss provision, and nonperforming assets increased, pushing the shares about 15% lower than they were at our last update.

Credit quality is declining. Nonperforming assets now exceed 1% of total assets, up from .7% a year ago, prompting management to increase the provision for credit losses to $30 million in the March period, compared to $4.7 million in the year-ago quarter. The higher charge-offs are largely due to the depressed real estate conditions and oversupply of homes in Minnesota and Michigan. The bank now owns 130 homes obtained through foreclosure, up from 121 last quarter.

The high dividend yield may be attractive to income-oriented investors. We believe that earnings should be able to cover the dividend, and that TCF has about $100 million of excess capital, meaning it will probably not be forced to dilute share net by issuing more shares. That said, our view assumes that economic conditions do not worsen significantly, and we note that dividend cuts historically have occurred late in the credit cycle, which we believe is yet to come. We encourage yield-seeking investors to build positions slowly over time, as part of a diversified basket of bank and financial services stocks.

Most investors are urged to delay commitments to this untimely stock. Home equity lending has been important to TCF for over a decade, and these loans now total over half of the loan portfolio. Although Midwest real estate values had not appreciated as much as the more-speculative markets in the West and Southwest, we believe that the bank's high exposure to home equity loans, coupled with still weakening home prices, may result in even higher credit losses and foreclosures over the next two or three quarters. We are lowering our estimates (again) to reflect our view, and are unable to identify a catalyst that we believe would likely push these shares meaningfully higher in 2008.

Douglas G. Maurer, CFA *June 20, 2008*

(A) Based on avg. shares through 1996, then diluted. Excl. nonrecur. gains (losses): '92, 7¢; '93, (16¢); '95, (46¢). Next egs. report due late July.
(B) Dividends historically paid in late-Feb., May, Aug. and Nov. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In 2007: $152.6 mill., $1.21/share.
(D) In millions, adjusted for splits.

Company's Financial Strength	B
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	95

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TIDEWATER INC. NYSE-TDW

RECENT PRICE 55.13 | P/E RATIO 7.7 (Trailing: 9.9 Median: 18.0) | RELATIVE P/E RATIO 0.49 | DIV'D YLD 1.8% | VALUE LINE

TIMELINESS 3 Raised 2/15/08
SAFETY 3 Raised 11/27/98
TECHNICAL 2 Raised 8/1/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+165%)	28%
Low	95	(+70%)	16%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	1	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	143	153	168
to Sell	178	192	153
Hld's(000)	59714	55004	54688

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	8.99	9.85	10.12	10.39	13.31	17.82	17.43	10.33	11.01	12.97	11.23	11.44	12.03	14.55	19.58	24.28	27.20	30.30	Revenues per sh A	34.60
	2.04	2.26	2.43	2.56	3.78	5.62	4.99	2.77	2.76	3.81	3.03	2.76	2.94	4.98	7.86	9.08	10.10	11.00	"Cash Flow" per sh	13.25
	.53	.67	.80	1.23	2.34	4.01	3.18	1.28	1.34	2.41	1.57	1.03	1.22	3.33	5.94	6.53	7.50	8.35	Earnings per sh B	10.00
	.33	.38	.40	.48	.58	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.60	.90	1.00	Div'ds Decl'd per sh C	1.00
	.99	1.01	5.63	.74	.96	1.39	.87	1.03	5.40	5.65	4.76	5.22	3.61	2.86	4.09	5.58	6.30	7.50	Cap'l Spending per sh	10.00
	10.36	10.50	10.90	11.93	12.76	16.79	19.21	20.02	21.03	22.67	23.86	23.95	25.08	27.51	32.81	36.90	41.00	48.15	Book Value per sh D	73.45
	52.88	53.02	53.24	61.92	60.33	59.48	55.58	55.65	56.04	56.22	56.64	57.03	57.52	60.31	57.48	52.32	50.00	49.00	Common Shs Outst'g E	49.00
Low:	33.4	32.8	26.1	22.5	18.1	12.5	8.8	23.2	30.7	14.9	20.3	28.4	26.6	13.3	6.4	9.2	Bold figures are		Avg Ann'l P/E Ratio	12.0
	2.03	1.94	1.71	1.51	1.13	.72	.46	1.32	2.00	.76	1.11	1.62	1.41	.71	.45	.49	Value Line		Relative P/E Ratio	.80
	1.8%	1.7%	1.9%	1.7%	1.4%	1.2%	2.1%	2.0%	1.5%	1.7%	1.9%	2.0%	1.9%	1.4%	1.2%	.9%	estimates		Avg Ann'l Div'd Yield	1.0%
							969.0	574.8	616.7	729.0	635.8	652.6	692.2	877.7	1125.3	1270.2	1415	1575	Revenues ($mill) A	1800
							37.0%	25.9%	26.3%	37.0%	31.6%	25.9%	27.1%	38.3%	44.8%	41.6%	42.0%	41.0%	Operating Margin	44.0%
							94.8	82.5	79.5	78.1	83.2	98.5	99.6	107.5	116.2	120.8	125	130	Depreciation ($mill)	160
							182.7	71.6	75.2	136.2	88.6	58.7	69.5	182.8	335.7	354.3	380	410	Net Profit ($mill)	490
							34.0%	32.0%	32.0%	33.5%	30.6%	27.5%	30.3%	19.7%	17.7%	18.0%	17.0%	18.0%	Income Tax Rate	22.0%
							18.9%	12.5%	12.2%	18.7%	13.9%	9.0%	10.0%	22.0%	29.8%	27.9%	26.8%	26.0%	Net Profit Margin	27.2%
							198.5	328.9	205.0	152.9	141.2	152.5	135.8	413.2	584.9	431.7	575	700	Working Cap'l ($mill)	1000
							--	--	--	54.0	139.0	325.0	380.0	300.0	300.0	300.0	300	300	Long-Term Debt ($mill)	100
							1067.7	1114.2	1178.3	1285.8	1351.4	1366.1	1442.7	1659.1	1886.0	1930.1	2050	2360	Shr. Equity ($mill)	3600
							17.2%	6.4%	6.4%	10.2%	6.0%	3.6%	4.0%	10.1%	15.6%	16.0%	16.5%	15.5%	Return on Total Cap'l	13.5%
							17.1%	6.4%	6.4%	10.6%	6.6%	4.3%	4.8%	11.6%	17.8%	18.4%	18.5%	17.5%	Return on Shr. Equity	13.5%
							13.9%	3.4%	3.5%	8.0%	4.1%	1.8%	2.4%	9.5%	16.0%	17.1%	16.5%	15.5%	Retained to Com Eq	12.5%
							19%	47%	44%	25%	38%	58%	49%	18%	10%	7%	12%	12%	All Div'ds to Net Prof	10%

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.4	-12.2
3 yr.	53.2	7.2
5 yr.	140.5	58.6

Target Price Range 2011 | 2012 | 2013: 160, 120, 100, 80, 60, 50, 40, 30, 20, 15

LEGENDS: 8.0 x "Cash Flow" p sh; Relative Price Strength; Options: Yes; Shaded area indicates recession

High: 70.5 55.2 36.5 49.7 52.9 45.7 34.3 36.4 49.8 62.9 80.0 71.3 46.3
Low: 35.9 17.1 18.3 25.2 24.1 23.4 25.6 25.7 31.8 40.1 43.3 46.3

Percent shares traded: 45, 30, 15

CAPITAL STRUCTURE as of 6/30/08

Total Debt $309.8 mill. Due in 5 Yrs $125.0 mill.
LT Debt $300.0 mill. LT Interest $4.5 mill.
(13% of Capital)
Pension Assets-3/08 $42.9 mill. Oblig. $75.4 mill.
Leases, Uncapitalized Ann. Rentals $4.7 mill.

Pfd Stock None
Common Stock 51,537,953 shares
as of 7/25/08

MARKET CAP: $2.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	393.8	270.2	184.7
Receivables	286.9	308.8	332.5
Inventory (FIFO)	44.9	46.4	47.8
Other	6.0	5.2	13.1
Current Assets	731.6	630.6	578.0
Accts Payable	120.1	93.1	91.7
Debt Due	2.2	10.1	9.8
Other	24.4	95.7	115.3
Current Liab.	146.7	198.9	216.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	3.0%	6.0%	10.0%
"Cash Flow"	6.0%	11.0%	13.0%
Earnings	9.0%	16.0%	14.0%
Dividends	2.0%	--	Nil
Book Value	9.0%	6.0%	14.0%

Fiscal Year Begins	QUARTERLY REVENUES ($ mill.) A Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	192.2	204.4	234.6	246.5	877.7
2006	269.9	274.0	287.9	293.5	1125.3
2007	305.5	319.1	314.2	331.4	1270.2
2008	340.1	350	360	364.9	1415
2009	380	390	400	405	1575

Fiscal Year Begins	EARNINGS PER SHARE A B Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.50	.68	1.04	1.11	3.33
2006	1.23	1.55	1.60	1.56	5.94
2007	1.61	1.62	1.66	1.63	6.53
2008	1.64	1.88	2.00	1.98	7.50
2009	1.85	2.05	2.25	2.20	8.35

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.15	.15	.15	.60
2005	.15	.15	.15	.15	.60
2006	.15	.15	.15	.15	.60
2007	.15	.15	.15	.15	.60
2008	.15	.25			

BUSINESS: Tidewater Inc., with its fleet of about 500 ships, is the world's largest provider of supply vessels and marine support services to the worldwide petroleum drilling industry. Provides towing, transport, and barge services, principally in the Gulf of Mexico and the waters offshore Australia, Brazil, Egypt, India, Indonesia, Malaysia, Mexico, Trinidad, Venezuela, & West Africa. International operations generated 85% of fiscal '07 revenues. Acquired O.I.L. Ltd., 5/97; Hornbeck Offshore, 3/96. '07 depreciation rate: 4.4%. Has about 8,000 employees. Off./dir. own 2.3% of common stock (5/08 Proxy). Chairman, President, and CEO: Dean E. Taylor. Inc.: DE. Address: 601 Poydras Street, Suite 1900, New Orleans, LA 70130. Telephone: 504-568-1010. Internet: www.tdw.com.

Tidewater's fiscal first quarter (year ends March 31, 2009) was somewhat disappointing. Following its respectable finish in fiscal 2007, the company faced some challenges in the June period. Domestic operations have been burdened by rising operating costs and a difficult economic environment. The global oil service outfit is conducting a fleet renewal effort that has further limited operating profits, as a heavy dry-docking schedule weakened utilization rates in the Gulf of Mexico during the span.

Still, the outlook for the remainder of the year is bright. The world's largest provider of marine support services will likely continue to benefit from high demand for oil services. Indeed, against the backdrop of an economic slowdown, offshore service vessel (OSV) dayrates continue to rise steadily, largely thanks to robust international demand. We believe that the trend in these markets, particularly in the international arena, should help keep margins afloat this year.

The company's fleet expansion efforts augur well for revenue and earnings growth, but may weigh on margins next year. The company's 59 newbuild vessels currently under construction are likely to provide some organic growth and enhance dayrates due to the premium being paid for tonnage on newbuild vessels. However, this initiative, coupled with the ongoing renewal plan may eat away at operating profits. Although indicators suggest that Tidewater's gains on asset sales should help to offset these expenses this year, we believe margins may slip again in fiscal 2009.

International prospects are encouraging. The growth in the offshore work programs of foreign operators has intensified competition. As a result, many of these operators are bidding up dayrates to ensure term contracts and available capacity to meet rising demand for vessels. Indeed, Tidewater's sizable footprint in the international arena should enable them to benefit at the top line.

These neutrally ranked shares are a solid long-term play. Earnings growth momentum will likely accelerate over the next 3 to 5 years. Thus, the stock offers wide appreciation potential to 2011–2013.

Simon R. Shoucair *August 15, 2008*

(A) Fiscal year ends March 31st of following calendar year.
(B) Primary earnings through '97, diluted thereafter. Excludes nonrecurring gains (losses): '97, $1.02; '98, 50¢; '99, 9¢; '00, 19¢; '03, (40¢); '04 55¢; '05, 74¢; '06, 37¢; '07, (14¢). Discontinued operations: '97, 18¢. Next earnings report due late Oct. Egs. may not sum due to rounding. (C) Div'ds paid in mid; Feb., Jun., Aug., and Dec. ■ Div'd reinvestment plan available. (D) Includes intangibles. In 2007: $328.8 mill., $5.72 per share. (E) In millions.

Company's Financial Strength	B+
Stock's Price Stability	60
Price Growth Persistence	65
Earnings Predictability	50

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TECH DATA NDQ-TECD

RECENT PRICE 33.89 | P/E RATIO 13.3 (13.1 / 16.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 7/11/08
SAFETY 3 Raised 10/19/01
TECHNICAL 3 Raised 5/9/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+105%)	20%
Low	50	(+50%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	1	1	1	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	141	117	86
to Sell	88	111	135
Hld's(000)	56095	54148	54310

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	51.8	53.1	44.7	55.9	47.9	51.7	40.7	46.0	45.7	43.7	41.4	37.9								
Low:	19.8	33.8	14.5	20.6	24.9	23.8	19.1	32.6	33.0	32.1	33.0	30.9								
	31.45	41.93	63.97	81.64	106.23	146.20	225.62	325.32	379.72	310.12	278.65	301.57	335.52	364.52	390.35	443.03	*457.55*	*491.30*	Sales per sh [A]	*614.60*
	.75	.98	1.16	1.03	1.78	2.40	3.01	3.55	4.50	3.46	2.89	2.79	3.50	3.06	2.27	3.61	*3.55*	*3.95*	"Cash Flow" per sh	*5.25*
	.63	.83	.91	.56	1.35	1.92	2.29	2.34	3.14	2.27	2.35	1.85	2.55	2.02	1.26	2.48	*2.55*	*3.00*	Earnings per sh [B]	*4.25*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	.43	.53	.58	.62	.44	.95	.94	1.13	.71	.51	.47	.54	.44	.75	.79	.73	*.80*	*.85*	Cap'l Spending per sh	*1.00*
	3.70	5.84	6.90	7.56	10.13	14.56	18.93	19.41	22.22	22.72	23.70	28.73	32.68	31.33	31.00	36.33	*37.75*	*40.80*	Book Value per sh [C]	*51.55*
	31.12	36.55	37.81	37.81	43.29	48.27	51.10	52.23	53.80	55.45	56.48	57.72	58.98	56.19	54.93	52.87	*51.80*	*50.60*	Common Shs Outst'g [D]	*47.00*
	15.3	17.1	19.3	22.6	17.1	18.3	18.6	11.7	11.7	16.3	15.5	16.3	15.6	18.6	29.9	15.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*14.0*
	.93	1.01	1.27	1.51	1.07	1.05	.97	.67	.76	.84	.85	.93	.82	.99	1.61	.79			Relative P/E Ratio	*.95*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*Nil*
							11529	16992	20428	17198	15739	17406	19790	20483	21440	23423	*25750*	*28550*	Sales ($mill)	*34000*
							2.3%	1.9%	2.1%	1.8%	1.7%	1.3%	1.5%	1.3%	1.0%	1.2%	*1.1%*	*1.2%*	Operating Margin	*1.3%*
							34.8	57.8	63.9	63.5	31.2	55.1	55.5	53.7	53.3	53.9	*54.0*	*55.0*	Depreciation ($mill)	*57.0*
							119.1	127.5	178.0	128.6	132.2	106.1	150.9	118.0	71.4	137.1	*135*	*155*	Net Profit ($mill)	*205*
							37.0%	36.3%	35.0%	34.0%	34.0%	31.1%	30.0%	31.6%	43.7%	33.4%	*33.5%*	*33.0%*	Income Tax Rate	*33.0%*
							1.0%	.8%	.9%	.7%	.8%	.6%	.8%	.6%	.3%	.6%	*.5%*	*.5%*	Net Profit Margin	*.6%*
							725.1	795.6	967.3	1385.9	1398.3	1525.4	1488.6	1392.1	1816.6	2044.4	*2100*	*2200*	Working Cap'l ($mill)	*2450*
							308.5	316.8	320.8	612.3	314.5	307.9	17.2	14.4	363.6	363.6	*365*	*365*	Long-Term Debt ($mill)	*100*
							967.3	1013.7	1195.3	1259.9	1338.5	1658.5	1927.5	1760.3	1702.7	1920.7	*2000*	*2100*	Shr. Equity ($mill)	*2475*
							9.8%	10.0%	12.1%	7.5%	8.9%	5.8%	8.0%	7.0%	3.8%	6.5%	*6.0%*	*6.5%*	Return on Total Cap'l	*8.0%*
							12.3%	12.6%	14.9%	10.2%	9.9%	6.4%	7.8%	6.7%	4.2%	7.1%	*7.0%*	*7.5%*	Return on Shr. Equity	*8.5%*
							12.3%	12.6%	14.9%	10.2%	9.9%	6.4%	7.8%	6.7%	4.2%	7.1%	*7.0%*	*7.5%*	Retained to Com Eq	*8.5%*
							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-0.7	-9.7
3 yr.	1.9	27.3
5 yr.	47.0	85.8

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

LEGENDS: 11.0 x "Cash Flow" p sh; Relative Price Strength; Options: Yes; Shaded area indicates recession. Percent shares traded: 45, 30, 15.

CAPITAL STRUCTURE as of 4/30/08
Total Debt $420.9 mill. Due in 5 Yrs $350.0 mill.
LT Debt $364.0 mill. LT Interest $22.0 mill.
(Inc. $14.2 mill. capitalized leases)
(Excludes about $135 mill. synthetic lease) (15% of Cap'l)
(Total Int. coverage: 9.3x)
Leases, Uncapitalized Annual rentals $65.0 mill.

No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 52,886,600 shs.
as of 5/23/08
MARKET CAP: $1.8 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/30/08
Cash Assets	265.0	447.3	520.7
Receivables	2464.7	2659.5	2779.4
Inventory (FIFO)	1556.0	1642.3	1758.2
Other	122.1	173.9	174.2
Current Assets	4407.8	4923.0	5232.5
Accts Payable	2011.2	2288.7	2478.1
Debt Due	79.8	19.6	56.9
Other	500.5	570.3	569.9
Current Liab.	2591.3	2878.6	3104.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	16.0%	1.5%	*7.5%*
"Cash Flow"	8.5%	-5.0%	*10.0%*
Earnings	7.5%	-5.5%	*14.0%*
Dividends	--	--	*Nil*
Book Value	14.5%	8.0%	*8.0%*

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2005	5064	4814	5074	5531	20483
2006	4944	4943	5431	6122	21440
2007	5402	5613	5924	6484	23423
2008	6066	*6200*	*6500*	*6984*	*25750*
2009	*6900*	*6850*	*7150*	*7650*	*28550*

Fiscal Year Begins	EARNINGS PER SHARE [AB] Apr.30	Jul.31	Oct.31	Jan.31	Full Fiscal Year
2005	.55	.26	.51	.70	2.02
2006	.23	.19	.18	.66	1.26
2007	.33	.50	.73	.92	2.48
2008	.43	.50	.75	.87	2.55
2009	*.50*	*.65*	*.80*	*1.05*	*3.00*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Tech Data Corp. is a leading distributor of microcomputer-related hardware and software products to value-added resellers and computer retailers throughout the Americas, Europe, and the Middle East. Acquired Computer 2000 (7/98), Azlan (3/03). Distributes more than 100,000 products, and sells to over 100,000 customers. Tech Data distributes for over 1,000 vendors, including Hewlett-Packard (28% of '07 sales), Apple, Compaq, Cisco, Epson, IBM, Intel, Microsoft, NEC, Seagate. Has about 8,300 emplys. AXA Assurances owns 9.9% of stock; off./dir., 6.6% (4/08 proxy). Chrmn.: Steven A. Raymund CEO: Robert M. Dutkowsky. Inc.: FL. Address: 5350 Tech Data Dr., Clearwater, FL 34620. Telephone: 727-539-7429. Internet: www.techdata.com.

Tech Data continues to expand its foreign operations. In fiscal 2007 (ended January 31, 2008), it purchased a Switzerland-based electronics distributor for about $20 million, opened an operation center in Costa Rica, and TD's joint venture with Brightstar Europe commenced sales of cellphones. Thus far this year, TD has expanded the scope of that business through distribution of other vendors' cellphones in Europe, and acquired assets of an IT (information technology) distributor, whose main markets are in the Nordic region of Europe. The company's European sales in the April, 2008 quarter accounted for 56% of its total, and that figure will likely be almost 60% next year.

We've raised our share-earnings estimates for 2008 and 2009 by $0.05 and $0.15, respectively. Despite integration and consulting costs related to the aforementioned Nordic acquisition, earnings in the fiscal 2008 first quarter bested our estimate by $0.06 a share. This strong performance was largely fueled by a 16% increase, year to year, in European sales and a 14-basis-point expansion, to 4.86%, of the gross margin. The latter reflected improvement in the company's pricing and inventory management practices, partially offset by intensified competitive pricing. During the year's remaining quarters, though, a likely continuation of the last factor, relatively high integration and consulting expenses, and lackluster internal sales growth prospects suggest little change from fiscal 2007's earnings.

The company is progressing on several merchandising fronts. In the Americas region, TD is shifting its marketing focus to higher-margin customer segments and "product adjacencies". It has also expanded the salesforce segment that targets the SMB (small and mid-sized business) market.

The board approved a $100 million stock-repurchase authorization in late 2007, following a one-year hiatus in this program. Estimated free cash flow of $140 million appears ample to cover these expenditures and the recent acquisitions.

This stock's Timeliness rank has just slipped one notch, to 3 (Average). Too, its 3- to 5-year appreciation potential is modestly below *Value Line*'s median.

David R. Cohen *July 11, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	20
Earnings Predictability	60

(A) Fiscal yr ends Jan. 31st of the following yr.
(B) Diluted ags. Excl. nonrecurring gains/(losses): '98, 18¢; '01, (29¢); '02, ($1.20); '03, (4¢); '04, 19¢,'05, ($1.56); '06, ($2.18); '07, (52¢). Next earnings report due late Aug.
(C) Incl. intangibles. In 2007: $168.8 million, about $3.20/share.
(D) In millions, adjusted for stock splits.

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TECHNE CORP. NDQ-TECH

RECENT PRICE 75.42 | P/E RATIO 27.5 (Trailing: 29.9 / Median: 27.0) | RELATIVE P/E RATIO 1.70 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 1 · Raised 5/9/08
SAFETY 3 · New 12/10/99
TECHNICAL 4 · Lowered 6/20/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	120	(+60%)	12%
Low	80	(+5%)	2%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	0	0	1	0	0	0
to Sell	0	2	0	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	105	105	121
to Sell	95	101	114
Hld's(000)	32517	32406	31091

	High:	10.1	10.8	27.9	79.9	38.8	38.1	39.7	43.9	59.4	60.7	72.0	79.4
	Low:	5.5	6.0	10.1	25.6	19.4	22.2	18.7	34.3	33.0	45.3	54.5	58.9

LEGENDS
— 22.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 11/97
2-for-1 split 12/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	31.5	-9.7
3 yr.	68.5	27.3
5 yr.	170.7	85.8

Percent shares traded: 24 / 16 / 8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.62	.77	1.08	1.27	1.44	1.61	1.77	2.26	2.51	2.78	3.15	3.54	3.92	4.62	5.15	5.66	6.60	7.40	Sales per sh [A]	10.25
.10	.15	.19	.22	.28	.35	.48	.71	.95	1.10	1.23	1.26	1.47	1.87	2.04	2.33	2.80	3.10	"Cash Flow" per sh	4.10
.05	.12	.14	.18	.22	.28	.39	.41	.63	.77	.91	1.08	1.31	1.62	1.85	2.15	2.60	2.80	Earnings per sh [A B]	3.85
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.02	.07	.04	.04	.17	.11	.08	1.17	.78	.16	.54	.37	.09	.30	.12	.20	.25	.30	Cap'l Spending per sh	.40
.31	.48	.62	.79	1.02	1.27	1.68	2.41	3.41	4.29	4.97	5.78	7.23	6.93	8.64	11.09	12.00	14.00	Book Value per sh [C]	20.50
36.00	37.21	37.32	37.50	37.99	37.75	38.10	40.27	41.38	41.43	41.56	40.91	41.16	38.64	39.38	39.46	38.50	38.00	Common Shs Outst'g [D]	36.00
49.3	30.2	22.9	16.6	24.6	22.7	22.3	25.9	45.0	51.5	33.4	25.0	28.3	24.5	29.9	25.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.5
2.99	1.78	1.50	1.11	1.54	1.31	1.16	1.48	2.93	2.64	1.82	1.43	1.50	1.30	1.61	1.35			Relative P/E Ratio	1.70
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						67.3	90.9	103.8	115.4	130.9	145.0	161.3	178.7	202.6	223.5	255	280	Sales ($mill) [A]	370
						35.0%	40.7%	50.1%	50.7%	50.0%	51.1%	54.8%	58.1%	57.0%	58.7%	63.5%	63.5%	Operating Margin	60.0%
						2.3	11.9	12.7	12.7	12.7	6.4	6.0	6.1	7.0	7.0	7.0	7.1	Depreciation ($mill)	7.5
						15.2	16.7	26.6	32.8	38.5	45.4	54.5	66.1	73.4	85.1	100	110	Net Profit ($mill)	140
						32.3%	36.0%	32.6%	31.3%	30.3%	34.7%	35.2%	33.8%	34.0%	34.0%	34.0%	34.0%	Income Tax Rate	34.0%
						22.6%	18.3%	25.6%	28.5%	29.4%	31.3%	33.8%	37.0%	36.2%	38.1%	39.0%	39.0%	Net Profit Margin	38.0%
						51.1	37.4	73.7	108.3	114.5	138.7	197.4	121.0	131.8	185.8	215	280	Working Cap'l ($mill)	450
						--	--	18.9	18.1	17.1	15.9	14.6	13.4	12.2	--	Nil	Nil	Long-Term Debt ($mill)	Nil
						63.8	96.8	141.1	177.7	206.5	236.6	297.4	267.9	340.3	437.7	460	530	Shr. Equity ($mill)	740
						23.8%	17.2%	17.1%	17.1%	17.5%	18.2%	17.6%	23.7%	20.9%	19.6%	22.0%	21.0%	Return on Total Cap'l	19.0%
						23.8%	17.2%	18.8%	18.5%	18.6%	19.2%	18.3%	24.7%	21.6%	19.4%	22.0%	21.0%	Return on Shr. Equity	19.0%
						23.8%	17.2%	18.8%	18.5%	18.6%	19.2%	18.3%	24.7%	21.6%	19.4%	22.0%	21.0%	Retained to Com Eq	19.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt None
LT Debt None

Leases, Uncapitalized: Annual rentals $.8 mill.

No Defined Benefit Pension Plan
Preferred Stock None
Common Stock 38,641,599 shares as of 5/5/08

MARKET CAP: $3.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	108.8	164.7	205.8
Receivables	23.8	29.6	32.8
Inventory (FIFO)	9.0	8.8	10.0
Other	8.2	9.7	10.7
Current Assets	149.8	212.8	259.3
Accts Payable	3.6	5.1	4.8
Debt Due	1.2	--	--
Other	13.2	12.1	15.3
Current Liab.	18.0	17.2	20.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.5%	13.0%	12.0%
"Cash Flow"	22.0%	13.5%	12.0%
Earnings	23.5%	19.5%	13.0%
Dividends	--	--	--
Book Value	24.0%	16.0%	15.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	40.9	42.3	47.9	47.6	178.7
2006	47.7	48.0	54.8	52.1	202.6
2007	52.4	52.5	60.2	58.4	223.5
2008	58.0	62.1	69.5	65.4	255
2009	65.0	70.0	75.0	70.0	280

Fiscal Year Ends	EARNINGS PER SHARE [A B] Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.34	.36	.45	.47	1.62
2006	.42	.42	.52	.49	1.85
2007	.50	.47	.60	.58	2.15
2008	.58	.60	.76	.66	2.60
2009	.65	.67	.75	.73	2.80

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Techne Corp. is a holding company. R&D Systems manufactures and sells more than 11,000 cytokines, enzymes, antibodies, and related biotech products (93% of '07 sales), used for research and clinical diagnostics. Hematology Controls (7%) are used to calibrate blood analysis instruments. Int'l sales accounted for 43% of '07 business; R&D, 9.0% of sales. 2007 deprec. rate: 5.2%. Acq'd Genzyme's R&D products, '98; European distributor, '94. Has 19.3% stake in ChemoCentryx (cytokine-related drugs). Has 628 employees. Off. & dir. own 13.1% of stock; other major shareholders, 3.9% (9/07 proxy). Chairman & Pres.: T.E. Oland. Inc.: Minnesota. Address: 614 McKinley Pl., N.E., Minneapolis, MN 55413. Tel.: 612-379-8854. Internet: www.techne-corp.com.

Earnings prospects appear bright for Techne Corp in the coming years. Indeed, the over-25% gain garnered in the third quarter of 2008 (year ends June 30th), in comparison to the like period last year, continues to buoy our optimism for the future. We anticipate that the company will continue to enjoy profitability spurts because of avid interest in ongoing research studies, good advances in certain segments of the business, as well as increased interest in the company's offerings from foreign countries. Our share-net estimates of 20%-plus in 2008 and over 7.5% in 2009 reflect this bright outlook.

The company's Biotechnology Division continues to be a main driver in its strong performance. Revenues in this segment advanced about 15.0% during this quarter and 13.5% for the year so far. These augmentations came, in part, from greater shipping volume and proper delivery execution to diagnostic customers. Although precise delivery timing in the future is not guaranteed, we believe Techne will be able to continue this strategy.

Increases in foreign sales further contributed to both top- and bottom-line gains. In fact, R&D Systems Europe sales were up 16% over the prior year. Added to this is the favorable impact from foreign currency gains, which have added about $0.02 to earnings for the year so far.

Ongoing research and new products are priorities for Techne. The R&D segment recently introduced a human *HGF R/c-MET* kit. This latest company addition is geared toward cancer research since it involves the migration of tumor cells, and cells of interest are tagged for further testing. With positive feedback and successful trials, the segment will likely be accretive to future earnings.

Extra cash on hand gives the company flexibility. In fact, at the end of March, Techne had over $200 million in excess cash. Part of this will go toward share repurchases as well as for ongoing research efforts, leading to additional product offerings.

This timely issue is up about 17% since our March report, despite domestic weakness in other industries. But appreciation potential is below average for the 2011-2013 haul.

Nira Maharaj June 20, 2008

(A) Fiscal year ends on June 30th.
(B) Diluted earnings. Excl. nonrecur. gains (losses): '01, 3¢; '02, (27¢); '04, (4¢). Next earnings report due late July.
(C) Includes intangibles: In 2007: $29.5 million, 75¢/share.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	75
Price Growth Persistence	85
Earnings Predictability	100

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TEVA PHARM. (ADR) NDQ-TEVA [A]

RECENT PRICE 45.01 | P/E RATIO 16.7 (17.3 NMF) | RELATIVE P/E RATIO 1.10 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 2 Raised 1/4/08
SAFETY 3 New 10/22/04
TECHNICAL 3 Lowered 5/9/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+135%)	24%
Low	70	(+55%)	13%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	288	336	316
to Sell	283	283	327
Hld's(000)	422080	437973	457184

LEGENDS
17.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 2/00
2-for-1 split 12/02
2-for-1 split 7/04
Options: Yes
Shaded area indicates recession

High: 19.7 18.6 20.1 31.2 34.7 45.9 44.7 47.1 50.0
Low: 8.0 12.1 12.9 17.3 22.8 26.8 29.2 30.8 41.9

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	12.1	-18.0
3 yr.	51.1	11.3
5 yr.	67.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
--	--	--	--	--	--	--	--	3.42	4.13	4.87	5.99	7.85	8.49	11.09	12.25	14.20	15.10	Sales per sh	18.60
--	--	--	--	--	--	--	--	.48	.77	.96	1.36	1.94	2.13	3.03	3.22	3.65	4.00	"Cash Flow" per sh	5.15
--	--	--	--	--	--	--	--	.29	.53	.76	1.07	1.42	1.59	2.30	2.38	2.70	3.00	Earnings per sh [B]	4.00
--	--	--	--	--	--	--	--	.06	.07	.10	.16	.20	.27	.31	.39	.53	.54	Div'ds Decl'd per sh [C]	.64
--	--	--	--	--	--	--	--	.17	.23	.31	.38	.51	.50	.51	.71	.70	.75	Cap'l Spending per sh	.80
--	--	--	--	--	--	--	--	2.25	2.74	3.54	6.02	8.81	9.77	14.70	17.87	20.00	22.60	Book Value per sh [D]	31.00
--	--	--	--	--	--	--	--	511.67	503.40	517.20	546.80	611.40	618.60	758.00	768.00	775.00	775.00	Common Shs Outst'g [E]	775.00
--	--	--	--	--	--	--	--	46.5	28.9	21.4	23.7	21.1	21.0	15.9	17.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
--	--	--	--	--	--	--	--	3.02	1.48	1.17	1.35	1.11	1.12	.86	.91			Relative P/E Ratio	1.45
--	--	--	--	--	--	--	--	.4%	.5%	.6%	.6%	.7%	.8%	.9%	1.0%			Avg Ann'l Div'd Yield	.7%
--	--	--	--	--	--	--	--	1749.9	2077.4	2518.6	3276.4	4798.9	5250.4	8408.0	9408.0	11000	11700	Sales ($mill)	14400
--	--	--	--	--	--	--	--	19.4%	23.4%	24.3%	27.9%	30.0%	29.6%	32.4%	31.0%	30.0%	31.0%	Operating Margin	32.5%
--	--	--	--	--	--	--	--	95.0	109.1	86.8	127.7	220.4	242.5	431.0	521.0	550	575	Depreciation ($mill)	650
--	--	--	--	--	--	--	--	148.4	278.2	410.3	617.8	964.6	1072.3	1867.0	1952.0	2260	2500	Net Profit ($mill)	3350
--	--	--	--	--	--	--	--	28.8%	18.7%	17.0%	20.0%	22.2%	18.0%	14.9%	16.9%	15.0%	15.0%	Income Tax Rate	17.0%
--	--	--	--	--	--	--	--	8.5%	13.4%	16.3%	18.9%	20.1%	20.4%	22.2%	20.8%	20.5%	21.4%	Net Profit Margin	23.3%
--	--	--	--	--	--	--	--	825.1	1439.8	1377.2	2021.5	1997.6	3245.2	3569.0	4488.0	6100	7900	Working Cap'l ($mill)	14500
--	--	--	--	--	--	--	--	813.9	1246.9	1152.2	815.4	1728.4	1773.3	4585.0	3347.0	3350	3350	Long-Term Debt ($mill)	3350
--	--	--	--	--	--	--	--	1151.3	1380.7	1829.4	3289.4	5388.9	6042.3	11142	13724	15500	17500	Shr. Equity ($mill)	24000
--	--	--	--	--	--	--	--	8.6%	11.4%	14.6%	15.5%	13.8%	13.9%	12.3%	11.8%	12.5%	12.5%	Return on Total Cap'l	12.5%
--	--	--	--	--	--	--	--	12.9%	20.2%	22.4%	18.8%	17.9%	17.7%	16.8%	14.2%	14.5%	14.5%	Return on Shr. Equity	14.0%
--	--	--	--	--	--	--	--	10.5%	17.8%	19.9%	16.5%	15.7%	15.1%	14.7%	12.0%	12.0%	12.0%	Retained to Com Eq	12.0%
--	--	--	--	--	--	--	--	19%	12%	11%	12%	13%	15%	12%	15%	18%	17%	All Div'ds to Net Prof	15%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $5,380 mill. Due in 5 Yrs $2,233 mill.
LT Debt $3,348 mill. LT Interest $120.0 mill. (19% of Cap'l)
Leases, Uncapitalized Annual rentals $45.0 mill.
Pension Assets-12/07 $149.0 mill.
Obligation $194.0 mill.

Pfd Stock None

Common Stock 772,000,000 shs.
(each ADR is equivalent to one common share)

MARKET CAP: $34.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2044.0	2875.0	3202.0
Receivables	2922.0	3546.0	3600.0
Inventory (Avg Cst)	1879.0	2440.0	2644.0
Other	795.0	998.0	1046.0
Current Assets	7640.0	9859.0	10492.0
Accts Payable	614.0	1383.0	1361.0
Debt Due	742.0	1841.0	2032.0
Other	2715.0	2147.0	2358.0
Current Liab.	4071.0	5371.0	5751.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	20.5%	10.0%
"Cash Flow"	--	30.5%	11.0%
Earnings	--	32.0%	12.0%
Dividends	--	33.5%	12.0%
Book Value	--	38.0%	14.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1304.9	1227.2	1317.3	1401.0	5250.4
2006	1672.5	2172.4	2285.7	2277.4	8408.0
2007	2080.0	2386.0	2366.0	2576.0	9408.0
2008	2572.0	*2675*	*2800*	*2953*	*11000*
2009	*2800*	*2850*	*2950*	*3100*	*11700*

Calendar	EARNINGS PER ADR [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.38	.36	.40	.45	1.59
2006	.37	.66	.74	.53	2.30
2007	.42	.63	.64	.69	2.38
2008	.64	*.64*	*.68*	*.74*	*2.70*
2009	*.70*	*.75*	*.75*	*.80*	*3.00*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.049	.049	.049	.051	.20
2005	.069	.068	.066	.063	.27
2006	.072	.074	.077	.078	.30
2007	.094	.099	.095	.101	.39
2008	.122	.135			

BUSINESS: Teva Pharmaceutical Industries Limited, based in Israel, is a global pharmaceutical company that develops, manufactures, and markets generic and proprietary branded drugs and active pharmaceutical ingredients. Nearly 85% of sales are derived from North America and Europe. Teva's largest product is Copaxone, a proprietary branded drug, used to treat multiple sclerosis. Its other branded product is Azilect, for Parkinson's disease. Acq'd Sicor in 1/04; IVAX, 1/06. Has about 27,900 empls. worldwide. Officers and directors own approx. 6.6% of common (2007 20-F). Chairman: Eli Hurvitz. Pres./CEO: Shlomo Yanai. Inc.: Israel. Address: 5 Basel Street, P.O. Box 3190, Petach Tikva 49131 Israel. Telephone: 972-3-926-7267. Internet: www.tevapharm.com.

Teva Pharmaceutical ADR's have been range-bound of late. This likely reflects, in part, Wall Street's disappointment with the failure of a recent study on *Copaxone* (which was intended to expand its indications as a way to stave off generic competition in the future). On the other hand, we think investors seem fairly pleased with the current operating results and are probably also counting on the success of Teva's other sizable drug opportunities to propel earnings down the road. **The company should deliver a sturdy share-net advance this year of at least 13%, with a similar increase in 2009.** The generic drugmaker giant had an impressive start to 2008, logging a 52% earnings-per-share gain in the first quarter. Record sales of *Copaxone* and global market-share gains were largely behind the strong showing. Indeed, besides *Copaxone*, generic versions of *Protonix* (acid reflux) and *Lotrel* (blood pressure), as well as the launch of a nonbranded form of *Fosamax* (osteoporosis) are helping to drive sales up in North America (represents more than half of the top line). Likewise, sales are rising at a robust clip in the European and international segments. Management still expects share earnings to be between $2.60 and $2.75 in 2008, on sales of about $11 billion, with share net to be more than $3.00 next year.

A growth strategy is being implemented to ensure that profits remain on an upswing over the long haul. Teva remains focused on doubling the size of the business, targeting sales of $20 billion and a net income margin in excess of 20% by 2012. Expansion within emerging markets (i.e., Latin America, Eastern Europe), driven by a broader and more diverse pipeline of generics and branded drugs will likely be key. To support such growth, Teva plans to double its manufacturing and R&D output. We're taking a somewhat conservative view with our projections, however.

Teva ADRs may interest a wide range of investors. Despite the recent *Copaxone* setback, the issue is timely for the year ahead. It also offers attractive appreciation potential for the 3- to 5-year span, assuming the company's long-term growth strategy proves successful.

J. Susan Ferrara *July 18, 2008*

(A) All figures in US$. Based on U.S. GAAP.
(B) Diluted earnings. Qtly. EPS may not add to total due to rounding. Excl. nonrec. gains/(charges): '03, $0.11; '04, ($0.92); '06 ($1.61); Q1 '08, ($0.46). Next earnings report due late July.
(C) Dividends historically paid early March, early June, late August, and mid-December.
(D) Incl. intangibles. At 12/31/07: $10,326 mill., $13.32/sh.
(E) In millions, adjusted for stock splits. Each ADR equals one common share.

Company's Financial Strength	A
Stock's Price Stability	70
Price Growth Persistence	75
Earnings Predictability	85

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TARGET CORP. NYSE-TGT

RECENT PRICE 45.68 | P/E RATIO 13.4 (Trailing: 13.8 Median: 21.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Raised 5/30/08
SAFETY 2 Raised 5/9/08
TECHNICAL 3 Lowered 7/18/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

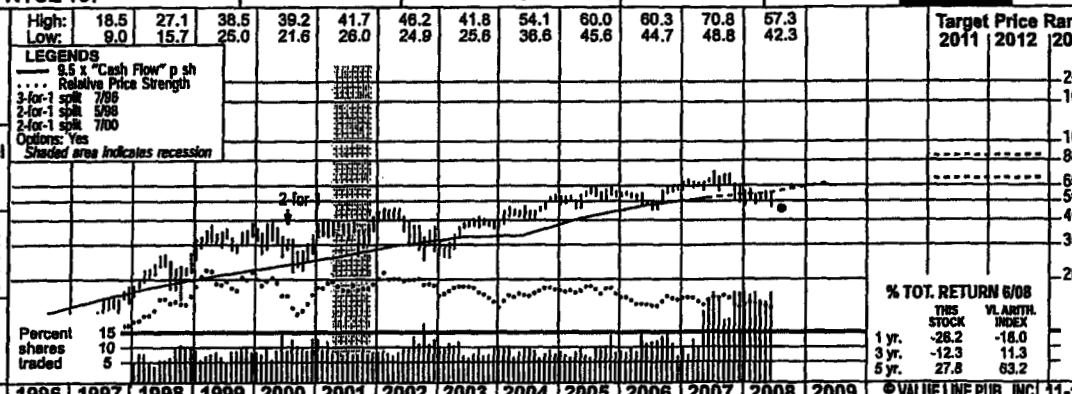
	Price	Gain	Ann'l Total Return
High	85	(+85%)	18%
Low	65	(+40%)	10%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	1	0	1	0	0	0
to Sell	0	0	1	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	371	405	356
to Sell	469	497	518
Hld's(000)	752005	742889	731940



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	18.5	27.1	38.5	39.2	41.7	46.2	41.8	54.1	60.0	60.3	70.8	57.3						
Low:	9.0	15.7	25.0	21.6	26.0	24.9	25.6	36.6	45.6	44.7	48.8	42.3						

Target Price Range 2011 | 2012 | 2013

200 160 100 80 60 50 40 30 20

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-26.2	-18.0
3 yr.	-12.3	11.3
5 yr.	27.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
20.93	22.41	24.77	27.23	29.20	31.39	34.70	36.97	41.11	44.07	48.27	52.82	52.59	60.20	69.19	77.40	87.35	97.75	Revenues per sh A	135.40
.95	.99	1.10	1.02	1.37	1.65	1.95	2.22	2.46	2.76	3.15	3.47	3.53	4.37	4.98	5.51	5.80	6.55	"Cash Flow" per sh	8.80
.40	.40	.48	.32	.59	.82	1.02	1.27	1.38	1.56	1.81	2.01	2.07	2.71	3.21	3.33	3.40	3.75	Earnings per sh B	4.90
.13	.13	.14	.15	.16	.17	.18	.20	.21	.22	.24	.26	.30	.38	.42	.52	.58	.65	Div'ds Decl'd per sh C■	.90
2.59	2.94	3.34	3.64	4.05	4.77	5.71	6.43	7.26	8.68	10.38	12.14	14.83	16.25	18.18	18.70	18.20	19.45	Book Value per sh	26.15
856.61	858.30	860.28	863.58	868.82	875.67	883.62	911.68	897.76	905.16	909.80	911.81	890.84	874.07	859.77	818.74	770.00	740.00	Common Shs Outst'g D	650.00
14.2	14.9	13.9	18.6	14.1	17.1	22.2	25.5	22.2	23.3	20.0	18.0	22.2	19.7	16.7	18.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.5
.86	.88	.91	1.24	.88	.99	1.15	1.45	1.44	1.19	1.09	1.03	1.17	1.05	.90	.95			Relative P/E Ratio	1.05
2.2%	2.3%	2.2%	2.4%	1.9%	1.2%	.8%	.6%	.7%	.6%	.7%	.7%	.7%	.7%	.8%	.9%			Avg Ann'l Div'd Yield	1.1%
30662	33702	36903	39888	43917	48163	46839	52620	59490	63367	67250	72350							Revenues ($mill) A	88000
31.2%	31.7%	31.5%	31.7%	33.4%	34.0%	32.9%	33.6%	33.8%	33.9%	33.7%	33.7%							Gross Margin	33.6%
8.9%	9.4%	9.3%	9.6%	10.2%	10.0%	10.4%	10.9%	11.0%	10.9%	10.5%	10.5%							Operating Margin	10.3%
1182	1243	1307	1381	1475	1553	1308	1397	1488	1591	1685	1775							Number of Stores	2045
962.0	1185.0	1264.0	1419.0	1654.0	1841.0	1885.0	2408.0	2787	2849	2625	2850							Net Profit ($mill)	3265
38.2%	38.8%	38.4%	37.8%	38.2%	37.8%	37.8%	37.6%	38.0%	38.4%	38.5%	38.5%							Income Tax Rate	38.5%
3.1%	3.5%	3.4%	3.6%	3.8%	3.8%	4.0%	4.6%	4.7%	4.5%	3.9%	3.9%							Net Profit Margin	3.7%
948.0	633.0	1003.0	2594.0	4412.0	4614.0	5702.0	4817.0	3589	7124	8500	8900							Working Cap'l ($mill)	9500
4452.0	4521.0	5634.0	8088.0	10186	10217	9034.0	9119.0	8675	15126	15100	14900							Long-Term Debt ($mill)	13900
5335.0	5862.0	6519.0	7860.0	9443.0	11065	13029	14205	15633	15307	14000	14400							Shr. Equity ($mill)	16500
11.8%	13.1%	12.0%	10.4%	9.9%	10.0%	9.8%	11.5%	12.6%	10.6%	10.5%	11.5%							Return on Total Cap'l	12.5%
18.0%	20.2%	19.4%	18.1%	17.5%	16.6%	14.5%	17.0%	17.8%	18.6%	19.0%	20.0%							Return on Shr. Equity	20.0%
15.5%	16.9%	16.5%	15.5%	15.2%	14.5%	12.4%	14.7%	15.4%	15.7%	15.5%	16.5%							Retained to Com Eq	16.5%
19%	16%	15%	14%	13%	13%	14%	13%	14%	16%	17%	17%							All Div'ds to Net Prof	18%

CAPITAL STRUCTURE as of 5/3/08
Total Debt $16993 mill. Due in 5 Yrs $7800 mill.
LT Debt $15130 mill. LT Interest $925 mill.
Incl. $127 mill. capitalized leases.
(Total interest coverage: 8.5x) (51% of Cap'l)
Leases, Uncapitalized Annual rentals $150 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 778,499,000 shs.
as of 5/28/08
MARKET CAP: $35.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/3/08
Cash Assets	813	2450	620
Receivables	6194	8054	7830
Inventory (LIFO)	6254	6780	8836
Other	1445	1622	1473
Current Assets	14706	18906	18759
Accts Payable	6575	6721	5959
Debt Due	1362	1964	1863
Other	3180	3097	3137
Current Liab.	11117	11782	10959

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	9.0%	9.0%	12.0%
"Cash Flow"	14.0%	12.0%	10.0%
Earnings	18.0%	14.5%	8.0%
Dividends	11.0%	14.5%	12.5%
Book Value	15.5%	15.0%	6.0%

Fiscal Year Begins	QUARTERLY REVENUES ($ mill.) A Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	11477	11990	12206	16947	52620
2006	12883	13347	13570	19710	59490
2007	14040	14620	14835	19872	63367
2008	14802	15475	15725	21248	67250
2009	15925	16650	16925	22850	72350

Fiscal Year Begins	EARNINGS PER SHARE AB Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.55	.61	.49	1.06	2.71
2006	.63	.70	.59	1.29	3.21
2007	.75	.80	.56	1.22	3.33
2008	.74	.76	.55	1.35	3.40
2009	.80	.83	.61	1.51	3.75

Calendar	QUARTERLY DIVIDENDS PAID■ C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.07	.07	.08	.08	.30
2005	.08	.10	.10	.10	.38
2006	.10	.10	.10	.12	.42
2007	.12	.12	.14	.14	.52
2008	.14	.14			

BUSINESS: Target Corp.'s operations as of 2/2/08 consisted of 1,591 discount stores, mostly in California (14%), Texas (9%), Florida (7%), and the upper Middle West. Includes about 210 SuperTargets, which avg. 177,000 sq. ft. and carry groceries. Sold *Marshall Field's* department stores (5% of '03 sales) on 7/31/04 and *Mervyn's* soft goods stores (8% of sales) on 8/28/04. Current retail space is about 210 million square feet; sales per square foot in '07: $310 and '06: $316. Credit operations accounted for 13.0% of pretax profits in '07. Has about 366,000 employees. Off./dir. own less than 1% of common stock (4/08 Proxy). Chairman: Robert Ulrich. CEO: Gregg Steinhafel. Inc.: MN. Address: 1000 Nicollet Mall, Minneapolis, MN 55403. Tel.: 612-761-6627. Net: target.com.

Target's important credit card operation is facing a new challenge. It accounted for an increasing percentage of operating profits in recent years, but bad debt expenses more than doubled, year to year, in fiscal 2008's first quarter (ended May 3rd). Consequently, the division's operating profits were 8% below fiscal 2007's level. Due to a likely continuation of economic pressures on many mid-income families for a while, we don't foresee meaningful improvement in profit comparisons during the balance of this year. Moreover, **Near-term growth prospects at the core retail division have deteriorated lately.** Following average same-store sales gains of 4.5% during the preceding three years, this barometer slipped 0.7% in fiscal 2008's initial interim. There was a modest improvement, to -0.1%, in the first two months of the July quarter, though. About 40% of Target's inventory is in relatively discretionary categories, with the balance devoted to food and commodity items. Thus, its recent comp-store results were considerably better than those of most department store chains but were worse than Wal-Mart's. All told, we think the company's net profit will decline 8% this year. In fiscal 2009, though, profits may well rebound to last year's level thanks to contributions from new stores and easy comparisons.

Target purchased almost $3.9 billion of its stock during the past five quarters. These expenditures were funded with new debt. The share count dropped 9.5% between the close of fiscal 2006 and May 28, 2008. On balance, the reduction just about offset the impact of higher interest expense and lower operating income on share earnings in this year's first quarter. Given the company's stated intent to purchase another $1 billion of TGT stock during the balance of the year and our expectation of improved same-store sales in the fourth quarter, we think earnings in that period will be about 10% above fiscal 2007's level. That said, **This stock is not likely to outpace the market averages in the coming six to 12 months or over the pull to 2011-2013.** Our 3- to 5-year projections for both selling-space and share-earnings have been lowered since the May report.

David R. Cohen *August 8, 2008*

(A) Fiscal year ends Sat. nearest Jan. 31 of following cal. year. Revenues include credit card charges.
(B) Based on diluted shares. Excludes net nonrecur. gain (losses): '96, (20¢); '97, (3¢); '98, (3¢); '99, (1¢); '01, (6¢). Next earnings report due late Aug.
(C) Dividends historically paid in early March, June, September, and December. ■ Div'd. reinvest. plan available.
(D) In mill., adjusted for splits.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	85
Earnings Predictability	100

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HANOVER INS. GROUP NYSE-THG

RECENT PRICE 45.10 | P/E RATIO 10.5 (Trailing: 10.2 Median: 13.0) | RELATIVE P/E RATIO 0.65 | DIV'D YLD 1.0% | VALUE LINE

TIMELINESS 3 Lowered 5/9/08
SAFETY 3 Raised 9/21/07
TECHNICAL 3 Lowered 5/2/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+90%)	18%
Low	60	(+35%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	1	0
Options	0	0	0	0	0	0	1	0	0
to Sell	0	0	0	0	0	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	102	107	121
to Sell	92	82	87
Hld's(000)	38611	39850	40574

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	51.0	75.3	64.8	74.3	71.8	50.8	31.3	38.3	43.3	54.4	51.0	48.0
Low:	32.6	38.4	46.1	35.1	36.7	7.0	9.8	24.3	30.2	40.7	36.5	39.1

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.8	-9.7
3 yr.	34.9	27.3
5 yr.	169.1	85.8

Percent shares traded: 18, 12, 6

Allmerica Financial Life Insurance and Annuity Co. was organized as a mutual life insurance company until 10/16/95. On that date, FAFLIC converted to a stock life insurance company and became a wholly owned subsidiary of AFC. After the reorganization, the company issued 37.5 million shares of common stock to eligible policyholders. Too, AFC sold 12.6 million shares of common stock to the general public, resulting in proceeds of $248.0 million, and sold $200 million in senior debentures. The company changed its name to Hanover 12/2005.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $511.9 mill. Due in 5 Yrs $3.1 mill.
LT Debt $511.9 mill. LT Interest $40.0 mill. (18% of Cap'l)
Leases, Uncapitalized $12.9 mill.
Pension Assets 12/07-$392.8 mill. Oblig. $528.7 mill.
Pfd Stock None
Common Stock 51,396,389 shs. as of 5/01/08
MARKET CAP: $2.3 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	5629.0	5722.0	5646.6
Stocks	17.2	44.9	49.1
Mortgages	57.1	41.2	38.3
Other	4153.3	4007.5	3966.6
Total Assets	9856.6	9815.6	9700.6
Unearned Prems	1101.4	1157.1	1163.2
Reserves	3247.2	3239.6	3194.5
Other	3508.8	3120.0	3022.2
Total Liab'ties	7857.4	7516.6	7379.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	--	.5%	5.0%
Invest Income	-7.0%	-12.0%	8.0%
Earnings	1.0%	22.5%	11.0%
Dividends	9.0%	13.5%	12.5%
Book Value	1.5%	-1.5%	9.0%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	538.7	555.3	525.7	541.6	2161.3
2006	540.9	549.4	562.6	566.3	2219.2
2007	602.2	595.5	600.4	573.9	2372.0
2008	630.6	640	640	589.4	2500
2009	640	655	655	600	2550

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.86	1.07	d2.04	1.42	1.31
2006	1.05	1.00	.56	1.17	3.78
2007	1.16	1.13	1.01	1.17	4.47
2008	1.02	1.10	1.05	1.13	4.30
2009	1.09	1.11	1.06	1.09	4.35

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	.25	.25
2006	--	--	--	.30	.30
2007	--	--	--	.40	.40
2008	--				

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	38.16	32.29	39.26	42.62	43.86	43.06	42.29	40.25	43.43	45.79	49.00	50.00	P/C Prem Earned p sh	57.70
	10.33	10.19	11.23	12.39	11.16	8.60	7.79	5.99	6.24	6.25	6.35	7.00	Investment Inc p sh	9.75
	d3.29	d4.14	d5.22	d7.40	d18.19	d4.51	d2.35	d4.12	d.14	1.44	1.45	1.75	Underwriting Inc p sh	2.00
	3.60	5.06	5.58	3.10	d5.21	1.87	2.63	1.31	3.78	4.47	4.30	4.35	Earnings per sh A	6.00
	.20	.25	.25	.25	--	--	--	.25	.30	.40	.45	.50	Div'ds Decl'd per sh B	.65
	40.71	37.09	45.71	45.20	39.17	41.89	43.98	36.34	39.12	44.38	47.55	51.45	Book Value per sh	67.30
	60.40	60.40	52.70	52.90	52.90	53.00	53.20	53.70	51.10	51.80	51.00	51.50	Common Shs Outst'g C	52.00
	147%	150%	122%	112%	80%	48%	73%	102%	121%	103%			Price to Book Value	105%
	16.6	11.0	10.0	16.3	--	10.7	12.3	28.4	12.5	10.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
	.86	.63	.65	.84	--	.61	.65	1.51	.67	.54			Relative P/E Ratio	.80
	.3%	.4%	.4%	.5%	--	--	--	.7%	.6%	.9%			Avg Ann'l Div'd Yield	.9%
	2305.0	1950.5	2068.9	2254.7	2320.1	2282.3	2249.6	2181.3	2219.2	2372.0	2500	2550	P/C Premiums Earned	3000
	89.0%	90.8%	91.3%	96.1%	94.9%	84.1%	79.3%	78.8%	66.3%	64.3%	64.0%	64.0%	Loss to Prem Earned	65.0%
	19.6%	22.0%	22.0%	21.3%	46.6%	26.4%	26.3%	31.4%	34.0%	32.6%	33.0%	32.5%	Expense to Prem Writ	31.5%
	-8.6%	-12.8%	-13.3%	-17.4%	-41.5%	-10.5%	-5.6%	-10.2%	-.3%	3.1%	3.0%	3.5%	Underwriting Margin	3.5%
	21.0%	28.2%	15.3%	--	--	--	15.1%	--	29.2%	32.4%	33.0%	32.0%	Income Tax Rate	32.0%
	246.2	256.0	301.4	164.7	d275.4	99.7	141.5	70.5	194.8	234.5	225	230	Net Profit ($mill)	310
	6.9%	7.8%	6.8%	6.3%	6.7%	5.6%	5.0%	5.3%	5.4%	5.4%	5.5%	6.0%	Inv Inc/Total Inv	7.0%
	27608	30770	31588	30336	26579	25113	23719	10634	9857	9816	9800	10400	Total Assets ($mill)	15750
	2458.6	2240.2	2409.1	2391.1	2372.2	2220.2	2339.5	1951.3	1999.2	2299.0	2425	2650	Shr. Equity ($mill)	3500
	10.0%	11.4%	12.5%	6.9%	NMF	4.5%	6.0%	3.6%	9.7%	10.2%	9.5%	8.5%	Return on Shr. Equity	9.0%
	9.6%	10.8%	12.0%	6.3%	NMF	4.5%	6.0%	2.9%	9.0%	9.3%	8.5%	7.5%	Retained to Com Eq	8.0%
	4%	5%	4%	8%	NMF	--	--	19%	8%	9%	10%	11%	All Div'ds to Net Prof	11%

BUSINESS: The Hanover Insurance Group, Inc. underwrites property and casualty insurance through its subsidiaries, primarily through an independent agent network concentrated in the Midwest, Northeast, and Southeast United States. In 2007, Personal Lines accounted for about 55% of operating income; Commercial Lines, 44%; Other P&C, 3%; Life Ins., -2%. Life insurance segment is in a run-off mode. Net reserves: $2.2 bill. at 12/07. Sold Allmerica Financial, '05. Officers and directors own 2.7% of common stock (4/08 proxy). Has approximately 3,900 employees. Inc.: DE. Chairman: Michael P. Angelini. Pres. and CEO: Frederick H. Eppinger, Jr. Address: 440 Lincoln Street, Worcester, MA 06153. Tel.: 508-855-1000. Internet address: www.hanover.com.

Hanover Insurance stock has been moving sideways of late. The shares dipped noticeably from the $50 level nearly a year ago, when the financial sector began to suffer, and haven't been able to regain that mark since. The fear regarding financial stocks in general has been that exposure to subprime assets could cause big trouble, which it has in a number of cases. Hanover, itself, has little to no exposure to the subprime market, though about 25% of the company's investments are in various types of mortgage-backed securities. Fear over the extent to which subprime woes will spread is one factor dampening enthusiasm here.

Meantime, prospects for premium growth are modest. The property and casualty business is currently suffering from pricing pressures and the effects of difficult economic conditions. In particular, the company has been having a tough time retaining business in hard-hit Michigan, while new insurance regulations in Massachusetts mean that state is in a period of transition. Stricter underwriting in coastal states also crimps growth, although that practice does improve the risk profile. Overall, we figure earnings per share will essentially tread water in 2008 and 2009, barring unusual circumstances.

It might take a catastrophic event, such as Hurricane Katrina was, to change the tone of the property and casualty market. Hanover stock barely reacted to that disaster in 2005, even though the company incurred a large quarterly loss. The stock began to tick higher afterwards, however, on the feeling the company would be able to command higher premiums. It may take a different set of circumstances for the stock to realize the near-median appreciation potential we project for it out to 2011-2013.

At this point, the neutrally ranked stock doesn't stand out. Hanover is leaner and more focused than when it started the decade. Poor market conditions for financial services in 2002 (which hurt the stock badly) led to the decision to exit the annuities and asset management lines, but that's in the past. These days, the company looks to be more of a steady performer, if constrained by a narrower product line and a highly competitive industry.

Robert Mitkowski, Jr. *June 20, 2008*

(A) Based on diluted earnings. Excludes capital gains and losses. Excludes non-recurring gains (losses): '97, (16¢); '98, (76¢); '99, (88¢); '00, ($1.88); '01, ($1.68); '02, 58¢; '03, (24¢); '04, 77¢; '08, 10¢. Excl. extraordinary charges: '01, $1.48; '04, $1.07. Excl. loss from disc. op. of $7.44 in '05. Next earnings report due late July.
(B) Dividend reinstated in Q4 of 2005.
(C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	70
Price Growth Persistence	10
Earnings Predictability	5

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TJX COMPANIES NYSE-TJX

RECENT PRICE 34.03 | P/E RATIO 15.1 (Trailing: 17.3 / Median: 17.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 2 Raised 7/18/08
SAFETY 2 Raised 5/13/05
TECHNICAL 3 Lowered 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+90%)	19%
Low	45	(+30%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	3	2	4	1	1	4	5	1	1
to Sell	4	2	5	1	1	5	5	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	215	227	274
to Sell	236	239	231
Hld's(000)	424274	420285	422485

High: 9.6 15.0 18.5 15.8 20.3 22.5 23.7 26.8 26.0 29.8 32.5 36.4
Low: 4.6 7.8 8.3 7.0 13.6 15.3 15.5 20.6 20.0 22.2 25.7 25.5

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 6/97
2-for-1 split 6/98
2-for-1 split 5/02
Options: Yes
Shaded area indicates recession

2-for-1

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	15.9	-18.0
3 yr.	33.7	11.3
5 yr.	75.5	63.2

Percent shares traded 18 12 6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.57	6.17	6.63	7.67	10.51	11.55	12.34	14.66	17.08	19.72	23.02	26.70	31.02	34.84	38.37	43.57	50.30	57.35	Sales per sh [A]	79.40
.28	.32	.26	.28	.51	.66	.88	1.15	1.27	1.37	1.51	1.80	2.00	2.06	2.49	2.95	3.50	4.00	"Cash Flow" per sh	5.40
.18	.20	.13	.13	.30	.46	.65	.83	.93	.97	1.08	1.28	1.34	1.29	1.63	1.92	2.25	2.55	Earnings per sh [B]	3.70
.06	.06	.07	.06	.04	.05	.06	.07	.08	.09	.12	.14	.18	.24	.28	.36	.44	.52	Div'ds Decl'd per sh [C]	.80
.68	.82	.86	.83	1.54	1.71	1.89	1.87	2.17	2.47	2.71	3.11	3.44	4.11	5.05	4.98	5.70	6.55	Book Value per sh	9.90
585.77	587.45	579.21	578.89	636.61	639.61	644.28	599.96	560.76	543.08	520.52	499.18	480.70	460.97	453.65	427.95	400.00	375.00	Common Shs Outst'g [D]	330.00
15.2	18.6	20.5	13.9	14.4	15.2	18.2	17.1	11.6	17.6	18.2	15.4	17.8	17.9	18.1	14.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.92	1.10	1.34	.93	.90	.88	.95	.97	.75	.90	.99	.88	.94	.95	.87	.78			Relative P/E Ratio	1.00
2.2%	1.7%	2.7%	3.5%	.8%	.7%	.5%	.5%	.7%	.5%	.6%	.7%	.8%	1.0%	1.1%	1.3%			Avg Ann'l Div'd Yield	.9%
7949.1	8795.3	9579.0	10709	11981	13328	14913	16058	17405	18647	20120	21500	Sales ($mill) [A]	25800
26.8%	27.0%	26.8%	26.1%	26.0%	26.2%	25.8%	25.4%	26.1%	26.5%	26.0%	26.0%	Gross Margin	26.5%
10.6%	11.6%	11.1%	10.3%	9.8%	10.0%	9.5%	8.5%	9.3%	9.7%	9.5%	10.0%	Operating Margin	10.5%
1246	1357	1493	1665	1843	2062	2224	2381	2458	2563	2650	2775	Number of Stores	3100
433.2	526.8	538.1	540.4	578.4	658.4	683.4	633.4	776.8	893.9	990	1080	Net Profit ($mill)	1400
38.5%	38.3%	37.8%	38.2%	38.3%	38.4%	38.5%	38.4%	37.7%	37.9%	38.0%	38.0%	Income Tax Rate	38.0%
5.4%	6.0%	5.6%	5.0%	4.8%	4.9%	4.6%	3.9%	4.5%	4.8%	4.9%	5.0%	Net Profit Margin	5.4%
436.2	334.2	493.2	800.9	674.1	761.3	701.0	888.2	1365.8	1231.3	1200	1250	Working Cap'l ($mill)	1600
220.3	319.4	319.4	702.4	693.8	692.3	598.5	807.2	808.0	853.5	850	850	Long-Term Debt ($mill)	750
1220.7	1119.2	1218.7	1340.7	1409.1	1552.4	1653.5	1892.7	2290.1	2131.2	2270	2450	Shr. Equity ($mill)	3530
30.6%	37.1%	35.7%	27.0%	28.0%	29.8%	31.0%	24.0%	25.3%	30.6%	32.0%	33.0%	Return on Total Cap'l	33.0%
35.5%	47.1%	44.2%	40.3%	41.0%	42.4%	41.3%	33.5%	33.9%	41.9%	43.5%	44.0%	Return on Shr. Equity	39.5%
32.1%	43.3%	40.5%	36.7%	36.8%	38.0%	36.3%	27.9%	28.6%	34.8%	35.5%	36.0%	Retained to Com Eq	32.5%
10%	8%	8%	9%	10%	10%	12%	17%	18%	17%	18%	18%	All Div'ds to Net Prof	19%

CAPITAL STRUCTURE as of 4/26/08
Total Debt $834.6 mill. Due in 5 Yrs $432.5 mill.
LT Debt $832.6 mill. LT Interest $40.0 mill.
Incl. $391.0 mill. zero coupon, conv. notes due 2021, yielding 2% a year to maturity. Conv. into 18.9 mill. shs. of common under certain conditions.
(Incl. $20.3 mill. capital lease obligations.) (30% of Cap'l)
Leases, Uncapitalized Annual rentals $896.6 mill.
Pension Assets-1/08 $436.4 mill Oblig. $447.6 mill.
Pfd Stock None
Common Stock 424,701,061 shs.

MARKET CAP: $14.5 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	4/26/08
Cash Assets	856.7	732.6	698.1
Receivables	115.2	143.2	172.7
Inventory (FIFO)	2582.0	2737.3	2899.8
Other	194.9	379.2	281.6
Current Assets	3748.8	3992.3	4052.2
Accts Payable	1372.4	1516.7	1678.3
Debt Due	1.9	—	2.0
Other	1008.7	1244.2	1142.4
Current Liab.	2383.0	2760.9	2822.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.5%	14.5%	12.5%
"Cash Flow"	18.0%	12.5%	14.5%
Earnings	18.5%	10.0%	14.5%
Dividends	19.5%	25.0%	18.5%
Book Value	13.5%	14.0%	13.0%

Fiscal Year Begins	QUARTERLY SALES ($ mill.) [A] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	3651	3647	4041	4718	16057
2006	3871	3963	4472	5096	17404
2007	4108	4313	4738	5488	18647
2008	4364	4640	5140	5978	20120
2009	4630	4960	5475	6435	21500

Fiscal Year Begins	EARNINGS PER SHARE [A B] Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2005	.28	.23	.35	.46	1.29
2006	.34	.29	.48	.52	1.63
2007	.36	.38	.54	.64	1.92
2008	.41	.45	.64	.75	2.25
2009	.47	.52	.72	.84	2.55

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.035	.045	.045	.045	.17
2005	.045	.06	.06	.06	.23
2006	.07	.07	.07	.07	.28
2007	.07	.09	.09	.09	.34
2008	.09	.11	.11		

BUSINESS: The TJX Companies, Inc. is a leading off-price retailer of clothing and home fashions. Its Marmaxx division comprises *T.J. Maxx* (847 stores as of 1/08) and *Marshalls* (762). Other store chains include *Winners* (191) and *HomeSense* (71) in Canada, *HomeGoods* (289), *T.K. Maxx* in Europe (221), *A.J. Wright* (129), and *Bob's Stores* (34). Sold *Chadwick's Of Boston*, 12/96. Acquired *Marshalls* 11/95. Has about 125,000 employees. Officers & directors own 1.1% of common shares; Capital Research & Mgmt., 5.5%; Ruane, Cunniff & Goldfarb, Inc., 5.7% (4/08 Proxy). President and CEO: Carol Meyrowitz. Chairman: Bernard Cammarata. Inc.: DE. Address: 770 Cochituate Road, Framingham, MA 01701. Telephone: 508-390-1000. Internet: www.tjx.com.

TJX has been one of the only retailers to consistently post comparable-sales gains in this rough environment. Steady, moderate growth and strong margins have become synonymous with the company's performance in difficult economic times. This is largely the product of a smooth-running off-price business model that allows TJX to remain somewhat shielded from a consumer downturn. In fact, there are a number of ways in which it benefits from this type of environment. The struggles of department stores present a wider and higher-quality array of merchandise for the company to purchase. As a result of this large availability of quality goods, the company is able to purchase at its own pace, thereby running on lower inventory and avoiding heavy markdowns. Further, a stronger assortment of goods is helping to win over new customers who are trading down from high-price retailers.

We've raised our fiscal 2008 and 2009 share-net estimates by $0.05 and $0.10, respectively. Recent sales have been higher than we had expected, and margins have largely held up. Meanwhile, store-traffic trends remain strong, and smaller segments are making larger contributions to the mix. Additionally, we expect share net to benefit from continued stock buybacks. The company repurchased seven million shares in the first quarter for a total of $225 million and expects to spend $900 million on repurchases this year.

The company plans to expand further into Europe and Canada where stores have performed well and there is little competition. Currently, there is no major off-price brand-apparel company of TJX's size in Europe, and the market opportunities are tremendous. The strong cash flow generated by the Marmaxx division should help fund the expansion.

This solid stock should continue to perform well in the year ahead. The predictable, albeit moderate, growth of its main business should generate sound results despite a weak retail market. However, our projections indicate below-average returns out to 2011-2013. But this may change if smaller divisions become more profitable and the company is successful in expanding into other regions.

Joel Schwed *August 8, 2008*

(A) Fiscal year ends the last Sat. in Jan. of following year. (B) Primary earnings thru '96, diluted thereafter. Excl. nonrecur. gain/(losses): '85, (6¢); '96, (1¢); '97, (1¢); '98, (1¢); '01, (7¢); '02, (2¢); '04, (4¢); '05, 12¢; '07, (26¢). Quarterly earnings may not sum to total due to rounding or change in share count. Next earnings report due late August. (C) Dividends historically paid in late Feb., May, Aug. and Nov. (D) In mill., adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	80
Price Growth Persistence	70
Earnings Predictability	90

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TEEKAY CORP. NYSE-TK

RECENT PRICE 50.25 | P/E RATIO 20.5 (Trailing: 29.7 Median: 10.0) | RELATIVE P/E RATIO 1.25 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 4 Lowered 11/9/07
SAFETY 3 New 3/11/05
TECHNICAL 3 Raised 4/25/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+110%)	22%
Low	70	(+40%)	11%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	81	69	92
to Sell	83	89	56
Hld's(000)	41748	41238	42193

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	19.0	16.9	9.6	25.4	27.3	21.1	28.9	54.9	50.8	46.5	63.7	54.7
Low:	13.3	7.7	6.7	7.4	12.4	13.0	17.8	27.9	36.5	35.2	42.2	36.1

LEGENDS
6.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-21.9	-9.4
3 yr.	15.6	30.2
5 yr.	163.7	98.8

Teekay Shipping Group was founded in 1973 by Torben Karlshoej. In 1993, the entity restructured and became Teekay Shipping Company (now Teekay Corporation), which went public in 1995 when it issued 13,800,000 shares at $10.75 (adjusted for split). In 1998, Teekay completed a public offering of 14,000,000 shares at $12.97 (adjusted). The company issued 5,600,000 shares, and an existing shareholder offered another 8,400,000 shares. Goldman Sachs was the lead manager.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $6122.0 mill. Due in 5 Yrs $2924 mill.
LT Debt $5583.9 mill. LT Interest $348.8 mill.
Incl. $542.6 mill. of capitalized leases and $35.1 mill. loan from joint venture partner.
(Total interest coverage: 1.4x)
(69% of Cap'l)
Leases, Uncapitalized $542.6 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 72,300,000 shs.
MARKET CAP: $3.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	408.2	442.7	555.7
Receivables	192.0	262.4	N/A
Inventory (Avg Cst)	--	--	--
Other	146.9	312.3	516.8
Current Assets	747.1	1017.4	1072.5
Accts Payable	69.6	89.7	N/A
Debt Due	218.3	324.1	538.1
Other	486.2	508.4	427.0
Current Liab.	774.1	922.2	965.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	16.0%	20.5%	9.5%
"Cash Flow"	13.0%	13.5%	9.0%
Earnings	17.5%	9.0%	9.0%
Dividends	9.0%	14.0%	13.5%
Book Value	12.0%	15.5%	6.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	517.4	480.1	425.6	531.5	1954.6
2006	526.0	422.6	477.7	587.0	2013.3
2007	571.7	566.5	595.4	673.0	2406.6
2008	736.4	795	730	768.6	3030
2009	800	730	730	840	3100

Calendar	EARNINGS PER SHARE B Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	3.19	1.23	.52	1.85	6.83
2006	1.38	.31	1.11	.83	3.61
2007	1.02	1.04	.15	.18	2.39
2008	.32	1.15	.30	.68	2.45
2009	.85	.50	.50	.75	2.60

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.125	.125	.125	.138	.51
2005	.138	.138	.138	.208	.62
2006	.208	.208	.208	.238	.86
2007	.238	.238	.238	.275	.99
2008	.275	.275			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	6.51	5.21	11.41	13.14	9.87	19.70	26.79	27.39	27.64	33.07	41.90	42.45	Revenues per sh A	50.00
	2.31	.67	4.73	5.98	2.28	4.61	12.01	10.88	6.80	6.98	8.10	8.50	"Cash Flow" per sh	13.80
	.85	d.27	3.43	4.16	.67	2.18	8.63	6.83	3.61	2.39	2.45	2.60	Earnings per sh A B	7.20
	.43	.43	.43	.43	.43	.45	.51	.62	.86	1.03	1.10	1.15	Div'ds Decl'd per sh C	1.80
	1.54	.41	.71	2.59	1.71	4.66	6.62	7.78	6.08	12.51	9.90	4.80	Cap'l Spending per sh	5.40
	12.28	11.47	14.03	17.68	17.91	20.65	27.01	31.33	34.71	36.94	36.40	37.55	Book Value per sh D	50.25
	63.30	72.57	78.29	79.10	79.38	79.99	82.83	71.38	72.83	72.77	72.30	73.00	Common Shs Outst'g E	74.00
	12.1	--	4.7	4.5	26.6	10.0	4.4	6.4	11.2	23.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
	.63	--	.31	.23	1.45	.57	.23	.34	.60	1.21			Relative P/E Ratio	.80
	4.2%	5.3%	2.6%	2.3%	2.4%	2.1%	1.4%	1.4%	2.1%	1.8%			Avg Ann'l Div'd Yield	2.1%
	411.9	377.9	893.2	1039.1	783.3	1576.1	2219.2	1954.6	2013.3	2406.6	3030	3100	Revenues ($mill)	3700
	43.5%	24.3%	47.9%	50.0%	31.5%	36.9%	44.2%	35.9%	32.5%	29.4%	30.0%	28.5%	Operating Margin	35.0%
	93.7	68.3	100.2	136.3	127.5	191.2	237.5	205.5	224.0	329.1	400	420	Depreciation ($mill)	470
	52.7	d19.6	270.0	336.5	53.4	177.4	757.4	570.9	271.2	178.6	180	195	Net Profit ($mill)	545
	--	--	--	--	--	--	--	--	--	--	NMF	Nil	Income Tax Rate	Nil
	12.8%	NMF	30.2%	32.4%	6.8%	11.3%	34.1%	29.2%	13.5%	7.4%	5.9%	6.3%	Net Profit Margin	14.7%
	94.2	154.2	157.2	140.2	198.0	205.9	503.5	165.6	d27.0	95.2	200	275	Working Cap'l ($mill)	545
	602.7	1018.6	725.3	883.9	1047.2	1533.5	2536.2	2134.9	3350.6	5285.4	5600	5200	Long-Term Debt ($mill)	4800
	777.4	832.1	1098.5	1398.2	1421.9	1651.8	2237.4	2236.5	2528.2	2687.9	2630	2740	Shr. Equity ($mill)	3720
	5.4%	.2%	16.8%	16.3%	3.5%	6.8%	17.1%	14.8%	6.2%	4.2%	4.5%	4.5%	Return on Total Cap'l	8.0%
	6.8%	NMF	24.6%	24.1%	3.8%	10.7%	33.9%	25.5%	10.7%	6.7%	7.0%	7.0%	Return on Shr. Equity	14.5%
	3.4%	NMF	21.6%	21.6%	1.4%	8.6%	32.0%	23.3%	8.2%	4.0%	4.0%	4.0%	Retained to Com Eq	11.0%
	50%	NMF	12%	10%	64%	20%	6%	9%	23%	41%	45%	44%	All Div'ds to Net Prof	25%

BUSINESS: Teekay Corp. provides crude oil, petroleum product, and LNG transportation and offshore services to oil companies, traders, and government agencies. Manages 172 vessels (104 owned) as of 4/30/08. 28 vessels on order. Owns 65% of Petrojarl (floating production); 58% of Teekay LNG Partners (NYSE: TGP); 60% of Teekay Offshore Partners (NYSE: TOO); 54% of Teekay Tankers (NYSE: TNK). Acquired OMI assets 6/07. Has about 6,400 empls. Resolute Investments, Inc. owns 41.8% of stock; FMR Corp., 11.3%; Neuberger Berman, 9.1%; offs./dirs., 2.1% (2007 20-F). Pres. & CEO: Bjorn Moller. Chrmn.: C. Sean Day. Addr.: TK House, Bayside Executive PK, West Bay St., P.O. Box AP-59212, Nassau, Bahamas. Tel.: 242-502-8820. Internet: www.teekay.com.

Experience in offshore services and exposure to the Brazilian market are major pluses for Teekay. Skyrocketing prices for oil have resulted in an explosion of offshore drilling and development activity. And Brazil will likely be among the biggest beneficiaries, aided by huge new deepwater oil discoveries. Recent March-quarter operating cash flow from Teekay's offshore segment fell 22% due to vessel repair costs and unscheduled downtime. But the company delivered a floating production storage and offtake unit to Brazilian waters in February, and full charter-hire income started in April. There should be plenty more opportunities to come, including shuttle tankers business.

The liquefied gas sector has favorable long-term prospects. Development projects continue to be delayed, but liquefied gas is expected to be a fast-growth market well into the future. As a pioneer in this field, Teekay built most of its existing liquefied gas fleet during a quiet period. March-period cash flow from these operations rose 50%, thanks to a larger fleet. Teekay has between a 40% and 70% interest in six vessels that will be delivered through early 2009. They all have secured contracts of 20 years or more. A 33%-owned joint venture will also charter four new vessels to the Angola LNG Project beginning in 2011. In addition, Teekay will take delivery of two flexible multigas ships in the second half of 2010. All of these assets are expected to be moved to 58%-owned Teekay LNG Partners, which has a lower cost of capital.

The spot tanker market is the wildcard. Dayrates for Teekay's crude oil tankers spiked in the March period and are currently near record levels for a second quarter. Higher rates were driven largely by Chinese oil demand and constrained vessel supply— a result of conversions to other uses and increased scrapping of older tonnage, spurred by record steel prices. But we expect rates to decline by late summer and through 2009 due to weaker oil demand and a much bigger ship delivery schedule.

Investors should proceed with caution. The issue is untimely, and we expect a challenging shipping rate environment to develop over the next few months.

Craig Sirois *June 6, 2008*

(A) Three-month stub ended 3/31/99: Revenues, $70.0 mill.; EPS, 2¢. (B) Basic earnings through 1998, diluted thereafter. Includes net extraordinary, foreign exchange, and non-recurring gains/(losses): '98, (12¢); '99, (1¢); '01, 13¢; '02, 13¢; '03, ($1.45); '04, 90¢; '05, $1.99; '06, (12¢); '07, (26¢); '08, (51¢). Quarterlies may not sum due to rounding. Next earnings report due early August. (C) Div'ds paid in late Jan., Apr., Jul. & Oct. (D) Includes intangibles at 12/31/07: $694.5 mill., $9.54/sh. (E) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	95
Earnings Predictability	35

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TENNANT CO. NYSE-TNC

RECENT PRICE 25.26 | P/E RATIO 12.0 (14.4 / 20.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 Lowered 10/27/06
TECHNICAL 5 Lowered 6/20/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

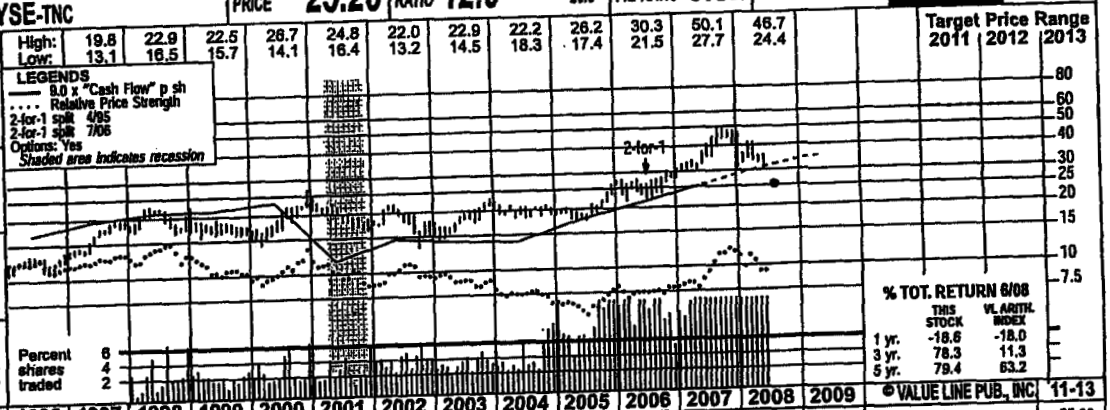
	Price	Gain	Ann'l Total Return
High	60	(+140%)	26%
Low	40	(+60%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	1	1	0	1	0	1	0
to Sell	1	0	1	0	0	0	0	0	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	57	68	83
to Sell	66	50	60
Hld's(000)	14964	14978	15716



% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-18.6	-18.0
3 yr.	78.3	11.3
5 yr.	79.4	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
10.94	11.25	14.31	16.35	17.20	19.27	21.38	23.88	25.08	23.40	23.61	24.88	28.20	30.08	31.94	35.90	40.55	42.10	Sales per sh	55.00
1.19	1.15	1.47	1.70	1.87	2.16	2.35	2.37	2.58	1.29	1.63	1.56	1.54	1.96	2.35	2.83	3.35	3.70	"Cash Flow" per sh	5.25
.67	.60	.80	.99	1.05	1.22	1.34	1.31	1.55	.26	.68	.75	.81	1.26	1.57	1.80	2.10	2.40	Earnings per sh A	3.40
.31	.32	.33	.34	.35	.36	.37	.38	.39	.40	.41	.42	.43	.44	.46	.48	.52	.54	Div'ds Decl'd per sh Bm	.62
.89	.72	.96	1.27	1.05	1.07	1.28	1.02	1.13	1.29	.73	.58	1.17	1.14	1.27	1.55	1.45	1.45	Cap'l Spending per sh	1.50
4.32	4.28	4.89	5.73	6.44	6.94	7.21	7.56	8.56	8.54	8.58	9.21	9.67	10.50	12.25	13.65	15.70	17.65	Book Value per sh D	25.00
19.65	19.65	19.68	19.90	20.02	19.32	18.21	17.98	18.11	18.07	17.96	17.99	18.01	18.38	18.75	18.50	18.50	19.00	Common Shs Outst'g C	20.00
16.2	18.2	13.8	12.7	11.6	13.4	14.7	13.3	12.2	76.4	27.1	24.5	24.8	15.8	16.5	21.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.98	1.08	.91	.85	.73	.77	.76	.76	.79	3.92	1.48	1.40	1.31	.84	.89	1.11			Relative P/E Ratio	1.00
2.8%	3.0%	3.0%	2.7%	2.8%	2.2%	1.9%	2.2%	2.1%	2.0%	2.2%	2.3%	2.1%	2.2%	1.8%	1.3%			Avg Ann'l Div'd Yield	1.2%
						389.4	429.4	454.0	423.0	424.2	447.6	507.8	552.9	599.0	664.2	750	800	Sales ($mill)	1100
						14.1%	13.2%	13.6%	8.5%	8.5%	7.4%	7.6%	8.7%	9.1%	8.9%	9.0%	9.2%	Operating Margin	11.0%
						17.6	18.7	18.4	18.5	16.9	13.9	13.0	13.0	14.3	18.1	22.0	25.0	Depreciation ($mill)	35.0
						25.3	24.0	28.3	4.8	12.3	14.2	14.8	22.9	29.8	34.3	40.0	45.0	Net Profit ($mill)	70.0
						35.2%	35.6%	35.9%	65.1%	35.1%	37.0%	37.3%	34.5%	31.2%	30.9%	37.0%	37.0%	Income Tax Rate	37.0%
						6.5%	5.6%	6.2%	1.1%	2.9%	3.2%	2.9%	4.1%	5.0%	5.2%	5.3%	5.6%	Net Profit Margin	6.4%
						90.1	90.1	104.3	96.7	92.5	116.9	106.7	122.6	140.6	144.0	165	190	Working Cap'l ($mill)	260
						23.0	16.0	10.0	10.0	5.0	6.3	1.0	1.6	1.9	2.5	90.0	70.0	Long-Term Debt ($mill)	25.0
						131.3	135.9	154.9	154.3	154.1	165.6	174.0	193.1	229.7	252.4	290	335	Shr. Equity ($mill) D	500
						17.0%	16.2%	17.4%	3.2%	7.9%	8.3%	8.5%	11.8%	12.9%	13.5%	11.5%	11.5%	Return on Total Cap'l	13.5%
						19.3%	17.7%	18.2%	3.1%	8.0%	8.5%	8.5%	11.9%	13.0%	13.6%	14.0%	13.5%	Return on Shr. Equity	14.0%
						14.0%	12.6%	13.7%	NMF	3.2%	4.0%	4.1%	7.8%	9.2%	10.0%	10.5%	10.5%	Retained to Com Eq	11.5%
						27%	29%	25%	NMF	60%	53%	52%	35%	29%	26%	25%	23%	All Div'ds to Net Prof	18%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $97.3 mill. Due in 5 Yrs $15.0 mill.
LT Debt $89.9 mill. LT Interest $5.0 mill. (15% of Cap'l)

Leases, Uncapitalized: Annual rentals $8.9 mill.

Pension Assets-12/07 $40.5 mill. Oblig. $41.4 mill.

Pfd Stock None
Common Stock 18,800,000 shares

MARKET CAP: $475 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	45.3	33.1	25.3
Receivables	115.1	127.5	132.7
Inventory (LIFO)	61.0	64.0	77.3
Other	14.0	16.1	14.6
Current Assets	235.4	240.7	249.9
Accts Payable	31.3	33.3	36.7
Debt Due	1.8	2.1	7.4
Other	61.7	61.3	54.0
Current Liab.	94.8	98.7	98.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.5%	6.5%	9.0%
"Cash Flow"	2.0%	5.5%	14.0%
Earnings	3.5%	13.0%	14.0%
Dividends	3.0%	3.0%	5.0%
Book Value	6.5%	7.0%	13.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	126.0	137.1	137.8	152.0	552.9
2006	135.5	151.0	145.7	166.8	599.0
2007	155.1	165.2	161.3	182.6	664.2
2008	168.6	185	190	206.4	750
2009	180	195	205	220	800

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.20	.37	.35	.34	1.26
2006	.24	.48	.42	.43	1.57
2007	.31	.55	.44	.50	1.80
2008	.33	.51	.57	.69	2.10
2009	.40	.57	.63	.80	2.40

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.105	.105	.11	.11	.43
2005	.11	.11	.11	.11	.44
2006	.11	.11	.12	.12	.46
2007	.12	.12	.12	.12	.48
2008	.13	.13			

BUSINESS: Tennant Company designs, manufactures, and markets floor maintenance equipment. Products include sweepers, scrubbers, and other specialized equipment used primarily for maintaining industrial and commercial floors, roadways, and parking areas. Also produces industrial floor coatings. Foreign sales made up 37% of '07 total. 2007 depreciation rate: 6.8%. Has about 2,775 employees. Vanguard Fiduciary Trust owns 10.3% of common stock; Royce & Associates, 9.8%; Keeley Asset Management Company, 8.4%; Officers and directors, 2.2% (3/08 Proxy). President & Chief Executive Officer: H. Chris Killingstad. Incorporated: Minnesota. Address: 701 N. Lilac Drive, Minneapolis, MN 55440. Telephone: 763-540-1200. Internet: tennantco.com.

After being one of Wall Street's darlings in 2007, Tennant has not received much love of late. A substantial earnings miss for the first quarter of 2008 started the decline. Share net came in at $0.33 (excluding the $0.05 dilutive effect of acquisitions), well below consensus. Higher-than-expected SG&A expenses related to new product launches and market expansion comprised the variance, but jittery investors jumped ship in droves, and these shares are down over 35% since our April review.

The stock has fallen out of favor in our momentum-based Timeliness Ranking System, as well. Management reaffirmed its guidance for a bottom line in the range of $2.25 to $2.40, but we think this target is a touch too bold. Truth be told, our $2.10 call still represents robust earnings growth that falls just short of 17%. And upside potential does exist if cost-cutting initiatives take stronger hold and the company's market share is expanded. An improved product mix slanted toward higher-margin products would also boost our outlook, and if such elements surface in TNC's June-quarter showing, our EPS expectation will, in all likelihood, rise.

Acquisitions and new products have Tennant's future looking bright. Applied Sweepers of Scotland and Sociedade Alfa of Brazil were both recently purchased, and should add $40 million to revenues in 2008 but be earnings-neutral. Both companies carry higher margins than TNC, however, and once fully integrated should contribute handsomely to the bottom line. Elsewhere, *ech20* electrically turns plain tap water into a powerful detergent without using chemicals. It should be applicable in 70% of cleaning environments, will likely be sold at a premium price, and should aid efforts to grow market share. We will be monitoring preorder levels for this product.

Domestic growth in the face of economic uncertainty should be aided by the "green" movement. In emerging markets, environmental standards are more lax, but in the U.S., concern over the environment is forcing people to look for eco-friendly cleaning solutions, an area where Tennant is well vested.

Erik M. Manning July 25, 2008

(A) Primary egs. through '96, then diluted. Excludes nonrecurring gains/(losses): '92, ($0.20); '93, ($0.13); '99, ($0.24); '00, ($0.18); '01, ($0.17); '02, ($0.20); '03, 3¢; '04 ($0.09); '07, 29¢; '08, (1Q) ($0.05). Next egs. report due early August.
(B) Dividends are historically paid in mid-March, June, September, and December.
■ Dividend reinvestment plan available.
(C) In millions, adj. for stock splits.
(D) Includes ESOP receivable after '89; 12/31/07 balance: $1.8 million, $0.10/share.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	65
Earnings Predictability	55

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TRIARC COS. 'A' NYSE-TRY

RECENT PRICE 6.97 | P/E RATIO 29.0 (Trailing: 29.0 Median: NMF) | RELATIVE P/E RATIO 1.77 | DIV'D YLD 4.6% | VALUE LINE

TIMELINESS 4 Lowered 11/9/07
SAFETY 3 Raised 5/12/00
TECHNICAL 4 Lowered 4/11/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	20	(+185%)	33%
Low	14	(+100%)	22%

Insider Decisions

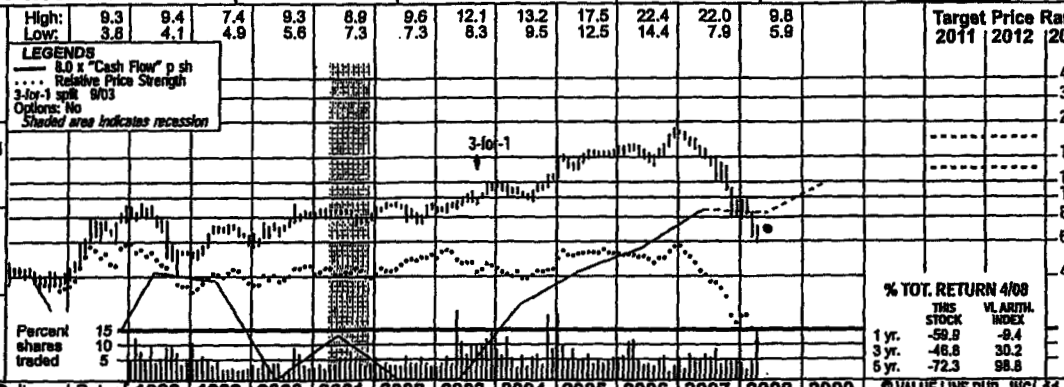
	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	36	33	21
to Sell	29	30	29
Hld's(000)	16507	15583	15888

High: 9.3 9.4 7.4 9.3 8.9 9.6 12.1 13.2 17.5 22.4 22.0 9.8
Low: 3.8 4.1 4.9 5.6 7.3 7.3 8.3 9.5 12.5 14.4 7.9 5.9

LEGENDS
8.0 x "Cash Flow" p sh
Relative Price Strength
3-for-1 split 9/03
Options: No
Shaded area indicates recession



Target Price Range 2011 2012 2013
40 32 24 16 12 10 8 6 4

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-59.9	-9.4
3 yr.	-46.8	30.2
5 yr.	-72.3	98.8

On April 23, 1993, Nelson Peltz and Peter W. May (through DWG Acquisition Group) acquired Victor Posner's majority share ownership of Triarc (incorporated in 1994). In July 1996, Merrill Lynch and DLJ led a 6.3 million-share public offering of Triarc's National Propane subsidiary, generating $117.4 million. Late in 1998, Peltz and May made a "going private" proposal to purchase the remaining Triarc shares outstanding, but withdrew the offer in March 1999.

CAPITAL STRUCTURE as of 3/30/08
Total Debt $737.8 mill. Due in 5 Yrs $599.3 mill.
LT Debt $711.5 mill. LT Interest $59.0 mill.
(Total interest coverage: 1.7x) (61% of Cap'l)
Leases, Uncapitalized Annual rentals $ 77.5 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 92,606,208 shs. [G]
as of 4/30/08
Incl. 28.9 mill. Class A shs.; 63.9 mill. Class B shs.

MARKET CAP: $650 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	157.2	80.7	75.5
Receivables	43.4	27.4	28.2
Inventory (FIFO)	10.0	11.1	10.5
Other	181.2	51.1	41.7
Current Assets	391.8	170.3	155.9
Accts Payable	48.6	54.3	53.6
Debt Due	22.7	27.8	26.3
Other	159.3	125.1	133.2
Current Liab.	230.6	207.2	213.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	1.5%	49.0%	*19.0%*
"Cash Flow"	12.5%	--	*58.0%*
Earnings	--	--	*NMF*
Dividends	--	--	*7.5%*
Book Value	36.0%	2.5%	*4.0%*

Calendar	QUARTERLY REVENUES ($ mill.) [A] [F] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	87.7	93.7	240.4	305.5	727.3
2006	292.1	307.6	311.6	332.0	1243.3
2007	302.0	316.8	324.2	320.7	1263.7
2008	302.9	*350*	*360*	*377.1*	*1390*
2009	*360*	*375*	*385*	*400*	*1520*

Calendar	EARNINGS PER SHARE [A] [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.04	.01	d.09	d.02	d.06
2006	d.05	.03	.01	d.02	d.03
2007	.08	.08	.04	.10	.30
2008	d.02	*.06*	*.10*	*.10*	*.24*
2009	*.15*	*.15*	*.13*	*.17*	*.60*

Calendar	QUARTERLY DIVIDENDS PAID [F] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.065	.065	.065	.065	.26
2005	.065	.065	.08	.08	.29
2006	.08	.08	.08	.08	.32
2007	.08	.08	.08	.08	.32
2008	.08				

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	9.27	9.57	1.47	2.24	1.62	5.02	5.44	12.07	13.34	13.50	*15.05*	*16.45*	Revenues per sh [AE]	*19.45*
	.53	.47	d.06	.25	d.05	.02	.36	.54	.70	1.09	*1.00*	*1.40*	"Cash Flow" per sh	*2.10*
	.12	.09	d.15	.13	d.16	d.22	.02	d.06	d.03	.30	*.24*	*.60*	Earnings per sh [AB]	*1.10*
	--	--	--	--	--	.13	.26	.29	.32	.32	*.32*	*.40*	Div'ds Decl'd per sh [F]	*.48*
	.18	.18	.15	.42	.00	.09	.21	.59	.86	.78	*.65*	*.65*	Cap'l Spending per sh	*.90*
	.12	d1.87	3.49	5.44	5.44	4.92	5.02	6.56	5.09	4.80	*4.75*	*5.00*	Book Value per sh [C]	*6.40*
	87.89	89.23	80.83	61.07	61.15	58.50	60.40	60.26	93.21	93.58	*92.50*	*92.50*	Common Shs Outst'g [DD]	*92.50*
	58.5	73.5	--	62.0	--	--	NMF	--	--	51.8	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
	3.04	4.19	--	3.18	--	--	NMF	--	--	2.75	*Value Line*		Relative P/E Ratio	*1.05*
	--	--	--	--	--	1.3%	2.3%	1.8%	1.8%	2.1%	*estimates*		Avg Ann'l Div'd Yield	*2.0%*
	815.0	854.0	118.9	136.8	98.8	293.6	328.6	727.3	1243.3	1263.7	*1390*	*1520*	Revenues ($mill) [AE]	*1800*
	14.4%	14.4%	32.5%	43.4%	23.2%	11.9%	7.0%	7.1%	9.2%	11.0%	*11.5%*	*12.0%*	Operating Margin	*14.0%*
	35.2	35.3	5.3	6.5	6.6	14.1	20.3	36.7	66.2	73.3	*70.0*	*75.0*	Depreciation ($mill)	*95.0*
	11.2	7.0	d10.2	9.0	d9.8	d13.1	1.5	d4.2	d1.2	28.9	*22.0*	*55.0*	Net Profit ($mill)	*100*
	57.2%	70.1%	NMF	48.2%	--	--	--	71.8%	71.8%	20.9%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
	1.4%	.8%	NMF	6.6%	NMF	NMF	.4%	NMF	NMF	2.3%	*1.6%*	*3.6%*	Net Profit Margin	*5.6%*
	208.4	237.9	596.4	556.7	510.4	610.6	464.0	296.4	161.2	d36.9	*d60.0*	*d80.0*	Working Cap'l ($mill)	*d40.0*
	699.0	850.9	291.7	289.0	352.7	483.3	446.5	894.5	701.9	711.5	*685*	*650*	Long-Term Debt ($mill)	*575*
	10.9	d166.7	282.3	332.4	332.7	287.6	303.1	395.6	474.6	448.9	*440*	*460*	Shr. Equity ($mill)	*600*
	6.6%	6.9%	NMF	3.9%	.5%	.7%	2.5%	2.0%	4.7%	5.1%	*4.5%*	*7.5%*	Return on Total Cap'l	*10.5%*
	103.0%	--	NMF	2.7%	NMF	NMF	.5%	NMF	NMF	6.4%	*5.0%*	*12.0%*	Return on Shr. Equity	*17.0%*
	103.0%	--	NMF	2.7%	NMF	NMF	NMF	NMF	NMF	NMF	*NMF*	*4.5%*	Retained to Com Eq	*10.0%*
	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	*NMF*	*NMF*	All Div'ds to Net Prof	*42%*

BUSINESS: Triarc Companies, Inc. owns 1,106 and franchises 2,582 Arby's quick-service restaurants (as of 12/31/07). Arby's specializes in slow-roasted meat sandwiches, multi-brands with T.J. Cinnamons' (243 outlets) products, primarily gourmet cinnamon rolls and coffees, and Pasta Connection's (6) products. 2007 depreciation rate: 11.1%. Acqu. Sybra, Inc., 12/02; RTM, 7/05. Sold Snapple, 10/00. Has 26,605 employees. Officers & directors control 38.0% of common stock; Peter May, 34.4%; Nelson Peltz, 34%; Advisory Research Inc., 12.9% (4/08 Proxy). CEO: Roland C. Smith. President: Thomas Garrett. Incorporation: DE. Address: 1155 Perimeter Center West, Atlanta, GA 30338. Telephone: (678) 514 4100 Internet: www.triarc.com.

Triarc has agreed to buy Wendy's International. The deal, which has been approved by both boards of directors, is an all-stock acquisition in which Wendy's shareholders will receive 4.25 shares of Triarc class A common stock for each Wendy common share. Management expects the deal to close during the second half of 2008, after securing regulatory approval as well as consent from both Triarc and Wendy's shareholders. The combined company will have pro forma annual sales of roughly $13 billion, becoming the third-largest quick-service chain in the U.S.

Management has a likeable game plan for the merged company. It intends to save $100 million in operating costs, primarily from reduced food and labor expenses. Additionally, the company plans to generate $60 million in overhead savings through streamlining corporate functions. We are skeptical that the quick-service retailer will succeed in achieving the full $160 million in annual savings in the current operating environment of rising wages and food costs. Also, much work will be needed to turn around operations at Wendy's. This, combined with the fact that a large number of Triarc shares will be issued if the acquisition is approved, should ensure earnings dilution in 2008. However, this deal has considerable long-term potential, assuming the cost savings are achieved. As per *Value Line* convention, we only incorporate acquisitions and buyouts into estimates and projections once they are finalized.

Meanwhile, this quick-service restaurant operator is accelerating expansion plans. As of December, 2007, management had plans to build 386 units through 2013. This figure is up from 373 announced just three months earlier.

We have lowered our 2008 share-earnings estimate by $0.16, to $0.24. Consumer anxiety about a possible recession is hurting the top line. We expect a systemwide same-store sales gain of less than 1%. This, combined with higher food and labor costs, should lead to an earnings decline this year. However, the bottom line should rebound next year, based on the assumption that economic woes wane. Venturesome investors may find this untimely stock's long-term potential appealing.

Dominic B. Silva *June 6, 2008*

(A) Year ends Sat. closest to 12/31. (B) Dil. egs. Excl. nonrec. items: '97, d19¢; '98, d1¢; '99, 19¢; '00, d30¢; '05, d78¢; '06, d11¢. Disc. ops.: '98, 3¢; '00, $6.77; '01, $0.64; '05, $0.05; '06, $0.01. Next egs. rpt. early August. (C) Incl. intang. In 2007: $592.0 mill., $6.33/sh. (D) In mill., adj. for split. (E) Revenues incl. invest./other inc. thru '02. (F) Pmnts. typically made in mid-Mar., Jun., Sep., and Dec. (G) Holders of Class A stk. are entitled to one vote per sh. & Class B stkhldrs. are entitled to one-tenth of a vote per share.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	75
Earnings Predictability	30

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HEARING EXHIBIT 00000496

TOTAL SYSTEM NYSE-TSS

RECENT PRICE 20.91 | P/E RATIO 15.5 (Trailing: 15.7 Median: 33.0) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 3 Lowered 11/23/07
SAFETY 3 New 9/6/96
TECHNICAL 3 Raised 7/18/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+185%)	31%
Low	40	(+90%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	1	0	0	0	0	0	0
to Sell	0	2	0	0	0	3	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	84	116	233
to Sell	91	67	55
Hld's(000)	21754	49743	106471

	High:	23.1	24.2	26.3	22.8	35.8	29.4	31.5	31.3	25.9	26.6	35.1	28.2	16.6
	Low:	12.1	14.4	14.1	14.9	18.9	11.0	13.3	19.5	17.8	17.9	24.3	16.6	

LEGENDS
— 20.0 x "Cash Flow" p sh
···· Relative Price Strength
2-for-1 split 4/96
3-for-2 split 5/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-29.6	-12.2
3 yr.	-17.6	7.2
5 yr.	-11.7	58.6

Noteworthy: Management at Total System Services believes, based on available market-share data (includes cards processed on in-house platforms), that at the end of 2005 it held a 39% share of the domestic Visa and MasterCard consumer card-processing market; an 85% share of the Visa and MasterCard domestic commercial card-processing market; a 14% share of the domestic retail card-processing market; and a 5% share of the domestic off-line debit processing market.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $258.1 mill.
LT Debt $184.1 mill. (less than 23% of Capital)

Leases, Uncapitalized Annual rentals $323.0 mill.

No Defined Benefits Pension Plan
Pfd Stock None

Common Stock 197,678,378 shares
as of 8/7/08

MARKET CAP: $4.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	389.1	210.5	257.8
Receivables	246.6	257.0	267.7
Other	109.0	119.1	128.6
Current Assets	744.7	586.6	654.1
Accts Payable	31.6	41.8	40.3
Debt Due	3.2	11.7	74.0
Other	261.0	220.3	192.1
Current Liab.	295.8	273.8	306.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	18.5%	18.5%	5.5%
"Cash Flow"	20.0%	19.0%	4.0%
Earnings	19.5%	17.0%	6.6%
Dividends	23.5%	34.0%	7.5%
Book Value	18.5%	15.0%	12.0%

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	2.04	2.74	3.09	3.34	4.85	5.35	6.03	8.12	9.05	9.08	9.75	10.50	Revenues per sh D	12.05
	.48	.61	.70	.82	1.02	1.22	1.32	1.75	2.20	2.07	2.10	2.20	"Cash Flow" per sh	2.50
	.28	.35	.44	.53	.64	.71	.77	.99	1.27	1.32	1.35	1.45	Earnings per sh A	1.75
	.03	.04	.05	.06	.07	.08	.14	.22	.26	.28	.30	.32	Div'ds Decl'd per sh B■	.38
	.19	.38	.54	.44	.41	.97	.59	.39	.27	.54	.55	.55	Cap'l Spending per sh	.55
	1.39	1.72	2.10	2.57	3.06	3.72	4.39	5.13	6.17	4.25	5.35	6.45	Book Value per sh	10.30
	194.04	194.86	194.74	194.79	197.05	198.82	196.85	197.43	197.38	198.85	198.00	198.00	Common Shs Outst'g C	200.00
	69.6	53.5	39.5	47.7	29.1	31.1	30.3	23.6	17.1	22.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	28.0
	3.62	3.05	2.57	2.44	1.59	1.77	1.60	1.26	.92	1.19			Relative P/E Ratio	1.85
	.2%	.2%	.3%	.2%	.4%	.4%	.6%	.9%	1.2%	.9%			Avg Ann'l Div'd Yield	.7%
	396.2	533.9	601.3	650.4	955.1	1053.5	1187.0	1602.9	1787.2	1805.8	1930	2080	Revenues ($mill) D	2410
	26.2%	25.9%	27.3%	29.6%	24.3%	27.4%	26.2%	27.3%	30.3%	28.0%	28.0%	29.0%	Operating Margin	29.0%
	37.5	50.2	51.6	57.4	74.5	98.4	108.6	150.1	184.9	152.5	150	150	Depreciation ($mill)	150
	54.8	68.6	86.6	102.9	125.8	141.0	150.6	194.5	249.2	259.1	265	285	Net Profit ($mill)	350
	33.0%	33.8%	39.6%	38.3%	35.5%	36.5%	37.8%	35.4%	33.9%	36.0%	35.0%	35.0%	Income Tax Rate	35.0%
	13.8%	12.8%	14.2%	15.8%	13.2%	13.4%	12.7%	12.1%	13.9%	14.3%	13.8%	13.8%	Net Profit Margin	14.5%
	60.4	76.4	63.7	103.8	152.0	127.4	170.3	235.3	448.9	312.8	490	660	Working Cap'l ($mill)	1270
	.2	.2	--	--	.1	29.7	4.5	3.6	3.6	256.6	255	255	Long-Term Debt ($mill)	255
	270.4	334.3	409.0	500.8	602.2	732.5	864.6	1012.8	1217.4	844.5	1055	1280	Shr. Equity ($mill)	2055
	20.3%	20.5%	20.9%	20.5%	20.9%	18.5%	17.4%	19.2%	20.4%	23.7%	20.5%	19.0%	Return on Total Cap'l	15.0%
	20.3%	20.5%	20.9%	20.5%	20.9%	19.2%	17.4%	19.2%	20.5%	30.7%	25.5%	22.5%	Return on Shr. Equity	17.0%
	17.8%	18.2%	18.8%	18.3%	18.8%	17.2%	14.7%	15.3%	16.3%	23.8%	20.0%	17.5%	Retained to Com Eq	13.5%
	12%	11%	10%	11%	10%	10%	16%	20%	21%	22%	22%	22%	All Div'ds to Net Prof	22%

BUSINESS: Total System Services is one of the world's largest processors of credit, debit, and private-label card transactions for issuing and acquiring institutions in the U.S., Canada, and Mexico. Acquired TSYS, 3/05; Enhancement Sevices Corporation, 4/03. Owns 51% of GP Network, a merchant processor in Japan; 49% of Total System Services de Mexico; 34% of China UnionPay. Major customers: Capital One Financial and Bank of America made up 13.1% and 11.8% of 2007 revenues. Had 6,799 employees at 12/31/07. Synovus Trust owns 11.9% of stock; officers & directors, 5.6% (3/08 Proxy). Chairman & CEO.: Philip W. Tomlinson. Incorporated: Georgia. Address: 1600 First Avenue, Columbus, GA 31902. Telephone: (706) 649-2204. Internet: www.tsys.com.

Calendar	QUARTERLY REVENUES ($ mill.) D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	350.0	410.2	422.0	420.7	1602.9
2006	412.3	429.2	441.8	503.9	1787.2
2007	429.6	460.2	457.6	458.4	1805.8
2008	461.7	483.1	491	494.2	1930
2009	505	520	525	530	2080

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.23	.26	.24	.26	.99
2006	.26	.29	.28	.44	1.27
2007	.29	.33	.35	.34	1.32
2008	.31	.32	.37	.35	1.35
2009	.33	.35	.39	.38	1.45

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.02	.04	.04	.04	.14
2005	.04	.06	.06	.06	.22
2006	.06	.06	.07	.07	.26
2007	.07	.07	.07	.07	.28
2008	.07	.07			

Total System Services posted June-period earnings little changed compared to last year. The company's top line advanced about 5% thanks to new business deals and solid results from international operations. Meanwhile, stock buybacks provided a boon to share net. But the lower-than-expected earnings figure stemmed from customer losses, spinoff costs, and economic headwinds.

New contracts and renewals should augur well for the company's prospects. Total recently penned a deal with Globalcard to provide account processing services, risk management, and reporting tools to the Mexican-based credit card company. TSS will also process the consumer credit card portfolio for PartnersFirst, a division of Torrey Pines Bank. And it renewed multiyear contracts with Canadian Tire and Target.

However, economic woes may hinder Total's top- and bottom-line performance this year. And, therefore, we have trimmed a nickel off our 2008 earnings estimate. The economic downturn has been causing consumers to tighten purse strings. This trend has reduced the amount of card use. Thus, processing fees have slowed a bit, and this trend may well continue. However, solid global service revenues, coupled with new contracts and renewals, may offset some of this shortfall.

Moving forward, the JPMorgan Chase deconversion will no longer be an issue. Last June, Chase opted to move its processing inhouse. This was not a total loss, as Chase decided to license Total's software for those purposes. However, the reduction in processing accounts-on-file did apply pressure to revenues and earnings. This past June marked the anniversary of those lost accounts and, moving forward, they will no longer weigh on year-to-year comparisons.

These shares have declined 15%-20% since our May report. The good news is that they now offer above-average appreciation potential for the pull to 2011-2013. Meanwhile, the equity's price performance is ranked to mirror the broader market for the year ahead. But some uncertainty stems from the economic downturn, and how that will impact card processing demand in the future.

Bryan Fong *August 22, 2008*

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	40
Earnings Predictability	95

(A) Diluted earnings. May not sum due to change in shares count. Next earnings report due mid-Sept.
(B) Dividends historically paid during the first week of January, April, July, and October. ■ Dividend reinvestment plan available. Excludes $3.03 special dividend paid 12/07.
(C) In millions, adjusted for splits.
(D) Starting in 2002, the revenue figure reflects the adoption of FASB's EITF 01-14, which requires that reimbursements received for out-of-pocket expenses be recorded as revenue.

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RECENT PRICE **28.16** | P/E RATIO **14.4** (14.7 / 35.0) | RELATIVE P/E RATIO **0.94** | DIV'D YLD **1.4%** | VALUE LINE

TIMELINESS **3** Lowered 3/21/08
SAFETY **3** New 7/27/90
TECHNICAL **3** Lowered 6/27/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+150%)	27%
Low	45	(+60%)	14%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	0	0	0	0	0	0	1
Options	2	0	2	3	0	1	0	0	1
to Sell	2	0	2	3	0	7	2	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	414	427	319
to Sell	440	465	535
Hld's(000)	1049508	1021654	1009322

	High:	17.8	22.6	55.8	99.8	54.7	35.9	31.7	34.0	34.7	36.4	39.6	33.2
	Low:	7.8	10.1	21.3	35.0	20.1	13.1	13.9	18.1	20.7	26.8	28.2	27.5

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/95
2-for-1 split 11/97
2-for-1 split 8/98
2-for-1 split 5/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 30 / 20 / 10

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-7.0	-9.7
3 yr.	20.1	27.3
5 yr.	63.0	85.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.33	5.87	6.96	8.66	6.53	6.26	5.41	5.82	6.86	4.73	4.84	5.68	7.32	8.37	9.83	10.08	*10.40*	*10.75*	Sales per sh [A]	*13.55*
.62	.73	.94	1.22	.78	1.23	1.19	1.59	2.05	1.02	1.13	1.31	1.94	2.25	2.54	2.67	*2.75*	*3.00*	"Cash Flow" per sh	*3.40*
.16	.31	.48	.70	.18	.51	.45	.92	1.22	.12	.22	.48	1.05	1.34	1.69	1.83	*1.95*	*2.15*	Earnings per sh [B]	*2.50*
.05	.05	.06	.08	.09	.09	.06	.09	.09	.09	.09	.09	.09	.11	.13	.30	*.40*	*.40*	Div'ds Decl'd per sh [C]	*.48*
.32	.50	.73	.95	1.36	.79	.66	.84	1.59	1.03	.46	.46	.76	.83	.88	.50	*.65*	*.70*	Cap'l Spending per sh	*.80*
1.11	1.59	2.05	2.70	2.69	3.80	4.18	5.69	7.27	6.85	6.20	6.85	7.60	7.46	7.83	7.27	*9.50*	*11.50*	Book Value per sh	*15.70*
1321.6	1453.1	1482.9	1516.2	1522.0	1558.0	1562.7	1625.8	1732.1	1733.9	1730.6	1732.3	1718.1	1600.3	1450.0	1343.21	*1325.0*	*1350.0*	Common Shs Outst'g [D]	*1400.0*
15.5	13.2	10.0	10.4	35.8	24.0	33.4	38.4	51.2	NMF	NMF	44.1	24.0	21.4	18.4	18.3	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*23.0*
.94	.78	.66	.70	2.24	1.38	1.74	2.19	3.33	NMF	NMF	2.51	1.27	1.14	.99	.96			Relative P/E Ratio	*1.55*
1.8%	1.1%	1.2%	1.1%	1.3%	.7%	.4%	.2%	.1%	.3%	.4%	.4%	.3%	.4%	.4%	.9%			Avg Ann'l Div'd Yield	*.8%*
						8460.0	*9488.0*	*11875*	*8201.0*	*8383.0*	*9834.0*	*12580*	*13392*	*14255*	*13835*	*13765*	*14515*	Sales ($mill)	*19000*
						24.1%	31.5%	31.3%	19.1%	24.0%	24.3%	29.3%	31.1%	31.0%	32.7%	*33.0%*	*33.5%*	Operating Margin	*31.0%*
						1144.0	*1055.0*	*1376.0*	*1559.0*	*1574.0*	*1429.0*	*1479.0*	*1375.0*	*1052.0*	*1022.0*	*1000*	*1100*	Depreciation ($mill)	*1250*
						716.0	1535.0	2174.0	209.0	387.0	841.0	1861.0	2224.0	2638.0	2641.0	*2675*	*2945*	Net Profit ($mill)	*3515*
						33.9%	31.8%	30.2%	--	9.2%	19.7%	23.1%	25.6%	27.2%	28.5%	*31.0%*	*31.0%*	Income Tax Rate	*30.0%*
						8.5%	16.2%	18.3%	2.5%	4.6%	8.6%	14.8%	16.6%	18.5%	19.1%	*19.1%*	*20.3%*	Net Profit Margin	*18.5%*
						2650.0	3427.0	5302.0	4195.0	4182.0	5509.0	8265.0	6839.0	5776.0	4893.0	*7600*	*10500*	Working Cap'l ($mill)	*12000*
						1027.0	1097.0	1216.0	1211.0	833.0	395.0	368.0	360.0	--	--	*Nil*	*Nil*	Long-Term Debt ($mill)	*Nil*
						6527.0	9255.0	12588	11879	10734	11864	13063	11937	11360	9975	*12600*	*15550*	Shr. Equity ($mill)	*22000*
						9.9%	15.1%	16.1%	1.9%	3.5%	7.0%	13.9%	18.1%	23.2%	26.5%	*21.0%*	*19.0%*	Return on Total Cap'l	*16.0%*
						11.0%	16.6%	17.3%	1.8%	3.6%	7.1%	14.2%	18.6%	23.2%	26.5%	*21.0%*	*19.0%*	Return on Shr. Equity	*16.0%*
						8.9%	15.1%	16.2%	.5%	2.2%	5.8%	13.1%	17.2%	21.5%	21.0%	*16.5%*	*15.0%*	Retained to Com Eq	*13.0%*
						19%	9%	6%	70%	38%	17%	8%	8%	8%	16%	*21%*	*19%*	All Div'ds to Net Prof	*19%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt None — Due in 5 Yrs None
LT Debt None — *LT Interest None*

Leases, Uncapitalized: Annual Rentals: $93.0
Pension Assets-12/07 $815 mill. Oblig. $837 mill.

Pfd Stock None

Common Stock 1,327,000,000 shs.

MARKET CAP: $39.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	3717	2924	1876
Receivables	1774	1742	1669
Inventory (Avg Cst)	1437	1418	1578
Other	926	834	852
Current Assets	7854	6918	5975
Accts Payable	560	657	680
Debt Due	43	--	--
Other	1475	1368	1168
Current Liab.	2078	2025	1848

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	1.5%	8.0%	*10.5%*
"Cash Flow"	8.5%	7.5%	*10.0%*
Earnings	11.5%	12.5%	*15.5%*
Dividends	4.0%	5.0%	*13.5%*
Book Value	12.0%	3.0%	*10.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2972	3239	3590	3591	13392
2006	3334	3697	3761	3463	14255
2007	3191	3424	3663	3557	13835
2008	3272	*3385*	*3557*	*3551*	*13765*
2009	*3396*	*3585*	*3761*	*3773*	*14515*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.24	.32	.38	.40	1.34
2006	.33	.47	.45	.44	1.69
2007	.35	.42	.52	.54	1.83
2008	.49	*.46*	*.51*	*.49*	*1.95*
2009	*.47*	*.53*	*.58*	*.57*	*2.15*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.021	.021	.021	.025	.09
2005	.025	.025	.025	.03	.11
2006	.03	.03	.03	.04	.13
2007	.04	.08	.08	.10	.30
2008	.10	.10			

BUSINESS: Texas Instruments Incorporated is a global manufacturer of semiconductors and electronic products. The company is the leading supplier of digital signal processors and analog devices. Markets electrical controls, educational and productivity solutions, and metallurgical materials. Royalty income from licensing proprietary technology is significant. Acquired Burr-Brown, 8/00; Unitrode, 10/99. Sold DRAM business, 10/1/98; defense business, 7/11/97. R&D, 15.6% of 2007 revenues. Has 35,207 empls. Barclays Global Investors and Fund Advisors own 5.4% of common stock; Off. and dir. own 1.5% of stock (3/08 proxy). CEO & Pres.: Richard Templeton. Inc.: DE. Addr.: 12500 TI Boulevard, P.O. Box 660199, Dallas, TX 75266-0199. Tel.: 972-995-3773. Internet: www.ti.com.

Texas Instruments' sales in the March interim increased 3% from the year-earlier period. A 20% jump in high-performance analog semiconductors more than offset lower sales of digital chips for cell phone applications. Gross margins benefited from a favorable shift in the product mix, and operating margins were aided by lower R&D expense owing to collaborative work with chip foundries on advanced digital process technologies. As a result, share earnings from operations rose 23%. Including a $0.06 tax gain, share profit advanced 40%.

We are forecasting a slight (0.5%) dip in sales for full-year 2008, reflecting somewhat negative comparisons in coming quarters. Assuming margins are maintained, net income may come in relatively flat. But, with fewer shares outstanding, we are estimating a 7% share-profit gain for 2008.

For 2009, we are projecting a 5% gain on the top line, based on a prospective moderate upturn in demand in the semiconductor industry. We are projecting gains in both analog and digital products, driven by high-performance analog chips. Aided by improved volume, we are anticipating share earnings growth of around 10% in 2009.

In recent months, the company has made a couple of strategic acquisitions. In May, TXN acquired Commergy Technologies, an Ireland-based company with expertise in power conversion technology, especially in the areas of AC adapters and high-power-density computing. And in June, TXN bought Innovative Design Solutions, a Florida-based firm that designs integrated high-speed analog products for test and measurement, communications, and medical electronics.

This chip stock is ranked to perform in line with the general market averages in the year ahead. But, assuming semiconductor demand will eventually re-establish its long-term growth trend, TXN offers significant capital appreciation potential over the 3- to 5-year timeframe. Reflecting short-term uncertainty over the macroeconomic environment, the equity is currently selling at about 15 times our 2008 estimate, which is below its historical average.

Lester Ratcliff — *July 11, 2008*

(A) Pre-'93 sales exclude royalty income. (B) Diluted earnings. Excl. nonrecur. gains (losses) & amort. of purchased intang.: '94, (2¢); '96, (12¢); '97, 94¢; '98, (19¢); '99, (7¢); '00, 56¢; '01 (24¢); '02, (42¢); '03, 20¢; '05, 6¢. Excl. disc. operations: '06, $1.09. Next egs. rpt. due late Jul. (C) Dividends historically paid mid-February, May, August, and November. (D) In mill., adj. for stock splits.

Company's Financial Strength	A++
Stock's Price Stability	60
Price Growth Persistence	25
Earnings Predictability	35

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UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE 32.60 | P/E RATIO 9.2 (Trailing: 9.2 Median: 18.0) | RELATIVE P/E RATIO 0.56 | DIV'D YLD 0.1% | VALUE LINE

TIMELINESS 3 Lowered 5/2/08
SAFETY 2 Lowered 9/21/07
TECHNICAL 4 Lowered 6/20/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+190%)	30%
Low	70	(+115%)	21%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	1	6	1	0	1
to Sell	0	0	0	0	4	9	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	396	425	319
to Sell	474	476	567
Hld's(000)	112804	110404	81049114

High: 7.5 9.2 8.8 15.9 18.2 25.3 29.3 44.4 64.6 62.9 59.5 57.9
Low: 5.3 3.7 4.9 5.8 12.6 17.0 19.6 27.7 42.6 41.4 45.8 31.5

LEGENDS
11.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/00
2-for-1 split 8/03
2-for-1 split 5/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-37.5	-9.7
3 yr.	-29.4	27.3
5 yr.	43.0	85.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
1.26	2.00	2.64	4.05	6.81	7.71	11.79	14.60	16.65	19.00	20.89	24.72	28.94	33.41	53.19	60.20	68.95	77.25	Revenues per sh	98.50
.13	.20	.27	.34	.31	.38	.45	.59	.75	.95	1.34	1.82	2.30	2.76	3.59	4.35	4.60	5.20	"Cash Flow" per sh	7.10
.10	.16	.22	.26	.22	.28	.33	.40	.53	.70	1.06	1.48	1.97	2.48	2.97	3.42	3.55	3.95	Earnings per sh A	5.50
.00	.00	.00	.00	.00	.00	.00	.00	.01	.01	.01	.01	.02	.03	.03	.03	.03	.03	Div'ds Decl'd per sh B	.05
.02	.04	.06	.08	.11	.12	.14	.15	.19	.34	.35	.30	.27	.37	.54	.70	.80	.80	Cap'l Spending per sh	1.05
.59	.78	2.02	2.27	2.59	2.97	2.74	2.88	2.91	3.15	3.70	4.40	8.33	13.06	15.47	16.01	17.35	18.80	Book Value per sh C	28.25
1107.7	1232.8	1382.6	1401.7	1478.9	1528.9	1471.4	1339.8	1268.9	1234.5	1197.8	1166.0	1286.0	1358.0	1345.0	1253.0	1175.0	1100.0	Common Shs Outst'g D	1000.0
27.4	24.7	26.2	21.9	28.3	22.5	20.2	17.2	19.6	22.5	19.9	16.4	17.1	20.7	17.2	15.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
1.66	1.46	1.72	1.47	1.77	1.30	1.05	.98	1.27	1.15	1.09	.93	.90	1.10	.93	.81			Relative P/E Ratio	1.00
NMF	NMF	.1%	.1%	.1%	.1%	.1%	.1%	NMF	NMF	NMF	NMF	NMF	.1%	.1%	.1%			Avg Ann'l Div'd Yield	NMF
						17355	19562	21122	23454	25020	28823	37218	45365	71542	75431	81000	85000	Revenues ($mill)	98500
						6.0%	6.0%	6.9%	7.8%	9.8%	11.2%	12.0%	12.8%	10.7%	11.5%	10.5%	10.7%	Operating Margin	11.5%
						185.0	233.0	247.0	265.0	255.0	299.0	374.0	453.0	670.0	796.0	950	1100	Depreciation ($mill)	1375
						509.0	563.0	705.0	913.0	1352.0	1825.0	2587.0	3300.0	4159.0	4654.0	4455	4630	Net Profit ($mill)	5710
						40.7%	37.0%	37.5%	38.0%	35.5%	35.7%	34.9%	35.7%	36.3%	36.3%	36.0%	36.0%	Income Tax Rate	36.0%
						2.9%	2.9%	3.3%	3.9%	5.4%	6.3%	7.0%	7.3%	5.8%	6.2%	5.5%	5.4%	Net Profit Margin	5.8%
						d1062	d1324	d2165	d2545	d3205	d2648	d3088	d6004	d2453	d2948	d4025	d5550	Working Cap'l ($mill)	d2850
						249.0	400.0	650.0	900.0	950.0	1750.0	3350.0	3850.0	5973.0	9063.0	1100	11750	Long-Term Debt ($mill)	12500
						4036.0	3863.0	3688.0	3891.0	4428.0	5128.0	10717	17733	20810	20063	20375	20650	Shr. Equity ($mill)	28225
						11.9%	13.8%	17.1%	20.0%	25.9%	27.2%	18.8%	15.8%	16.4%	16.9%	15.0%	15.5%	Return on Total Cap'l	15.0%
						12.6%	14.6%	19.1%	23.5%	30.5%	35.6%	24.1%	18.6%	20.0%	23.2%	22.0%	22.0%	Return on Shr. Equity	20.0%
						11.8%	14.4%	19.0%	23.2%	30.3%	35.4%	24.0%	18.5%	19.8%	23.0%	22.0%	22.0%	Retained to Com Eq	20.0%
						7%	1%	1%	1%	1%	NMF	1%	1%	1%	1%	NMF	NMF	All Div'ds to Net Prof	NMF

CAPITAL STRUCTURE as of 3/31/08
Total Debt $13222 mill. Due In 5 Yrs $7500.0 mill.
LT Debt $11495 mill. LT Interest $625.0 mill. (37% of Cap'l)
Leases, Uncapitalized Annual rentals $173.0 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 1,228,703,927 shs.
as of 4/30/08

MARKET CAP: $40.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	10320	8865	6275
Receivables	1323	1574	1934
Other	4401	5105	5558
Current Assets	16044	15544	13767
Accts Payable	15746	15192	15573
Debt Due	1483	1946	1727
Other	1268	1354	1483
Current Liab.	18497	18492	18783

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	23.0%	21.0%	12.5%
"Cash Flow"	26.5%	28.5%	12.0%
Earnings	27.5%	31.0%	11.5%
Dividends	23.0%	35.0%	9.0%
Book Value	19.0%	35.5%	11.5%

Calendar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	10887	11111	11322	12045	45365
2006	17581	17863	17970	18128	71542
2007	19047	19000	18679	18705	75431
2008	20304	20150	20250	20296	81000
2009	20800	21200	21400	21600	85000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.58	.61	.64	.65	2.48
2006	.63	.70	.80	.84	2.97
2007	.66	.69	.95	.92	3.42
2008	.78	.81	.95	1.01	3.55
2009	.92	.99	1.01	1.03	3.95

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.03	--	--	.03
2005	--	.03	--	--	.03
2006	--	.03	--	--	.03
2007	--	.03	--	--	.03
2008	--	.03			

BUSINESS: UnitedHealth Group is a diversified health and well-being company. It offers products and services to approximately 70 million individuals through four business segments: Health Care Services (UnitedHealthcare, Uniprise, Ovations, and AmeriChoice), OptumHealth, Ingenix, and Prespription Solutions. Acq. Oxford Health Plans 7/04; PacifiCare Health Sys. 12/05; Sierra Health Svcs. 2/08. Medical care ratio: 80.6% in 2007. Has about 67,000 employees. Marsico Capital Management owns 7.1% of common shares outstanding; Marsico Capital Mgmt., 5.1%; officers & directors, 1.8% (4/08 Proxy). President and CEO: Stephen J. Helmsley. Inc.: MN. Address: 9900 Bren Rd. East, Minnetonka, MN 55343. Tel.: 952-938-1300. Internet: www.unitedhealthgroup.com.

UnitedHealth Group's earnings growth trend has stumbled. Although the health insurer's first-quarter earnings were above its prior-year results, they came in about 6% below the company's original guidance. Reflecting the weaker-than-expected performance and softer operating environment (more below), we have lowered our full-year share-net estimate by $0.45 since our March report, to $3.55. This would make for the first time in 12 years that United failed to generate a double-digit profit advance.

The company is facing a number of near-term challenges. Among them, increased competition is affecting enrollment volumes and net premium yields at a time when a weakening economic outlook threatens employment levels. On top of that, a growing number of employed consumers are declining coverage altogether. Meanwhile, lower interest rates on investments and inflationary cost trends are also taking a toll on margins. As an offset, management is looking to realign operating costs with the lower growth outlook. As one example, in the Commercial Markets Group, it's raising base rates and cutting back on new business discounts in order to preserve margins. The overall aim will be to reduce the operating cost run rate by 3%–5%. Elsewhere, the company has trimmed its share-repurchase target for the year by about 20%, to $4 billion. Assuming the company achieves some traction with these efforts, we're looking for earnings growth to improve next year. However, we've reduced our share-net estimate by $0.55, to $3.95.

The stock has been lowered to a 3 (Average) Timeliness rank for the year ahead, reflecting the recent softening in relative price and earnings performance. Longer-term prospects remain generally favorable. Under the assumption that the economy remains on the expansion path, the company should experience rising demand for its products and services. Although the low double-digit annual earnings growth rate we project out to 2011–2013 is still respectable, it would only be about a third of what was averaged over the last five years. Still, it's good enough to support above-average appreciation potential over that period.

Mario Ferro *June 20, 2008*

(A) Diluted egs. Excl. nonrec. gains/(losses): '94, 97¢; '95, (7¢); '96, (3¢); '98, (47¢); '99, 1¢; '00, 4¢; '07, (8¢). Excl. gain from disc. ops.: '97, 1¢. Quarters may not sum to full year total due to rounding. Next earnings report due mid-July.
(B) Annual dividend usually paid in mid-April.
(C) Includes intangibles. In '07, $18.6 billion, $13.84/share.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	95

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UNUM GROUP NYSE-UNM

RECENT PRICE 21.31 | P/E RATIO 8.7 (9.3 / 12.0) | RELATIVE P/E RATIO 0.57 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Lowered 7/11/08
SAFETY 3 Lowered 10/29/99
TECHNICAL 3 Lowered 5/23/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+135%)	25%
Low	30	(+40%)	10%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	167	235	165
to Sell	158	120	207
Hld's(000)	337340	335829	353889

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
	13.14	16.28	18.87	20.67	21.72	23.06	27.70	28.47	29.27	29.22	30.85	25.72	28.44	26.18	23.20	21.78	23.80	24.90	Premium Inc per sh	27.75
	5.76	5.20	5.32	5.52	5.58	4.76	4.77	8.57	8.54	8.27	8.63	7.29	7.28	7.33	6.77	6.64	7.15	7.65	Investment Inc per sh	9.35
	1.85	2.04	1.95	1.94	1.63	2.39	2.76	2.65	2.33	2.27	1.54	1.13	1.73	1.68	1.80	2.19	2.45	2.75	Earnings per sh [A]	3.50
	.32	.39	.46	.52	.55	.57	.58	.58	.59	.59	.59	.37	.30	.30	.30	.30	.30	.30	Div'ds Decl'd per sh [Bm]	.30
	12.46	13.84	13.23	15.77	15.75	17.61	19.74	20.73	23.12	24.52	28.33	24.55	24.36	24.67	22.53	22.16	24.20	25.55	Book Value per sh	33.85
	135.31	151.96	144.83	146.02	143.64	138.27	136.71	240.34	241.13	242.22	241.59	296.14	296.55	298.56	342.63	362.84	335.00	325.00	Common Shs Outst'g [C]	310.00
	167%	195%	180%	150%	186%	244%	265%	215%	96%	114%	83%	56%	63%	77%	87%	109%			Price to Book Value	147%
	11.3	13.2	12.2	12.2	19.1	18.0	18.9	16.8	9.5	12.3	15.3	12.3	8.8	11.3	10.9	11.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.5
	.69	.78	.80	.82	1.20	1.04	.98	.96	.62	.63	.84	.70	.46	.60	.59	.58			Relative P/E Ratio	.75
	1.5%	1.4%	1.9%	2.2%	1.7%	1.3%	1.1%	1.3%	2.7%	2.1%	2.5%	2.7%	2.0%	1.6%	1.5%	1.2%			Avg Ann'l Div'd Yield	1.1%
	3841.7	6843.2	7057.0	7078.2	7453.1	7615.7	7839.6	7815.6	7948.2	7901.1	7970	8100	Premium Inc ($mill)	8600
	661.4	2059.7	2060.4	2002.9	2085.7	2158.4	2158.7	2188.3	2320.6	2409.9	2400	2480	Investment Inc ($mill)	2900
	117.3	1460.5	325.8	275.5	74.2	1347.0	1429.4	440.0	639.0	384.7	450	600	Other Income ($mill)	1300
	4620.4	10363	9443.2	9356.6	9613.0	11121	11428	10444	10908	10696	10820	11180	Total Income ($mill)	12800
	2932.6	6787.6	6407.5	6234.3	6582.4	7868.1	7248.4	7083.2	7577.2	6988.2	7100	7350	Benefits & Reserves ($m)	8200
	29.8%	33.6%	34.8%	29.4%	33.2%	39.2%	25.9%	27.6%	28.0%	33.5%	33.0%	32.0%	Income Tax Rate	32.0%
	390.3	634.8	561.8	555.2	408.3	316.5	542.8	518.4	604.8	780.1	850	910	Net Profit ($mill)	1100
	289.7	542.3	521.5	595.3	670.5	730.7	757.3	685.3	652.9	690.0	720	780	Insur In Force ($bill)	950
	15183	38448	40364	42443	45260	49718	50832	51867	52823	52433	52500	54000	Total Assets ($mill)	62200
	2737.7	4982.2	5575.5	5939.9	6843.2	7271.0	7224.1	7363.9	7718.8	8039.9	8100	8300	Shr. Equity ($mill)	10500
	14.3%	12.7%	10.1%	9.3%	6.0%	4.4%	7.5%	7.0%	7.8%	9.7%	10.5%	11.0%	Return on Shr. Equity	10.5%
	11.3%	10.0%	7.5%	6.9%	3.9%	3.0%	6.3%	5.8%	6.6%	8.4%	9.5%	9.5%	Retained to Com Eq	9.5%
	21%	22%	25%	26%	35%	31%	16%	17%	16%	13%	12%	11%	All Div'ds to Net Prof	9%

LEGENDS
11.5 x Earnings p sh
Relative Price Strength
2-for-1 split 6/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-20.6	-18.0
3 yr.	16.5	11.3
5 yr.	65.4	63.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2672.7 mill. Due in 5 Yrs $360.0 mill.
LT Debt $2497.7 mill. LT Interest $140.0 mill.
(LT interest earned: 4.6x; total interest coverage: 2.0x) (23% of Cap'l)

Pension Assets-12/07 $904.8 mill.
Oblig. $1130.0 mill.

Pfd Stock None
Common Stock 346,350,504 shs.
as of 4/30/2008

MARKET CAP: $7.4 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	35001.5	35654.7	35327.2
Real Estate	17.9	18.2	16.7
Mortgages	944.0	1068.9	1087.9
Other	16859.9	15690.9	15635.4
Total Assets	52823.3	52432.7	52069.2
Reserves	35689.4	35828.0	35793.0
Policy Claims	2220.4	1979.7	1799.9
Other	7194.7	6585.1	6837.9
Total Liab.	45104.5	44392.8	44430.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	1.0%	-4.5%	2.5%
Invest Income	2.5%	-4.0%	5.0%
Earnings	-0.5%	-1.5%	11.0%
Dividends	-6.0%	-12.5%	Nil
Book Value	3.5%	-2.0%	6.5%

Calendar	QUARTERLY PREM. ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1935.0	1940.0	1952.2	1988.4	7815.6
2006	1970.0	1987.2	1969.0	2022.0	7948.2
2007	1944.0	1986.7	1986.5	1983.9	7901.1
2008	1950.5	*2010*	*2000*	*2009.5*	*7970*
2009	*1980*	*2040*	*2035*	*2045*	*8100*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.40	.42	.43	.43	1.68
2006	.40	.42	.46	.52	1.80
2007	.50	.51	.60	.58	2.19
2008	.59	*.57*	*.66*	*.63*	*2.45*
2009	*.65*	*.63*	*.75*	*.72*	*2.75*

Calendar	QUARTERLY DIVIDENDS PAID [Bm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.075	.075	.075	.075	.30
2005	.075	.075	.075	.075	.30
2006	.075	.075	.075	.075	.30
2007	.075	.075	.075	.075	.30
2008	.075	.075			

BUSINESS: Unum Group is an insurance holding company. The company and its subsidiaries are leading providers of group and individual disability insurance in the United States and United Kingdom. Also a major provider of employee benefits, including group life insurance and long-term care insurance. As of 12/31/07, the Unum US division comprised 64% of premium income; individual Income Protection-Closed Block and Other (13%); Unum UK (12%); Colonial (11%). Has roughly 11,100 employees. Relational Investors, LLC owns 10.0% of common stock (4/08 Proxy). Chief Executive Officer: Thomas R. Watjen. Incorporated: Delaware. Address: 2211 Congress Street, Portland, Maine 04122. Telephone: 423-755-1011. Internet: www.unum.com.

Unum Group's solid first-quarter earnings masked some areas of concern. Share net for the period advanced 18%, to $0.59, despite the lack of any top-line growth, as margin expansion lifted the bottom line. However, this was largely due to a better benefit ratio, which reflected unusually low benefit claims in the Unum U.K. and Colonial segments. Without the effect of the lower claims, which are unlikely to be sustainable in the long run, the quarter was decent at best. Sales continued to be mixed across varying segments, and premiums were essentially flat. We expect premium growth to remain constrained throughout the year as a result of the sales decline in 2007.

Despite our expectation of meager top-line gains, we've raised our share-net estimate to reflect aggressive stock buybacks. The company has already bought back $350 million in shares as part of an accelerated repurchase program. Management has stated that it intends to complete the other half of the $700 million plan over the rest of this year.

We remain somewhat cautious regarding the potential impact of a weak economic environment on the disability insurance business. Although there has been no sign as of yet of any spike in benefits, a deteriorating job market may eventually lead to increased disability claims. In fact, the lack of any noticeable effect may be attributed to a general time lag between the employment environment and the impact on disability claims.

Consistent sales gains will be needed in the U.S. and U.K. divisions to ensure future premium growth. New sales affect subsequent premium growth, which is the primary factor in its top-line improvement. Recent earnings gains have been due to margin advancement, but we expect margins to moderate over the next few years. Thus, sales growth will be required to bolster the bottom line.

These neutrally ranked shares have declined in recent months and may face additional pressure in the year ahead. However, long-term investors may well reap above-average gains as earnings improve out to 2011-2013.

Joel Schwed *July 18, 2008*

(A) Primary egs. pre-1997, diluted after. Incl. invest. gains/losses from '92 to '02, excl. after. Excl. nonrec. gains (losses): '94, ($1.05); '97, 20¢; '98, (19¢); '99, ($3.42); '00, 1¢; '01, 11¢; '02, (3¢); '03, ($2.05); '04, ($2.48); '05, (2¢); '06, (61¢); '07, (30¢). Excl. gains (losses) from disc. ops: '03, (58¢); '04, (21¢); '06, 2¢; '07, 2¢. Next egs. rpt. August. (B) Div'd paid in Feb., May, Aug., Nov. = Div'd reinvest. plan. (C) In mill., adj. for stock split. (D) 1999 figures are pro forma and don't compare with prior yrs. (which reflect UNUM only).

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	10
Earnings Predictability	70

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UNITED STATIONERS NDQ-USTR

RECENT PRICE 36.95 | P/E RATIO 9.5 (9.6 / 14.9) | RELATIVE P/E RATIO 0.62 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 Raised 10/23/98
TECHNICAL 2 Raised 7/11/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+200%)	31%
Low	75	(+105%)	19%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	4	0	3	0	0	0
to Sell	0	0	0	4	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	57	101	84
to Sell	98	89	94
Hld's(000)	28047	28960	29211

	High:	24.6	36.6	29.1	38.3	35.4	42.7	42.5	49.3	53.6	57.3	71.0	60.3
	Low:	9.3	19.9	13.0	21.0	20.9	22.3	17.9	35.8	41.1	44.6	45.0	36.3

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 11/95
2-for-1 split 9/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 16 12 6

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-36.9	-9.7
3 yr.	-13.6	27.3
5 yr.	38.9	85.8

United Stationers Inc. was organized in 1981 as a holding company for United Stationers Supply Co., a wholesaler founded in 1922 as Utility Supply Co. The parent went public in 1981, selling 3.4 million common shares, including 1.1 million shares offered by principal stockholders. Since then, it has formed and acquired additional office-supply subsidiaries, including Stationers Distributing Co. in 1992. Merged with Associated Holdings, parent of Associated Stationers, in '95.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	82.88	89.82	117.95	118.19	113.53	113.49	120.43	138.30	151.34	189.09	212.15	219.55	Sales per sh A	260.85
	2.52	3.37	3.93	2.31	3.04	3.31	3.78	4.07	4.72	6.16	6.00	6.65	"Cash Flow" per sh	9.40
	1.76	2.37	2.84	2.55	1.94	2.49	2.89	2.90	3.30	3.89	3.90	4.55	Earnings per sh B	7.00
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	.67	.75	1.30	.98	.84	.43	.60	.98	1.56	.76	1.30	1.35	Cap'l Spending per sh	1.35
	10.04	11.94	14.31	16.22	17.14	19.85	22.06	24.11	26.66	23.37	23.55	28.10	Book Value per sh C	46.10
	36.91	33.99	33.45	33.22	32.60	33.90	33.14	31.88	30.04	24.57	23.00	23.00	Common Shs Outst'g D	23.00
	16.4	9.0	10.4	11.1	16.8	13.1	14.3	16.2	14.7	14.9	Bold figures are		Avg Ann'l P/E Ratio	13.0
	.85	.51	.68	.57	.92	.75	.76	.86	.79	.79	Value Line		Relative P/E Ratio	.85
	--	--	--	--	--	--	--	--	--	--	estimates		Avg Ann'l Div'd Yield	Nil
	3059.2	3393.0	3944.9	3925.9	3701.6	3847.7	3991.2	4408.5	4546.9	4646.4	4880	5050	Sales ($mill) A	6000
	6.5%	6.3%	6.0%	4.1%	4.2%	4.5%	4.7%	4.5%	4.9%	5.3%	4.5%	5.0%	Operating Margin	6.0%
	29.0	31.3	32.9	38.5	33.5	29.1	27.2	32.1	38.2	42.7	45.0	48.0	Depreciation ($mill)	55.0
	63.9	83.4	98.6	38.3	65.7	83.1	98.3	97.5	103.7	108.8	95.0	105	Net Profit ($mill)	160
	42.4%	41.9%	39.9%	59.1%	36.2%	38.1%	37.0%	37.5%	36.7%	38.9%	39.0%	39.0%	Income Tax Rate	39.0%
	2.1%	2.5%	2.5%	1.0%	1.8%	2.2%	2.5%	2.2%	2.3%	2.3%	1.9%	2.1%	Net Profit Margin	2.7%
	357.0	415.5	495.5	412.8	400.6	386.8	458.4	405.1	551.6	543.2	625	775	Working Cap'l ($mill)	1325
	307.7	327.4	369.6	218.7	165.3	17.3	18.0	21.0	117.3	451.0	550	550	Long-Term Debt ($mill)	550
	370.8	406.0	478.4	538.7	558.9	673.0	731.2	768.5	800.9	574.3	540	645	Shr. Equity ($mill)	1060
	12.0%	13.3%	13.2%	6.6%	10.0%	12.5%	13.3%	12.6%	11.7%	11.2%	10.0%	10.5%	Return on Total Cap'l	11.0%
	17.3%	20.5%	20.8%	7.1%	11.7%	12.3%	13.4%	12.7%	12.9%	18.9%	17.0%	16.0%	Return on Shr. Equity	15.0%
	17.3%	20.5%	20.6%	7.1%	11.7%	12.3%	13.4%	12.7%	12.9%	18.9%	17.0%	16.0%	Retained to Com Eq	15.0%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $541.9 mill. Due in 5 Yrs $316.0 mill.
LT Debt $541.9 mill. LT Interest $38.0 mill.
(51% of Cap'l)

Leases, Uncapitalized Annual rentals $52.2 mill.

Pension Assets-12/07 $102.6 mill. Oblig. $115.6 mill.

Pfd Stock None
Common Stock 23,397,317 shs.
as of 5/2/08

MARKET CAP: $875 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	15.0	22.0	20.9
Receivables	273.9	321.3	252.4
Inventory (LIFO)	674.2	715.2	640.4
Other	143.8	133.3	208.9
Current Assets	1106.9	1191.8	1122.6
Accts Payable	382.6	448.6	366.9
Debt Due	--	--	--
Other	172.7	200.0	159.3
Current Liab.	555.3	848.6	526.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	6.5%	6.5%
"Cash Flow"	11.5%	10.0%	11.0%
Earnings	22.5%	6.5%	13.0%
Dividends	--	--	Nil
Book Value	18.0%	9.0%	11.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep. 30	Dec.31	Full Year
2005	1060.9	1078.4	1166.4	1102.8	4408.5
2006	1148.2	1111.1	1173.8	1113.8	4546.9
2007	1193.3	1141.2	1192.0	1119.9	4646.4
2008	1252.5	1210	1230	1187.5	4880
2009	1295	1250	1275	1230	5050

Calendar	EARNINGS PER SHARE AB Mar.31	Jun.30	Sep. 30	Dec.31	Full Year
2005	.79	.62	.77	.72	2.90
2006	.78	.70	.84	.98	3.30
2007	.93	.84	1.00	1.12	3.89
2008	.88	.87	1.02	1.13	3.90
2009	1.03	1.02	1.19	1.31	4.55

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: United Stationers, Incorporated is the largest wholesaler of office supplies and equipment (including computers and furniture) in the U.S. Also distributes janitorial and foodservice supplies. Has over 15,000 reseller customers. Sales by product group (12/31/07): technology, 37%; traditional office products, 30%; janitorial/foodservice, 20%; furniture, 12%; Other, 1%. Has about 6,100 employees. Depreciation rate ('07): 10.1%. Farallon Partners owns 9.3% of common shs; Neuberger Berman 11.0%; Barclays, 8.4%; Wellington, 7.6%; officers and directors, 7.0% (4/08 proxy). President/CEO: Richard W. Gochnauer. Incorporated: Delaware. Address: 2200 East Golf Road, Des Plaines, IL 60016. Telephone: 847-699-5000. Internet: www.unitedstationers.com.

This year, United Stationers' top and bottom lines will benefit from the December, 2007 acquisition of ORS Nasco. The buyout, which gives United a wholesale industrial supplies operation, contributed $74 million in revenues, and $0.04 in share net, in the first quarter. ORS is likely to positively impact the bottom line by $0.15 to $0.20 a share in 2008. **But profits from key segments may well be lackluster.** Technology products revenues are suffering from a soft spending environment. Customers are foregoing purchases of higher-priced discretionary items, such as printers and hardware, in lieu of basics, like ink cartridges. Sales of traditional office products, meantime, may well trend about flat. The same trends are present in that category, though strong cut sheet paper sales are offsetting slow sales of other offerings. Elsewhere, office furniture sales are under pressure from the weak economy, which is hurting sales to small and mid-sized businesses.

The Janitorial segment should remain a bright spot. Along with recent acquisitions, revenues from this business are seeing gains from the penetration of new end markets. Sales of food service, paper, and janitorial sanitation supplies ought to continue to rise, too.

Plans to revitalize sales could bear fruit. In the technology category, United is implementing promotional and marketing programs. As for office products, the company has launched a "green" product catalog, containing environmentally friendly items.

Gross margins are being constrained by several factors, including a lower-margined product mix, competitive pricing, and high fuel costs. Accordingly, we anticipate a narrowing of the operating margin this year. Overall, given also the effect of share buybacks, we estimate roughly flat share earnings this year. For 2009, based on some rebound in core segment sales and a recovery in the operating margin, we forecast 17% earnings growth.

United stock has fallen a notch in Timeliness, to 4 (Below Average). Due to a recent selloff, its long-term appeal is substantial. Out to 2011-2013, we project annual sales growth of about 6% and mid-teens percentage share-net gains.

Damon Churchwell *July 11, 2008*

(A) Calendar year accounting beginning 1995; prior to 1995, fiscal years ended August 31st. (B) Based on diluted shares. Excludes extraordinary gains (losses): '97, ($0.19); '98, ($0.16); '99, ($0.18); '00, ($0.19); '01, ($0.81); '02, ($0.16). Next earnings report due late July. (C) Includes intangible assets. On 12/31/07: $331.8 mill., $13.50 a share. (D) In millions, adjusted for stock splits.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	95
Earnings Predictability	80

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UNIVERSAL CORP. NYSE-UVV

RECENT PRICE 48.05 | P/E RATIO 12.0 (Trailing: 12.4 / Median: 10.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 3 Lowered 6/6/08
SAFETY 3 Lowered 8/1/08
TECHNICAL 3 Lowered 7/11/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+65%)	16%
Low	60	(+25%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	1	
to Sell	0	0	0	1	0	1	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	95	86	88
to Sell	86	77	88
Hld's(000)	27507	28722	26741

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	41.7	49.5	35.8	36.4	43.4	43.5	44.5	53.7	50.7	50.3	67.0	68.0								
Low:	27.9	31.5	19.4	13.5	29.8	31.2	35.1	42.0	36.1	34.6	41.2	43.6								
	90.95	85.52	85.00	93.66	101.84	117.04	122.96	124.80	120.87	111.00	95.33	105.81	127.63	136.37	74.49	79.00	*91.65*	*93.75*	Revenues per sh [A]	*114.30*
	3.04	3.17	2.16	2.43	3.53	4.34	5.20	5.61	6.04	6.42	6.16	6.69	7.21	4.75	5.31	5.76	*6.15*	*7.05*	"Cash Flow" per sh	*8.80*
	2.15	2.39	1.09	1.04	2.04	2.88	3.68	3.80	3.91	4.29	4.01	4.45	4.31	2.09	3.48	4.02	*4.75*	*5.30*	Earnings per sh [A B]	*6.60*
	.79	.86	.94	.99	1.01	1.05	1.10	1.18	1.23	1.27	1.34	1.44	1.56	1.68	1.72	1.76	*1.80*	*1.84*	Div'ds Decl'd per sh [C]	*2.00*
	1.43	1.05	.68	1.11	1.01	1.67	2.77	2.16	2.16	2.25	4.22	4.63	4.12	2.88	.93	1.02	*1.10*	*1.20*	Cap'l Spending per sh	*1.50*
	9.18	11.73	10.78	11.13	11.90	13.36	15.71	16.80	17.69	20.31	22.42	24.89	32.04	29.96	30.34	33.23	*46.65*	*50.00*	Book Value per sh	*61.35*
	32.86	35.63	35.00	35.03	35.06	35.14	34.87	32.09	28.15	27.18	26.23	24.92	25.67	25.75	26.95	27.16	*24.00*	*24.00*	Common Shs Outst'g [D]	*22.00*
	12.1	11.9	20.5	20.4	11.7	10.3	10.6	8.3	5.9	7.5	9.5	8.4	10.7	20.4	12.1	13.8	*Bold figures are*		Avg Ann'l P/E Ratio	9.5
	.73	.70	1.34	1.37	.73	.59	.55	.47	.38	.38	.52	.48	.57	1.09	.65	.73	*Value Line*		Relative P/E Ratio	.65
	3.0%	3.0%	4.2%	4.7%	4.2%	3.5%	2.8%	3.7%	5.3%	3.9%	3.5%	3.8%	3.4%	3.9%	4.1%	3.2%	*estimates*		Avg Ann'l Div'd Yield	3.3%
							4287.2	4004.9	3402.0	3017.6	2500.1	2636.8	3276.1	3511.3	2007.3	2145.8	*2200*	*2250*	Revenues ($mill) [A]	*2450*
							7.7%	7.7%	8.7%	10.1%	10.2%	10.1%	9.1%	6.5%	12.1%	11.6%	*9.5%*	*9.5%*	Operating Margin	*10.5%*
							51.1	52.8	52.0	56.4	55.0	53.5	74.1	68.1	48.3	43.2	*40.0*	*42.0*	Depreciation ($mill)	*50.0*
							130.3	127.3	118.0	118.2	106.7	113.3	110.9	54.2	109.5	128.0	*115*	*127*	Net Profit ($mill)	*145*
							39.8%	35.9%	37.4%	35.5%	35.0%	30.7%	37.7%	47.6%	38.0%	35.6%	*37.0%*	*37.0%*	Income Tax Rate	*37.0%*
							3.0%	3.2%	3.5%	3.9%	4.3%	4.3%	3.4%	1.5%	5.5%	6.0%	*5.2%*	*5.6%*	Net Profit Margin	*5.9%*
							328.8	271.8	205.0	550.9	431.6	550.7	619.0	864.8	852.4	1014.8	*800*	*810*	Working Cap'l ($mill)	*1000*
							263.1	221.5	223.3	515.3	435.6	615.0	838.7	762.2	399.0	402.9	*400*	*400*	Long-Term Debt ($mill)	*400*
							547.9	539.0	497.8	552.1	588.0	620.3	822.4	964.9	1030.7	1115.6	*1120*	*1200*	Shr. Equity ($mill)	*1350*
							17.6%	18.0%	18.3%	12.9%	12.3%	10.7%	7.8%	5.3%	9.5%	9.8%	*9.0%*	*9.0%*	Return on Total Cap'l	*10.0%*
							23.8%	23.6%	23.7%	21.4%	18.1%	18.3%	13.5%	5.6%	10.6%	11.5%	*10.5%*	*10.5%*	Return on Shr. Equity	*12.5%*
							16.8%	16.4%	16.3%	15.2%	12.2%	12.5%	8.4%	1.4%	6.0%	7.2%	*7.5%*	*7.0%*	Retained to Com Eq	*9.0%*
							29%	31%	31%	29%	33%	32%	37%	81%	55%	50%	*39%*	*35%*	All Div'ds to Net Prof	*30%*

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-23.4	-18.0
3 yr.	15.6	11.3
5 yr.	27.9	63.2

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/31/08
Total Debt $529.1 mill. Due in 5 Yrs $199.5 mill.
LT Debt $402.9 mill. LT Interest $28.0 mill.
(LT Interest earned: 5.8x; total interest coverage: 5.0x) (45% of Cap'l)
Leases, Uncapitalized $16.6 mill.
Pension Assets-3/08 $183.3 mill.
Oblig. $244.7 mill.

Pfd Stock $213.0 mill. 6.75% convertible
Common Stock 32,230,000 shares

MARKET CAP: $1.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	3/31/08
Cash Assets	66.6	358.2	245.0
Receivables	485.2	411.8	424.2
Inventory (Avg Cst)	1052.8	636.5	645.5
Other	198.0	138.9	102.4
Current Assets	1802.6	1545.4	1417.1
Accts Payable	335.7	220.8	220.7
Debt Due	457.2	295.2	126.2
Other	144.9	177.0	55.4
Current Liab.	937.8	693.0	402.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	-1.0%	-2.5%	*5.0%*
"Cash Flow"	4.5%	-3.0%	*6.5%*
Earnings	5.0%	-4.5%	*4.0%*
Dividends	5.5%	6.0%	*4.0%*
Book Value	10.0%	9.0%	*9.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill) [A] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	860.1	919.3	878.8	853.1	3511.3
2006	446.9	544.2	511.7	504.5	2007.3
2007	450.2	655.3	573.1	467.2	2145.8
2008	*450*	*665*	*585*	*500*	*2200*
2009	*465*	*675*	*595*	*515*	*2250*

Fiscal Year Ends	EARNINGS PER SHARE [A B] Jun.30	Sep.30	Dec.31	Mar.31	Full Fiscal Year
2005	.46	1.03	.38	.23	2.09
2006	--	1.21	1.25	1.02	3.48
2007	.60	1.25	1.56	.46	4.02
2008	*.60*	*1.35*	*1.60*	*1.20*	*4.75*
2009	*.75*	*1.45*	*1.62*	*1.48*	*5.30*

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.39	.39	.39	.39	1.56
2005	.42	.42	.42	.42	1.68
2006	.43	.43	.43	.43	1.72
2007	.44	.44	.44	.44	1.76
2008	.45				

BUSINESS: Universal Corp. (formerly Universal Leaf Tobacco) is the largest leaf tobacco exporter/importer in the world. Engaged in the purchasing, processing, and selling of tobacco to cigarette, pipe tobacco, and cigar manufacturers. Tobacco sales consist primarily of flue-cured and burley tobaccos. Conducts business in more than 35 countries and employs more than 25,000 permanent and seasonal workers. Sold lumber and building products business, 9/06; majority of agri-products division, 9/08. Officers & directors own 3.1% of stock; Barclays Global, 10.2% (6/07 proxy). Chairman: Henry H. Harrell. President and CEO: Allen B. King. Incorporated: VA. Address: 1501 North Hamilton Street, Richmond, VA 23230. Tel.: 804-359-9311. Internet: www.universalcorp.com.

Universal Corporation ended fiscal 2007 on a relatively weak note. (Year ended March 31, 2008.) Excluding several one-time items, the Virginia-based tobacco leaf merchant and processor posted a 57% decline in March-quarter earnings. We had actually expected year-to-year share-net comparisons to be slightly positive. Large tobacco-leaf shipments earlier in the year hurt March-period volumes significantly more than we initially envisioned. Small African and Canadian crops were a drag, as well.

We recently lowered our fiscal 2008 share-net estimate by $0.25, to $4.75. Our assessment represents a 18% increase over the $4.02 that Universal earned last year. A less aggressive stance seems warranted, given expectations not only of relatively low carryover sales but of higher locally denominated costs overseas, coinciding with continued weakness in the U.S. dollar.

Food shortages and recent price spikes in nontobacco agricultural commodities are concerns, as well. Strong demand and high prices for corn and soybeans, for example, may very well result in a reduction in tobacco-growing acreage. The situation could leave Universal hard-pressed to meet the processed-tobacco demand of cigarette makers.

There is some good news here. Importantly, Universal has a tight rein on more-controllable costs and risks. The company, for example, recently ended various flue-cured tobacco-growing projects in Africa due to cost considerations. Alternative sourcing, via auctions and contracts with regional growers, should save Universal some money. A recent divestiture-funded debt paydown, meanwhile, reduces financial risk. It also frees up cash that can be returned to shareholders in the form of dividends or stock buybacks.

Universal shares are ranked 3 (Average) for year-ahead relative price performance. They've sold off sharply following the company's release of March-quarter results. A more aggresssive deployment of excess cash (i.e., share buybacks) could give the stock support. However, at this juncture, we'd still wait for a lower entry point before committing additional funds.

Nils C. Van Liew *August 1, 2008*

(A) Fscl. yr. ends June 30th through '03; thereafter March 31st. Starting in '95, figures reflect consolidation of foreign affil. (B) Primary earnings through 1996, diluted thereafter. Excluding nonrecurring & disc. op. gains (losses): '01, (20¢); '00, 8¢; '98, 31¢; '96, 2¢; '95, (31¢); '94, (83¢). Excl. extra. loss: '91, 12¢. May not sum to total due to change in shs. outstdng. Next earning report due early Aug. (C) Dividends historically paid in mid-Feb., May, Aug., Nov. ■ Div'd. reinvestment plan avail. (D) In mill., adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	50

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VARIAN MEDICAL NYSE-VAR

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
64.05	27.5 (Trailing: 29.4 Median: 29.0)	2.09	Nil	

TIMELINESS 1 Raised 8/1/08
SAFETY 3 Lowered 12/1/06
TECHNICAL 4 Lowered 8/29/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+95%)	18%
Low	85	(+35%)	8%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	3	7	5	3	3	3	2	3	6
to Sell	3	7	5	4	3	4	3	3	6

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	169	221	206
to Sell	189	178	209
Hld's(000)	102237	107885	109984

High:	16.8	14.6	10.8	17.8	19.3	25.7	35.7	46.5	52.9	61.7	53.2	65.7
Low:	11.5	7.9	4.1	7.1	13.5	15.8	23.7	29.6	31.7	41.1	37.3	41.4

LEGENDS
—— 24.0 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 1/02
2-for-1 split 8/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

Percent shares traded: 24, 16, 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	47.1	-12.2
3 yr.	52.8	7.2
5 yr.	95.6	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
8.87	9.45	11.42	12.69	13.05	11.84	11.95	4.83	5.43	5.74	6.44	7.66	9.22	10.58	12.32	14.19	16.65	18.05	Sales per sh [A]	23.75
.57	.69	.97	1.30	1.37	1.06	.98	.32	.56	.65	.83	1.11	1.40	1.79	1.95	2.17	2.80	2.85	"Cash Flow" per sh	4.00
.26	.32	.56	.75	.95	.69	.61	.07	.41	.50	.67	.92	1.18	1.50	1.65	1.83	2.22	2.45	Earnings per sh [A B]	3.50
.04	.05	.06	.07	.08	.09	.10	.03	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.33	.33	.46	.53	.55	.46	.39	.32	.15	.12	.19	.14	.18	.34	.32	.51	.65	.70	Cap'l Spending per sh	.85
2.95	3.04	3.31	3.18	3.82	4.36	4.69	1.51	2.13	2.93	3.49	4.15	4.58	5.04	6.15	6.56	7.50	8.25	Book Value per sh	16.75
145.28	138.74	135.92	124.21	122.58	120.43	116.97	122.25	127.08	134.72	135.58	135.94	134.05	130.72	129.72	125.22	124.50	124.00	Common Shs Outst'g [C]	123.00
18.0	18.1	14.7	14.7	13.1	19.4	20.1	NMF	22.7	31.9	29.2	28.6	31.6	25.5	30.7	25.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	30.0
1.09	1.07	.96	.98	.82	1.12	1.05	NMF	1.48	1.63	1.60	1.63	1.67	1.36	1.66	1.31			Relative P/E Ratio	2.00
1.0%	.9%	.7%	.6%	.6%	.7%	.8%	.3%	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
1422.1	590.4	689.7	773.6	873.1	1041.6	1235.5	1382.6	1597.8	1776.6	2075	2240	Sales ($mill) [A]	2920
11.1%	9.3%	15.6%	16.7%	18.8%	20.9%	22.4%	24.0%	21.2%	20.7%	21.5%	22.0%	Operating Margin	23.5%
42.7	30.9	17.8	19.3	19.1	19.5	20.8	27.1	29.6	32.2	35.0	40.0	Depreciation ($mill)	55.0
73.8	8.2	53.0	68.0	93.6	130.9	167.2	206.6	223.3	239.5	285	310	Net Profit ($mill)	435
34.5%	54.8%	37.5%	36.5%	36.0%	35.0%	35.0%	33.0%	29.9%	30.1%	30.5%	31.0%	Income Tax Rate	32.0%
5.2%	1.4%	7.7%	8.8%	10.7%	12.6%	13.5%	14.9%	14.0%	13.5%	13.7%	13.8%	Net Profit Margin	14.9%
334.9	112.5	200.7	334.1	293.3	396.1	423.8	473.0	512.0	378.5	480	520	Working Cap'l ($mill)	1100
111.1	58.5	58.5	58.5	58.5	58.5	53.3	57.3	49.4	40.4	40.0	40.0	Long-Term Debt ($mill)	40.0
557.5	185.0	270.4	394.4	472.8	563.7	613.7	659.0	797.3	821.5	935	1025	Shr. Equity ($mill)	2060
11.5%	4.2%	16.9%	15.5%	18.0%	21.4%	25.4%	29.1%	26.6%	28.0%	29.5%	29.5%	Return on Total Cap'l	20.5%
13.2%	4.5%	19.6%	17.2%	19.8%	23.2%	27.3%	31.3%	28.0%	29.2%	30.5%	30.0%	Return on Shr. Equity	21.0%
10.7%	2.8%	19.6%	17.2%	19.8%	23.2%	27.3%	31.3%	28.0%	29.2%	30.5%	30.0%	Retained to Com Eq	21.0%
19%	36%	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 6/27/08
Total Debt $99.3 mill. Due in 5 Yrs. $99.3 mill.
LT Debt $32.4 mill. LT Interest $5.0 mill.
(Total int. coverage and LT int. earned: over 25X) (4% of Cap'l)

Pension Assets $84.3 mill. Oblig. $105.6 mill.

Pfd Stock None
Common Stock 124,847,120 shs as of 7/25/08
MARKET CAP: $8.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/27/08
Cash Assets	366.1	263.2	405.7
Receivables	471.8	507.0	442.6
Inventory (LIFO)	189.7	233.7	304.3
Other	128.4	156.3	202.8
Current Assets	1156.0	1160.2	1355.2
Accts Payable	78.0	92.6	103.8
Debt Due	8.0	50.0	68.9
Other	558.0	639.1	658.5
Current Liab.	644.0	781.7	829.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	16.0%	11.5%
"Cash Flow"	4.5%	23.5%	12.0%
Earnings	7.5%	26.0%	12.5%
Dividends	--	--	Nil
Book Value	4.5%	15.5%	19.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.)[A] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	299.0	350.8	346.6	386.2	1382.6
2006	334.2	413.9	395.7	454.0	1597.8
2007	387.9	442.6	423.7	522.4	1776.6
2008	458.5	527.5	512.8	576.2	2075
2009	490	570	560	620	2240

Fiscal Year Ends	EARNINGS PER SHARE[A] [B] Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	.29	.39	.37	.45	1.50
2006	.30	.41	.41	.54	1.65
2007	.37	.46	.39	.61	1.83
2008	.43	.56	.58	.65	2.22
2009	.50	.60	.63	.72	2.45

Cal-endar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Varian Medical Systems, Inc., is the surviving entity of Varian Associates, following the predecessor's spinoff of its instruments and semiconductor equipment businesses in April 1999 and the earlier (1995) discontinuance of electron device operations. Is the leading maker of integrated cancer care systems (85% of sales) and X-ray tubes for diagnostic imaging applications (15%). Research and development, 5.9% of sales. 2007 depreciation rate: 8.3%. Has 3,600 employees. Officers/directors own 4.2% of common; Sands Capital Mgmt., 8.8%; The TCW Group, Inc, 8.3% (12/07 proxy). Chairman & President: R. Levy. Inc.: Delaware. Address: 3100 Hansen Way, Palo Alto, CA 94304-1030. Telephone: 650-493-4000. Internet: www.varian.com.

Varian Medical continues to post strong results as it experiences robust demand across all product segments. Share net advanced 48% in the fiscal third quarter (year ends October 3rd), to $0.58, as revenues improved 21%. Strong demand for oncology systems fueled the top-line growth, with the recently released *RapidArc* system being well received. The company reported 70 new *RapidArc* orders in the recent quarter, which is quite impressive considering the high price tag and relatively unproven technology. The system delivers greater precision by simultaneously controlling the rotation speed of the accelerator gantry, the shape of the beam, and the delivery dose rate. The added efficiency provides quicker delivery of treatment and greater patient comfort.

We've raised our fiscal 2008 and 2009 share-net estimates by $0.12 and $0.15, respectively. The 2008 revision primarily reflects the better-than-anticipated third quarter. Over the first nine months, the backlog has advanced 13%, and now stands at $1.78 billion. Meanwhile, the solid performance of *RapidArc*, coupled with a large, expanding backlog, should provide for strong results in fiscal 2009.

X-ray imaging products continue to make greater contributions to the overall mix. Notably, strong sales of flat panel devices in the recent period led to a 22% increase in segment sales. We expect this to continue, as new orders for the year are 25% above last year's total. Moreover, demand should remain high as more customers transition from film to digital imaging. There is a wide market opportunity for digital imaging, and segment expansion ought to provide cross-selling opportunities for VAR's management software.

This timely stock should continue to outperform the market in the year ahead. The shares have surged over the past few months on the promising *RapidArc* prospects, and the recent strong quarter. Meanwhile, healthy demand for its products and a large backlog should drive top-line growth, while margin expansion bolsters earnings over the coming years. However, based on the current valuation, appreciation potential is below average for the 3 to 5 year period.

Joel Schwed *August 29, 2008*

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	80
Earnings Predictability	95

(A) Fiscal year ends on Friday nearest to September 30th of calendar year. Varian Associates prior to October 1998 (Varian Medical data begin in fiscal 1999).

(B) Based on diluted shs. SAB 101 accounting beginning 2001. *Excludes nonrecurring gains* (losses): '06, $0.15; '01, ($0.10); '99, ($0.52); '97, $0.23; '95, $0.24. Earnings may not sum due to changes in the number of diluted shares outstanding. Next earnings report due late October.

(C) In mill., adj. for stock splits.

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VARIAN, INC. NDQ-VARI

RECENT PRICE 50.74 | P/E RATIO 22.2 (Trailing: 24.3 / Median: NMF) | RELATIVE P/E RATIO 1.44 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 4 Lowered 8/8/08
SAFETY 3 New 3/8/02
TECHNICAL 3 Raised 8/15/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+105%)	20%
Low	70	(+40%)	8%

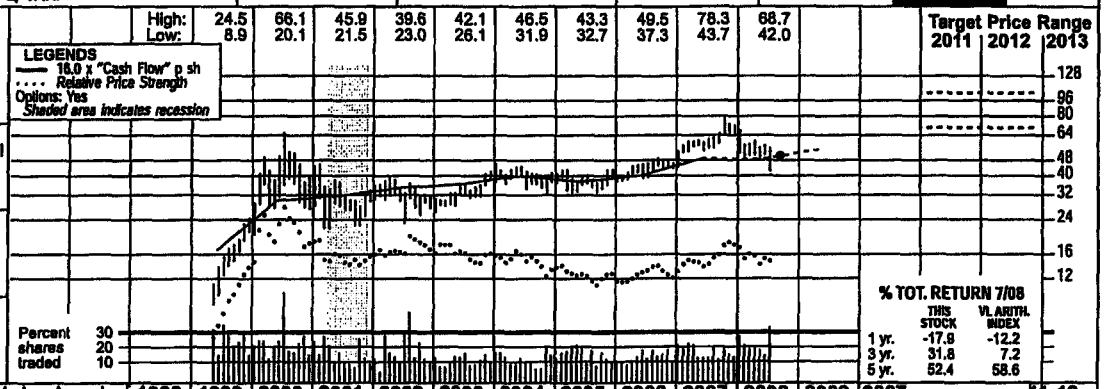
Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	5	7	6	4	4	4	4	1	2
to Sell	4	7	6	4	4	4	4	1	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	102	108	91
to Sell	104	108	121
Hld's(000)	30023	29828	29779

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.9	-12.2
3 yr.	31.8	7.2
5 yr.	52.4	58.6

Varian, Inc. is a spin-off of Varian Associates (VAI). On April 15, 1999, shareholders received one VARI share for each VAI share owned.

CAPITAL STRUCTURE as of 6/27/08
Total Debt $18.8 mill. Due in 5 Yrs $17.5 mill.
LT Debt $18.8 mill. LT Interest $1.3 mill.
(5% of Cap'l)

Leases, Uncapitalized: $7.9 million

Common Stock 29,350,000 shs.

MARKET CAP: $1.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/27/08
Cash Assets	154.2	196.4	128.2
Receivables	177.0	187.4	189.2
Inventory (Avg Cst)	133.7	140.5	184.8
Other	48.9	55.5	57.4
Current Assets	513.8	579.8	559.6
Accts Payable	73.1	72.6	78.6
Debt Due	2.5	6.3	--
Other	182.9	172.7	183.5
Current Liab.	258.5	251.6	262.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	4.0%	12.5%
"Cash Flow"	--	5.5%	19.0%
Earnings	--	4.0%	25.0%
Dividends	--	--	Nil
Book Value	--	14.0%	22.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)A Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	191.0	197.0	186.7	198.1	772.8
2006	195.7	209.6	209.8	219.6	834.7
2007	217.9	229.9	227.2	245.6	920.6
2008	237.4	248.2	244.4	265	995
2009	255	265	265	285	1070

Fiscal Year Ends	EARNINGS PER SHAREABD Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2005	.33	.28	.31	.46	E1.36
2006	.30	.36	.46	.47	1.59
2007	.49	.53	.47	.56	2.05
2008	.57	.58	.38	.62	2.15
2009	.63	.66	.60	.71	2.60

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2007	11-13
	--	19.60	21.63	22.55	22.97	24.80	26.29	24.92	27.04	30.34	33.15	36.25	Revenues per sh A	47.70
	--	1.05	1.88	1.98	2.18	2.27	2.50	2.35	2.51	3.06	3.15	3.75	"Cash Flow" per sh	5.30
	--	.47	1.28	1.29	1.50	1.45	1.73	1.36	1.59	2.05	2.15	2.60	Earnings per sh AB	3.75
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
	--	.49	.66	.83	.64	.78	.66	.74	.66	.64	1.00	1.10	Cap'l Spending per sh	1.45
	--	6.37	7.87	9.19	11.18	13.39	15.13	16.11	17.88	20.37	21.95	24.10	Book Value per sh	30.80
	--	30.56	32.56	33.22	33.95	34.18	34.84	31.02	30.87	30.35	30.00	29.50	Common Shs Outst'g C	28.00
	--	28.9	26.9	24.7	21.5	21.4	23.0	27.9	26.0	26.3	Bold figures are		Avg Ann'l P/E Ratio	23.0
	--	1.65	1.75	1.27	1.17	1.22	1.22	1.49	1.40	1.38	Value Line		Relative P/E Ratio	1.55
	--	--	--	--	--	--	--	--	--	--	estimates		Avg Ann'l Div'd Yield	Nil
	--	598.9	704.4	749.2	779.9	847.7	916.0	772.8	834.7	920.6	995	1070	Revenues ($mill) A	1335
	--	7.3%	13.0%	12.7%	13.5%	12.7%	13.1%	11.2%	12.0%	13.2%	12.5%	14.0%	Operating Margin	15.0%
	--	17.7	17.7	21.5	21.3	24.1	25.5	26.2	27.5	29.2	30.0	33.0	Depreciation ($mill)	41.0
	--	14.5	43.4	44.3	52.5	53.6	61.6	46.7	50.1	63.6	65.0	78.0	Net Profit ($mill)	107
	--	40.2%	39.5%	39.0%	36.0%	35.0%	35.0%	26.4%	32.9%	34.3%	35.0%	35.0%	Income Tax Rate	35.0%
	--	2.4%	6.2%	5.9%	6.7%	6.3%	6.7%	6.0%	6.0%	6.9%	6.5%	7.3%	Net Profit Margin	8.0%
	--	112.0	153.1	173.4	197.9	250.4	302.8	264.8	255.3	328.2	370	420	Working Cap'l ($mill)	580
	--	51.2	45.5	39.7	37.6	36.3	30.0	27.5	25.0	18.8	20.0	20.0	Long-Term Debt ($mill)	20.0
	--	194.7	256.1	305.3	379.7	457.6	527.2	498.5	552.0	618.1	660	710	Shr. Equity ($mill)	865
	--	6.3%	14.7%	13.0%	12.8%	11.0%	11.3%	9.1%	8.9%	10.1%	9.5%	10.5%	Return on Total Cap'l	12.0%
	--	7.4%	17.0%	14.5%	13.8%	11.7%	11.7%	9.3%	9.1%	10.3%	10.0%	11.0%	Return on Shr. Equity	12.5%
	--	7.4%	17.0%	14.5%	13.8%	11.7%	11.7%	9.3%	9.1%	10.3%	10.0%	11.0%	Retained to Com Eq	12.5%
	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: Varian, Inc. is a diversified manufacturer with two business segments. Scientific Instruments (83% of '07 sales, 71% of pretax earnings) markets mass spectrometers, NMR systems, and other products used in the compositional analysis of liquids, gases, and solids. Vacuum Technologies (17%, 29%) sells and services products used to create, control, measure and test vacuum environments in life science, industrial, and scientific applications where ultra-clean, high-vacuum environments are needed. Generates 67% of sales outside the U.S. Has 3,800 employees. Officers & directors own 3.1% of common stock (12/07 Proxy). President & CEO: Garry Rogerson. Inc.: CA. Address: 3120 Hansen Way, Palo Alto, CA 94304. Tel.: 650-213-8000. Web: www.varianinc.com.

Varian, Inc. recently issued a profit warning. With the release of surprisingly weak third-quarter results on July 23rd, the supplier of industrial vacuum components and analytical instruments lowered its fiscal 2008 share-net guidance to $2.02-$2.20, excluding a $0.05 charge for the impairment of a private-equity investment. (Fiscal year ends September 28th.) Share net is now expected to increase 7% at best over the $2.05 that the California-based company earned in 2007. Previously, Varian thought that adjusted earnings would advance 12%-20%, to $2.29-$2.47, this year.

The more conservative stance partly reflects restructuring-related manufacturing and outsourcing disruptions. Following a series of acquisitions, Varian is working aggressively to improve its cost structure through plant consolidations and the increased use of component sub-assemblers. The moves have resulted in some unusually large transition costs and delayed sales. That said, the restructuring should ultimately yield significant margin expansion.

The company is also recognizing sales of some large research systems later than originally envisioned. Apparently, a number of laboratories weren't ready for installations while other system installs are dragging on longer than anticipated. Varian should recognize these sales in the coming quarters.

We look for higher, more-normalized earnings growth next year and out to 2011-2013. Importantly, the aforementioned transitional issues should be behind Varian. New products, meanwhile, ought to increasingly gain market traction. Varian, for example, has begun to take orders for a new high-field NMR system and related probes. These systems help elucidate the structure of proteins and are being used in the field of drug discovery.

Varian shares are ranked 4 (Below Average) for year-ahead relative price performance. However, the stock's recent selloff presents long-term investors with a decent entry point. End-market demand for Varian's products is reportedly still strong. It remains to be seen, though, if the company can deliver the goods in a more cost effective and timely manner.

Nils C. Van Liew *August 29, 2008*

(A) Fiscal year ends on the Friday nearest to September 30th.
(B) Diluted earnings. Next earnings report due late Oct. Excludes nonrecurring (losses)/gain: '03, (16¢); '04, (6¢); '05, 3¢.
(C) In millions.
(D) Earnings decline in 2005 reflects sale of Electronics Manufacturing unit. That business contributed $0.41 to fiscal 2004's $1.73 share net.
(E) Quarterly earnings don't sum to total due to change in shares outstanding or rounding.

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	65
Earnings Predictability	85

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VIAD CORP NYSE-VI

RECENT PRICE 25.59 | P/E RATIO 11.6 (12.7 / 19.0) | RELATIVE P/E RATIO 0.79 | DIV'D YLD 0.6% | VALUE LINE

TIMELINESS 3 Raised 2/15/08
SAFETY 3 New 4/29/05
TECHNICAL 3 Lowered 6/27/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+195%)	31%
Low	50	(+95%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	1	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	3
to Sell	0	1	1	0	0	0	0	0	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	58	46	53
to Sell	80	80	69
Hld's(000)	17892	18260	18507

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
High:	81.5	122.3	135.5	119.3	109.2	124.0	104.6	109.6	32.2	41.5	45.2	39.4
Low:	58.5	74.3	96.0	79.0	72.0	67.0	73.4	20.5	25.0	28.0	28.3	24.3

LEGENDS
11.5 x "Cash Flow" p sh
Relative Price Strength
1-for-4 Rev split 7/04
Options: Yes
Shaded area indicates recession

1-for-4 Reverse

Percent shares traded: 18 / 12 / 6

Target Price Range 2011 | 2012 | 2013: 128 / 96 / 80 / 64 / 48 / 40 / 32 / 24 / 16 / 12

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-38.5	-18.0
3 yr.	-7.7	11.3
5 yr.	22.1	53.2

Viad Corp, formerly known as The Dial Corporation, changed its name following the August, 1996 divestiture of its consumer-products division (now known as Dial Corporation, trading on the NYSE as 'DL'). The company sold its airline catering segment in July of 1999. MoneyGram International was spun off to shareholders on June 30, 2004. In the 1980s, Viad, then known as The Greyhound Corp., began to sell many of its businesses, including a majority interest in the bus line of the same name.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $13.9 mill. Due in 5 Yrs $10.5 mill.
LT Debt $11.4 mill. LT Interest $1.8 mill.
(Total interest coverage: NMF) (less than 1% of Cap'l)
Leases, Uncapitalized Annual rentals $28.6 mill.
Pension Assets-12/07 $10.0 mill.
Oblig. $11.3 mill.

Common Stock 20,705,554 shares as of 4/30/08
MARKET CAP: $525 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	178.1	165.0	108.5
Receivables	40.8	53.1	91.5
Inventory (FIFO)	43.5	52.7	51.5
Other	24.9	35.8	38.2
Current Assets	287.3	306.6	289.7
Accts Payable	35.0	68.4	70.1
Debt Due	2.1	2.5	2.5
Other	94.6	117.2	107.7
Current Liab.	131.7	188.1	180.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	-7.5%	-11.0%	9.0%
"Cash Flow"	-8.0%	-20.5%	12.0%
Earnings	-6.5%	-21.0%	13.0%
Dividends	-11.5%	-36.0%	4.0%
Book Value	-0.5%	-8.5%	9.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	249.6	227.0	191.1	158.7	826.3
2006	233.8	237.4	230.5	154.3	856.0
2007	283.7	275.7	228.8	215.5	1003.7
2008	335.4	*264.6*	*280*	*250*	*1130*
2009	*335*	*280*	*290*	*245*	*1150*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.56	.50	.42	.17	1.65
2006	.45	.71	.77	d.18	1.75
2007	.66	.87	.32	.02	1.88
2008	.81	*.45*	*.80*	*.14*	*2.20*
2009	*.86*	*.59*	*.84*	*.16*	*2.45*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.36	.36	.36	.04	1.12
2005	.04	.04	.04	.04	.16
2006	.04	.04	.04	.04	.16
2007	.04	.04	.04	.04	.16
2008	.04	.04	.04		

© VALUE LINE PUB., INC.	11-13
Revenues per sh	69.75
"Cash Flow" per sh	5.25
Earnings per sh A	3.65
Div'ds Decl'd per sh B	.20
Cap'l Spending per sh	1.85
Book Value per sh	35.55
Common Shs Outst'g C	19.00
Avg Ann'l P/E Ratio	17.5
Relative P/E Ratio	1.15
Avg Ann'l Div'd Yield	.3%
Revenues ($mill)	1325
Operating Margin	10.5%
Depreciation ($mill)	30.0
Net Profit ($mill)	70.0
Income Tax Rate	40.0%
Net Profit Margin	5.3%
Working Cap'l ($mill)	250
Long-Term Debt ($mill)	Nil
Shr. Equity ($mill)	675
Return on Total Cap'l	10.5%
Return on Shr. Equity	10.5%
Retained to Com Eq	10.0%
All Div'ds to Net Prof	5%

Bold figures are Value Line estimates

BUSINESS: Viad Corporation provides design and management services for conventions and tradeshows (about 92% of '07 revenues). Major subsidiaries include Exhibitgroup/Giltspur of Chicago, GES Exposition of Las Vegas, Brewster Tours Company in Canada, and Glacier Park of Phoenix. The company also provides recreation services (8%). Spun off MoneyGram International, 6/30/04. Has approximately 4,110 employees. Officers and directors own 4.7% of common stock; Marathon Asset Management, 11.8%; Morgan Stanley & Co., 10.4%; Columbia Wanger Asset Mgmt., 8.1% (3/08 proxy). President, CEO, and Chairman: Paul Dykstra. Inc: Delaware. Addr: 1850 N. Central Avenue, Suite. 800, Phoenix, AZ 85004. Tel: (602) 207-4000. Internet: www.viad.com.

Viad Corp. had a strong first-quarter showing. The events and tradeshows coordinator posted earnings of $0.81 a share, marking a 20% advance. Revenues increased 18%, to $335 million, thanks to positive show rotation at GES, the addition of Melville Exhibit, and new business at Exhibitgroup.

However, management warned that things may take a turn for the worse. It said that it expects to earn between $0.37 and $0.48 a share in the June period, down from last year's figure of $0.87, as the integration of Becker Group, acquired in the second quarter of last year, is not going as smoothly as originally anticipated. In accordance, we've trimmed our share-net estimate by 31%, to $0.45 and our revenue outlook by $25 million, to $265 million. We are now near the low end of full-year guidance, too, looking for the company to earn $2.20 a share on $1.13 billion in revenues.

Wall Street has not taken kindly to the recent news. The stock has plummeted and is down 30% since our April review. It is ranked 3 (Average) for Timeliness, based on our momentum-driven ranking system.

We think now may be a good entry point for investors willing to ride out any near-term volatility. Viad is currently trading at roughly 12 times our 2008 earnings estimate, a drastic discount compared to its historic levels and our 2011-2013 projections. The current price seems to factor in most of the near-term troubles we envision, and we do not believe there to be much downside at this time. Viad should continue to grow its bottom line at healthy rates over the next few years, benefiting from recent acquisitions as well as ongoing cost-cutting measures at Exhibitgroup, where organizational restructuring and a salesforce realignment are benefiting margins. That said, we look for the bottom-line to rebound handsomely in 2009, despite more-modest top-line growth (a product of show rotation).

The company's finances are a plus. With nearly $5 a share in cash and negligible debt on the balance sheet, Viad is poised to try its hand at another acquisition, perhaps even looking to branch out into a new segment of the market.

Andre J. Costanza *July 25, 2008*

Company's Financial Strength	B+
Stock's Price Stability	65
Price Growth Persistence	NMF
Earnings Predictability	45

(A) Prim. egs. thru '96, then dil. Excl. nonrecur. items/disc. ops.: '98, 26¢; '99, $2.40; '00, 1¢; '01, d71¢; '02, d59¢; '03; 2¢; '04, d$3.71; '05, $1.04; '07 1H, d3¢. Next egs. rpt. due early Aug. Quarterly egs. may not add due to rounding. (B) Div'd. hist. paid in early Jan., Apr., July, and Oct. (C) In mill., adjusted for reverse stock split, 6/04. Dividends declared reflect only post-spinoff amount. Company declared an additional 72¢ in dividends in 2004. (D) Spunoff MoneyGram, 6/30/04.

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WD-40 COMPANY NDQ-WDFC

RECENT PRICE 30.72 | P/E RATIO 16.3 (Trailing: 16.6 / Median: 18.0) | RELATIVE P/E RATIO 1.04 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 6/6/08
SAFETY 3 Lowered 10/8/04
TECHNICAL 4 Raised 7/4/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+65%)	15%
Low	30	(Nil)	3%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	4	0	0	0
Options	4	0	3	0	0	0	0	0	0
to Sell	4	0	3	0	0	0	0	0	0

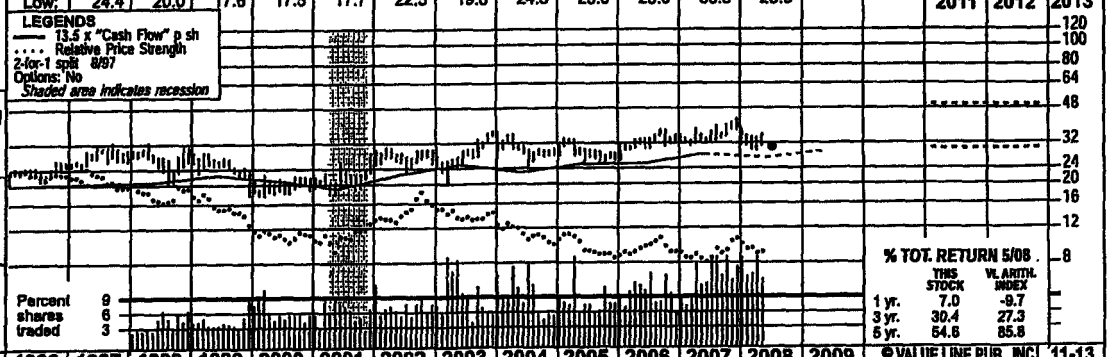
Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	52	72	49
to Sell	64	51	69
Hld's(000)	12450	12717	12418

High:	32.9	33.0	29.1	22.6	28.9	30.8	36.8	36.9	34.2	37.6	42.7	38.1	
Low:	24.4	20.0	17.6	17.5	17.7	22.5	19.6	24.5	25.0	26.0	30.8	28.9	

LEGENDS
13.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/97
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013



% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	7.0	-9.7
3 yr.	30.4	27.3
5 yr.	54.6	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
6.54	7.10	7.29	7.58	8.48	8.86	9.24	9.38	9.89	11.11	13.18	14.24	14.65	15.77	16.90	18.27	19.70	20.90	Sales per sh [A]	23.55
1.22	1.39	1.39	1.39	1.49	1.52	1.54	1.67	1.55	1.41	1.85	1.86	1.69	1.87	1.87	2.09	2.05	2.30	"Cash Flow" per sh	2.75
1.19	1.36	1.34	1.33	1.38	1.38	1.40	1.41	1.33	1.08	1.57	1.75	1.50	1.67	1.68	1.83	1.85	2.05	Earnings per sh [B]	2.40
1.08	1.15	1.15	1.21	1.24	1.25	1.28	1.28	1.28	1.18	.94	.80	.80	.84	.88	1.00	1.00	1.00	Div'ds Decl'd per sh [C]	1.08
.04	.09	.05	.09	.09	.10	.08	.08	.14	.10	.07	.12	.14	.19	.17	.25	.25	.25	Cap'l Spending per sh	.30
2.96	2.98	2.74	2.89	3.05	3.30	3.52	3.60	3.42	3.51	5.06	6.29	6.79	7.79	9.17	9.99	11.00	12.05	Book Value per sh	15.90
15.30	15.34	15.39	15.41	15.44	15.56	15.63	15.60	15.43	15.72	16.45	16.73	16.55	16.69	16.98	16.85	17.00	17.00	Common Shs Outst'g [D]	17.00
15.6	16.6	16.3	15.9	16.1	19.3	20.0	18.5	16.5	19.0	16.2	15.4	21.0	17.7	18.1	18.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.5
.95	.98	1.07	1.06	1.01	1.11	1.04	1.05	1.01	.97	.88	.88	1.11	.94	.98	.95			Relative P/E Ratio	1.10
5.8%	5.1%	5.3%	5.7%	5.6%	4.7%	4.6%	4.9%	6.2%	5.7%	3.7%	3.0%	2.5%	2.8%	2.9%	3.0%			Avg Ann'l Div'd Yield	3.5%
						144.4	146.3	152.7	174.6	216.8	236.1	242.5	263.2	286.9	307.8	325	350	Sales ($mill) [A]	400
						25.2%	25.9%	22.9%	19.1%	20.4%	22.1%	19.7%	19.4%	17.4%	17.1%	17.0%	18.0%	Operating Margin	18.5%
						2.2	3.9	3.4	5.3	1.8	1.8	2.4	3.0	3.5	3.6	4.0	4.5	Depreciation ($mill)	6.0
						21.9	22.1	20.8	16.9	25.4	29.3	25.6	28.1	28.3	31.6	31.0	35.0	Net Profit ($mill)	42.0
						36.1%	35.5%	34.0%	34.0%	31.1%	33.9%	34.0%	35.2%	34.8%	33.1%	35.0%	35.0%	Income Tax Rate	35.0%
						15.2%	15.1%	13.5%	9.7%	11.7%	12.3%	10.6%	10.7%	9.9%	10.3%	10.1%	9.9%	Net Profit Margin	10.5%
						35.9	31.8	25.1	21.1	32.4	50.6	41.7	54.5	71.8	76.7	75.0	90.0	Working Cap'l ($mill)	150
						.9	14.1	9.5	75.1	95.0	85.0	75.0	64.3	53.6	42.9	30.0	30.0	Long-Term Debt ($mill)	25.0
						55.0	56.2	52.8	55.2	83.2	105.2	112.4	130.1	155.7	168.3	185	205	Shr. Equity ($mill)	270
						39.6%	32.4%	33.5%	13.9%	15.9%	17.2%	15.4%	15.7%	14.2%	15.3%	14.5%	15.5%	Return on Total Cap'l	14.5%
						39.8%	39.3%	38.9%	30.6%	30.5%	27.9%	22.8%	21.6%	18.2%	18.8%	17.0%	17.0%	Return on Shr. Equity	15.5%
						3.5%	3.7%	1.4%	NMF	11.1%	15.2%	10.7%	10.9%	8.7%	8.8%	7.5%	9.0%	Retained to Com Eq	8.5%
						91%	90%	96%	108%	63%	45%	53%	50%	52%	53%	55%	49%	All Div'ds to Net Prof	44%

CAPITAL STRUCTURE as of 2/29/08

Total Debt $42.8 mill. Due in 5 Yrs $53.6 mill.
LT Debt $32.1 mill. LT Interest $1.2 mill. (17% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 16,427,417 shs.
as of 3/31/08
MARKET CAP: $500 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	2/29/08
Cash Assets	45.2	61.1	23.4
Receivables	44.5	47.2	52.9
Inventory (Avg Cst)	15.3	13.2	17.0
Other	10.5	9.1	9.5
Current Assets	115.5	130.6	102.8
Accts Payable	11.3	21.9	15.7
Debt Due	10.7	10.7	10.7
Other	21.7	21.3	22.1
Current Liab.	43.7	53.9	48.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	9.5%	5.5%
"Cash Flow"	2.5%	3.0%	6.0%
Earnings	2.0%	5.0%	5.5%
Dividends	-3.5%	-7.5%	3.0%
Book Value	10.5%	17.5%	10.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	60.7	61.1	65.1	76.3	263.2
2006	67.2	71.4	73.1	75.2	286.9
2007	72.0	79.3	77.6	78.9	307.8
2008	79.2	78.9	82.0	84.9	325
2009	84.0	86.0	89.0	91.0	350

Fiscal Year Ends	EARNINGS PER SHARE [A B] Nov.30	Feb.28	May 31	Aug.31	Full Fiscal Year
2005	.34	.32	.38	.63	1.67
2006	.45	.43	.43	.37	1.68
2007	.33	.52	.44	.54	1.83
2008	.38	.51	.44	.54	1.85
2009	.39	.56	.50	.60	2.05

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.20	.80
2005	.20	.20	.22	.22	.84
2006	.22	.22	.22	.22	.88
2007	.25	.25	.25	.25	1.00
2008	.25	.25			

BUSINESS: WD-40 Company manufactures and markets two multi-purpose lubricant products. The primary product is a petroleum-based spray lubricant, *WD-40*, which also prevents rust, penetrates, and displaces moisture. The other is *3-IN-ONE* oil, which has multiple household and industrial applications. Other products include, two heavy-duty hand cleaners *LAVA* and *SOL-VOL*, and three household cleaners known as *X-14*, *2000 Flushes*, and *Carpet Fresh*. Acquired Global Household Brands, 4/01; Heartland Corp., 5/02. Has about 278 emplys. Officers and directors own 8.3% of shares. (11/07 Proxy). Chairman: Neal E. Schmale. President & CEO: Garry Ridge. Address: 1061 Cudahy Place, San Diego, CA 92110. Tel.:619-275-1400. Internet: www.wd40.com.

Fiscal 2008 (ends August 31st) has been challenging for WD-40. Following a slight year-to-year decline in share net in the fiscal second quarter, we look for flat share earnings results in the second half. By the time the company reports its fiscal third-quarter figures, this review will already be in the hands of our subscribers. It appears that the slowing economy is weighing on revenues. The sluggish top line has pressured margins and offset effective cost management. The economic climate has weakened consumer products markets, as confidence and spending have diminished in recent months. Moreover, although management has taken steps to keep fixed costs under control by adjusting production capacity accordingly, rising raw material costs are likely to further hamper margin expansion over the next few months.

Nonetheless, we are cautiously optimistic about fiscal 2009. The company is attempting to implement a more favorable sales mix over the next few months. We believe this move ought to ease some margin stress. Too, strong underlying demand from international markets should allow sales growth to accelerate next fiscal year and beyond. Indeed, the company's efforts to diversify its portfolio of brands and seek out more-efficient trade channels offers considerable promise. As a result, revenue gains abroad have risen considerably, with double-digit growth in Europe (excluding the United Kingdom) and the Asia/Pacific region. This was demonstrated in the fiscal third quarter when roughly 57% of revenues came from foreign consumers. In fact, the company continues to gobble up market share in these regions. This strategy augurs well for long-term profits.

We expect growth initiatives to pay off. Heavy spending on research and development, as well as on marketing, offers promise. We expect the company to continue to support revenue growth with product enhancements and promotional activity.

These neutrally ranked shares offer limited price appreciation potential over the long haul. Earnings have been inconsistent over the past decade. Thus, our projections will remain somewhat conservative until profit growth becomes more stable.

Simon R. Shoucair *July 4, 2008*

(A) Fiscal year ends August 31st.
(B) Primary earnings through 1997, then diluted. Next earnings report due early Oct. Excludes nonrecurring (losses) gains: '93, (10¢); '94, (52¢); '02, (4¢); '03, (4¢); '05, (2¢); '06, (1¢). Includes extra gains: '92, 13¢; '93, 18¢; '94, 10¢.
(C) Dividends are historically paid in January, April, July, and October.
(D) In millions, adj. for split.

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	45
Earnings Predictability	85

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WERNER ENT'PRISES NDQ-WERN

RECENT PRICE 18.64 | P/E RATIO 20.7 (Trailing: 19.0 / Median: 17.0) | RELATIVE P/E RATIO 1.26 | DIV'D YLD 1.1% | VALUE LINE

TIMELINESS 3 Raised 5/16/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 5/9/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

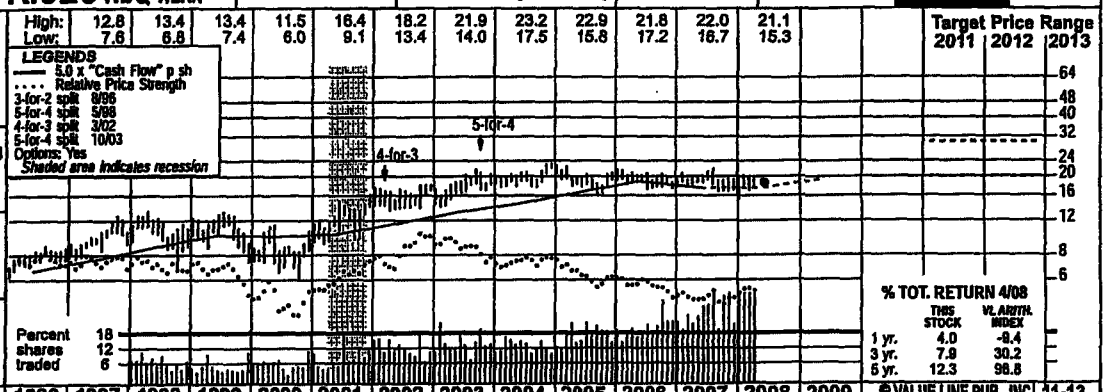
	Price	Gain	Ann'l Total Return
High	30	(+60%)	13%
Low	20	(+5%)	3%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	8	0	2	0	1	4	3	0
to Sell	1	7	0	3	0	1	4	3	0

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	67	72	61
to Sell	80	78	83
Hld's(000)	58328	54820	62418



Target Price Range 2011 | 2012 | 2013: 64 / 48 / 40 / 32 / 24 / 20 / 16 / 12 / 8 / 6

% TOT. RETURN 4/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	4.0	-8.4
3 yr.	7.9	30.2
5 yr.	12.3	98.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.12	5.47	6.55	7.32	8.13	9.70	10.95	13.32	15.49	15.97	17.00	18.48	21.19	25.18	29.66	29.43	31.05	32.85	Revenues per sh	40.00
.90	.97	1.15	1.24	1.33	1.52	1.77	2.02	2.00	2.06	2.32	2.65	2.93	3.33	3.79	3.50	3.50	3.90	"Cash Flow" per sh	5.30
.34	.42	.46	.46	.51	.60	.71	.76	.61	.59	.75	.90	1.08	1.22	1.24	1.07	.90	1.10	Earnings per sh A	1.80
.03	.03	.03	.04	.04	.05	.06	.06	.06	.06	.06	.08	.13	.16	.17	.19	.20	.21	Div'ds Decl'd per sh B	.24
1.14	1.30	1.49	1.21	1.09	1.92	2.19	3.23	2.16	2.15	3.92	2.01	3.72	5.29	5.71	1.89	2.00	4.50	Cap'l Spending per sh C	5.75
2.32	3.15	3.51	3.93	4.40	4.96	5.59	6.26	6.84	7.42	8.21	8.99	9.76	11.01	12.41	11.83	12.55	13.45	Book Value per sh	16.40
71.50	79.17	78.77	78.69	79.14	79.64	78.85	79.01	78.40	79.55	78.92	78.90	79.20	78.31	70.15	70.37	68.00	67.00	Common Shs Outst'g D	65.00
17.4	18.7	17.8	14.4	15.1	16.2	14.9	14.2	13.7	20.5	20.9	19.8	18.4	15.8	15.6	17.5	Bold figures are		Avg Ann'l P/E Ratio	15.0
1.06	1.10	1.17	.96	.95	.93	.77	.81	.89	1.05	1.14	1.13	.97	.84	.84	.93	Value Line		Relative P/E Ratio	1.00
.4%	.4%	.4%	.5%	.5%	.5%	.6%	.6%	.7%	.5%	.4%	.5%	.7%	.8%	.9%	1.0%	estimates		Avg Ann'l Div'd Yield	.8%
863.4	1052.3	1214.6	1270.5	1341.5	1457.8	1678.0	1971.8	2080.6	2071.2	2110	2200	Revenues ($mill)	2600
20.6%	19.2%	15.8%	15.4%	16.5%	17.3%	17.0%	16.6%	16.0%	14.7%	13.3%	14.1%	Operating Margin	16.2%
82.5	100.0	109.1	116.0	121.7	135.2	144.5	162.5	167.5	167.0	172	175	Depreciation ($mill)	225
57.2	60.0	48.0	47.7	61.6	73.7	87.3	98.5	98.6	78.4	65.0	78.5	Net Profit ($mill)	120
38.0%	38.0%	38.0%	37.5%	37.5%	37.5%	39.2%	41.0%	41.1%	42.2%	40.0%	40.0%	Income Tax Rate	40.0%
6.6%	5.7%	4.0%	3.8%	4.6%	5.1%	5.2%	5.0%	4.7%	3.8%	3.1%	3.6%	Net Profit Margin	4.7%
53.4	67.6	105.4	83.8	53.7	162.8	193.7	149.7	170.1	162.2	205	235	Working Cap'l ($mill)	345
100.0	120.0	105.0	20.0	--	--	--	--	100.0	--	Nil	Nil	Long-Term Debt ($mill)	Nil
440.6	494.8	538.1	590.0	647.6	709.1	773.2	862.5	870.4	832.8	850	900	Shr. Equity ($mill)	1065
11.0%	10.3%	8.0%	8.1%	9.5%	10.4%	11.3%	11.4%	10.2%	9.7%	7.5%	8.5%	Return on Total Cap'l	11.5%
13.0%	12.1%	9.0%	8.1%	9.5%	10.4%	11.3%	11.4%	11.3%	9.5%	7.5%	8.5%	Return on Shr. Equity	11.5%
12.0%	11.2%	8.1%	7.3%	6.7%	9.5%	10.1%	10.0%	9.8%	7.9%	6.0%	7.0%	Retained to Com Eq	10.0%
--	8%	10%	10%	8%	9%	11%	12%	13%	18%	21%	18%	All Div'ds to Net Prof	13%

CAPITAL STRUCTURE as of 3/31/08

Total Debt None

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 70,390,163 shs.

MARKET CAP: $1.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	31.6	25.1	77.9
Receivables	232.8	213.5	205.2
Other	96.6	90.6	89.9
Current Assets	361.0	329.2	373.0
Accts Payable	75.8	49.7	63.5
Debt Due	--	--	--
Other	115.1	117.3	127.0
Current Liab.	190.9	167.0	190.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	13.0%	11.5%	6.0%
"Cash Flow"	10.0%	10.5%	7.0%
Earnings	8.5%	12.5%	7.5%
Dividends	15.0%	23.0%	5.5%
Book Value	10.0%	9.5%	5.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	455.2	485.8	504.5	526.3	1971.8
2006	491.9	528.9	541.3	518.5	2080.6
2007	503.9	531.3	510.3	525.7	2071.2
2008	512.8	535	530	532.2	2110
2009	530	555	555	560	2200

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.25	.31	.30	.36	1.22
2006	.27	.35	.31	.31	1.24
2007	.21	.30	.30	.27	1.07
2008	.12	.25	.26	.27	.90
2009	.21	.28	.29	.32	1.10

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.025	.035	.035	.035	.13
2005	.035	.04	.04	.04	.16
2006	.04	.04	.045	.045	.17
2007	.045	.045	.05	.05	.19
2008	.05	.05			

BUSINESS: Werner Enterprises, Inc. is a truckload carrier of general commodities throughout the continental U.S., Canada, and Mexico. Targets service-sensitive segment of dry-van, flatbed, and temperature-controlled truckload market. Provides dedicated and regional carriage. As of 12/06, the company had 8,250 tractors (7,470 company-owned) and 24,855 trailers. 2007 depreciation rate: 10.4%. Has 13,608 employees. The Werner family owns approximately 41.4% of common stock; Wellington Mgmt., 13.3%; Dimensional Fund Advisors, 8.2% (4/08 proxy). Chairman & CEO: Clarence L. Werner. President: Gregory L. Werner. Incorporated: Nebraska. Address: P.O. Box 37308, Omaha, Nebraska 68137. Telephone: 402-895-6640. Internet Address: www.werner.com.

Werner Enterprises continues to bump along through a rough operating landscape. March-period revenues rose only 2%, primarily a result of surcharges levied on customers to account for higher fuel costs. Excluding these surcharges, the top line declined 6%. Demand for trucking services has fallen in conjunction with an economic slowdown. As a result, competition has become more intense, causing price cuts and tighter operating margins. The bottom line was also adversely affected by the skyrocketing price of fuel. The aforementioned surcharges helped out a bit, but the price of fuel rose too quickly for the company to completely offset this cost. All told, the company recorded a 43% drop in share earnings, to $0.12.

Full-year earnings will likely be depressed as well. It appears that the economy will continue to struggle, at least through yearend. Furthermore, elevated fuel prices may persist throughout 2008. Thus, our share-net estimate is now $0.90, which is $0.20 lower than our previous target. Our bottom-line expectation would have probably been lower, if not for last year's capacity reduction. The company has reduced its medium-to-long haul fleet by 850 vehicles since March, 2007. This has been the hardest-hit area of the trucking industry, especially since the trend in recent years has been toward shorter hauls. Indeed, the average trip length in the March period was 542 miles, 5% lower than a year earlier. Reducing the fleet size proved prescient, but we still expect operating margins to contract substantially this year.

Earnings may begin to head northward in 2009. Our model assumes that economic conditions will improve somewhat, possibly as a result of President Bush's economic stimulus plan. The company would also benefit if fuel prices fall from their recent highs. The bottom line may well grow at a 20%-25% clip, to $1.10 per share, by our estimates.

These neutrally ranked shares do not stand out for performance over the pull to 2011-2013. This stock offers below-average 3- to 5-year capital appreciation potential, based on our earnings projections.

Tom Nikic *June 6, 2008*

(A) Based on average shares outstanding through 1996, then diluted. May not sum due to rounding. Next earnings report due late July.
(B) Dividends historically paid late Jan., May, July, Oct.
(C) Net of equipment sales.
(D) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	50
Earnings Predictability	85

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WHIRLPOOL CORP. NYSE-WHR

RECENT PRICE 61.14 | P/E RATIO 8.9 (7.9 / 11.0) | RELATIVE P/E RATIO 0.61 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 New 7/27/90
TECHNICAL 3 Lowered 6/20/08
BETA 1.15 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	180	(+195%)	32%
Low	120	(+95%)	20%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	2	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	191	188	186
to Sell	172	188	180
Hld's(000)	78167	81966	81448

High:	69.5	75.3	78.3	68.3	74.2	79.8	73.4	80.0	86.5	96.0	118.0	98.0
Low:	45.3	43.7	40.9	31.5	45.9	39.2	42.8	54.5	60.8	74.1	72.1	58.2

LEGENDS
6.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded: 30, 20, 10

Target Price Range: 2011 | 2012 | 2013
320, 200, 160, 120, 100, 80, 60, 40, 18

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-43.3	-18.0
3 yr.	-6.5	11.3
5 yr.	8.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
101.39	100.84	107.64	110.19	114.53	114.49	136.19	141.16	155.81	155.17	162.00	179.06	197.31	210.54	231.79	255.37	*281.25*	*300.00*	Sales per sh	*350.35*
7.24	7.35	5.53	6.63	6.63	3.67	9.87	10.26	11.57	11.51	12.13	12.37	12.70	12.71	13.28	16.32	*15.95*	*17.70*	"Cash Flow" per sh	*22.50*
2.90	3.75	1.86	2.80	2.33	d.62	4.06	4.56	5.20	5.45	6.07	5.91	5.90	6.19	6.35	8.10	*6.85*	*8.50*	Earnings per sh A	*12.55*
1.10	1.19	1.22	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.72	1.72	1.72	1.72	*1.72*	*1.72*	Div'ds Decl'd per sh Bm	*2.00*
4.11	4.23	5.66	6.52	4.52	5.02	6.90	5.87	5.66	5.67	6.32	6.22	7.63	7.26	7.38	7.05	*8.00*	*8.55*	Cap'l Spending per sh	*9.40*
22.86	22.55	23.33	25.34	25.88	23.53	26.40	25.07	25.41	21.87	10.87	19.13	23.97	25.66	42.09	51.46	*55.40*	*62.50*	Book Value per sh C	*90.25*
70.00	73.07	73.65	74.08	74.42	75.26	75.80	74.46	66.27	66.65	68.00	68.00	67.00	68.00	78.00	76.00	*72.00*	*70.00*	Common Shs Outst'g D	*69.00*
14.1	15.2	30.4	19.5	22.4	--	14.7	13.6	9.6	11.0	10.2	10.3	11.2	11.7	13.4	11.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*12.0*
.86	.90	1.99	1.30	1.40	--	.76	.78	.62	.56	.56	.59	.59	.62	.72	.61			Relative P/E Ratio	*.80*
2.7%	2.1%	2.2%	2.5%	2.6%	2.5%	2.3%	2.2%	2.7%	2.3%	2.2%	2.2%	2.6%	2.4%	2.0%	1.8%			Avg Ann'l Div'd Yield	*1.2%*
10323	10511	10325	10343	11016	12178	13220	14317	18080	19408	*20250*	*21000*	Sales ($mill)	*24175*
10.9%	12.3%	11.7%	11.7%	11.3%	10.5%	9.2%	9.0%	7.6%	8.5%	*7.9%*	*8.3%*	Operating Margin	*9.0%*
438	417	400	396	405	427	445	442	550	593	*620*	*610*	Depreciation ($mill)	*650*
310	347	367	371	420	414	406	422	486	647	*525*	*630*	Net Profit ($mill)	*900*
37.1%	38.3%	34.7%	34.5%	28.1%	35.0%	33.9%	28.6%	20.4%	14.6%	*25.0%*	*25.0%*	Income Tax Rate	*30.0%*
3.0%	3.3%	3.6%	3.6%	3.8%	3.4%	3.1%	2.9%	2.7%	3.3%	*2.6%*	*3.0%*	Net Profit Margin	*3.7%*
615	285	d66	229	d178	276	529	409	474	662	*915*	*810*	Working Cap'l ($mill)	*1375*
1087	714	795	1295	1092	1134	1160	745	1798	1668	*2100*	*1900*	Long-Term Debt ($mill)	*1500*
2001	1867	1684	1458	739	1301	1606	1745	3283	3911	*4000*	*4375*	Shr. Equity ($mill)	*6225*
11.7%	14.7%	16.3%	15.7%	25.7%	20.5%	17.0%	18.6%	11.0%	12.9%	*10.0%*	*11.5%*	Return on Total Cap'l	*12.5%*
15.5%	18.6%	21.8%	25.4%	56.8%	31.8%	25.3%	24.2%	14.8%	16.5%	*13.0%*	*14.5%*	Return on Shr. Equity	*14.5%*
10.4%	13.1%	17.6%	17.7%	44.5%	24.6%	18.1%	17.5%	10.8%	13.1%	*10.0%*	*11.5%*	Retained to Com Eq	*12.5%*
33%	30%	19%	30%	22%	23%	29%	27%	27%	21%	*23%*	*19%*	All Div'ds to Net Prof	*15%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2808 mill. Due in 5 Yrs $2100 mill.
LT Debt $2166 mill. LT Interest $175 mill.
(Total interest coverage: 5.0x) (35% of Capital)

Pension Assets-12/07 $3.2 bill. Oblig. $4.0 bill.

Preferred Stock None

Common Stock 75,127,365 shares as of 4/21/08

MARKET CAP: $4.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	262	201	321
Receivables	2678	2604	2564
Inventory (LIFO)	2348	2665	2912
Other	1190	1085	1205
Current Assets	6476	6555	7002
Accts Payable	2945	3260	3185
Debt Due	536	425	842
Other	2519	2208	1904
Current Liab.	6002	5893	5711

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.5%	6.0%	*7.0%*
"Cash Flow"	9.5%	3.5%	*8.0%*
Earnings	16.5%	4.5%	*10.5%*
Dividends	2.5%	5.0%	*2.5%*
Book Value	5.0%	15.5%	*14.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3208	3556	3599	3954	14317
2006	3536	4747	4843	4954	18080
2007	4389	4854	*4840*	5325	19408
2008	4614	*5051*	*5050*	*5525*	*20250*
2009	*4800*	*5225*	*5225*	*5750*	*21000*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.26	1.42	1.66	1.83	6.19
2006	1.70	1.26	1.68	1.67	6.35
2007	1.55	2.00	2.20	2.38	8.10
2008	1.22	*1.48*	*1.90*	*2.25*	*6.85*
2009	*1.50*	*1.85*	*2.40*	*2.75*	*8.50*

Calendar	QUARTERLY DIVIDENDS PAID Bm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.43	.43	.43	.43	1.72
2005	.43	.43	.43	.43	1.72
2006	.43	.43	.43	.43	1.72
2007	.43	.43	.43	.43	1.72
2008	.43	.43			

BUSINESS: Whirlpool Corporation is the leading manufacturer of major home appliances. It makes products in 12 countries under 13 principal brand names, and markets products in nearly every country around the world. Its principal products are home refrigerators and freezers (30% of '07 sales); home laundry appliances (29%); home cooking appliances (15%); and other (26%). Acquired Maytag Corporation (3/06). Has about 73,000 employees. Officers & directors own 2.0% of stock; FMR, 12.6%; PRIMECAP Management, 11.4%; Pzena Investment Management, 10.8%; Vanguard, 5.6% (3/08 proxy). Chairman & CEO: Jeff M. Fettig. Incorporated: DE. Address: 2000 North M-63, Benton Harbor, MI 49022. Telephone: 269-923-5000. Internet: www.whirlpoolcorp.com.

Whirlpool Corporation has certainly seen better days. The unprecedented raw material cost increases and lower U.S. demand have resulted in a very challenging operating environment. Domestic demand declined about 9% in the first quarter, and U.S. profits plummeted. The international business seems to be holding its own, but first-quarter results were rather pedestrian after removing the benefits associated with the weakening dollar. All told, we have cut almost $2.00 off our 2008 share-earnings target.

The appliance maker is looking to streamline its operations. In early July, it announced the closure of two manufacturing facilities. Units produced at these locations will be absorbed by other plants in an attempt to better leverage existing resources and increase efficiency. More consolidations and/or headcount reductions could be on the horizon.

Switching gears, we do not expect Whirlpool to bid on General Electric's appliance arm. The conglomerate put this business on the auction block a short while ago, and is hoping to get about $8 billion for it. Whirlpool may be interested, but a combination would likely raise serious antitrust concerns. Indeed, in 2007, GE and Whirlpool combined to account for slightly less than half of all domestic appliance sales. It is far more likely that a European or Asian heavy machinery company with American aspirations will propose the winning offer.

Momentum investors should probably turn the page for now. Indeed, we recently lowered this issue's Timeliness rank one notch, to 4 (Below Average), due to the recent price momentum and the first-quarter earnings shortfall. And, things could certainly get worse in the near term, given the state of the housing market and global economy.

This stock offers good 3- to 5-year price appreciation potential, though. We expect the global leader in home appliances to make good on its promise to realize the cost-cutting benefits from acquiring Maytag, and the housing market will pick up again eventually. As it stands, the stock is trading at less than 10 times this year's earnings, which is relatively low from a historical standpoint.

Erik A. Antonson *July 25, 2008*

(A) Diluted earnings. Quarterly earnings may not sum due to rounding. Excludes nonrecurring: '93, d$3.08; '94, 24¢; '96, 25¢; '99, d79¢; '01, d$5.14; '02, d$11.75; '03, 3¢; '06, d68¢, '07, d9¢. Next earnings report due late July.
(B) Dividends historically paid in mid-March, mid-June, mid-September, and mid-December.
■ Dividend reinvestment plan available.
(C) Includes intangibles. In '07: $3.6 billion, $47.55 a share.
(D) In millions.

Company's Financial Strength	B++
Stock's Price Stability	60
Price Growth Persistence	70
Earnings Predictability	90

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HEARING EXHIBIT 00000508

W.P. CAREY & CO. LLC NYSE-WPC

RECENT PRICE 31.65 | P/E RATIO 15.4 (Trailing: 12.8 Median: NMF) | RELATIVE P/E RATIO 0.94 | DIV'D YLD 6.3% | VALUE LINE

TIMELINESS 3 Lowered 6/22/07
SAFETY 3 New 3/30/07
TECHNICAL 4 Lowered 6/20/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+90%)	21%
Low	40	(+25%)	12%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	2	0	2	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	33	37	30
to Sell	30	31	39
Hld's(000)	4480	4539	4462

	High:	22.9	20.0	18.7	23.8	26.0	33.7	36.0	35.9	31.0	36.9	34.6
	Low:	18.2	15.6	15.7	17.9	18.8	24.2	25.2	23.8	24.1	27.7	25.8

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 2012 2013: 120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	1.3	-9.7
3 yr.	35.0	27.3
5 yr.	49.3	85.8

Percent shares traded: 3 2 1

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	--	--	--	--	--	1.94	2.04	3.58	4.01	4.50	4.45	6.07	4.62	7.14	6.71	6.75	7.00	Revenues per Unit	8.70
--	--	--	--	--	--	1.84	1.99	1.09	1.75	1.53	2.21	2.48	1.71	3.00	2.98	3.00	3.20	"Cash Flow" per Unit	4.45
--	--	--	--	--	--	1.57	1.56	.52	1.02	.93	1.64	1.77	1.10	2.25	2.31	2.05	2.25	Earnings per Unit [A]	3.25
--	--	--	--	--	--	1.65	1.67	1.69	1.70	1.72	1.73	1.76	1.79	1.82	1.88	1.96	2.04	Dist. Decl'd per Unit [B]	2.75
--	--	--	--	--	--	3.74	2.51	.70	.78	.39	.26	3.12	.08	2.80	.41	.45	.50	Cap'l Spending per Unit [C]	.65
--	--	--	--	--	--	20.29	19.89	16.73	16.11	15.88	16.19	16.49	16.11	16.52	16.17	16.75	17.15	Book Value per Unit [D]	20.65
--	--	--	--	--	--	25.34	25.77	33.60	34.74	35.94	36.75	37.52	37.71	38.26	39.22	40.00	42.00	Units Outst'g [E]	46.00
--	--	--	--	--	--	13.0	11.2	32.7	20.2	25.3	17.8	17.1	26.2	26.2	14.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
--	--	--	--	--	--	.68	.64	2.13	1.04	1.38	1.01	.90	1.40	1.40	.75			Relative P/E Ratio	1.00
--	--	--	--	--	--	8.1%	9.5%	9.9%	8.2%	7.3%	6.0%	5.8%	6.2%	6.2%	5.8%			Avg Ann'l Div'd Yield	5.6%
						49.1	52.5	120.3	139.4	161.6	163.4	227.8	174.1	273.3	263.1	270	295	Revenues ($mill)	400
						64.0%	65.4%	77.5%	70.9%	68.7%	69.4%	73.4%	60.9%	57.2%	66.3%	58.5%	60.5%	Operating Margin	66.0%
						7.4	11.2	21.3	25.2	20.9	18.9	23.8	21.6	27.2	27.3	30.0	35.0	Depreciation ($mill)	45.0
						39.1	40.1	15.4	35.8	34.0	62.2	69.0	42.9	87.6	89.7	90.0	100	Net Profit ($mill)	160
						--	--	53.1%	19.2%	34.8%	23.5%	43.4%	31.1%	34.2%	40.3%	36.0%	36.0%	Income Tax Rate	35.0%
						79.7%	76.3%	12.8%	25.7%	21.1%	38.1%	30.3%	24.6%	32.0%	34.1%	33.3%	33.9%	Net Profit Margin	40.0%
						275.1	271.7	266.4	279.9	221.8	183.8	227.5	188.7	540.5	513.4	580	650	Real Estate ($mill)	900
						251.7	307.0	290.2	295.5	235.0	209.2	292.7	231.1	261.2	316.8	280	300	Long-Term Debt ($mill)	450
						514.2	512.6	562.1	559.7	570.9	594.8	618.7	607.5	632.0	634.3	670	720	Partners' Capital	950
						6.3%	6.0%	3.4%	5.4%	5.2%	8.7%	8.4%	6.1%	10.8%	10.5%	10.5%	11.0%	Return on Total Cap'l	12.0%
						7.6%	7.8%	2.7%	6.4%	6.0%	10.5%	11.2%	7.1%	13.9%	14.2%	13.5%	13.5%	Return on Partners'Cap'l	17.0%
						1.6%	NMF	NMF	NMF	NMF	NMF	.6%	NMF	3.0%	2.9%	1.5%	2.0%	Retained to Part.'s Cap	3.5%
						79%	106%	NMF	NMF	NMF	101%	94%	NMF	78%	80%	87%	86%	All Dist. to Net Prof	80%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $343.1 mill. Due in 5 Yrs $175.2 mill.
LT Debt $264.3 mill. LT Interest $16.0 mill. (29% of Cap'l)
Leases, Uncapitalized Annual rentals $5.7 mill.
No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 36,621,042 shares as of 5/2/08

MARKET CAP: $1.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	22.1	12.1	17.6
Real estate (net)	540.5	513.4	514.1
Financing leases	108.5	89.5	89.1
Other	421.9	538.3	505.3
Total Assets	1093.0	1153.3	1126.1
Mortg. notes payable	263.2	254.1	264.3
Accts Payable	32.1	71.8	37.1
Other	158.0	187.0	162.4
Total Liab.	453.3	512.9	463.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	9.0%	6.0%
"Cash Flow"	--	10.5%	9.5%
Earnings	--	15.5%	9.5%
Dividends	--	1.5%	7.0%
Book Value	--	--	4.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	45.8	44.4	42.0	41.9	174.1
2006	47.8	57.7	52.6	115.2	273.3
2007	44.7	109.0	54.6	54.8	263.1
2008	57.4	65.0	70.0	77.6	270
2009	65.0	70.0	80.0	80.0	295

Calendar	EARNINGS PER SHARE [A] Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	.37	.34	.35	.04	1.10
2006	.39	.46	.37	1.03	2.25
2007	.27	1.03	.58	.43	2.31
2008	.43	.45	.55	.62	2.05
2009	.50	.55	.60	.60	2.25

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.435	.436	.438	.44	1.75
2005	.442	.444	.446	.448	1.78
2006	.45	.452	.454	.456	1.81
2007	.458	.462	.467	.472	1.86
2008	.477	.482			

BUSINESS: W.P. Carey & Co. LLC is a global real estate investment firm, which invests in commercial properties, as well as operates publicly owned, non-traded real estate investment trusts. The company also provides asset management services and offers real estate financing solutions, such as long-term net lease financing for major corporations in the United States and internationally. As of February '08, The W.P. Carey Group owned more than 850 commercial and industrial properties (about 100 million square feet) located in 14 countries. Officers/directors own about 35% of common stock (04/08 proxy). President & CEO: Gordon F. DuGan. Address: 50 Rockefeller Plaza New York, NY 10020 Telephone: 212-492-1100. Internet: www.wpcarey.com.

W.P. Carey continues to post relatively healthy results, despite a more challenging operating environment. The top line rose about 28% for the first quarter of 2008, helped by higher asset management revenue. Results at this segment, which account for about 35% of the top line, increased 34% during the quarter. This largely reflects higher fees and income from W.P. Carey's property portfolios, owing to the ongoing increases in assets under management.

Moreover, W.P. Carey's properties continue to perform well. Occupancy at the wholly owned portfolio was about 96%, and about 99% at the portfolios owned by the W.P. Carey's REIT funds. The company was also able to raise rents at some properties.

The company continues to raise capital. The new CPA Global Fund opened to investors at the start of 2008. The company plans to raise about $2 billion for this fund, and has secured about $110 million, so far. During the quarter, W.P. Carey also formed Carey Watermark Investors, Inc., which will acquire assets in the lodging sector. This $1 billion fund will likely be made available to investors in the second half of this year.

Nonetheless, structuring revenue will probably remain sluggish for a while. The company structured investments worth about $57 million in the first quarter, compared with $167 million a year ago. The recent decline at this segment likely reflects a more challenging environment, particularly for sale-lease back properties. Comparisons at this segment will also probably be difficult during the second quarter of 2008, owing to the $400 million investment in Germany that was structured last year. Consequently, we have reduced our earnings-per-share estimates by $0.40 per diluted share for both 2008 and 2009.

These neutrally ranked shares may be suitable for income-oriented investors. The issue currently offers investors an attractive dividend yield, and we expect the business to support regular quarterly distribution increases in the years ahead. Elsewhere, our projections indicate that W.P. Carey stock offers good total return potential over the next 3 to 5 years.

Adam Rosner *June 27, 2008*

(A) Next earnings report due late July. Excludes nonrecurring gains (losses); '07, ($0.53); '02, $0.35; '00, ($0.83). Excludes disc. Ops.: '07, $0.27.
(B) Div'ds historically paid early April, July, October, January. Special Div. $0.27 declared 12/27/07.
(C) Includes real estate purchases through '06.
(D) Incl. intangibles as of 12/31/07: $99.9 million, $2.55/sh.
(E) In millions.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	50
Earnings Predictability	50

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WATSON PHARM. NYSE-WPI

RECENT PRICE 27.75 | P/E RATIO 13.9 (17.7 / 24.0) | RELATIVE P/E RATIO 0.91 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 6/20/08
SAFETY 3 New 1/31/97
TECHNICAL 3 Raised 4/4/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+170%)	28%
Low	50	(+80%)	16%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	124	138	132
to Sell	129	120	130
Hld's(000)	91984	94736	99220

High: 34.1 63.0 63.0 71.5 66.4 33.3 50.1 49.2 36.9 35.3 33.9 32.7
Low: 16.0 30.5 26.5 33.7 26.5 18.0 26.9 24.5 28.0 21.3 25.0 23.9

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 10/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-16.5	-18.0
3 yr.	-8.1	11.3
5 yr.	-32.7	63.2

Percent shares traded 30 20 10

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
--	2.00	2.58	2.10	2.64	3.85	6.21	7.17	7.68	10.90	11.44	13.41	14.95	16.17	19.32	24.09	24.30	25.50	Revenues per sh	28.55
--	.43	.64	.86	1.08	1.30	1.79	2.16	1.77	2.62	2.44	2.81	2.82	3.55	3.23	3.91	3.85	4.00	"Cash Flow" per sh	4.80
--	.37	.53	.77	.98	1.15	1.47	1.68	1.12	1.64	1.63	1.86	1.68	1.34	1.03	1.37	2.00	2.15	Earnings per sh A	2.85
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
--	.38	.59	.31	.14	.17	.30	.28	.33	.58	.82	1.39	.63	.77	.43	.72	.70	.75	Cap'l Spending per sh	.95
--	2.70	3.29	3.97	5.20	6.43	8.38	10.97	14.66	15.71	18.83	18.93	20.44	20.67	16.40	17.84	20.20	22.60	Book Value per sh C	31.65
--	33.75	33.75	72.74	73.67	87.88	89.51	96.13	105.60	106.46	106.86	108.70	109.72	101.81	102.47	103.66	104.00	105.00	Common Shs Outst'g D	105.00
--	30.5	20.5	23.5	20.2	21.2	30.3	23.8	44.0	31.2	18.1	20.0	20.8	23.9	26.2	21.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
--	1.80	1.34	1.57	1.27	1.22	1.58	1.36	2.86	1.60	.88	1.14	1.10	1.27	1.41	1.13			Relative P/E Ratio	1.45
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
						556.1	689.2	811.5	1160.7	1223.2	1457.7	1640.6	1646.2	1979.2	2496.7	2525	2675	Revenues ($mill)	3000
						42.6%	43.8%	30.7%	34.8%	31.6%	30.1%	25.5%	27.4%	19.5%	21.1%	22.5%	22.5%	Operating Margin	24.0%
						31.3	44.0	71.4	101.2	86.6	100.4	106.7	206.7	218.3	253.6	165	165	Depreciation ($mill)	165
						129.3	163.4	115.7	178.1	174.6	205.0	203.0	154.4	112.9	152.0	235	255	Net Profit ($mill)	340
						39.0%	34.3%	30.5%	35.1%	37.0%	36.2%	36.4%	36.8%	37.2%	37.2%	38.0%	38.0%	Income Tax Rate	38.0%
						23.2%	23.7%	14.3%	15.3%	14.3%	14.1%	12.4%	9.4%	5.7%	6.1%	9.3%	9.5%	Net Profit Margin	11.3%
						198.5	305.5	551.0	644.6	545.3	984.8	1114.6	1114.7	571.8	728.9	800	850	Working Cap'l ($mill)	1525
						149.9	149.5	483.3	415.7	331.9	722.5	587.7	587.9	1124.1	899.4	825	700	Long-Term Debt ($mill)	500
						750.5	1054.8	1548.0	1672.1	1798.3	2057.3	2243.1	2104.2	1680.4	1849.5	2100	2375	Shr. Equity ($mill)	3325
						14.8%	14.0%	6.2%	9.1%	8.6%	7.8%	7.4%	6.0%	4.4%	6.3%	8.0%	8.5%	Return on Total Cap'l	9.0%
						17.2%	15.5%	7.5%	10.7%	9.7%	10.0%	9.1%	7.3%	6.7%	8.2%	11.0%	10.5%	Return on Shr. Equity	10.0%
						17.2%	15.5%	7.5%	10.7%	9.7%	10.0%	9.1%	7.3%	6.7%	8.2%	11.0%	10.5%	Retained to Com Eq	10.0%
						--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CAPITAL STRUCTURE as of 3/31/08
Total Debt $827.4 mill. Due in 5 Yrs $200.0 mill.
LT Debt $824.5 mill. LT Interest $30.0 mill.
(Includes $575.0 mill. of 2½% convertible contingent debentures due 3/23: convertible at $40.05.)
(30% of Capital)
Leases, Uncapitalized Annual rentals $17.0 mill.
No Defined Pension Benefit Plan
Preferred Stock None
Common Stock 104,441,000 shares as of 4/30/08
MARKET CAP $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	160.8	216.4	186.7
Receivables	384.7	267.1	273.3
Inventory (FIFO)	517.2	490.6	521.3
Other	199.0	199.7	182.3
Current Assets	1261.7	1173.8	1163.6
Accts Payable	199.8	398.2	376.5
Debt Due	107.1	6.2	2.9
Other	383.0	40.5	56.3
Current Liab.	689.9	444.9	435.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	21.5%	14.5%	6.5%
"Cash Flow"	12.5%	9.5%	5.0%
Earnings	2.5%	-3.0%	14.4%
Dividends	--	--	Nil
Book Value	13.5%	3.0%	9.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	400.8	416.3	410.3	418.8	1646.2
2006	407.2	510.3	440.5	621.2	1979.2
2007	671.6	603.0	594.7	627.4	2496.7
2008	626.9	635	630	633.1	2525
2009	670	670	665	670	2675

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.32	.35	.35	.32	1.34
2006	.23	.24	.31	.25	1.03
2007	.34	.34	.33	.35	1.37
2008	.55	.49	.49	.47	2.00
2009	.55	.50	.55	.55	2.15

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Watson Pharmaceuticals, Inc. engages in the development, manufacture, marketing, sale and distribution of brand and generic pharmaceutical products. It markets more than 150 generic drugs and 27 brand drugs (12/07). Owns a 50% interest in Somerset Pharmaceuticals, a joint venture with Mylan Laboratories. Somerset and Bristol-Myers Squibb have agreed to distribute Emsam. Acqr'd Andrx Group (11/06). 2007 R&D: $144.8 million. Employs about 5,640. Off./dir. own 8.2% of common; The TCW Group, 10.8%; Franklin Resources, 9.4%; Goldman Sachs., 5.3%; Putnam LLC, 5.0% (4/08 Proxy). Chmn.: Allen Chao, Ph.D. Pres. & CEO: Paul M. Bisaro. Inc.: NV. Addr.: 311 Bonnie Circle, Corona, CA, 92880. Tel.: 951-493-5300. Web: www.watsonpharm.com.

We look for Watson Pharmaceuticals' share earnings to rise about 45% in 2008, thanks largely to cost-saving initiatives. Downsizing has begun at the company's Carmel, NY facility, which is on track to be shuttered in 2010, and the first wave of product transfers from that site to the Goa, India plant was completed during the first quarter. The Goa campus is scheduled to produce about one billion units by the end of this year, with that number growing to three billion in 2009. **Watson's clinical research facility in Mumbai, India has also been completed.** This site is capable of initiating 20 to 30 biostudies a year, depending on the scope of the projects. Lower costs in India are likely to help the operating margin to expand roughly 140 basis points this year. **Generic product approvals are likely to accelerate.** Watson's Davie, FL manufacturing facility has been removed from the FDA's official action indicated (OAI) status list. New abbreviated new drug applications (ANDAs) for products pending at this plant are now eligible for approval. This site was shut down before it was acquired as part of the Andrx purchase in late 2006, and its reopening should further enhance the company's cost efficiency. **The upcoming release of branded urology products ought to help drive sales in 2009.** Watson has announced positive Phase III data involving its treatments for prostate enlargement and overactive bladder. The *Silodosin* treatment for prostate enlargement, the number-one condition treated by urologists in the U.S., should be of importance to older men that are taking blood pressure medications, due to its improved cardiovascular profile. However, its higher incidence of retrograde ejaculation and the emergence of generics in 2010 ought to prevent it from having a large impact. The company's other branded products are further off, but should begin to contribute over the pull to 2011–2013. **These shares offer wide appreciation potential to 2011–2013,** thanks largely to the company's strong generic portfolio, a growing branded product segment, and improving production efficiency. Watson stock is likely to only keep pace with the market in the year ahead, though.

Jerry W. Gray Jr. *July 18, 2008*

(A) Primary earnings through '96; diluted thereafter. Excludes nonrecurring items: '97, (11¢); '98, (11¢); '99, 16¢; '00, 53¢; '01, (57¢); '02, 1¢; '04, (41¢); '05, (13¢); '06, ($5.48); '07, (8¢).
Next earnings report due late July.
(B) Share earnings may not sum due to the inclusion of convertible contingent debentures in diluted share count.
(C) Includes intangibles: in 2007: $1480.1 mill. or $14.28 a share.
(D) In millions, adjusted for stock split.
(E) Acquired Andrx Group (11/06).

Company's Financial Strength	B++
Stock's Price Stability	70
Price Growth Persistence	10
Earnings Predictability	70

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BERKLEY (W.R.) NYSE-WRB

RECENT PRICE 26.60 | P/E RATIO 7.7 (Trailing: 7.3 Median: 13.0) | RELATIVE P/E RATIO 0.48 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 3 Lowered 12/8/06
SAFETY 3 New 10/12/90
TECHNICAL 3 Lowered 6/6/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

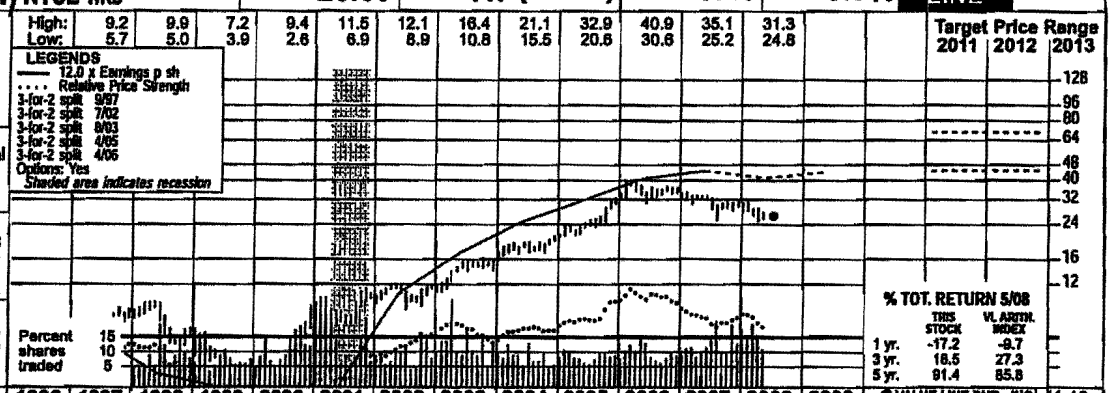
	Price	Gain	Ann'l Total Return
High	70	(+165%)	27%
Low	45	(+70%)	14%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	2	3
to Sell	0	0	0	0	0	0	0	2	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	130	148	129
to Sell	192	165	174
Hld's(000)	133877	133611	124288



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.04	3.19	5.14	5.25	6.58	7.43	9.53	10.91	11.48	9.99	12.09	17.21	21.42	23.32	24.34	25.86	*26.85*	*27.05*	P/C Prem Earned p sh	*39.65*
.67	.64	.86	.90	1.10	1.33	1.51	1.47	1.82	1.16	1.01	1.12	1.54	2.11	3.04	3.73	*3.80*	*4.40*	Investment Inc p sh	*6.10*
d.15	.90	1.33	1.52	2.09	2.52	d1.43	d2.13	d1.54	d2.16	d.05	.79	1.34	1.68	2.91	3.22	*3.20*	*3.15*	Underwriting Inc p sh	*3.90*
.34	.38	.19	.38	.51	.54	.35	d.21	.27	d.61	.90	1.44	2.07	2.85	3.43	3.73	*3.45*	*3.70*	Earnings per sh A	*4.85*
.05	.05	.06	.06	.07	.08	.09	.10	.10	.10	.10	.12	.13	.13	.15	.19	*.22*	*.24*	Div'ds Decl'd per sh B	*.30*
3.47	4.00	3.51	4.64	4.96	5.67	5.69	4.56	5.17	5.54	7.16	8.95	11.13	13.42	17.30	19.80	*21.35*	*22.35*	Book Value per sh	*31.10*
136.84	131.66	127.41	153.15	149.11	149.69	134.18	129.68	129.89	168.28	186.38	187.96	189.61	191.26	192.77	180.32	*165.00*	*160.00*	Common Shs Outst'g C	*145.00*
140%	138%	137%	113%	124%	130%	136%	108%	96%	158%	150%	156%	166%	184%	206%	159%			Price to Book Value	*185%*
14.2	14.6	25.3	14.0	12.2	13.6	22.3	--	18.1	--	12.0	9.8	8.9	9.3	10.4	8.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*12.0*
.86	.86	1.66	.94	.76	.78	1.16	--	1.18	--	.86	.58	.47	.50	.56	.44			Relative P/E Ratio	*.60*
1.0%	1.0%	1.2%	1.2%	1.1%	1.1%	1.2%	2.1%	2.1%	1.2%	1.0%	.8%	.7%	.5%	.4%	.6%			Avg Ann'l Div'd Yield	*.5%*
1278.4	1414.4	1491.0	1680.5	2252.5	3234.6	4061.1	4460.9	4692.6	4663.7	*4430*	*4325*	P/C Premiums Earned	*5750*
71.6%	76.8%	73.4%	82.1%	65.0%	63.4%	63.0%	62.4%	61.0%	59.6%	*61.5%*	*62.0%*	Loss to Prem Earned	*63.0%*
41.3%	42.4%	39.6%	35.7%	29.4%	28.2%	30.7%	30.5%	27.0%	28.0%	*27.0%*	*26.5%*	Expense to Prem Writ	*26.0%*
-12.9%	-19.1%	-13.0%	-17.9%	5.6%	8.4%	6.2%	7.2%	12.0%	12.4%	*11.5%*	*11.5%*	Underwriting Margin	*11.0%*
8.7%	--	6.0%	--	34.3%	29.4%	29.6%	29.1%	28.9%	29.3%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
58.8	d26.7	36.2	d89.4	160.1	285.7	412.0	531.1	693.7	733.9	*625*	*595*	Net Profit ($mill)	*755*
6.9%	7.4%	7.8%	7.0%	4.8%	4.3%	4.1%	4.3%	5.5%	6.1%	*5.2%*	*6.0%*	Inv Inc/Total Inv	*6.0%*
4983	4785	5210	5634	7031	9335	11451	13896	15656	16832	*17250*	*19750*	Total Assets ($mill)	*26000*
861.3	789.9	869.1	1129.8	1533.5	1682.6	2109.7	2567.1	3335.2	3569.8	*3525*	*3575*	Shr. Equity ($mill)	*4510*
6.8%	NMF	4.2%	NMF	10.4%	17.0%	19.5%	20.7%	20.8%	20.6%	*18.0%*	*16.5%*	Return on Shr. Equity	*17.0%*
5.0%	NMF	3.5%	NMF	9.4%	15.7%	18.4%	19.9%	19.9%	19.5%	*16.5%*	*15.5%*	Retained to Com Eq	*16.0%*
36%	NMF	35%	NMF	21%	8%	6%	4%	4%	5%	*6%*	*6%*	All Div'ds to Net Prof	*6%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $1359.7 mill. Due in 5 Yrs $380.0 mill.
LT Debt $1359.7 mill. LT Interest $88.0 mill.
(28% of Cap'l)

Leases, Uncapitalized None
No Defined Benefit Pension Plan
Pfd Stock None
Common Stock 168,474,588 shs.
as of 5/1/08

MARKET CAP: $4.5 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	9158.6	9799.0	9945.4
Stocks	1505.9	1280.3	1268.1
Other	4992.0	5752.9	5621.3
Total Assets	15656.5	16832.2	16834.8
Unearned Prems	2314.3	2240.7	2294.4
Reserves	7784.3	8678.0	8835.7
Other	2222.7	2343.7	2250.8
Total Liab'ties	12321.3	13282.4	13380.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	14.5%	17.0%	8.5%
Invest Income	10.5%	18.5%	13.0%
Earnings	21.5%	76.5%	7.0%
Dividends	8.0%	8.5%	11.5%
Book Value	12.5%	23.0%	11.0%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1041	1091	1131	1198	4461
2006	1146	1187	1194	1166	4693
2007	1155	1172	1178	1161	4664
2008	1124	*1110*	*1100*	*1096*	*4430*
2009	*1090*	*1085*	*1075*	*1075*	*4325*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.59	.65	.59	.82	2.65
2006	.79	.82	.86	.96	3.43
2007	.91	.92	.93	.97	3.73
2008	.83	*.85*	*.86*	*.91*	*3.45*
2009	*.95*	*.85*	*.90*	*1.00*	*3.70*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.031	.031	.031	.031	.13
2005	.031	.033	.033	.033	.13
2006	.03	.04	.04	.04	.15
2007	.04	.05	.05	.05	.19
2008	.05	.05	.06		

BUSINESS: W.R. Berkley Corporation is an insurance holding company, operating in regional property/casualty insurance, reinsurance, int'l insurance, specialty insurance, and alternative insurance. Regional P/C operations are concentrated in the southern and midwestern United States. Specialty and alternative insurance businesses are conducted nationally. 2007 premium breakdown: 27% Regional ops., 38% Specialty ops., 14% Alternative Insurance, 18% Reinsurance, 5% International. Has approximately 5,495 employees. Officers & directors own 18.1% of common (4/08 Proxy). President, Chairman & CEO: William Berkley. Incorporated: Delaware. Address: 475 Steamboat Road, Greenwich, CT 06830. Telephone: 203-629-3000. Internet: www.wrbc.com.

Shares of W.R. Berkley have been under pressure since our March report. The investment community reacted negatively to a weaker-than-expected first (March) quarter performance. Indeed, operating income came in at $0.83 a share, which was below both our estimate of $0.93 and the year-earlier tally of $0.91. The primary culprit was a 13% drop in investment income. Specifically, declining returns from Berkley's alternative investment and equity portfolios took a toll. Too, the company's investment income was impacted by the $750 million used on share repurchases during the prior 12 months.

We are lowering our full-year 2008 earnings estimate by $0.35, to $3.45 a share. The downward revision is mainly due to the aforementioned drop in investment income. We don't anticipate conditions improving very much in WRB's merger arbitrage portfolio. Historically, the insurer's equity exposure has come from its arbitrage account.

The company remains very aggressive on the share-repurchase front. In fact, W.R. Berkley bought back roughly 10 million shares (5.5% of outstanding) during the first quarter. The board of directors also recently authorized the repurchase of another 10 million units. If completed, the new buyback plan would reduce the company's share count by another 6%. Given this aggressive behavior, we are only lowering our 2009 earnings forecast by a dime, to $3.70 a share.

These shares are ranked 3 (Average) for relative year-ahead price performance. The ongoing weakness in the company's arbitrage and equity portfolio business may lead to near-term earnings volatility here. In fact, we look for Berkley to report year-over-year earnings declines for the final three quarters of 2008. However, this stock does offer attractive 3- to 5-year total return potential. (Note that the company recently increased its quarterly dividend payout by 20%, to $0.06 a share.) Long term, we believe W.R. Berkley will continue to produce profitable underwriting results. W.R. Berkley focuses on casualty insurance lines, which tend to be less volatile than property underwriting. The latter is more susceptible to catastrophic events.

William G. Ferguson *June 20, 2008*

(A) Prim. egs. through 1996, dil. after. Excl. nonrecurr. gains/(losses): '92, 7¢; '98, (3¢); '99, (10¢); '01, (2¢); '02, 8¢; '04, 21¢. Incl. real. loss: '01, 2¢; '04, 1¢. Next earnings report early August.
(B) Div'ds. historically paid in the first week of Jan., April, July, and Oct.
(C) In mill., adj. for splits.

Company's Financial Strength	B+
Stock's Price Stability	80
Price Growth Persistence	90
Earnings Predictability	20

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WHITNEY HOLDING NDQ-WTNY

RECENT PRICE **22.24** | P/E RATIO **19.3** (Trailing: 14.5 Median: 15.0) | RELATIVE P/E RATIO **1.20** | DIV'D YLD **5.6%** | VALUE LINE

TIMELINESS **4** Raised 12/7/07
SAFETY **3** Lowered 5/23/08
TECHNICAL **3** Raised 7/18/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+35%)	12%
Low	20	(-10%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	7	0	1	1	0	1	0
Options	0	0	0	1	1	0	1	0	0
to Sell	0	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	71	94	86
to Sell	75	67	70
Hld's(000)	31878	35563	34945

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	27.4	28.2	18.7	18.6	21.7	25.8	27.5	30.8	33.7	37.3	33.3	27.5								
Low:	15.4	15.4	14.1	13.6	15.8	17.9	20.5	26.3	24.1	27.3	22.5	14.0								
	.63	2.33	1.61	1.23	1.00	1.11	1.00	1.20	1.31	1.27	1.59	1.63	1.57	1.63	2.20	1.94	*1.15*	*1.50*	Earnings per sh [A]	*2.00*
	.03	.16	.28	.34	.43	.50	.53	.59	.64	.68	.74	.82	.89	.98	1.08	1.14	*1.22*	*1.24*	Div'ds Decl'd per sh [B]	*1.30*
	5.72	7.97	9.04	10.10	10.02	10.23	10.66	10.97	11.86	12.07	13.32	13.85	14.57	15.17	16.68	18.67	*17.85*	*18.60*	Book Value per sh	*21.55*
	32.41	32.51	32.93	33.48	40.39	46.81	52.63	50.79	52.54	59.50	60.10	60.67	62.10	63.34	65.93	65.83	*64.50*	*64.50*	Common Shs Outst'g [C]	*65.00*
	9.6	4.2	6.7	10.0	14.0	17.1	21.9	13.8	12.0	14.7	13.8	14.2	18.1	18.4	15.6	14.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*13.0*
	.58	.25	.44	.67	.88	.99	1.14	.79	.78	.75	.75	.81	.96	.98	.84	.78			Relative P/E Ratio	*.85*
	.5%	1.7%	2.6%	2.8%	3.1%	2.6%	2.4%	3.5%	4.1%	3.7%	3.4%	3.6%	3.2%	3.3%	3.2%	4.0%			Avg Ann'l Div'd Yield	*3.9%*
							5211.9	5454.4	6242.1	7243.7	7097.9	7755.0	8222.6	10109	10186	11027	*11500*	*12500*	Total Assets ($mill)	*15000*
							3230.3	3628.0	4245.5	4482.9	4454.9	4823.1	5580.7	6517.2	7001.5	7497.8	*8000*	*8500*	Loans ($mill)	*10200*
							213.1	225.8	247.1	279.8	295.2	294.6	320.1	387.1	471.2	456.5	*425*	*450*	Net Interest Inc ($mill)	*500*
							.1	6.0	10.0	19.5	7.5	d3.5	2.0	37.0	3.7	17.0	*80.0*	*75.0*	Loan Loss Prov'n ($mill)	*30.0*
							60.8	66.7	71.6	91.2	85.2	89.5	82.5	82.2	84.8	106.7	*115*	*125*	Noninterest Inc ($mill)	*150*
							196.0	194.2	208.9	239.1	230.9	242.9	260.3	287.0	338.5	340.8	*350*	*350*	Noninterest Exp ($mill)	*425*
							52.7	62.4	67.0	75.8	95.3	98.5	97.1	102.3	144.6	131.1	*75.0*	*100*	Net Profit ($mill)	*130*
							32.3%	32.3%	32.9%	32.5%	32.9%	31.9%	30.8%	29.6%	32.3%	36.2%	*30.0%*	*33.0%*	Income Tax Rate	*33.0%*
							1.01%	1.14%	1.07%	1.05%	1.34%	1.27%	1.16%	1.01%	1.42%	1.19%	*.65%*	*.80%*	Return on Total Assets	*.85%*
							--	--	--	--	--	--	--	--	--	165.5	*155*	*150*	Long-Term Debt ($mill)	*150*
							561.0	557.1	623.0	717.9	800.5	840.3	904.8	961.0	1113.0	1228.7	*1150*	*1200*	Shr. Equity ($mill)	*1400*
							10.8%	10.2%	10.0%	9.9%	11.3%	10.8%	11.0%	9.5%	10.9%	11.1%	*10.0%*	*9.5%*	Shr. Eq. to Total Assets	*9.5%*
							62.0%	66.5%	68.0%	61.9%	62.8%	62.2%	67.9%	64.5%	68.7%	68.0%	*68.5%*	*68.0%*	Loans to Tot Assets	*68.0%*
							9.4%	11.2%	10.8%	10.6%	11.9%	11.7%	10.7%	10.6%	13.0%	10.7%	*6.5%*	*8.5%*	Return on Shr. Equity	*9.5%*
							4.7%	5.8%	5.6%	5.2%	6.5%	5.8%	4.4%	4.3%	6.9%	4.4%	*NMF*	*1.5%*	Retained to Com Eq	*3.5%*
							50%	48%	48%	51%	45%	50%	59%	60%	47%	59%	*106%*	*83%*	All Div'ds to Net Prof	*65%*

CAPITAL STRUCTURE as of 6/30/08

Total Debt $1443.2 mill. Due in 5 Yrs. $1300 mill.
LT Debt $157.0 mill. LT Interest $10.0 mill.

Leases, Uncapitalized Annual rentals $9.8 mill.

Pension Assets-12/07 $136 mill.
Oblig. $159 mill.

Common Stock 64,000,000 shs.

Market Cap: $1.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	318.2	290.2	299.5
Fin. Receivables	6974.5	7497.8	7852.7
Securities (for sale)	1913.1	2001.8	1968.0
Other	980.1	1237.5	896.1
Total Assets	10185.9	11027.3	11016.3
Deposits	8433.3	8583.8	8266.9
Long-Term Debt	--	165.5	157.0
Other	639.6	1049.2	1409.3
Total Liab.	9072.9	9798.5	9833.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	8.0%	7.0%	*3.0%*
Earnings	5.5%	7.0%	*5.5%*
Dividends	9.5%	9.0%	*4.5%*
Book Value	5.5%	6.5%	*8.5%*
Total Assets	5.5%	6.0%	*7.0%*

Calendar	NET LOANS ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	5588	6226	6372	6517	
2006	6399	6780	6778	7002	
2007	7177	7293	7371	7498	
2008	7632	7853	*7900*	*8000*	
2009	*8100*	*8250*	*8300*	*8500*	

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.48	.46	.14	.55	1.63
2006	.56	.60	.53	.51	2.20
2007	.55	.51	.43	.45	1.94
2008	.45	.20	.25	.25	*1.15*
2009	*.40*	*.35*	*.35*	*.40*	*1.50*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2003	.20	.20	.20	.20	.80
2004	.22	.22	.22	.22	.88
2005	.233	.25	.25	.25	.98
2006	.27	.27	.27	.27	1.08
2007	.27	.29	.29	.29	1.14
2008	.29	.31	.31		

LEGENDS
13.0 x Earnings p sh
Relative Price Strength
3-for-2 split 4/02
3-for-2 split 5/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-13.4	-12.2
3 yr.	-30.1	7.2
5 yr.	7.1	58.6

BUSINESS: Whitney Holding Corporation through its subsidiary, Whitney National Bank, provides commercial and retail banking and trust and investment services. The company serves the five-state Gulf Coast region. Whitney National operates more than 155 banking locations in Louisiana, Florida, Alabama, Mississippi, and Texas. Subsidiary Whitney Community Development provides equity and debt investments. Whitney Securities, L.L.C., is a registered broker-dealer in securities. Acquired Signature Financial Holdings, Inc. (3/07). Has 2542 employees. Chairman & C.E.O.: William L. Marks. Barclays Global owns 5.6% of shares; Off./dir., 11.1% (4/08 proxy). Inc.: LA. Addr.: 228 St. Charles Avenue, New Orleans, LA 70130. Tel.: (504) 586-7272. Internet: www.whitneybank.com.

Shares of Whitney Holding continue to fall. The stock is down 7% since our May report and 25% over the past year. The most recent decline stemmed from the company's June-period results. For the quarter, share earnings were $0.20, well below our estimate and the year-ago tally. The poor results were mainly attributed to increased net charge-offs. Whitney's operations are mostly based in Louisiana and Florida, two markets hit hardest by the housing slump and credit crisis. During the quarter, management added a large amount of funds to its provision for loan losses, and we believe that net charge-offs will remain elevated over the next several quarters. Thus, we have lowered our 2008 share-net estimate by 30%, to $1.15.

The company's prospects for 2009 are unexciting, as well. The bulk of Whitney's operations are in regions of the U.S. that have been hit hardest by the slumping economy and credit crisis. The economy will likely remain weak until at least the second half of 2009, which will hurt Whitney's lending operations and lead to additional net charge-offs. Also, stiff competition for deposits and good-quality loans should remain fierce. This will probably cause decreases in prices and a further narrowing of the net interest margin over the next few quarters. All told, we have lowered our 2009 share-net estimate for Whitney by about 20%, to $1.50.

At present, earnings do not cover the dividend payout. We estimate that Whitney will earn $75 million in profits this year, but the current dividend yield of 5.8% could cost the company about $80 million. On the bright side, a dividend cut will likely not occur at this time, but if operations do not improve soon, a cut may be necessary within the next few quarters.

This equity does not stand out for the short or long term. Increased net charge-offs ought to lead to a share-net decline this year, and our Timeliness Ranking System suggests that this stock will lag the year-ahead market. In addition, this issue already trades within our projected Target Price Range for 2011–2013, limiting appreciation potential to that time frame. **That said, income-oriented accounts may find the dividend yield appealing.**

Ian Gendler *August 22, 2008*

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	85

(A) Fully diluted earnings. Excludes nonrecurring gain/(loss): '07, $0.29. Next earnings report due late Oct.

(B) Dividends historically paid early Jan., Apr., July, and Oct.

(C) In millions, adjusted for splits.

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WEIGHT WATCHERS NYSE-WTW

RECENT PRICE 36.13 | P/E RATIO 12.5 (Trailing: 14.1 / Median: NMF) | RELATIVE P/E RATIO 0.81 | DIV'D YLD 1.9% | VALUE LINE

TIMELINESS 3 Lowered 5/30/08
SAFETY 3 New 5/17/02
TECHNICAL 3 Raised 6/27/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+205%)	33%
Low	75	(+110%)	21%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	1	1	1
to Sell	0	0	1	0	0	0	1	1	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	81	81	83
to Sell	66	49	69
Hld's(000)	39547	40767	42359

LEGENDS
— 24.0 x "Cash Flow" p sh
···· Relative Price Strength
Options: Yes
Shaded area indicates recession

	High:	36.0	50.4	48.7	46.3	58.9	54.1	58.2	50.2
	Low:	28.3	31.3	35.3	31.8	40.1	37.5	44.5	33.1

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-28.9	-16.0
3 yr.	-28.4	11.3
5 yr.	-18.7	63.2

Weight Watchers International, Inc. was founded in 1963. The company became a publicly held corporation in 1968, and 10 years later became a wholly owned subsidiary of H.J. Heinz Company. In 1999, it was purchased in a leveraged buyout by Artal Luxembourg, S.A. for $757 million. Subsequently, the IPO of 17,400,000 of Artal's Weight Watchers shares at $24 a share was completed on 11/15/01 through Credit Suisse First Boston.

CAPITAL STRUCTURE as of 3/29/08
Total Debt $1588.5 mill. Due in 5 Yrs $1122.1 mill.
LT Debt $1507.9 mill. LT Interest $40.0 mill.
(Total interest earned: 8.4x; total interest coverage: 7.7x)

Leases, Uncapitalized: Annual rentals $24.4 mill.

No Defined Benefit Pension Plan

Common Stock 78,930,105 shs.
as of 4/30/08
MARKET CAP: $2.9 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	37.5	39.8	59.4
Receivables	40.3	42.4	51.1
Inventory (Avg Cst)	38.5	44.6	39.8
Other	38.4	59.5	66.7
Current Assets	154.7	186.3	217.0
Accts Payable	31.9	42.7	40.9
Debt Due	19.0	45.6	80.6
Other	185.6	270.1	347.2
Current Liab.	236.5	358.4	468.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	16.0%	13.5%
"Cash Flow"	--	16.5%	12.0%
Earnings	--	17.0%	12.0%
Dividends	--	--	NMF
Book Value	--	--	NMF

Calendar	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	5.91	7.62	8.88	10.01	11.45	12.85	18.48	20.15	21.45	Revenues per sh	26.20
	--	--	--	.81	1.41	1.71	1.88	2.14	2.24	2.79	3.20	3.50	"Cash Flow" per sh	4.60
	--	--	--	.66	1.31	1.59	1.70	1.94	2.06	2.50	2.90	3.25	Earnings per sh [A]	4.25
	--	--	--	--	--	--	--	--	.53	.70	.70	.70	Div'ds Decl'd per sh	.70
	--	--	--	.04	.05	.05	.05	.15	.15	.23	.15	.15	Cap'l Spending per sh	.20
	--	--	--	d1.08	.44	1.70	1.92	d.80	d.70	d11.67	d9.80	d7.35	Book Value per sh [C]	d.15
	--	--	--	105.50	106.28	106.35	102.41	100.58	97.50	79.41	79.00	78.00	Common Shs Outst'g [B]	77.00
	--	--	--	49.4	31.5	26.4	22.9	25.0	22.3	20.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
	--	--	--	2.53	1.72	1.51	1.21	1.33	1.20	1.06			Relative P/E Ratio	1.45
	--	--	--	--	--	--	--	--	1.1%	1.4%			Avg Ann'l Div'd Yield	.8%
	--	--	--	623.9	809.6	943.9	1024.9	1151.3	1233.3	1467.2	1590	1695	Revenues ($mill)	2015
	--	--	--	33.7%	37.4%	34.2%	30.8%	31.5%	31.9%	31.0%	30.5%	31.5%	Operating Margin	32.5%
	--	--	--	15.3	6.1	7.1	10.2	13.7	13.4	19.0	22.0	22.0	Depreciation ($mill)	25.0
	--	--	--	71.7	143.7	174.6	182.0	202.0	204.9	202.5	230	255	Net Profit ($mill)	330
	--	--	--	43.4%	39.0%	37.5%	34.0%	38.0%	38.3%	38.5%	38.5%	38.5%	Income Tax Rate	38.5%
	--	--	--	11.5%	17.7%	18.5%	17.8%	17.5%	16.6%	13.8%	14.4%	15.1%	Net Profit Margin	16.0%
	--	--	--	d24.1	22.0	d19.6	d26.8	d38.2	d81.8	d172.1	d10.0	d100	Working Cap'l ($mill)	195
	--	--	--	458.3	436.3	454.3	466.1	741.4	830.2	1602.5	1400	1100	Long-Term Debt ($mill)	800
	--	--	--	d87.5	46.5	181.2	196.4	d80.7	d68.4	d926.3	d780	d580	Shr. Equity ($mill)	d15.0
	--	--	--	25.7%	33.8%	29.8%	28.7%	32.1%	29.8%	37.8%	45.0%	58.0%	Return on Total Cap'l	48.0%
	--	--	--	--	308.7%	96.4%	92.7%	--	92.7%	NMF	NMF	NMF	Return on Shr. Equity	NMF
	--	--	--	--	308.7%	96.4%	92.7%	--	92.7%	NMF	NMF	NMF	Retained to Com Eq	NMF
	--	--	--	2%	--	--	--	--	25%	29%	24%	22%	All Div'ds to Net Prof	16%

BUSINESS: Weight Watchers International, Inc. is a leading provider of weight loss services, serving 28 countries worldwide. The company promotes a program of lifestyle changes and behavior modification through weekly classroom meetings. Generates 60% (as of 12/07) of revenues through the collection of meeting fees, with the remaining 40% via product sales (snack bars, POINTS calculators), franchise income, and licensing and publishing revenues. Artal Group owns 55.0% of comm.; Delaware Mgmt. Business Trust, 11.2%; FMR, 10.5%; off./dir., 1.1% (3/07 Proxy). Inc.: VA. Chrmn.: Raymond Debbane. Pres. and CEO: David Kirchhoff. Addr.: 175 Crossways Park West, Woodbury, NY 11797. Tel.: 516-390-1400. Internet: weightwatchersinternational.com.

We've lowered our 2008 share-net estimate for Weight Watchers International by a dime, to $2.90. Our assessment represents a 16% increase over the $2.50 that the marketer of weight management products and services earned in 2007. We previously thought that earnings would advance 20% this year. A less-aggressive stance appears warranted, given a generally challenging environment for consumer discretionary spending. Initial costs associated with Weight Watchers' Chinese joint venture (jv) are also likely to limit bottom-line growth.

The company is establishing a weight-management business in China, through a jv with yogurt and food maker Groupe Danone of France. Weight Watchers owns a 51% stake in the venture. The start-up of retail operations within the world's most populous country is expected to cost Weight Watchers up to a nickel in share net this year.

Continued declines in support-meeting attendance remain a concern, as well. The total number of paid weeks is still growing, coinciding with the ongoing rollout of Monthly Pass, an auto-renewal membership plan that allows unlimited access to meetings. (Note: The company is transitioning from a "pay as you go" business model) Overall support-meeting attendance in Weight Watchers' core North American operations, nonetheless, is down about 5%, year over year. Lower attendance is limiting the growth of in-meeting product sales.

The company is a long-term investment play on the growing problem of obesity in the developed world. Growth in new, innovative programs will, no doubt, be key to Weight Watchers' success. The lack thereof has largely been cited for recent declines in support meeting attendance. That said, there is the risk that new programs won't resonate with dieters. The company also continues to face stiff competition in the weight management space.

Weight Watchers shares are ranked 3 (Average) for year-ahead price performance. Long-term investors should be well rewarded, though. Strong recurring cash flow should enable the company to pursue lucrative growth opportunities.

Nils C. Van Liew *August 8, 2008*

QUARTERLY REVENUES ($ mill.) Calendar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	330.0	312.6	257.5	251.2	1151.3
2006	342.0	321.1	284.8	285.4	1233.3
2007	399.4	386.3	337.5	344.0	1467.2
2008	437.0	420	365	368	1590
2009	465	445	390	395	1695

EARNINGS PER SHARE[A] Calendar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.50	.58	.48	.38	1.94
2006	.56	.59	.52	.39	2.06
2007	.65	.73	.62	.50	2.50
2008	.72	.84	.70	.64	2.90
2009	.80	.93	.79	.73	3.25

QUARTERLY DIVIDENDS PAID[D] Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	.175	.175	.175	.53
2007	.175	.175	.175	.175	.70
2008	.175	.175			

(A) Diluted earnings. Excludes nonrecurring gain/(loss): '01, $0.68; '03, ($0.28); '04, $0.01; '05, ($0.27). Next earnings report due mid-August.
(B) In millions.
(C) Incl. intangibles. In 2007: $803.1 mill., $10.11/share.
(D) Dividend initiated 4/06. Dividend historically paid in mid-March, June, September, and December.

Company's Financial Strength	B
Stock's Price Stability	65
Price Growth Persistence	35
Earnings Predictability	85

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WWE INC. NYSE-WWE

RECENT PRICE 15.59 | P/E RATIO 16.4 (Trailing: 20.9 Median: NMF) | RELATIVE P/E RATIO 1.05 | DIV'D YLD 9.2% | VALUE LINE

TIMELINESS 3 Lowered 8/15/08
SAFETY 3 New 8/17/07
TECHNICAL 2 Raised 8/8/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+125%)	22%
Low	25	(+60%)	13%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	1
Options	0	0	0	0	0	0	3	0	1
to Sell	1	0	2	0	0	0	4	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	47	52	67
to Sell	54	44	40
Hld's(000)	20302	19881	20250

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006E	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	34.0	22.5	22.0	15.8	13.8	15.4	15.0	18.5	18.6	19.9				
Low:	14.1	9.8	10.3	6.8	7.4	11.1	9.9	14.2	13.5	13.4				
	--	5.56	6.25	5.83	5.32	5.48	5.32	5.67	3.70	6.77	7.10	7.40	Sales per sh A	9.05
	--	.91	.96	.70	.38	.91	.72	.81	.52	.86	1.20	1.40	"Cash Flow" per sh	1.85
	--	.95	.87	.52	.22	.72	.54	.67	.44	.72	.95	1.15	Earnings per sh AB	1.50
	--	--	--	--	--	.16	.36	.72	.72	.96	1.44	1.44	Div'ds Decl'd per sh D	1.44
	--	.22	.71	.26	.19	.37	.07	.13	.07	.25	.30	.20	Cap'l Spending per sh	.20
	--	3.79	4.77	5.34	4.79	5.16	5.45	5.62	5.43	5.34	5.20	5.20	Book Value per sh A	5.80
	--	68.17	72.93	72.86	70.42	68.43	68.88	70.56	71.00	71.79	72.50	73.00	Common Shs Outst'g C	74.50
	--	18.3	19.4	24.9	44.1	16.1	22.8	20.1	37.4	22.0	Bold figures are		Avg Ann'l P/E Ratio	20.0
	--	1.10	1.26	1.28	2.41	.92	1.20	1.07	2.02	1.15	Value Line		Relative P/E Ratio	1.35
	--	--	--	--	--	1.4%	2.9%	5.3%	4.4%	6.1%	estimates		Avg Ann'l Div'd Yield	4.4%
	--	379.3	456.0	425.0	374.3	374.9	366.4	400.1	262.9	485.7	515	540	Sales ($mill) A	675
	--	19.0%	20.2%	13.0%	10.0%	23.9%	18.1%	21.4%	17.0%	16.0%	21.0%	22.0%	Operating Margin	25.0%
	--	2.5	7.2	13.1	11.0	12.4	11.9	10.5	5.6	9.3	10.0	11.0	Depreciation ($mill)	15.0
	--	59.6	62.9	37.6	16.1	49.6	37.8	47.0	31.6	52.1	70.0	85.0	Net Profit ($mill)	110
	--	20.3%	37.1%	36.9%	40.2%	38.0%	33.0%	39.6%	31.5%	31.8%	32.0%	32.0%	Income Tax Rate	33.0%
	--	15.7%	13.8%	8.8%	4.3%	13.2%	10.3%	11.8%	12.0%	10.7%	13.6%	15.6%	Net Profit Margin	16.5%
	--	219.8	255.2	287.0	275.1	265.6	278.1	285.2	255.3	276.1	290	315	Working Cap'l ($mill)	405
	--	10.4	9.9	9.3	9.1	8.0	7.2	6.4	5.8	4.9	4.0	3.5	Long-Term Debt ($mill)	2.0
	--	258.5	347.9	389.4	337.4	353.1	375.5	396.2	385.7	383.4	375	375	Shr. Equity ($mill)	425
	--	22.6%	17.7%	9.5%	4.8%	13.8%	10.0%	11.8%	8.1%	13.5%	18.5%	22.0%	Return on Total Cap'l	26.0%
	--	23.1%	18.1%	9.7%	4.8%	14.0%	10.1%	11.9%	8.2%	13.6%	18.5%	22.5%	Return on Shr. Equity	26.0%
	--	23.1%	18.1%	9.7%	4.8%	10.9%	3.5%	NMF	NMF	NMF	NMF	NMF	Retained to Com Eq	5.0%
	--	--	--	--	--	22%	65%	106%	NMF	NMF	NMF	NMF	All Div'ds to Net Prof	NMF

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	17.8	-12.2
3 yr.	80.8	7.2
5 yr.	109.9	58.6

Target Price Range 2011 | 2012 | 2013

World Wrestling Entertainment was founded in 1980, and completed its initial public offering of 10,000,000 shares of Class A Common stock priced at $17.00 a share on October 25, 1999, underwritten by Bear Stearns and Co. Inc. A second offering of 6,140,000 shares priced at $11.50 a share was completed in May, 2004, underwritten by UBS Securities LLC.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $5.5 mill. Due in 5 Yrs $5.4 mill.
LT Debt $4.6 mill. LT Interest $.4 mill.

(Interest not covered) (1% of Cap'l)

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 47,713,563 shs.
as of 4/30/08

MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MILL.)	2006 E	2007	3/31/08
Cash Assets	248.2	266.4	220.1
Receivables	52.1	56.6	85.6
Inventory (Avg Cst)	3.0	4.7	5.2
Other	13.8	20.0	20.5
Current Assets	317.1	347.7	331.4
Accts Payable	14.9	22.0	19.9
Debt Due	.9	.9	.9
Other	46.0	48.7	67.9
Current Liab.	61.8	71.6	88.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	-1.5%	9.0%
"Cash Flow"	--	1.5%	16.5%
Earnings	--	2.5%	16.0%
Dividends	--	--	10.5%
Book Value	--	2.0%	1.0%

Calendar	QUARTERLY SALES ($ mill.) A Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Year
2006	93.3	96.2	73.4	E	262.9
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	107.4	137.5	108.1	132.7	485.7
2008	162.6	129.7	100	122.7	515
2009	120	170	120	130	540

Calendar	EARNINGS PER SHARE AB Jul.Per	Oct.Per	Jan.Per	Apr.Per	Full Year
2006	.16	.15	.13	E	.44
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.21	.10	.12	.29	.72
2008	.27	.10	.19	.39	.95
2009	.20	.30	.20	.45	1.15

Calendar	QUARTERLY DIVIDENDS PAID C Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2004	.06	.06	.12	.12	.36
2005	.12	.12	.24	.24	.72
2006	.24	.24	.24	.24	.96
2007	.24	.24	.24	.24	.96
2008	.36	.36			

BUSINESS: World Wrestling Entertainment, Inc., an integrated media and entertainment company, engages in the development, production, and marketing of television and pay-per-view programming, and live events, as well as in the licensing and sale of branded consumer products. Segments include: Live and Televised Entertainment (65% of '07 rev.), Consumer Products (24%), Digital Media (7%), and WWE Films (4%). Off. and dir. own 67.1% of common stock; Invamed Catalyst Fund, 10.8%; Renaissance Tech., 8.0% (4/08 proxy). Has about 570 employees, not including their "Superstars", who are independent contractors. Chairman: Vincent McMahon. Address: 1241 East Main Street, Stamford, CT 06902. Telephone: (203) 352-8600. Internet: http://www.wwe.com.

This should be a solid year for World Wrestling Entertainment. Although earnings for the second quarter were flat on a year-over-year basis, investors should note that the bottom line was hampered by a $3.5 million charge for the "McMahon's Million Dollar Mania" promotion. Also hindering year-to-year comparisons is the timing of the *WrestleMania* event, which occurred in the first quarter this year, and in the second quarter of 2007. Excluding this show, pay-per-view buys for comparable events increased by 6%. Also offsetting the timing of the event was the 25% increase of contributions from the home video division, boosted by record sales of the *Wrestlemania 24* DVD.

The company should be able to sustain this momentum. Although the domestic live-event market has been subdued due to difficulties in the economy, this has been offset by rising demand for these tours in the international markets. Sales contributions from WWE.com have been relatively flat; this segment usually adds more to margins during the fourth quarter. As such, we expect the bottom line to advance approximately 39% and 15% for 2008 and 2009, respectively.

WWE has drafted performers over to its Smackdown brand to draw greater interest for its *MyNetworkTv* debut. In an effort to enhance its presence on free TV, a number of the more-popular superstars were sent over to the Smackdown show, and should draw more interest in the show for its October 3rd premiere.

The company is expanding its focus to bolster earnings growth. As a reflection of this strategy, the former WWE Films division has been changed to WWE Studios, and will expand its new productions into the direct-to-DVD, scripted television and reality TV programming markets. This should enhance share-net advances for the 2011–2013 stretch.

These neutrally ranked shares have above-average price appreciation potential over the coming 3 to 5 years. Although the attractive dividend yield does not appear to be covered by available cash flow or share net, investors should note that the Class 'B' shareholders have waived the increase for the first three years (receiving $0.24 per share).

John D. Burke *August 15, 2008*

(A) Fiscal year ended April 30 thru 2005, then cal. yr.
(B) Diluted earnings. Next earnings report due early November.
(C) In millions.
(D) Dividend historically paid in March, June, September, and December.
(E) 2006 results from the 8 month transition period ending Dec. 31, 2006.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	15
Earnings Predictability	NMF

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WYETH NYSE-WYE

RECENT PRICE 49.48 | P/E RATIO 14.1 (13.8 21.0) | RELATIVE P/E RATIO 0.93 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 3 Raised 7/30/04
SAFETY 1 Raised 7/18/08
TECHNICAL 3 Lowered 6/13/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+50%)	13%
Low	60	(+20%)	8%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	1
Options	0	0	0	0	0	0	0	0	1
to Sell	0	0	2	0	0	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	402	379	346
to Sell	603	561	581
Hld's(000)	1050228	1079810	1071861

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE PUB., INC.	11-13
High:	42.4	58.8	70.3	65.3	63.8	66.5	49.9	44.7	47.9	54.1	62.2	48.8								
Low:	28.5	37.8	36.5	39.4	52.0	28.3	32.8	33.5	38.5	41.9	43.7	38.4								
	6.29	6.69	7.30	10.66	11.01	10.91	10.26	10.39	10.11	10.70	11.00	11.90	13.00	13.96	15.13	16.74	*17.95*	*19.20*	Net Revenues per sh	*23.50*
	1.26	1.38	1.49	1.61	1.99	1.96	2.35	2.08	2.17	2.52	2.58	2.67	3.01	3.51	3.75	4.23	*4.20*	*4.40*	"Cash Flow" per sh	*5.60*
	1.09	1.18	1.24	1.10	1.48	1.67	1.80	1.77	1.93	2.19	2.24	2.29	2.58	2.96	3.18	3.58	*3.50*	*3.65*	Earnings per sh [A]	*4.60*
	.67	.72	.74	.76	.78	.83	.87	.91	.92	.92	.92	.92	.92	.94	1.01	1.06	*1.12*	*1.17*	Div'ds Decl'd per sh [B=]	*1.35*
	.34	.42	.38	.51	.51	.64	.62	.77	1.28	1.46	1.46	1.43	.94	.81	.96	1.04	*1.10*	*1.20*	Cap'l Spending per sh	*1.50*
	2.85	3.12	3.46	4.42	5.44	6.29	7.33	4.77	2.15	3.08	6.15	6.98	7.38	8.93	10.89	13.61	*15.65*	*17.80*	Book Value per sh [C]	*24.25*
	1252.2	1241.3	1228.6	1254.8	1280.0	1300.8	1312.4	1303.9	1311.8	1320.6	1326.1	1332.5	1335.1	1343.3	1345.2	1337.8	*1327.0*	*1322.0*	Common Shs Outst'g [D]	*1340.0*
	16.9	13.5	12.1	17.9	19.1	21.3	27.4	30.4	28.4	26.8	21.9	18.2	15.0	14.7	15.2	14.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*14.5*
	1.02	.80	.79	1.20	1.20	1.23	1.43	1.73	1.85	1.37	1.20	1.04	.79	.78	.82	.74			Relative P/E Ratio	*.95*
	3.6%	4.5%	4.9%	3.8%	2.8%	2.3%	1.6%	1.7%	1.7%	1.6%	1.9%	2.2%	2.4%	2.2%	2.1%	2.1%			Avg Ann'l Div'd Yield	*2.0%*
							13463	13550	13283	14129	14584	15851	17358	18756	20351	22400	*23815*	*25400*	Net Revenues ($mill)	*31500*
							27.0%	25.6%	27.2%	29.1%	27.7%	27.9%	27.3%	27.8%	29.1%	30.9%	*30.5%*	*31.0%*	Operating Margin	*35.0%*
							371.1	386.0	336.2	426.6	461.6	505.7	581.6	749.2	761.7	842.7	*920*	*1000*	Depreciation ($mill)	*1370*
							2714.8	2319.9	2514.0	2900.3	2962.6	3046.2	3441.3	3963.4	4280.8	4810.4	*4650*	*4835*	Net Profit ($mill)	*6160*
							30.9%	27.1%	25.9%	24.1%	21.1%	21.3%	21.5%	20.3%	24.2%	28.5%	*31.0%*	*31.0%*	Income Tax Rate	*33.0%*
							20.2%	17.1%	19.0%	20.5%	20.3%	19.2%	19.8%	21.1%	21.0%	21.5%	*19.5%*	*19.0%*	Net Profit Margin	*19.5%*
							3744.9	2627.9	438.7	2509.6	6120.2	6532.7	5902.5	8096.8	10292	15659	*16300*	*16700*	Working Cap'l ($mill)	*14500*
							3859.2	3668.6	2394.8	7357.3	7546.0	8076.4	7792.3	9231.5	9096.7	11493	*11800*	*11900*	Long-Term Debt ($mill)	*11600*
							9614.8	6214.7	2818.1	4072.6	8155.9	9294.4	9847.9	11994	14653	18211	*20800*	*23500*	Shr. Equity ($mill)	*32500*
							20.9%	24.5%	48.7%	25.9%	19.4%	17.8%	19.8%	18.8%	18.0%	16.3%	*15.5%*	*14.5%*	Return on Total Cap'l	*15.0%*
							28.2%	37.3%	89.2%	71.2%	36.3%	32.8%	34.9%	33.0%	29.2%	26.4%	*22.5%*	*20.5%*	Return on Shr. Equity	*19.0%*
							16.3%	18.3%	46.6%	41.5%	21.4%	19.6%	22.5%	22.5%	19.9%	18.6%	*15.0%*	*14.0%*	Retained to Com Eq	*13.5%*
							42%	51%	48%	42%	41%	40%	36%	32%	32%	30%	*32%*	*32%*	All Div'ds to Net Prof	*29%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.3	-18.0
3 yr.	15.2	11.3
5 yr.	17.8	63.2

CAPITAL STRUCTURE as of 3/31/08
Total Debt $11682.7 mill. Due in 5 Yrs $1915.0 mill.
LT Debt $11669.9 mill. LT Interest $630.0 mill.
(LT Interest earned: 75.3x; Total Interest coverage: 75.3x) (38% of Cap'l)
Pension Assets-12/07 $5.0 bill. Oblig. $5.5 bill.
Pfd Stock $.02 mill. Pfd Div'd $.02 mill.
$2.00 convertible preferred stock ($2.50 par) callable at $60 ea. convert. into 36.0 com. shs. (Less than 1% of Cap'l)
Common Stock 1,333,338,322 shs.
as of 4/30/08
MARKET CAP: $66.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	8727.2	13447.7	12765.1
Receivables	3383.3	3528.0	4217.8
Inventory (FIFO)	2480.5	3035.4	3190.1
Other	2923.2	2972.5	2969.2
Current Assets	17514.2	22983.6	23142.2
Accts Payable	1116.8	1268.6	1063.3
Debt Due	124.2	311.6	12.8
Other	5980.8	5744.1	5548.0
Current Liab.	7221.8	7324.3	6624.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Net Revenues	3.5%	7.5%	*7.5%*
"Cash Flow"	7.5%	9.5%	*6.5%*
Earnings	8.5%	9.0%	*6.0%*
Dividends	2.5%	1.5%	*5.0%*
Book Value	7.5%	24.0%	*14.0%*

Calendar	QUARTERLY NET REVENUE ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	4579	4714	4716	4747	18756
2006	4838	5157	5136	5220	20351
2007	5369	5648	5619	5764	22400
2008	5711	*6004*	*6000*	*6100*	*23815*
2009	*6100*	*6400*	*6400*	*6500*	*25400*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.81	.73	.82	.60	2.96
2006	.85	.81	.85	.67	3.18
2007	.95	.92	.92	.79	3.58
2008	.95	*.88*	*.89*	*.78*	*3.50*
2009	*.94*	*.93*	*.95*	*.83*	*3.65*

Calendar	QUARTERLY DIVIDENDS PAID [B=] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.23	.23	.23	.23	.92
2005	.23	.23	.23	.25	.94
2006	.25	.25	.25	.26	1.01
2007	.26	.26	.26	.28	1.06
2008	.28	.28			

BUSINESS: Wyeth is a leading manufacturer of prescription, over-the-counter, and proprietary drugs (infant formulas, cold remedies). Important product names include *Effexor, Protonix, Advil, Centrum, Dimetapp, Robitussin, Caltrate,* and *Rapamune.* Acquired A.H. Robins, '89; Genetics Institute, '96; Solvay S.A., '97; Solgar Vitamin and Herb Co., '98; and others. Divested household products unit, '90; food unit, '97; medical devices business, '98; agricultural prod. unit, '00; and others. International business: 48% of sales. '07 depreciation rate: 5.2%. Has around 50,530 employees. President and Chief Executive Officer: Bernard Poussot. Incorporated: Delaware. Address: Five Giralda Farms, Madison, New Jersey 07940. Telephone: 973-660-5000. Internet: www.wyeth.com.

Wyeth has registered lackluster earnings of late. That can be traced largely to the Pharmaceuticals division, which is encountering a sharp decline in sales of *Protonix* because generic forms of that drug were launched by Teva Pharmaceuticals and Sun Pharmaceuticals. (The company is seeking to remedy the situation through cost-cutting measures. A patent-infringement suit is in the works, as well.) To make matters worse, the performance of the Animal Health unit is suffering from diminished sales of equine and companion animal products. Though corporate results are being aided by the Consumer Healthcare operation (thanks to healthy demand for *Centrum, Advil,* and *Caltrate*), plus the repurchase of common stock, the bottom line may decline moderately in 2008. But share net ought to recover next year, supported by new products (discussed below) and benefits from the aforesaid restructuring plan.

Some promising drugs were introduced over the past year. In 2007, *Tbrisel* (for people with advanced renal cell carcinoma) and *Lybrel* (oral contraceptive for women) were brought to market. What is more, *Pristiq* (depression), *Xyntha* (hemophilia A), and *Relistor,* in Canada, for opioid-induced constipation, received the green light from regulators during this year's first quarter. It should also be mentioned that an Alzheimer drug is in clinical trials. If approved, this pharmaceutical would mark a major step in the treatment of that disease (estimated to afflict more than 25 million people worldwide).

We are positive about Wyeth's operating performance out to 2011-2013. The company boasts a variety of commonly used prescription drugs, vaccines, and over-the-counter medications. Other strengths include significant foreign operations and strategic alliances with top-flight drug firms. Excluding future business combinations, annual share-net gains ought to be in the upper-single-digit range over the 3- to 5-year horizon.

These high-quality shares have strengthened in recent months, arising partially, it appears, from market optimism surrounding the aforesaid Alzheimer drug. But the Timeliness rank is only 3 (Average).

Frederick L. Harris, III *July 18, 2008*

(A) Primary egs. thru 1996, basic after. Next egs. report due late July. Excl. nonrec. gains (losses): '92, 36¢; '94, 22¢; '95, 57¢; '97, (9¢); '98, 25¢; '99, ($2.71); '00, ($2.60); '01, (46¢); '02, $1.12; '03, (75¢); '04, ($1.65); '05, (22¢); '06, (6¢); '07, (14¢); Q1 '08, (5¢). Excl. loss from discont. ops.: '00, $1.12. Incl. restruct. charge: '95, 19¢.
(B) Dividends historically paid in early March, June, Sept., Dec. ■ Div'd reinvest. plan.
(C) Incl. intang. in '07: $4,518.6 mill., $3.38/sh.
(D) In millions, adjusted for splits.

Company's Financial Strength	A+
Stock's Price Stability	85
Price Growth Persistence	20
Earnings Predictability	100

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RECENT PRICE 33.44 | P/E RATIO 4.8 (Trailing: 4.5 Median: 15.0) | RELATIVE P/E RATIO 0.30 | DIV'D YLD 4.5% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 3 Lowered 3/21/08
TECHNICAL 4 Raised 6/13/08
BETA 1.20 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+200%)	34%
Low	65	(+95%)	21%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	1	0	0	0	0
Options	0	1	0	0	2	0	0	0	0
to Sell	0	1	1	0	2	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	166	179	158
to Sell	173	194	183
Hld's(000)	173166	177641	179864

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	65.2	84.0	77.3	89.3	96.5	98.5	88.9	82.0	79.8	72.9	85.7	52.3								
Low:	36.9	59.1	41.9	39.0	61.5	58.4	63.5	66.7	60.0	59.8	48.2	27.7								
	3.74	4.18	4.87	5.90	5.94	6.41	6.30	13.69	16.26	20.63	36.50	45.29	51.42	38.28	36.98	36.08	*34.45*	*32.95*	P/C Prem Earned p sh [A]	*36.00*
	1.58	1.50	1.70	2.12	2.28	2.57	2.57	4.11	4.34	4.18	5.40	5.68	7.16	8.21	10.93	12.64	*11.30*	*11.95*	Investment Inc p sh	*14.55*
	.27	.34	.31	.35	.38	.91	.89	d1.90	d1.62	d9.44	.07	d2.58	d.27	d12.80	4.48	4.22	*2.50*	*2.00*	Underwriting Inc p sh	*1.10*
	2.51	3.41	1.33	3.22	5.39	7.84	6.32	3.69	4.07	d4.55	5.14	2.12	5.92	d10.86	9.83	8.86	*7.00*	*6.85*	Earnings per sh [B]	*8.60*
	.35	.53	.62	.70	.95	1.38	1.64	1.76	1.80	1.84	1.88	1.92	1.96	2.00	1.52	1.52	*1.52*	*1.52*	Div'ds Decl'd per sh [C]	*1.68*
	14.87	16.86	15.73	21.22	24.27	29.37	44.33	43.64	44.58	40.35	44.48	46.74	51.98	44.30	53.12	50.30	*50.85*	*50.50*	Book Value per sh [D]	*61.15*
	108.47	109.31	107.05	94.55	87.17	84.41	108.69	127.81	125.02	134.73	136.06	137.34	138.93	179.56	180.98	177.91	*177.00*	*176.00*	Common Shs Outst'g [E]	*175.00*
	125%	139%	131%	115%	143%	166%	160%	133%	136%	199%	188%	164%	144%	161%	126%	145%	*Bold figures are*		Price to Book Value	*135%*
	7.4	6.9	15.5	7.6	6.4	6.2	11.2	15.7	14.9	--	16.2	36.3	12.7	--	6.8	8.2	*Value Line*		Avg Ann'l P/E Ratio	*9.5*
	.45	.41	1.02	.51	.40	.36	.58	.89	.97	--	.88	2.07	.67	--	.37	.44	*estimates*		Relative P/E Ratio	*.65*
	1.9%	2.2%	3.0%	2.8%	2.7%	2.8%	2.3%	3.0%	3.0%	2.3%	2.3%	2.5%	2.6%	2.8%	2.3%	2.1%			Avg Ann'l Div'd Yield	*2.1%*
	685.2	1750.1	2032.2	2779.9	4966.8	6220.7	7143.8	6873.6	6691.9	6418.6	*6100*	*5800*	P/C Premiums Earned	*6300*
	57.0%	74.5%	70.5%	105.0%	67.0%	74.1%	68.1%	107.1%	60.7%	59.8%	*65.0%*	*66.0%*	Loss to Prem Earned	*66.0%*
	29.4%	36.2%	38.0%	40.7%	32.8%	28.7%	30.8%	25.8%	27.8%	29.0%	*29.0%*	*29.0%*	Expense to Prem Writ	*28.5%*
	13.6%	-10.8%	-8.5%	-45.7%	.2%	-2.8%	1.1%	-32.9%	11.5%	11.2%	*6.0%*	*5.0%*	Underwriting Margin	*3.5%*
	.9%	--	--	--	--	6.1%	8.5%	--	9.7%	22.3%	*12.0%*	*12.0%*	Income Tax Rate	*10.0%*
	587.7	470.5	506.4	d576.1	716.1	333.6	816.6	d1495	1803.7	1661.7	*1310*	*1275*	Net Profit ($mill)	*1585*
	4.4%	6.0%	5.9%	4.9%	4.9%	3.5%	3.5%	3.9%	4.7%	5.7%	*5.5%*	*5.5%*	Inv Inc/Total Inv	*5.5%*
	10109	15091	16942	27963	35647	40764	49015	58455	59309	57762	*56000*	*55000*	Total Assets ($mill)	*62000*
	4817.9	5577.1	5573.7	5437.2	6569.6	6936.9	7738.7	8471.8	10131	9948.1	*10000*	*9885*	Shr. Equity ($mill) [D]	*11700*
	12.2%	8.4%	9.1%	NMF	10.9%	4.8%	10.6%	NMF	17.8%	16.7%	*13.0%*	*13.0%*	Return on Shr. Equity	*13.5%*
	9.1%	4.6%	5.0%	NMF	7.4%	.5%	7.0%	NMF	15.5%	14.7%	*11.0%*	*10.5%*	Retained to Com Eq	*11.5%*
	26%	45%	45%	NMF	37%	91%	38%	NMF	18%	21%	*26%*	*26%*	All Div'ds to Net Prof	*23%*

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-56.0	-9.7
3 yr.	-49.9	27.3
5 yr.	-54.4	85.8

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2869.0 mill. Due in 5 Yrs $1600.0 mill.
LT Debt $2869.0 mill. Total Interest $100.0 mill. (22% of Cap'l)

Leases, Uncapitalized Annual rentals $35.2 mill.
No Defined Benefit Pension Plan
Pfd Stock $1000.0 mill. Pfd. Div'd $65.0 mill.
1.0 mill. shs. 6.5% Series E, liqu. val. $1,000 a sh.

Common Stock 179,038,908 shs.
as of 5/5/08
MARKET CAP: $6.0 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	36121.4	33607.8	30442.5
Stocks	891.1	854.8	665.8
Other	22296.4	23299.7	23692.8
Total Assets	59308.9	57762.3	54801.1
Unearned Prems	5652.9	4682.0	5531.2
Reserves	22895.0	23207.7	23385.2
Other	20067.7	19922.0	16647.7
Total Liab'ties	48615.6	47811.7	45544.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	20.0%	8.5%	-.5%
Invest Income	16.5%	18.0%	5.5%
Earnings	-7.0%	11.0%	22.0%
Dividends	5.5%	-2.0%	NMF
Book Value	7.0%	2.5%	3.5%

Calendar	PREMIUMS EARNED ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1766.3	1727.6	1655.3	1724.4	6873.6
2006	1666.4	1701.0	1699.2	1625.3	6691.9
2007	1597.7	1651.1	1583.3	1586.5	6418.6
2008	1552.8	*1540*	*1510*	*1497.2*	*6100*
2009	*1475*	*1450*	*1450*	*1425*	*5800*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2.49	.72	d8.01	d5.82	d10.86
2006	2.26	2.10	2.61	2.86	9.83
2007	3.03	2.84	3.13	d.14	8.86
2008	1.57	*1.83*	*1.80*	*1.80*	*7.00*
2009	*1.65*	*1.70*	*1.75*	*1.75*	*6.85*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.49	.49	.49	.49	1.96
2005	.50	.50	.50	.50	2.00
2006	.38	.38	.38	.38	1.52
2007	.38	.38	.38	.38	1.52
2008	.38	.38			

BUSINESS: XL Capital Ltd., through its wholly owned subsidiaries, provides property/casualty (P/C) insurance and reinsurance coverage, and certain financial services on a worldwide basis. Acquired GCR Holdings in 1997, Mid-Ocean Limited in 1998, and NAC Re in July 1999. Completed the acquisition of Winterthur International in December 2001. Has 4,011 employees. Officers & directors own 2.3% of common stock; Barrow, Hanley, Mewhinney & Strauss, 10.0%; AXA Financial, 7.4%; Capital World Investors, 7.3%; Pzena Investment Management, 6.7% (3/08 proxy). Chairman: Brian M. O'Hara. Chief Executive Officer: Michael S. McGavick. Addr.: One Bermudiana Rd., XL House, Hamilton, Bermuda HM 11. Tel.: (441) 292-8515. Internet: www.xlcapital.com.

XL Capital shares remain depressed, reflecting investors' disappointment with recent operating results. In fact, XL has gotten hammered by its investment operations, while its insurance business is struggling, too. By and large, **Wall Street still seems concerned over the insurance company's exposure to the credit market crisis** through its investment in Security Capital Assurance Ltd. (SCA). Upon conducting an extensive analysis of SCA's underlying financial guarantee portfolio, XL decided to reduce the value of its stake in SCA. Its earnings took a hit last year from that sizable writedown and from other charges associated with its investment portfolio. And the bottom line wasn't spared in the first quarter of 2008 either, missing our estimate by $0.73 and year-ago tally by $1.46. Additional charges and investment writedowns may well be incurred in the months ahead.

Meanwhile, pricing softness in the P/C insurance market persists. Industrywide competition has undoubtedly driven down rates within most P/C insurance lines over the past few years. And we don't expect conditions to improve for a while, which means the top line will likely remain under pressure. That, coupled with an uptick in the loss ratio, may well squeeze underwriting profits.

An earnings turnaround largely hinges on the company reducing its investment-related risk, in our view. Since it has suffered from such losses and there is potential for additional ones, we think it would be prudent for XL to mitigate the risk within its investment portfolio and instead focus on strengthening its core insurance operations. All told, we expect profits to slip further in 2008 and 2009.

These shares have been downgraded to 4, Below Average, for Timeliness, due to the poor price and earnings momentum of late. For the time being, investor interest is likely to remain subdued, as the company works to improve the risk profile of its investment portfolio.

Total return potential for the 3- to 5-year haul is still compelling, however, based on a well-covered dividend and brighter earnings prospects, assuming the P/C insurance backdrop picks up.

J. Susan Ferrara *June 20, 2008*

(A) Premiums Earned excludes Life.
(B) Operating Earnings excludes cap gains/losses 2002 and thereafter. Fiscal Year ended in November through 1998. Calendar year thereafter. Quarterly earnings may not equal total due to anti-dilution. Next earnings report due late July.
(C) Div'ds. historically paid in late March, June, September, and December. ■DRIP available.
(D) Incl. Intangibles. In 2007: $1,841.6 mill., $10.35/share.
(E) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	60
Price Growth Persistence	25
Earnings Predictability	5

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XEROX CORP. NYSE-XRX

RECENT PRICE 13.56 | P/E RATIO 10.4 (11.1 / 18.0) | RELATIVE P/E RATIO 0.68 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Lowered 5/23/08
SAFETY 3 Raised 4/14/06
TECHNICAL 3 Raised 6/15/07
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+120%)	22%
Low	20	(+45%)	11%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	3	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	1	0	0	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	177	201	166
to Sell	230	200	238
Hld's(000)	788090	783994	769175

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	44.0	60.8	63.9	29.3	11.4	11.5	13.9	17.2	17.0	17.3	20.2	16.4								
Low:	25.8	33.1	19.0	3.8	4.7	4.2	7.9	12.5	12.4	13.2	15.3	12.3								
	25.44	23.11	23.72	25.55	26.84	27.84	29.59	28.91	27.97	23.55	21.47	19.78	16.45	16.86	16.80	18.78	*20.60*	*21.80*	Revenues per sh	*25.90*
	2.00	1.84	2.15	2.57	2.87	3.27	3.74	3.47	1.54	1.59	2.01	1.53	1.45	1.62	1.73	1.95	*2.05*	*2.20*	"Cash Flow" per sh	*2.65*
	.86	.85	1.07	1.47	1.66	2.02	2.33	1.96	.12	d.25	.55	.57	.79	.90	1.05	1.19	*1.30*	*1.45*	Earnings per sh [A]	*1.95*
	.50	.50	.50	.50	.56	.63	.70	.78	.80	.05	--	--	--	--	--	--	*.17*	*.20*	Div'ds Decl'd per sh [B]	*.35*
	1.02	.75	.61	.67	.78	.80	.86	.89	.66	.30	.20	.32	.21	.19	.23	.26	*.25*	*.30*	Cap'l Spending per sh	*.40*
	5.74	5.41	5.83	5.22	6.75	7.64	7.39	7.38	5.22	2.52	2.51	4.15	6.53	6.79	7.48	9.36	*9.85*	*10.60*	Book Value per sh	*13.40*
	570.40	624.73	635.96	650.06	647.36	652.48	657.20	665.16	668.58	722.31	738.27	793.88	956.00	931.19	946.21	917.18	*885.00*	*860.00*	Common Shs Outst'g [C]	*800.00*
	14.6	15.5	15.6	13.7	14.8	17.4	21.2	24.5	NMF	--	14.8	18.1	18.2	15.8	14.3	14.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	13.0
	.89	.92	1.02	.92	.93	1.00	1.10	1.40	NMF	--	.81	1.03	.96	.84	.77	.77			Relative P/E Ratio	.85
	4.0%	3.8%	3.0%	2.5%	2.3%	1.8%	1.4%	1.6%	4.4%	.6%	--	--	--	--	--	--			Avg Ann'l Div'd Yield	*1.4%*
							19449	19228	18701	17008	15849	15701	15722	15701	15895	17228	*18250*	*18750*	Revenues ($mill)	*20700*
							20.2%	19.8%	10.7%	15.1%	17.7%	14.2%	13.4%	13.1%	13.6%	13.8%	*13.7%*	*13.9%*	Operating Margin	*14.3%*
							821	935	948	1332	1035	748	680	637	636	656	*625*	*600*	Depreciation ($mill)	*525*
							1692	*1424*	117	*d167*	*514*	*540*	*786*	933	1047	1135	*1190*	*1285*	Net Profit ($mill)	*1600*
							27.5%	31.0%	38.6%	NMF	40.1%	36.1%	35.9%	30.2%	21.8%	27.8%	*28.5%*	*30.0%*	Income Tax Rate	*31.0%*
							8.7%	7.4%	.6%	NMF	3.2%	3.4%	5.0%	5.9%	6.6%	6.6%	*6.5%*	*6.9%*	Net Profit Margin	*7.7%*
							3968	4035	6736	2340	3232	2766	4628	4390	4056	4463	*3800*	*4100*	Working Cap'l ($mill)	*5200*
							10867	10994	15404	10128	9794	6930	7050	61390	5660	6939	*6300*	*5900*	Long-Term Debt ($mill)	*4500*
							5544	5580	4140	2425	2401	4679	7133	72080	7080	8588	*8700*	*9100*	Shr. Equity ($mill)	*10700*
							12.0%	*10.2%*	2.5%	1.5%	7.1%	6.8%	7.0%	*8.4%*	9.6%	8.7%	*9.5%*	*10.0%*	Return on Total Cap'l	*11.5%*
							30.5%	25.5%	2.8%	NMF	21.4%	11.5%	11.0%	12.9%	14.8%	13.2%	*13.5%*	*14.0%*	Return on Shr. Equity	*15.0%*
							23.9%	17.1%	NMF	NMF	24.1%	14.3%	11.3%	13.8%	14.2%	13.2%	*11.5%*	*12.0%*	Retained to Com Eq	*12.5%*
							31%	41%	NMF	NMF	13%	13%	11%	6%	4%	--	*13%*	*14%*	All Div'ds to Net Prof	*18%*

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.6	-9.7
3 yr.	0.6	27.3
5 yr.	24.9	85.8

Target Price Range 2011 | 2012 | 2013

CAPITAL STRUCTURE as of 3/31/08
Total Debt $7688 mill. Due in 5 Yrs $5200 mill.
LT Debt $8334 mill. LT Interest $420 mill.
(Total Int. cov.: 4.5x) (44% of Cap'l)

Leases, Uncapitalized Annual rentals $400 mill.

Pension Assets-12/07 $9.8 bill. Oblig. $10.5 bill.

Pfd Stock None

Common Stock 899,128,000 shs.

MARKET CAP: $12.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1536	1099	842
Receivables	5121	5454	5521
Inventory (Avg Cst)	2097	1987	2308
Current Assets	8754	8540	8671
Accts Payable	1133	1367	1334
Debt Due	1485	525	1354
Other	2080	2185	2961
Current Liab.	4698	4077	5649

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	-4.0%	-6.5%	*7.0%*
"Cash Flow"	-5.0%	0.5%	*7.0%*
Earnings	-5.0%	49.5%	*11.0%*
Dividends	--	--	*NMF*
Book Value	2.0%	18.0%	*9.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3771	3921	3759	4250	15701
2006	3695	3977	3844	4379	15895
2007	3836	4208	4302	4882	17228
2008	4335	*4475*	*4450*	*4990*	*18250*
2009	*4450*	*4600*	*4575*	*5125*	*18750*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.17	.21	.16	.25	.79
2005	.20	.20	.18	.32	.90
2006	.20	.25	.23	.37	1.05
2007	.24	.28	.27	.40	1.19
2008	.27	*.29*	*.30*	*.44*	*1.30*
2009	*.30*	*.32*	*.34*	*.49*	*1.45*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	--	--	--	--	--
2008	.0425	.0425			

BUSINESS: Xerox Corp. develops, manufactures, markets, finances, and services a wide range of copiers, laser printers, and document publishing equipment. Equipment sales (mainly color and high-end black-and-white copiers/ printers and publishing systems) accounted for 27% of 2007 revenues; supplies and document-management outsourcing, 68%; and finance income, 5%. Foreign operations accounted for 47% of revs. and 54% of pretax income in '07; R&D (excluding sustaining engineering of $148 million) was $764 million. Exited retail channels in 2002. Has about 53,700 employees. Off./ dir. beneficially own 1.1% of stock (4/08 Proxy). Chairman and CEO: Anne Mulcahy. Inc.: NY. Addr.: P.O. Box 1600, Stamford, CT 06904. Tel.: 203-968-3000. Internet: www.xerox.com.

Xerox's mid-2007 acquisition of Global Imaging has meaningfully boosted its top and bottom lines. That subsidiary sells and services document management equipment, such as copiers, printers, and multifunction devices, to small and mid-sized businesses (SMB). Global's salesforce now sells Xerox products, in addition to those that it traditionally represents. Moreover, the pace of the company's product introductions targeted at the SMB market notably increased last year. In the March, 2008 quarter, Global's revenues accounted for over half of the 13% year-to-year gain, and its profit contribution likely boosted share net by $0.02.

The sales mix is getting healthier. Declines in sales of low-end black & white copiers, as well as price reductions in several product lines, have partially offset revenue gains generated by color copiers/ printers and productions systems during the past six years. That said, product categories with good growth prospects now account for 75% of the Equipment segment. Also, the new digital systems generate healthy post-sales and service revenues. Finally, acquisitions and software development in document management are helping to expand the customer base for this high-margined service.

Xerox's renowned research program is running at about $900 million annually. Thanks to this program, it has the leading market share for digital black & white publishing equipment and high-end color systems in both the U.S. and Europe. Much of the company's R&D is currently devoted to color-output products, such as the recently launched *Phaser 8860*, which uses its proprietary solid-ink, cartridge-free technology. Too, Xerox is the beneficiary of the research efforts of 25%-owned Fuji Xerox.

We look for low double-digit earnings gains in the coming 3 to 5 years. Cash flow, net of planned capital expenditures and resumed dividend payments, should be almost $1.5 billion both this year and next. These funds are mainly earmarked for stock repurchases, acquisitions, and debt repayment.

This stock is likely to approximate the market averages in the year ahead and over the pull to 2011–2013.

David R. Cohen *July 11, 2008*

(A) Diluted earnings after 1993. Excl. nonrecurring gains (losses): '91, ($.18); '92, ($.04); '93, ($1.25); '95, $.17; '98, ($1.53); '00, ($.56); '01, $.13; '02, ($.53); '03, ($.21); '04, $.07; discont. ops.: '92, ($1.38); '93, $.11; '95, ($2.26); '98, ($.28); '05, $0.04; '06, $0.17; '08-Q1, ($0.54). Next earnings report due late July.
(B) Dividend payments resumed in January, 2008. Likely quarterly pmts. in late Jan., April, July, and Oct.
(C) In millions, adj. for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	75
Price Growth Persistence	25
Earnings Predictability	30

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ZEBRA TECH. CORP. NDQ-ZBRA

RECENT PRICE **36.99** | P/E RATIO **21.1** (Trailing: 22.7 / Median: 24.0) | RELATIVE P/E RATIO **1.29** | DIV'D YLD **Nil** | VALUE LINE

TIMELINESS **3** Raised 3/7/08
SAFETY **3** New 7/21/00
TECHNICAL **3** Lowered 5/16/08
BETA 1.10 (1.00 = Market)

2011-13 PROJECTIONS

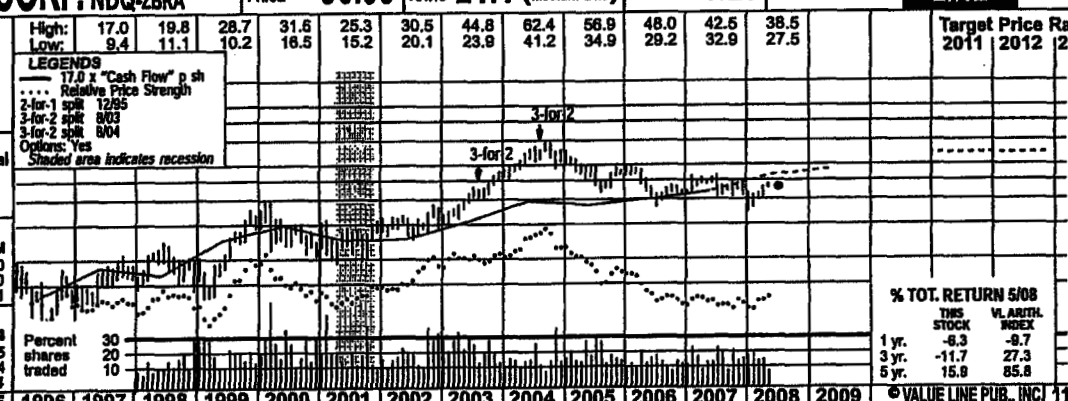
	Price	Gain	Ann'l Total Return
High	80	(+115%)	21%
Low	55	(+50%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	1	2	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	99	106	105
to Sell	127	119	124
Hld's(000)	67895	65401	62804



	2011	2012	2013
Target Price Range			

% TOT. RETURN 5/08	THIS STOCK	VL ARITH. INDEX
1 yr.	-6.3	-9.7
3 yr.	-11.7	27.3
5 yr.	15.9	85.8

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	17.0	19.8	28.7	31.6	25.3	30.5	44.8	62.4	56.9	48.0	42.5	38.5								
Low:	9.4	11.1	10.2	16.5	15.2	20.1	23.9	41.2	34.9	29.2	32.9	27.5								
	1.09	1.62	1.98	2.73	3.11	3.51	4.78	5.64	7.02	6.50	6.78	7.54	9.23	9.97	11.03	13.08	*15.85*	*17.95*	Sales per sh	*24.60*
	.23	.36	.41	.46	.62	.86	.79	1.16	1.39	1.18	1.20	1.45	1.85	1.77	1.89	2.06	*2.45*	*2.70*	"Cash Flow" per sh	*3.95*
	.22	.34	.39	.42	.55	.79	.65	1.04	1.16	.95	1.02	1.28	1.66	1.55	1.61	1.60	*1.75*	*2.05*	Earnings per sh [A]	*3.05*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	.04	.05	.04	.08	.11	.10	.36	.16	.13	.14	.12	.12	.23	.20	.28	.33	*.35*	*.35*	Cap'l Spending per sh	*.35*
	.78	1.12	1.51	1.99	2.58	3.28	3.85	4.94	5.41	6.42	7.62	9.17	11.11	12.07	12.75	13.60	*14.05*	*15.25*	Book Value per sh [B]	*21.55*
	53.90	53.98	54.15	54.41	54.54	54.69	70.33	70.69	68.60	69.26	70.13	71.10	71.82	70.45	68.84	68.37	*64.00*	*64.00*	Common Shs Outst'g [C]	*65.00*
	19.1	24.9	22.1	27.3	20.4	16.2	23.2	17.2	19.1	21.4	24.0	25.8	31.5	28.4	23.4	23.4	*Bold figures are*		Avg Ann'l P/E Ratio	*22.0*
	1.16	1.47	1.45	1.83	1.28	.93	1.21	.98	1.24	1.10	1.31	1.47	1.66	1.51	1.26	1.23	*Value Line*		Relative P/E Ratio	*1.45*
	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	*estimates*		Avg Ann'l Div'd Yield	*Nil*
							336.0	398.5	481.6	450.0	475.6	536.4	663.1	702.3	759.5	868.3	*1015*	*1150*	Sales ($mill)	*1600*
							23.8%	29.9%	28.7%	25.6%	24.0%	26.2%	28.3%	23.8%	21.4%	19.8%	*18.0%*	*19.5%*	Operating Margin	*22.0%*
							10.3	9.9	14.4	15.7	12.3	11.6	12.3	13.1	16.1	26.9	*36.0*	*38.0*	Depreciation ($mill)	*55.0*
							45.3	73.8	81.3	66.1	71.6	91.7	120.6	111.6	114.2	110.1	*115*	*130*	Net Profit ($mill)	*200*
							38.0%	35.9%	36.0%	36.0%	35.4%	32.8%	34.6%	33.8%	31.8%	34.2%	*34.5%*	*34.0%*	Income Tax Rate	*32.0%*
							13.5%	18.5%	16.9%	14.7%	15.1%	17.1%	18.2%	15.9%	15.0%	12.7%	*11.3%*	*11.4%*	Net Profit Margin	*12.5%*
							229.7	302.8	256.8	330.5	427.7	537.9	665.0	678.3	404.8	298.6	*250*	*225*	Working Cap'l ($mill)	*200*
							--	.6	.5	.4	.6	.5	.1	--	--	--	*Nil*	*Nil*	Long-Term Debt ($mill)	*Nil*
							270.9	349.3	371.3	445.0	534.2	651.9	797.7	850.5	877.7	902.7	*900*	*975*	Shr. Equity ($mill)	*1400*
							16.7%	21.1%	21.9%	14.9%	13.4%	14.1%	15.1%	13.1%	13.0%	12.2%	*13.0%*	*13.5%*	Return on Total Cap'l	*13.0%*
							16.7%	21.1%	21.9%	14.8%	13.4%	14.1%	15.1%	13.1%	13.0%	12.2%	*13.0%*	*13.5%*	Return on Shr. Equity	*13.0%*
							16.7%	21.1%	21.9%	14.8%	13.4%	14.1%	15.1%	13.1%	13.0%	12.2%	*13.0%*	*13.5%*	Retained to Com Eq	*13.0%*
							--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

CAPITAL STRUCTURE as of 3/31/08
Total Debt None

Leases, Uncapitalized: Annual rentals $10.7 mill.

No Defined Benefit Pension Plan

Pfd Stock None.

Common Stock 65,013,638 shs.
as of 4/23/08

MARKET CAP: $2.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08 [D]
Cash Assets	260.9	136.6	156.9
Receivables	122.5	150.8	171.9
Inventory (FIFO)	81.2	85.0	89.4
Other	15.1	48.4	25.3
Current Assets	479.7	420.8	443.5
Accts Payable	29.0	42.4	47.1
Debt Due	--	--	--
Other	45.9	79.8	109.7
Current Liab.	74.9	122.2	156.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	14.0%	11.0%	*13.5%*
"Cash Flow"	11.5%	8.5%	*9.5%*
Earnings	10.5%	9.0%	*7.5%*
Dividends	--	--	*Nil*
Book Value	17.0%	*14.5%*	*10.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	Full Year
2005	170.7	176.6	175.7	179.3	702.3
2006	175.8	187.4	186.4	209.9	759.5
2007	208.6	208.9	217.2	233.6	868.3
2008	246.3	*250*	*255*	*263.7*	*1015*
2009	*270*	*280*	*290*	*310*	*1150*

Calendar	EARNINGS PER SHARE [A] Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	Full Year
2005	.37	.37	.41	.40	1.55
2006	.35	.39	.45	.42	1.61
2007	.39	.37	.39	.45	1.60
2008	.42	*.42*	*.44*	*.47*	*1.75*
2009	*.46*	*.49*	*.53*	*.57*	*2.05*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

BUSINESS: Zebra Technologies Corp provides bar-code labeling solutions for use in automatic identification and data-collection systems. Chief products include bar-code printers and related software, plastic-card printers, maintenance services, and label stock. Merged with Eltron International 10/98. Purchased Comtec Information Systems, 4/00. Research and development was 6.6% of 2007 sales. International sales made up 52% of 2007 total. Has approximately 3,200 employees. Neuberger Berman owns 7.3% of the stock; Shapiro Capital, 5.9%; Eminence Capital, 5.8%; officers & directors, 6.0% (4/08 proxy). CEO: Anders Gustafsson. Inc.: Delaware. Address: 333 Corporate Woods Parkway, Vernon Hills, IL 60061. Telephone: 847-634-6700. Internet: www.zebra.com.

Zebra began 2008 well . . . Sales of its core printers segment rose 11%, year to year as almost all product lines posted gains. Moreover, sales did not reflect the normal seasonal pullback in several lines. The balance of the revenue increase was from the new enterprise solutions group, comprising the three acquisitions completed last year and the small radio frequency identification (RFID) division. The gross margin rose a percentage point, to 50%, due largely to a better product mix, and operating expenses of core operations were up 5.2%. Higher amortization of intangibles, resulting from the $287 million of acquisitions in 2007, cost $0.02 a share, and costs of outsourcing most of Zebra's manufacturing activities to Jabil Circuit in China pared the bottom line by $0.03.

. . . and we look for good earnings growth over the balance of the year. Following the absence of the usual seasonal weakness in the first quarter, sales of most printer lines to most industries should grow well in the final three quarters of 2008. Now that the enterprise solutions group has been established, Zebra ought to garner some cross-sales between the target customers of the recently acquired subsidiaries. Printer sales to "big-box" U.S. retailers will probably continue to be soft, but business with second-tier retailers still looks good, despite the mediocre economy. And overseas revenues will probably grow fast. Zebra should also see further cost gains from transferring manufacturing to China. But the current expenses for that move will probably rise a bit, to around $0.05 a share per quarter.

Earnings should grow at double-digit rates out to 2011-2013. The economic slowdown will likely end by sometime in 2009, leading to better sales to retailers. Printer sales should remain strong overseas. And last year's acquisitions, which provide hardware and software to track vehicles and goods in warehouses and marine terminal and airport management, should also see strong growth. Finally, Zebra remains debt free, and we think it will garner substantial earnings growth through repeated acquisitions.

These neutrally ranked shares have above-average 3- to 5-year capital appreciation potential.

Sigourney B. Romaine, CFA June 13, 2008

(A) Diluted earnings. Excludes nonrecurring items: '97, d7¢; '98, d11¢; '99, d9¢; '00, d21¢; '01, d10¢; '06, d61¢. Next earnings report due late July.
(B) Includes intangibles; at 12/31/07, $366 mill., $5.42 a share.
(C) In millions, adjusted for stock splits.
(D) Excludes $149 million of marketable securities accounted for as a long-term asset.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	70
Earnings Predictability	85

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ZIMMER HOLDINGS NYSE-ZMH

RECENT PRICE 72.84 | P/E RATIO 17.4 (Trailing: 19.0 Median: NMF) | RELATIVE P/E RATIO 1.13 | DIV'D YLD Nil | VALUE LINE

TIMELINESS 3 Lowered 7/4/08
SAFETY 2 Raised 8/29/08
TECHNICAL 3 Lowered 7/18/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	180	(+145%)	25%
Low	135	(+85%)	17%

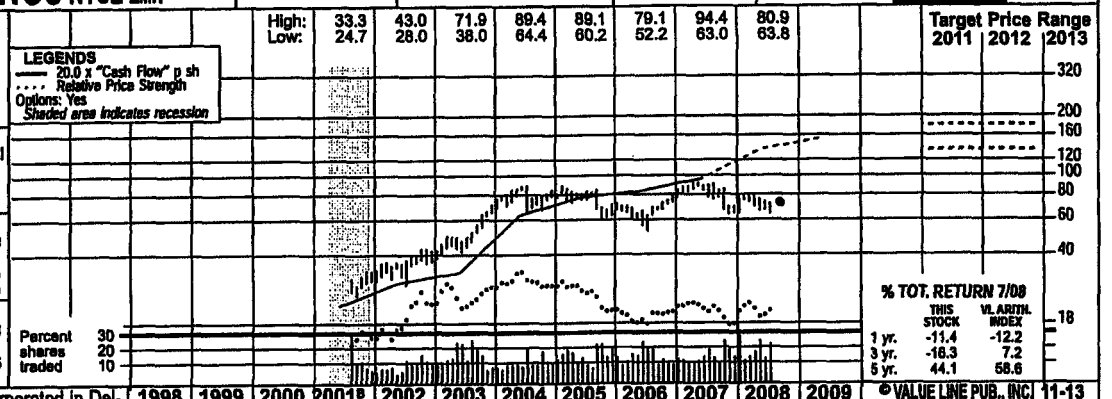
Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	1	0	1	0	1	0
to Sell	0	0	0	1	0	1	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	357	388	361
to Sell	363	398	385
Hld's(000)	176613	175934	175694

LEGENDS
20.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession



Zimmer Holdings was incorporated in Delaware in January 2001 as a wholly owned subsidiary of Bristol-Myers Squibb Co. The subsidiary was spun off from its parent on August 6, 2001, with shareholders receiving one share of the new company for each ten Bristol-Myers Squibb shares owned.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $329.3 mill. Due in 5 Yrs $329.3 mill.
LT Debt $329.3 mill. LT Interest $20.0 mill.
(Total Int. coverage and LT Int. earned: over 25X) (5.5% of Cap'l)

Leases, Uncapitalized: Annual rentals $37.1 mill.

Pension Assets-12/07 $327 mill. Oblig. $347 mill

Pfd Stock None
Common Stock 225,230,955 shs.
as of 7/29/08

MARKET CAP: $16.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	285.7	463.9	388.1
Receivables	625.5	674.3	782.5
Inventory (LIFO)	638.3	727.8	800.7
Other	216.7	216.7	236.8
Current Assets	1746.2	2082.7	2208.1
Accts Payable	158.0	174.1	184.0
Debt Due	--	--	--
Other	470.2	574.5	623.9
Current Liab.	628.2	748.6	807.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	17.5%	10.0%
"Cash Flow"	--	27.5%	10.5%
Earnings	--	24.5%	9.5%
Dividends	--	--	Nil
Book Value	--	78.5%	13.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	828.5	846.8	762.5	848.3	3286.1
2006	860.4	881.6	819.8	933.6	3495.4
2007	950.2	970.6	903.2	1073.5	3897.5
2008	1059.2	1079.5	*970*	*1141.3*	*4250*
2009	*1125*	*1130*	*1085*	*1290*	*4630*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.75	.79	.70	.86	3.10
2006	.82	.81	.77	1.02	3.42
2007	.98	.97	.88	1.12	3.75
2008	1.02	.99	*.90*	*1.19*	*4.10*
2009	*1.10*	*1.10*	*1.05*	*1.35*	*4.60*

Calendar	QUARTERLY DIVIDENDS PAID Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004					
2005	NO CASH DIVIDENDS BEING PAID				
2006					
2007					
2008					

	1998	1999	2000	2001 B	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	--	--	6.08	7.03	7.84	12.14	13.26	14.04	16.73	*18.90*	*21.00*	Sales per sh	*26.00*
	--	--	--	1.10	1.45	1.63	3.17	3.88	4.16	4.81	*5.30*	*6.00*	"Cash Flow" per sh	*7.75*
	--	--	--	.98	1.31	1.38	2.41	3.10	3.42	3.75	*4.10*	*4.60*	Earnings per sh A	*5.85*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	Div'ds Decl'd per sh	*Nil*
	--	--	--	.28	.17	.65	.98	1.03	1.08	1.42	*2.00*	*2.30*	Cap'l Spending per sh D	*3.00*
	--	--	--	.41	1.88	12.97	16.06	16.90	19.77	*23.40*	*26.00*	*29.50*	Book Value per sh	*44.20*
	--	--	--	193.90	185.20	242.40	245.50	247.80	248.90	232.90	*225.00*	*220.00*	Common Shs Outst'g C	*215.00*
	--	--	--	30.2	27.4	36.8	32.6	24.6	19.8	21.5	*Bold figures are*		Avg Ann'l P/E Ratio	*27.0*
	--	--	--	1.55	1.50	2.10	1.72	1.31	1.07	1.13	*Value Line*		Relative P/E Ratio	*1.80*
	--	--	--	--	--	--	--	--	--	--	*estimates*		Avg Ann'l Div'd Yield	*Nil*
	--	939.0	1041.0	1178.6	1372.4	1901.0	2980.9	3286.1	3495.4	3897.5	*4250*	*4630*	Sales ($mill)	*5600*
	--	29.2%	29.6%	29.0%	31.1%	29.1%	36.4%	39.6%	39.2%	39.8%	*37.5%*	*38.0%*	Operating Margin	*40.0%*
	--	22.0	23.0	23.4	25.3	103.3	181.3	185.7	197.4	230.0	*250*	*300*	Depreciation ($mill)	*400*
	--	164.0	187.0	190.8	257.8	291.2	597.8	774.8	838.9	889.3	*940*	*1025*	Net Profit ($mill)	*1270*
	--	34.9%	34.4%	35.7%	33.7%	33.6%	31.5%	29.6%	28.6%	31.8%	*28.5%*	*29.0%*	Income Tax Rate	*30.0%*
	--	17.5%	18.0%	16.2%	18.8%	15.3%	20.1%	23.6%	24.0%	22.8%	*22.1%*	*22.1%*	Net Profit Margin	*22.6%*
	--	215.0	83.0	135.5	211.6	693.4	859.9	968.7	1118.0	1334.1	*1700*	*2000*	Working Cap'l ($mill)	*3460*
	--	--	--	213.9	--	1007.8	624.0	81.6	99.6	104.3	*350*	*350*	Long-Term Debt ($mill)	*300*
	--	384.0	254.0	78.7	366.3	3143.3	3942.5	4682.8	4920.5	5449.6	*5865*	*6500*	Shr. Equity ($mill)	*9500*
	--	42.7%	73.6%	67.8%	70.4%	7.1%	13.4%	16.4%	16.7%	16.0%	*15.3%*	*15.1%*	Return on Total Cap'l	*13.0%*
	--	42.7%	73.6%	NMF	70.4%	9.3%	15.2%	16.5%	17.0%	16.3%	*16.0%*	*15.8%*	Return on Shr. Equity	*13.3%*
	--	42.7%	73.6%	NMF	70.4%	9.3%	15.2%	16.5%	17.0%	16.3%	*16.0%*	*15.8%*	Retained to Com Eq	*13.3%*
	--	--	--	--	--	--	--	--	--	--	*Nil*	*Nil*	All Div'ds to Net Prof	*Nil*

BUSINESS: Zimmer Holdings, Inc. designs and markets orthopedic products, including reconstructive implants (84% of '07 sales) and fracture management devices (10%). The company also manufactures surgical products, such as tourniquets and blood management systems (6%). Zimmer operates in 20 countries and sells its products to hospitals, doctors, and other healthcare providers in more than 70 countries. International sales accounted for about 42% of total sales in 2007. Has about 7,600 employees. All officers and directors as a group of 16 persons own less than 1% of common stock, (3/08 Proxy). Chairman: John L. Goldrick. CEO: David Dvorak. Incorporated: Delaware. Address: 345 East Main St., Warsaw, IN. 46580. Tel: 800-613-6131. Internet: www.zimmer.com.

We have tempered our top- and bottom-line estimates for Zimmer Holdings. We still believe ZMH has solid growth platforms, but some near-term issues, notably product recalls and increased spending on ongoing programs, will likely sully sales and earnings growth. Our more moderate top- and bottom-line advances of about 9% this year are slightly down from the 10% and 13% respective growth rates we had previously envisioned. While we believe the problems will only place a slight drag on sales and earnings this year, they will still have an impact.

Zimmer's Durom Cup is not currently available in the U.S.. This hip replacement implant had reported incidents of after-surgery malfunctions. As a result, sales of this product have been halted in the U.S. until surgeons undergo proper training. The move will hurt both sales and share net this year by about $20 million-$30 million, and $0.03, respectively. A plus is resumption of sales of ZMH's orthopedic surgical products that were recalled due to manufacturing glitches at the Ohio facility. These products should be relaunched within a few months.

Operating margins will feel the pinch from increased spending. The company is continuing to invest heavily in infrastructural and technological improvements. Spending on compliance has been hiked too. Also, integration expenses from prior acquisitions have more than tripled, year over year. Such moves will stunt ZMH's operating leverage this year. However, on the horizon, lies the premise that these actions will likely facilitate growth.

New product launches ought to aid bottom-line recovery. FDA clearance to market *EPOCH*, a hip replacement solution, is expected shortly, and a launch could begin within a few months. In addition, recently introduced hip and knee solutions are being well received.

Zimmer stock is appealing to short- and long-term portfolios. ZMH's geographic and product diversification caters to the changing needs of an aging population. Although not immune from economic weakness and problems unique to the company, its vital products enhance everyday living for afflicted individuals and signal the staying power of this company.

Nira Maharaj *August 29, 2008*

(A) Diluted earnings. Excludes nonrecurrings: '03 (42¢), '04: (6¢), '05: (11¢), '06: (2¢), '07: (49¢). Next earnings report due late October.
(B) Proforma data through '01 to excl. costs related to separation from the company's former parent.
(C) In millions.
(D) Surgical instrument costs were capitalized as of Jan. 1, 2003.

Company's Financial Strength	A+
Stock's Price Stability	75
Price Growth Persistence	60
Earnings Predictability	80

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ALLSTATE CO P NYSE-ALL

RECENT PRICE 50.19 | P/E RATIO 9.6 (Trailing: 8.6 Median: 10.0) | RELATIVE P/E RATIO 0.59 | DIV'D YLD 3.3% | VALUE LINE

TIMELINESS 3 Raised 1/25/08
SAFETY 1 Raised 9/22/06
TECHNICAL 2 Raised 5/23/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+70%)	17%
Low	70	(+40%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	1	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	293	300	272
to Sell	356	362	363
Hld's(000)	387702	396891	386972

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	47.2	52.4	41.0	44.8	45.9	41.9	43.3	52.0	63.2	66.1	65.9	52.9								
Low:	28.1	36.1	22.9	17.2	30.0	31.0	30.0	42.6	49.7	50.2	48.9	44.6								
	18.08	18.14	18.73	19.71	20.89	21.89	23.60	25.56	29.32	30.67	33.28	35.05	38.05	42.71	44.00	48.37	*50.45*	*52.00*	P/C Prem Earned p sh [A]	*57.00*
	3.68	3.69	3.79	4.08	4.31	4.51	4.69	5.11	6.21	6.63	6.91	7.06	7.74	8.89	9.93	11.43	*10.30*	*10.65*	Investment Inc p sh	*12.75*
	d3.84	d.61	d1.84	d.19	d.04	1.27	1.66	.58	.25	6.45	8.77	11.79	d4.05	d8.24	d.99	3.14	*2.05*	*3.10*	Underwriting Inc p sh	*3.85*
	d.58	1.50	.54	2.12	2.32	3.56	3.94	3.38	2.95	1.60	2.92	3.77	4.41	2.30	7.67	6.47	*5.25*	*6.00*	Earnings per sh [B]	*6.35*
	--	.18	.36	.39	.43	.48	.54	.60	.68	.74	.84	.88	1.07	1.20	1.37	1.52	*1.64*	*1.75*	Div'ds Decl'd per sh [C]	*2.25*
	6.18	11.44	9.39	14.25	15.22	18.36	20.16	21.09	23.39	23.48	24.84	29.21	31.95	31.25	35.12	38.81	*41.80*	*45.80*	Book Value per sh	*62.50*
	870.52	900.00	897.45	890.00	884.00	850.00	818.00	787.00	746.00	723.75	702.00	704.00	683.00	646.00	622.00	563.00	*535.00*	*525.00*	Common Shs Outst'g [D]	*520.00*
	--	133%	133%	111%	153%	201%	220%	160%	121%	161%	149%	126%	146%	176%	164%	150%			Price to Book Value	*120%*
	--	10.2	23.1	7.5	10.1	10.4	11.3	10.0	9.6	23.7	12.7	9.8	10.6	24.2	7.5	9.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	9.0
	--	.60	1.52	.50	.63	.60	.59	.57	.62	1.21	.69	.56	.56	1.29	.40	.47			Relative P/E Ratio	*.60*
	--	1.2%	2.9%	2.5%	1.8%	1.3%	1.2%	1.8%	2.4%	2.0%	2.3%	2.4%	2.3%	2.2%	2.4%	2.6%			Avg Ann'l Div'd Yield	2.9%
							19307	20112	21871	22197	23361	24677	25989	27588	27369	27233	*27000*	*27300*	P/C Premiums Earned [A]	*29640*
							70.3%	73.0%	75.0%	79.0%	75.6%	70.6%	68.7%	76.8%	58.5%	64.9%	*67.5%*	*66.0%*	Loss to Prem Earned	*65.0%*
							22.4%	24.4%	24.2%	--	11.8%	11.9%	24.3%	25.4%	28.5%	28.7%	*28.5%*	*28.5%*	Expense to Prem Writ	*28.0%*
							7.3%	2.6%	.8%	21.0%	12.6%	17.4%	7.0%	-2.2%	13.0%	6.5%	*4.0%*	*6.0%*	Underwriting Margin	*7.0%*
							31.5%	29.4%	26.4%	5.9%	16.1%	24.0%	23.2%	15.5%	30.4%	30.3%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
							3294.0	2720.0	2211.0	1167.0	2067.0	2653.0	3088.0	1765.0	4993.0	4636.0	*2905*	*3205*	Net Profit ($mill)	*4375*
							5.6%	5.6%	6.2%	6.3%	5.4%	4.9%	4.7%	5.0%	5.3%	5.3%	*5.0%*	*5.5%*	Inv Inc/Total Inv	*6.0%*
							87691	98119	104808	109175	117426	134142	149725	156072	157554	156408	*153500*	*156000*	Total Assets ($mill)	*180000*
							17240	*17565*	*18201*	*16996*	*17438*	*20565*	*21823*	*20186*	*21846*	*21851*	*22355*	*24040*	Shr. Equity ($mill)	*32500*
							18.1%	15.5%	12.1%	6.9%	11.9%	12.9%	14.2%	8.7%	22.9%	21.2%	*13.0%*	*13.5%*	Return on Shr. Equity	*13.5%*
							17.3%	13.5%	9.8%	3.7%	8.5%	9.8%	10.7%	4.6%	18.9%	17.1%	*9.0%*	*9.5%*	Retained to Com Eq	*10.0%*
							13%	17%	23%	46%	28%	24%	24%	47%	17%	19%	*30%*	*29%*	All Div'ds to Net Prof	*26%*

LEGENDS
10.0 x Earnings p sh
Relative Price Strength
2-for-1 split 7/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.6	-9.7
3 yr.	-5.3	27.3
5 yr.	60.7	85.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $5640 mill. Due in 5 Yrs $2100 mill.
LT Debt $5640 mill. Total Interest $350 mill. (21% of Cap'l)
Leases, Uncapitalized Annual rentals $304 mill.

Pension Assets 12/31: $5.1 bill. Oblig. $5.0 bill.
Pfd Stock None
Common Stock 550,770,847 shs.
as of 4/30/08

MARKET CAP: $27.6 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	97293	94451	88084
Stocks	6152	5257	4379
Mortgages	9467	10830	11107
Other	44642	45870	48640
Total Assets	157554	156408	152210
Unearned Prems	10427	10409	10112
Reserves P/C	18866	18865	18848
Other	106415	105283	102947
Total Liab'ties	135708	134557	131907

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	7.5%	6.0%	*5.0%*
Invest Income	8.0%	8.0%	*6.0%*
Earnings	11.0%	12.5%	*9.0%*
Dividends	12.0%	12.5%	*8.0%*
Book Value	9.5%	7.5%	7.0%

Calendar	NET PREMIUMS EARNED [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	6821	6874	6918	6975	27588
2006	6876	6860	6801	6832	27369
2007	6806	6822	6819	6786	27233
2008	6764	*6700*	*6800*	*6736*	*27000*
2009	*6700*	*6800*	*6850*	*6950*	*27300*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.67	1.66	d2.52	1.49	2.30
2006	2.01	2.00	1.88	1.78	7.67
2007	1.93	1.76	1.54	1.24	6.47
2008	1.33	*1.35*	*1.20*	*1.37*	*5.25*
2009	*1.45*	*1.50*	*1.55*	*1.50*	*6.00*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.26	.26	.26	.26	1.12
2005	.28	.32	.32	.32	1.24
2006	.35	.35	.35	.35	1.40
2007	.35	.38	.38	.38	1.49
2009	.38	.41			

BUSINESS: *Allstate Corporation* is the second-largest property/casualty insurer, and one of the largest life insurers in the country. 2007 Revenue breakdown: property/casualty (74%); life insurance (5%); investment income (21%). Total work force 38,000 employees. Property/Casualty premium breakdown: standard auto, 63% of net written premiums; *non-standard*, 5%; *homeowners*, 23%; other personal lines, 9%. Life insurance includes annuity, term, universal life, whole life. Northern Trust Corporation owns 5.1% of common shares outstanding; officers & directors own 1.0% (5/08 proxy). Chairman and CEO: Thomas J. Wilson. Address: Allstate Plaza, Northbrook, Illinois 60062. Telephone: 847-402-5000. Internet: www.allstate.com.

Conditions in the first quarter remained tough for Allstate Corp. Lower-than-expected earnings mainly reflect above-average tornado activity, which drove unusually high catastrophe losses ($568 million compared to the year-ago figure of $161 million). The company also strengthened its reserves related to Hurricane Katrina litigation. Premium growth across the company's lines continues to be mostly flat to down. Even as auto insurers raise rates to better reflect underwriting experience, new applications at Allstate were down, likely due to the weak domestic environment.

This slump may persist into next year. High gas prices and rising unemployment lead to weak car sales and fewer cars on the road. On the plus side, this appears to be a prime factor behind the decrease in claims being filed lately. However, lower claims frequency has been more than offset by growing severity of damage and rising medical care costs, which have increased expenses. And net investment income for the quarter declined about 3% on lower portfolio yields and lower average balances. In this challenging climate, next year's earnings may well fall short of 2006's record level.

Still, new offerings augur well for growth. Rather than slash new premiums to gain market share from more price-sensitive shoppers, Allstate programs like *Your Choice Auto* offer higher-premium packages that reward policyowners for periods without an accident and have an accident forgiveness rider. Also, later this quarter, the company plans to introduce a line of retirement-related products.

Allstate repurchased $424 million of its shares in the quarter. This completed a $4.0 billion stock-buyback program that began in 2006. The board authorized another program to buy back an additional $2.0 billion of ALL shares over the next year. The company also increased its quarterly dividend.

Meanwhile, we don't expect year-to-year earnings comparisons to turn positive until 2008's fourth quarter. Although stock repurchases should bolster share net over this period, the issue's appreciation potential out to 2011-2013 is not particularly attractive.

William Kuo *June 20, 2008*

(A) Excludes life.
(B) Earnings from operations in 2002 and thereafter, based on operating income per diluted share. Before 2002, included realized cap. gains: '00, $0.36; '99, $0.79; '98, $0.86; '97, $0.79; '96, $0.49; '95, $0.34. Next earnings report due late July.
(C) Dividends historically paid in early January, April, July, and October. Special dividend, rights buyback, $0.01 per right, paid 1/2/04.
(D) In millions, adjusted for split.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	45

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HEARING EXHIBIT 00000520

AMER. FINANCIAL GRP. NYSE-AFG

RECENT PRICE 29.56 | P/E RATIO 7.4 (Trailing: 7.9 Median: 12.0) | RELATIVE P/E RATIO 0.46 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 3 Lowered 2/2/07
SAFETY 3 Raised 3/28/03
TECHNICAL 3 Lowered 6/13/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+70%)	15%
Low	35	(+20%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	1	1	1	0	0	0	1	1	1
Options	0	0	0	0	0	2	0	0	0
to Sell	0	0	1	0	0	2	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	111	141	110
to Sell	129	104	129
Hld's(000)	67986	71953	68991

High: 32.8 30.5 29.3 19.3 20.6 20.2 17.8 21.7 26.3 36.7 36.8 30.5
Low: 21.6 20.3 16.3 12.3 12.2 11.9 12.0 17.5 18.6 24.7 23.9 24.2

LEGENDS
9.0 x Earnings p sh
Relative Price Strength
3-for-2 split 12/06
Options: Yes
Shaded area indicates recession

3-for-2

Percent shares traded 9 6 3

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-15.0	-8.7
3 yr.	43.9	27.3
5 yr.	119.0	85.8

American Financial Group's predecessor, American Premier Group, was formed in 1994 for the purpose of acquiring American Financial Corp. and American Premier Underwriters (formerly known as Penn Central Corp.) in merger transactions completed in April 1995. Over the years, AFG and its predecessors have owned, operated and invested in businesses in a variety of industries. Generally, AFG's interests have been in insurance, savings and loans, leasing, banking, real estate, communications/entertainment and food distribution.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $990.7 mill. Due in 5 Yrs $406.8 mill.
Total Interest $75.4 mill.
(25% of Cap'l)
Leases, Uncapitalized Annual rentals $37.0 mill.
No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 112,416,122 shs.
as of 5/1/08
MARKET CAP: $3.3 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Bonds	14624.3	15140.7	15187.4
Stocks	729.4	923.3	841.3
Premiums Due	599.4	560.6	655.7
Other	9148.0	9182.9	9317.9
Total Assets	25101.1	25807.5	26002.3
Loss Reserves	10871.4	11580.3	11630.4
Unearned Prems	1653.9	1668.2	1742.4
Other	9363.0	9413.0	9487.1
Total Liabilities	21888.3	22661.5	22859.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	-3.5%	-2.5%	7.5%
Invest Income	-1.5%	-0.5%	8.0%
Earnings	--	31.0%	12.5%
Dividends	-6.0%	-8.0%	6.5%
Book Value	3.5%	9.0%	8.0%

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	549.1	575.3	651.4	590.7	2366.5
2006	579.1	615.0	730.9	638.1	2563.1
2007	639.8	633.5	757.5	671.9	2702.7
2008	635.0	*645*	*740*	*680*	*2700*
2009	*670*	*680*	*770*	*720*	*2840*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.60	.61	d.28	.74	1.67
2006	.72	.77	.79	.86	3.14
2007	.91	.47	.97	1.21	3.56
2008	1.09	*.95*	*.97*	*.99*	*4.00*
2009	*1.02*	*.96*	*1.00*	*1.02*	*4.00*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004	.083	.083	.083	.083	.33
2005	.083	.083	.083	.083	.33
2006	.092	.092	.092	.092	.37
2007	.10	.10	.10	.10	.10
2008	.125	.125			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	28.53	25.23	24.67	25.65	23.17	17.42	18.36	20.21	21.48	23.81	*24.10*	*25.35*	P/C Prem Earned p sh	*31.05*
	9.67	9.61	8.25	8.44	8.32	7.06	6.96	7.39	7.87	8.85	*9.65*	*10.35*	Investment Inc p sh	*12.70*
	d3.17	d.49	d2.00	d2.25	d.25	.20	.97	.21	2.67	3.97	*3.40*	*2.80*	Underwriting Inc p sh	*3.10*
	1.34	1.63	d.01	.87	1.31	1.48	1.92	1.67	3.14	3.56	*4.00*	*4.00*	Earnings per sh A	*4.80*
	.67	.67	.67	.67	.33	.33	.33	.33	.37	.40	*.50*	*.50*	Div'ds Decl'd per sh B	*.50*
	18.78	15.29	15.31	14.82	16.64	18.95	21.14	20.99	24.55	26.84	*28.75*	*31.95*	Book Value per sh	*36.95*
	91.39	87.63	101.12	101.12	103.69	109.58	114.95	117.10	119.30	113.50	*112.00*	*112.00*	Common Shs Outst'g C	*112.00*
	141%	141%	103%	113%	99%	78%	94%	105%	121%	120%	*Bold figures are*		Price to Book Value	*115%*
	19.8	13.3	--	19.2	12.6	10.0	10.4	13.2	9.5	9.0	*Value Line*		Avg Ann'l P/E Ratio	*9.0*
	1.03	.76	--	.98	.69	.57	.55	.70	.51	.48	*estimates*		Relative P/E Ratio	*.60*
	2.5%	3.1%	4.2%	4.0%	2.0%	2.3%	1.7%	1.5%	1.2%	1.2%			Avg Ann'l Div'd Yield	*1.2%*
	2698.7	2210.8	2494.9	2593.9	2402.6	1909.2	2110.3	2366.5	2563.1	2702.7	*2700*	*2840*	P/C Premiums Earned	*3480*
	82.1%	71.9%	78.6%	80.2%	75.5%	70.9%	67.1%	71.4%	57.6%	53.0%	*53.0%*	*56.5%*	Loss to Prem Earned	*58.0%*
	28.6%	30.1%	29.5%	28.6%	25.6%	28.0%	27.6%	27.6%	29.8%	30.3%	*33.0%*	*32.5%*	Expense to Prem Writ	*32.0%*
	-10.7%	-1.9%	-8.1%	-8.8%	-1.1%	1.1%	5.3%	1.1%	12.4%	16.7%	*14.0%*	*11.0%*	Underwriting Margin	*10.0%*
	38.9%	32.5%	31.8%	12.0%	17.7%	14.8%	13.8%	31.7%	40.7%	35.2%	*35.0%*	*35.0%*	Income Tax Rate	*36.0%*
	125.2	147.0	d.8	89.1	136.1	164.3	215.4	196.5	379.9	427.9	*465*	*465*	Net Profit ($mill)	*555*
	7.7%	7.7%	7.5%	7.4%	6.8%	5.8%	5.4%	5.5%	5.7%	5.8%	*5.5%*	*6.0%*	Inv Inc/Total Inv	*6.0%*
	15845	16054	16416	17402	19505	20197	22560	22816	25101	25808	*26600*	*27400*	Total Assets ($mill)	*29800*
	1716.2	1340.0	1548.5	1498.4	1725.8	2076.2	2430.5	2457.5	2928.9	3046.1	*3220*	*3580*	Shr. Equity ($mill)	*4140*
	7.3%	11.0%	NMF	5.9%	7.9%	7.9%	8.9%	8.0%	13.0%	14.0%	*14.5%*	*13.0%*	Return on Shr. Equity	*13.5%*
	3.8%	6.5%	NMF	1.5%	6.3%	6.4%	7.4%	6.7%	11.7%	12.7%	*12.5%*	*11.5%*	Retained to Com Eq	*12.0%*
	49%	40%	NMF	74%	20%	19%	16%	17%	10%	10%	*12%*	*12%*	All Div'ds to Net Prof	*10%*

BUSINESS: American Financial Group, Inc. is engaged primarily in property and casualty insurance and is focused on specialized commercial products for businesses, and in the sale of various annuities and supplemental insurance products. Its main entity, Great American Insurance Group, conducts operations through its Property and Transportation, Specialty Insurance, Specialty Financial, and California Workers' Comp. segments. Acq'd American Financial Corp. 4/95. Has about 6,900 emplys. The Lindner family owns 28.5% of stock. All other Off. & dir. own about 1% of stock (4/08 Proxy). Chmn.: Carl H. Lindner. Co-CEO's: Carl H. Linder III & S. Craig Linder. Inc.: OH. Addr.: National City Tower, One East 4th St., Cincinnati, OH 45202. Tel.: 513-579-2121. Web: www.afginc.com.

American Financial Group should perform decently this year, despite the tough rate environment. Indeed, lower property/casualty premium prices continue to hurt the top line. In particular, average rates in the first quarter dropped 4% from the previous year's level, causing net premiums earned to inch down to around 1%. Moreover, we expect the ongoing softness in the rate environment over the coming quarters to keep premiums relatively flat from 2007. That said, we think favorable reserve development and solid expense management will help offset the weakness in the top line, even with greater losses. These factors, along with a lower share count, should aid in lifting share earnings 12% this year, to $4.00.

The outlook for 2009 is lackluster. We think that earned premium growth next year will be driven by ongoing strength in the insurer's renewal business, greater profits in the Property and Transportation sector, and improvement in California workers' compensation businesses. And while the softness in the rate environment will probably persist through 2009, American Financial's strict underwriting discipline and claims management should help to lift the top line. However, results next year will probably be impacted by greater reserve strengthening charges and higher losses, thereby hampering earnings growth.

The insurer should perform well over the next 3 to 5 years. Annual premium growth of between 5% and 10% will likely boost underwriting results in all of the insurer's segments and lift the bottom line at a comparable rate. All told, we believe that American Financial's combined ratio will hover around 90%. Furthermore, our assumptions for a brighter economic landscape over this time frame augurs well for investment income.

These shares have rebounded around 15% since our March review. Nonetheless, the selection does not stand out for the year ahead or over the 2011–2013 haul. In addition, investors should note that risks to AFG's performance include, but are not limited to, a significant increase in catastrophe losses, a prolonged softening in the premium pricing environment, and reserve deficiencies.

Randy Shrikishun *June 20, 2008*

(A) Prim. egs. thru '96, then dil. Incl. real. gain/(loss): '97, 95¢; '98, $1.82; '99, 23¢; '00, 4¢; '01, (19¢). Excl. nonrec. gain/(loss): '97, ($2.64); '98, ($2.23); '99, (9¢); '00, (84¢); '01, ($1.52). Excl. real. gain/(loss) in '02 and thereafter. Qtrly. egs. may not sum due to change in shs. o/s. Next earnings report due late July.
(B) Dividends historically paid in late-January, April, July, and October.
(C) In mill.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	30

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RECENT PRICE 45.20 | P/E RATIO 19.7 (Trailing: 20.5 / Median: 28.0) | RELATIVE P/E RATIO 1.22 | DIV'D YLD 2.6% | VALUE LINE

TIMELINESS 3 Lowered 6/6/08
SAFETY 1 Raised 3/12/93
TECHNICAL 3 Raised 6/20/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

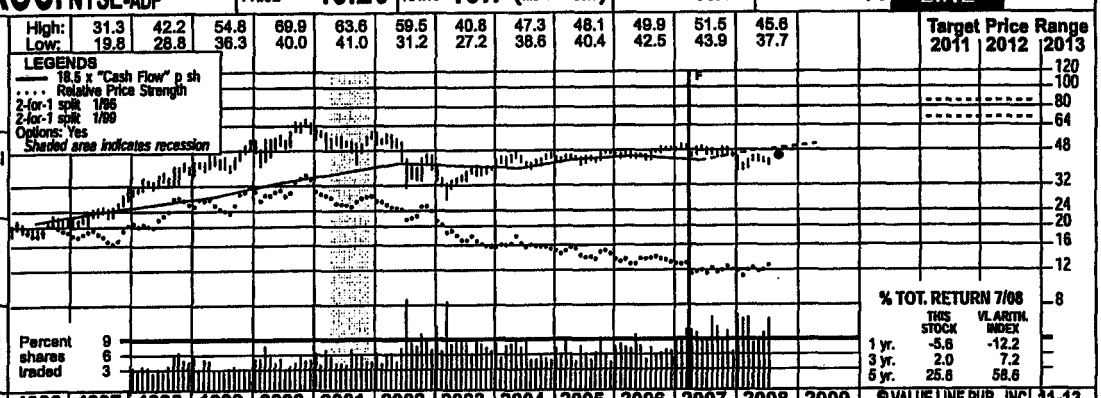
	Price	Gain	Ann'l Total Return
High	85	(+90%)	19%
Low	70	(+55%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	1	4	1	0	0	0	0	2	0
to Sell	1	4	1	2	0	1	1	3	5

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	301	367	306
to Sell	455	415	471
Hld's(000)	395183	393753	398849



Target Price Range 2011 | 2012 | 2013
120 100 80 64 48 32 24 20 16 12 8

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.6	-12.2
3 yr.	2.0	7.2
5 yr.	25.6	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.46	3.92	4.39	5.06	6.20	7.02	7.94	8.81	10.00	11.25	11.36	12.02	13.21	14.85	15.82	14.56	17.08	18.30	Revenues per sh A	22.10
.66	.77	.86	1.00	1.14	1.26	1.41	1.54	1.79	2.00	2.24	2.17	2.12	2.34	2.42	2.30	2.70	2.95	"Cash Flow" per sh	3.85
.46	.52	.59	.69	.79	.90	.99	1.10	1.31	1.52	1.75	1.67	1.56	1.79	1.85	1.83	2.20	2.45	Earnings per sh AB	3.30
.11	.12	.14	.16	.19	.22	.26	.30	.34	.40	.45	.48	.54	.61	.68	.83	1.04	1.18	Div'ds Decl'd per sh C	1.35
.10	.15	.20	.21	.28	.30	.33	.28	.26	.30	.24	.22	.35	.34	.52	.32	.40	.40	Cap'l Spending per sh	.35
2.31	2.64	3.01	3.68	4.02	4.54	5.64	6.38	7.29	7.53	8.30	9.03	9.23	9.97	10.71	9.61	9.90	12.40	Book Value per sh D	21.15
560.60	566.86	562.80	569.37	575.42	585.68	604.21	628.58	628.75	623.94	616.32	594.84	587.12	580.20	561.40	535.80	513.90	515.00	Common Shs Outst'g E	530.00
22.0	23.7	22.0	21.2	23.4	23.9	29.2	35.8	36.5	38.4	30.3	21.9	26.0	24.0	24.3	26.0	20.1		Avg Ann'l P/E Ratio	23.0
1.33	1.40	1.44	1.42	1.47	1.38	1.52	2.04	2.37	1.97	1.66	1.25	1.37	1.28	1.31	1.37	1.15		Relative P/E Ratio	1.55
1.0%	1.0%	1.0%	1.1%	1.1%	1.0%	.9%	.8%	.7%	.7%	.8%	1.3%	1.3%	1.4%	1.5%	1.7%	2.3%		Avg Ann'l Div'd Yield	2.0%
4798.1	5540.1	6287.5	7017.6	7004.3	7147.0	7754.9	8498.1	8881.5	7800.0	8776.5	9420	Revenues ($mill) A	11700
24.0%	24.8%	25.8%	27.6%	27.9%	25.1%	22.5%	22.9%	22.1%	22.0%	22.0%	22.5%	Operating Margin	24.0%
244.6	272.8	284.3	269.2	279.1	274.7	306.8	304.4	288.8	208.9	225	225	Depreciation ($mill)	250
605.3	696.8	840.8	976.4	1100.8	1018.2	935.6	1055.4	1072.4	1021.2	1161.7	1290	Net Profit ($mill)	1800
31.5%	35.7%	34.8%	38.1%	38.4%	38.1%	37.4%	37.1%	38.5%	37.1%	35.9%	36.0%	Income Tax Rate	37.0%
12.6%	12.6%	13.4%	13.9%	15.7%	14.2%	12.1%	12.4%	12.1%	13.1%	13.2%	13.7%	Net Profit Margin	15.4%
608.3	907.9	1767.8	1747.2	1406.2	1676.7	993.2	1640.4	2167.4	1587.9	1343.1	2600	Working Cap'l ($mill)	4000
192.1	145.8	132.0	110.2	90.6	84.7	76.2	75.8	74.3	43.5	52.1	50.0	Long-Term Debt ($mill)	50.0
3406.5	4007.9	4582.8	4701.0	5114.2	5371.5	5417.7	5783.8	6011.6	5147.9	5087.2	6380	Shr. Equity ($mill)	11200
17.1%	16.9%	17.9%	20.4%	21.2%	18.7%	17.1%	18.3%	18.2%	20.6%	22.6%	20.0%	Return on Total Cap'l	16.0%
17.8%	17.4%	18.3%	20.8%	21.5%	19.0%	17.3%	18.2%	17.8%	19.8%	22.8%	20.0%	Return on Shr. Equity	16.0%
13.3%	12.9%	13.7%	15.5%	16.1%	13.7%	11.6%	12.3%	11.3%	10.9%	11.7%	10.0%	Retained to Com Eq	9.0%
25%	26%	25%	25%	25%	28%	33%	33%	37%	45%	47%	48%	All Div'ds to Net Prof	41%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $52.1 mill. Due in 5 Yrs $16.9 mill.
LT Debt $52.1 mill. LT Interest $4.1 mill. (1% of Cap'l)

Leases, Uncapitalized Annual rentals $227.6 mill.
Pension Assets-6/07 $976 mill. Oblg. $830 mill.

Pfd Stock None

Common Stock 513,900,000 shs.

MARKET CAP: $23.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash and ST Secs.	2322.2	1816.5	1660.0
Receivables	836.8	915.0	NA
Other	1626.8	632.7	1730.0
Current Assets	4785.8	3364.2	3390.0
Accts Payable	613.6	105.0	NA
Debt Due	--	--	--
Other	2004.8	1671.3	NA
Current Liab.	2618.4	1776.3	2046.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '10-'12
Revenues	9.5%	6.5%	7.0%
"Cash Flow"	7.5%	3.0%	9.0%
Earnings	8.5%	3.5%	10.0%
Dividends	14.0%	12.5%	8.5%
Book Value	9.5%	5.5%	11.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	1854	1983	2350	2302	8499.1
2006	1922	2047	2439	2474	8881.5
2007	1755	1874	2171	2000	7800.0
2008	1992	2150	2427	2207	8776.5
2009	2155	2298	2605	2362	9420

Fiscal Year Ends	EARNINGS PER SHARE AB Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.36	.42	.57	.44	1.79
2006	.38	.47	.56	.44	1.85
2007	.36	.46	.66	.35	1.83
2008	.45	.55	.77	.43	2.20
2009	.51	.59	.85	.50	2.45

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.14	.14	.14	.14	.56
2005	.155	.155	.155	.155	.62
2006	.185	.185	.185	.185	.74
2007	.23	.23	.23	.23	.92
2008	.29	.29	.29		

BUSINESS: Automatic Data Processing, Inc. is the nation's largest payroll and tax filing processor with about 585,000 accounts (71% of fiscal 2008 revenues). The Professional Employer Organization unit (12%) provides comprehensive human resources solutions to smaller companies. Services for auto and truck dealerships (16%) include accounting, inventory, leasing, and parts ordering. Other (1%) includes processing services. Brokerage services (21% of 2006 revenues) was spun-off in March, 2007. U.S. accounts for about 82% of revenues. Has about 46,000 employees. Off. and dir. own 2.1% of stock. (9/07 Proxy). Chairman: Arthur F. Weinbach. CEO: Gary C. Butler. Inc.: DE. Address: 1 ADP Boulevard, Roseland, NJ 07068. Tel.: 973-974-5000. Internet: www.adp.com.

Automatic Data Processing generated a 12.5% revenue gain in fiscal 2008 (ended June 30th). This positive performance was achieved, despite the challenging economic environment and the impact of lower interest rates on funds held for payroll clients. The top line was supported by increases of 20% in the Professional Employment Organization (PEO) unit, 9% in Employer Services, and 8.5% in Dealer Services. With margins holding steady, net income from continuing operations advanced 14%. Aided by fewer shares outstanding, share earnings jumped 20%.

For fiscal 2009, we are projecting revenue expansion of roughly 7%. The lower growth rate reflects the impact of the weakened economic environment and expected tough comparisons in the fiscal first half. Our forecast is predicated primarily on growth in the core Employer Services business. Assuming a modest improvement in margins, we are estimating a share-profit gain of about 11%.

The 3- to 5-year outlook appears relatively positive. Long-term prospects should be enhanced by the favorable demand picture for integrated computing outsourcing solutions and ADP's solid position in the payroll and tax segments of the market.

The company has returned a significant amount of excess cash to shareholders. During fiscal 2008, ADP repurchased almost $1.5 billion of common stock and paid out $549 million in dividends. At June 30th, the company still had $1.66 billion ($3.23 a share) of cash on its balance sheet and minimal debt (1% of total capital).

These high-quality shares are neutrally ranked for relative price performance over the next six to 12 months. But based on our 3- to 5-year projections, they offer worthwhile capital appreciation potential over the 2011-2013 timeframe. Reflecting the company's excellent Financial Strength rating (A++) and the stock's high Safety rank (1), ADP is considered a below-average risk holding suitable for conservative investors. In addition, the equity trades with low volatility, as denoted by its below-market Beta coefficient (0.75) and high Stock Price Stability rating (100).

Lester Ratcliff *August 22, 2008*

(A) Fiscal year ends June 30th.
(B) Primary earnings through 6/30/97, diluted thereafter. Excl. charge for accounting change, '94, 2¢. Incl. stock option expense starting '06.
Next earnings report due late Oct.
(C) Dividends historically paid about the 1st of Jan., Apr., Jul., Oct.
(D) Includes intangibles. At 3/31/08: $3.08 billion, $5.93 a share.
(E) In millions, adjusted for stock splits.
(F) Brokerage Services divested 3/30/07; accounted for revenues of $1.93 billion in F'06.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	20
Earnings Predictability	95

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BANK OF AMERICA NYSE-BAC

RECENT PRICE 31.13 | P/E RATIO 13.2 (Trailing: 17.0 / Median: 11.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 8.2% | VALUE LINE

TIMELINESS 4 Lowered 4/27/07
SAFETY 1 Raised 2/24/06
TECHNICAL 4 Lowered 8/8/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+125%)	27%
Low	55	(+75%)	21%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	2	0	0	0	0	0	1
Options	1	0	1	0	0	7	0	0	0
to Sell	1	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	675	599	665
to Sell	628	763	694
Hld's(mill)	2659	2628	2583

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
High:	35.8	44.2	38.2	30.5	32.8	38.5	42.4	47.5	47.4	55.1	54.2	45.1								
Low:	24.0	22.0	23.8	18.2	22.5	27.0	32.1	38.5	41.1	40.9	40.6	18.4								
	1.13	1.24	1.52	1.76	1.96	2.09	1.82	2.34	2.36	2.48	2.96	3.57	3.69	4.04	4.59	3.30	2.35	3.50	Earnings per sh [AB]	5.50
	.38	.41	.47	.52	.60	.69	.80	.93	1.03	1.14	1.22	1.44	1.70	1.90	2.12	2.40	2.56	2.58	Div'ds Decl'd per sh [Cm]	3.00
	7.60	9.02	9.86	11.57	11.80	14.91	13.30	13.22	14.74	15.54	16.75	16.63	24.56	25.32	29.70	32.09	31.40	32.30	Book Value per sh [D]	38.25
	1012.0	1083.6	1105.8	1097.1	1147.0	1424.4	3449.0	3354.5	3227.3	3118.6	3001.4	2882.3	4046.5	3999.7	4458.2	4437.9	4560.0	4575.0	Common Shs Outst'g [E]	4600.0
	10.3	10.2	8.3	8.3	10.6	14.7	18.6	13.7	10.3	11.6	11.4	10.6	11.5	11.1	10.8	15.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	11.5
	.62	.60	.54	.56	.66	.85	.97	.78	.67	.59	.62	.60	.61	.59	.58	.79			Relative P/E Ratio	.75
	3.2%	3.2%	3.7%	3.6%	2.9%	2.2%	2.4%	2.9%	4.3%	4.0%	3.6%	3.8%	4.0%	4.2%	4.3%	4.9%			Avg Ann'l Div'd Yield	4.7%
							617679	632574	642191	621764	660458	736445	110457	291803	1459737	1715746	1900000	2040000	Total Assets ($mill)	2500000
							350206	363834	385355	322278	335904	365300	513211	565746	697474	864756	960000	1030000	Loans ($mill)	1250000
							18298	18237	18442	20290	20923	21464	28797	30737	34591	34433	43500	46000	Net Interest Inc ($mill)	54000
							2920.0	1820.0	2535.0	3892.0	3697.0	2839.0	2769.0	4014.0	5010.0	8385.0	24200	20000	Loan Loss Prov'n ($mill)	15000
							13206	14309	14514	14823	14201	17363	22220	26438	37989	31886	39700	45000	Noninterest Inc ($mill)	56000
							18741	17986	18083	19404	18436	20127	27027	28681	35597	37010	41500	45000	Noninterest Exp ($mill)	54500
							6490.0	8240.0	7863.0	8042.0	9249.0	10810	14143	16465	21133	14982	11875	17725	Net Profit ($mill)	27000
							34.1%	35.3%	36.3%	31.9%	28.8%	31.8%	33.4%	32.7%	33.9%	28.4%	32.0%	32.0%	Income Tax Rate	32.0%
							1.05%	1.30%	1.22%	1.29%	1.40%	1.47%	1.27%	1.27%	1.45%	.87%	.65%	.85%	Return on Total Assets	1.10%
							50842	60441	72502	68026	67176	75343	98078	100848	146000	197508	225000	250000	Long-Term Debt ($mill)	350000
							45938	44432	47628	48520	50319	47980	99645	101533	135272	146803	167250	172000	Shr. Equity ($mill)	200000
							7.4%	7.0%	7.4%	7.8%	7.6%	6.5%	9.0%	7.9%	9.3%	8.6%	9.0%	8.5%	Shr. Eq. to Total Assets	8.0%
							56.7%	57.5%	60.0%	51.8%	50.9%	49.6%	46.2%	43.8%	47.8%	50.4%	50.5%	50.5%	Loans to Tot Assets	50.0%
							14.1%	18.5%	16.5%	16.6%	18.4%	22.5%	14.2%	16.2%	15.6%	10.2%	7.0%	10.5%	Return on Shr. Equity	13.5%
							8.5%	11.4%	9.4%	9.1%	11.0%	13.6%	7.7%	8.7%	8.7%	2.9%	NMF	3.0%	Retained to Com Eq	6.5%
							40%	39%	43%	45%	40%	40%	46%	47%	46%	73%	108%	75%	All Div'ds to Net Prof	57%

Target Price Range 2011 | 2012 | 2013

LEGENDS
11.5 x Earnings p sh
Relative Price Strength
2-for-1 split 2/97
2-for-1 split 8/04
Options: Yes
Shaded area indicates recession

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-26.1	-12.2
3 yr.	-12.3	7.2
5 yr.	1.3	58.6

CAPITAL STRUCTURE as of 6/30/08

LT Debt $206.6 bill. Due in 5 Yrs $109.2 bill.
LT Interest $8.2 bill.

Pension Assets-12/07 $18.7 bill. Oblig. $15.5 bill.

Pfd Stock $24.2 bill. Pfd Div'd $745 mill.

Common Stock 4,452,847,217 shs.

MARKET CAP: $139 bill. (Large Cap)

ASSETS ($mill.)	2006	2007	6/30/08
Loans	697474	864756	853334
Funds Sold	135478	129552	107070
Securities	369337	410782	459735
Other Earning	13952	11773	7649
Other	243496	298883	289087
LIABILITIES($mill.)			
Deposits	693497	805177	784764
Funds Borrowed	442836	512289	507777
Long-Term Debt	146000	197508	206605
Net Worth	135272	146803	162691
Other	42132	53969	55038
Total	1459737	1715746	1716875
Loan Loss Resrv.	9016	11588	17130

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	5.0%	8.0%	8.5%
Earnings	7.5%	9.0%	5.5%
Dividends	13.5%	13.5%	6.0%
Book Value	8.5%	13.0%	4.5%
Total Assets	7.0%	11.0%	8.0%

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	521153	521099	546277	565746
2006	610458	658873	660277	697474
2007	714901	749575	784002	864756
2008	858979	853334	*965000*	*960000*
2009	*970000*	*980000*	*1000000*	*1030000*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.07	1.14	.95	.88	4.04
2006	1.07	1.19	1.18	1.16	4.59
2007	1.16	1.28	.82	.05	3.30
2008	.23	.73	*.70*	*.69*	*2.35*
2009	*.75*	*.85*	*.90*	*1.00*	*3.50*

Calendar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.40	.40	.45	.45	1.70
2005	.45	.45	.50	.50	1.90
2006	.50	.50	.56	.56	2.12
2007	.56	.56	.64	.64	2.40
2008	.64	.64			

BUSINESS: Bank of America Corp. was formed by the merger of NationsBank with BankAmerica on 9/30/98. Acquired FleetBoston Financial, 4/1/04; MBNA, 1/1/06; LaSalle Bank, 10/1/07. About 6,130 offices in 29 states & Wash. D.C. Loans (12/31/07): commercial, 27%; commercial real estate, 7%; residential, 31%; consumer, 32%; international, 3%. Net loan losses, .84% of average loans in '07; loan loss reserve, 1.98% of gross loans (6/30/08); nonperforming assets (including 90-day past-due), 1.64%. Had 206,587 full-time equivalent empl. (6/30/08). Directors & officers own 1.06% of stock (Proxy, 3/08). Chairman, CEO & President: K. Lewis. Inc.: DE. Address: Bank of America Corp. Ctr., Charlotte, NC 28255. Telephone: 704-386-5667. Internet: investor.bankofamerica.com.

Bank of America's June-quarter revenues rose 19% sequentially, helping to offset another sizable provision to the loan loss reserve and $1.2 billion of asset writedowns, the latter related to capital markets disruption (down from $2.8 billion in the March period). A wider net interest margin and a turnaround in trading income aided revenue growth.

Higher credit costs probably will limit the company's earnings progress in the second half. Real estate-related credits (home equity, mortgage, and commercial loans tied to housing) and credit card lending are the areas of most concern. A lot of the deterioration in real estate loans has taken place in former growth markets that experienced significant home price declines in the past year, like California and Florida. B of A has strengthened its lending practices, but further economic stress could cause credit losses to worsen before they moderate sometime in 2009.

Management now expects the acquisition of mortgage lender Countrywide Financial on July 1st to contribute positively to earnings in 2008. But Countrywide lost $2.3 billion in the June quarter, and its bottom-line contribution may depend on home prices stabilizing and the absence of a significant adverse effect from pending litigation. B of A issued 106 million shares of its stock for Countrywide. Cost reductions from the merger are estimated at $900 million by 2011.

We've lowered our share-net estimates for 2008 and 2009, by $0.50 and $0.15, respectively. Credit costs will likely stay high next year. Preferred dividends will rise due to the recent sale of $7 billion of preferred, limiting the growth of income available for common shareholders. And with Countrywide's earnings contribution unclear, our estimates are tentative.

Bank of America's diversification with regard to geography and business mix should facilitate an eventual earnings rebound and foster decent stock price recovery potential to 2011-2013. But most investors may want to heed the unfavorable Timeliness rank and defer commitments, given the near-term earnings uncertainty. The dividend yield remains high, but the payout should hold if earnings come in as we expect.

Theresa Brophy *August 22, 2008*

(A) All figures prior to '98 are for NationsBank alone. (B) Based on diluted shares. Excludes nonrecurring charges: '93, $0.20; '98, $0.37; '99, $0.10; '01, $0.39. Quarterly earnings per share may not equal total due to change in shares. Next earnings report mid-Oct. (C) Dividends historically paid late March, June, September, & December. ■ Dividend reinvestment plan available. (D) Includes intangibles. In '07: $87.8 billion, $19.79/sh. (E) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	70

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BK. OF NOVA SCOTIA TSE-BNS.TO F

RECENT PRICE 49.26 | P/E RATIO 12.1 (Trailing: 13.1 / Median: 12.0) | RELATIVE P/E RATIO 0.78 | DIV'D YLD 4.2% | VALUE LINE

TIMELINESS 3 Raised 8/1/08
SAFETY 2 Raised 11/10/00
TECHNICAL 3 Lowered 3/7/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+30%)	11%
Low	45	(-10%)	3%

Insider Decisions

NOT REPORTED

U.S. Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	64	89	72
to Sell	62	51	78
Hld's(000)	476437	516982	507281

High:	17.3	22.3	18.5	23.0	25.4	28.1	33.7	41.3	49.8	53.5	54.7	52.5							
Low:	11.0	11.4	14.3	13.0	18.7	21.0	24.4	32.4	38.6	41.6	46.7	41.9							

LEGENDS
11.0 x Earnings p sh
Relative Price Strength
2-for-1 split 2/96
2-for-1 split 4/04
Options: Yes
Shaded area indicates recession

2-for-1

Percent shares traded: 9, 6, 3

Target Price Range

2011	2012	2013
128	96	80
64	48	40
32	24	16
12		

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-2.4	-18.0
3 yr.	64.1	11.3
5 yr.	136.8	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.74	.75	.75	.85	1.02	1.26	1.32	1.47	1.78	2.03	2.20	2.35	2.68	3.10	3.58	4.03	*3.85*	*4.25*	Earnings per sh A B E	*4.95*
.26	.28	.29	.31	.33	.37	*.40*	*.44*	.50	.62	.73	.84	1.10	1.32	1.50	1.74	*1.92*	*2.12*	Div'ds Decl'd per sh C ■	*2.66*
4.95	5.45	5.68	6.18	6.76	8.10	9.18	9.74	11.25	12.74	13.39	13.68	14.55	15.64	17.12	17.45	*19.40*	*21.60*	Book Value per sh	*27.65*
824.75	845.09	905.04	929.03	949.79	979.60	984.20	988.50	995.93	1007.6	1008.2	1009.6	1009.8	990.18	980.00	984.00	*986.00*	*980.00*	Common Shs Outst'g D	*950.00*
7.3	8.4	9.3	8.2	8.0	11.0	12.8	11.1	9.7	10.8	11.3	12.0	13.0	13.1	12.9	12.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*11.0*
.44	.50	.61	.55	.50	.63	.67	.63	.63	.55	.62	.68	.69	.70	.70	.68			Relative P/E Ratio	*.75*
4.8%	4.5%	4.2%	4.5%	4.0%	2.7%	2.4%	2.7%	2.9%	2.8%	2.9%	3.0%	3.1%	3.3%	3.2%	3.3%			Avg Ann'l Div'd Yield	*4.8%*
233588	222691	253171	284425	296380	285892	279212	314025	379006	411510	*464585*	*491595*	Total Assets ($mill) E	*567185*
150482	145859	166903	175432	185671	171667	171768	191005	228479	249689	*278750*	*292500*	Loans ($mill) A E	*328965*
4377.0	4672.0	5199.0	6200.0	6902.0	6150.0	5865.0	5924.0	6461.0	7151.0	*7500*	*8300*	Net Interest Inc ($mill)	*9350*
595.0	635.0	765.0	1425.0	2029.0	893.0	390.0	230.0	216.0	270.0	*585*	*800*	Loan Loss Prov'n ($mill)	*1250*
2858.0	3183.0	3665.0	4071.0	3942.0	4015.0	4176.4	4419.0	4800.0	5417.0	*5120*	*5525*	Noninterest Inc ($mill)	*6900*
4446.0	4756.0	5119.0	5662.0	5746.0	5731.0	5862.0	6043.0	6459.0	7047.0	*6900*	*7425*	Noninterest Exp ($mill)	*8600*
1394.0	1551.0	1926.0	2169.0	2252.0	2477.0	2787.4	3155.0	3609.0	4065.0	*3925*	*4300*	Net Profit ($mill)	*4850*
34.7%	35.2%	33.2%	27.5%	19.6%	22.1%	20.9%	20.7%	19.2%	20.3%	*21.0%*	*21.0%*	Income Tax Rate	*22.0%*
.60%	.70%	.76%	.76%	.76%	.87%	1.00%	1.00%	.95%	.99%	*.85%*	*.87%*	Return on Total Assets	*.86%*
5482.0	5374.0	5370.0	5344.0	3878.0	2661.0	2615.0	2597.0	2271.0	1710.0	*3750*	*3500*	Long-Term Debt ($mill)	*2500*
10814	11406	12975	14608	14777	14614	15235	16082	17547	18804	*21325*	*23365*	Shr. Equity ($mill)	*28495*
4.6%	5.1%	5.1%	5.1%	5.0%	5.1%	5.5%	5.1%	4.6%	4.6%	*4.6%*	*4.8%*	Shr. Eq. to Total Assets	*5.0%*
64.4%	65.5%	65.9%	61.7%	62.6%	60.0%	61.5%	60.8%	60.3%	60.7%	*60.0%*	*59.5%*	Loans to Tot Assets	*58.0%*
12.9%	13.6%	14.8%	14.8%	15.2%	16.9%	18.3%	19.6%	20.6%	21.6%	*19.0%*	*19.0%*	Return on Shr. Equity	*17.5%*
10.0%	10.8%	12.1%	11.6%	10.5%	11.4%	11.2%	11.7%	12.4%	13.4%	*10.0%*	*10.0%*	Retained to Com Eq	*8.5%*
35%	33%	29%	32%	37%	36%	41%	43%	42%	44%	*50%*	*50%*	All Div'ds to Net Prof	*54%*

CAPITAL STRUCTURE as of 4/30/08

LT Debt $3946.0 mill.
LT Interest $254.0 mill.

Leases, Uncapitalized Annual rentals $169.0 mill.
Pension Assets-10/07 $5.70 bill. Oblig. $4.60 bill.

Pfd Stock $2210.0 mill. Pfd Div'd $86.0 mill.
Common Stock 986,000,000 common shares.

MARKET CAP: $48.6 billion (Large Cap)

ASSETS($mill.)	2006	2007	4/30/08
Loans	228479	249689	271416
Securities	95502	88835	97262
Other Earning	27289	34549	37960
Other	27736	38437	45935
LIABILITIES($mill.)			
Deposits	263914	288458	322438
Long-Term Debt	2271	1710	3946
Shr. Equity	17547	18804	20423
Other	95274	102538	105766
Total	379006	411510	452573
Loan Loss Resrv.	2607	2241	2490

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	7.0%	5.0%	*7.5%*
Earnings	13.0%	12.5%	*5.5%*
Dividends	16.5%	20.0%	*10.0%*
Book Value	9.0%	6.0%	*8.5%*
Total Assets	8.0%	6.0%	*7.5%*

Fiscal Year Ends	LOANS ($ mill.) A E Jan.31	Apr.30	Jul.31	Oct.31	
2005	182334	185582	192177	191005	
2006	192605	205341	216194	228479	
2007	236388	241900	249549	249689	
2008	268345	271416	*276500*	*278750*	
2009	*284000*	*286750*	*290000*	*292500*	

Fiscal Year Ends	EARNINGS PER SHARE A B E G Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	.77	.76	.77	.80	3.10
2006	.85	.89	.88	.96	3.58
2007	1.02	1.03	1.03	.95	4.03
2008	.82	.97	*1.01*	*1.05*	*3.85*
2009	*1.05*	*1.04*	*1.07*	*1.09*	*4.25*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.25	.25	.30	.30	1.10
2005	.32	.32	.34	.34	1.32
2006	.36	.36	.39	.39	1.50
2007	.42	.42	.45	.45	1.74
2008	.47	.47	.49		

BUSINESS: Bank of Nova Scotia, the third largest bank (by assets) in Canada, operates over 2,330 offices and branches (almost 5,285 ATMs) in Canada, the U.S., and over 50 fgn. countries. Owns Scotia-Capital. Acquired Montreal Trustco, '94; National Trust, '97. Loans in 2007: real estate and mortgage, 40%; commercial, 34%; personal/other, 17%; repo, 9%. Net loan losses, .28% of average loans in 2007. As of 10/31/07, loan loss reserves, 0.9% of loans; problem assets, 0.62% of loans. Has about 60,000 employees. Officers and directors own less than 1% of common shares (3/08 Proxy). President & CEO: Richard E. Waugh, Inc.: Canada. Address: Scotia Plaza, 44 King St. West, Toronto, Ontario, Canada M5H 1H1. Telephone: 416-866-6161. Internet: www.scotiabank.ca.

Credit quality is becoming more of a concern for Bank of Nova Scotia. Although credit conditions are still showing signs of stability in most of the bank's lending markets, the environment continues to weaken. In the second quarter, total net impaired loans climbed 23%, to $845 million, and will probably remain on the rise. Lower net recoveries are also likely to play a factor. In all, we have raised our 2008 estimate for loan loss provisions (LLPs) by $85 million, to $585 million. And next year, we look for a jump in LLPs of over 35%, to $800 million.

A share-net decline seems inevitable this year. But, with the asset-backed commercial paper writedowns behind it, Scotiabank ought to generate double-digit earnings growth next year.

The bank seems to be back on its usual expansion path. At our May review, Scotiabank had considered entering the U.S. market, with the purchase of struggling lender National City Corp. (NCC). Shortly thereafter, however, all discussions ceased. Given the price tag, the Canadian bank wisely avoided making NCC, and its tattered balance sheet, its first entry south of the border. In the meantime, though, Scotiabank continues to build its emerging markets business, specifically in the Caribbean and Latin America, with a venture into the Peruvian pension fund business being one of its latest initiatives. Whether it will make the jump into the U.S. remains to be seen. But with numerous valuations continuing to surface, we would not be surprised to see Scotiabank window-shop a bit more.

Shareholder-friendly spending persists. The bank continued its biannual trend of dividend hikes, raising the third-quarter payout by 4%, to $0.49 a share.

These shares are an average selection for year-ahead price performance. The stock offers lackluster appreciation potential for the pull to 2011-2013. That said,

There may be some lure here for more-conservative, income-oriented investors. The stock offers an Above-Average Safety rank (2) and top scores for Price Stability and Earnings Predictability. Too, healthy dividend growth ought to support the elevated yield we anticipate 3 to 5 years out.

Jason A. Smith *August 1, 2008*

(A) Fisc. year ends Oct. 31st. (B) Dil. egs., primary before '97. Based on Cdn. GAAP. Excl. nonrecurring gain/(loss): '94, (62¢); '97, 38¢; '00, 11¢; '01, ($1.05); '02, ($1.09); '04, 14¢; '05, 5¢; '06, (3¢); '07, (2¢). Next egs. rpt. due late Aug. (C) Div'ds subj. to 15% nonres. withholding tax. Div. histor. paid in late Jan., Apr., July, and Oct. ■Div. reinvest. plan avail. (D) In mill., adj. for stk. splits. (E) Incl. National Trustco as of '97. (F) All figs. are in Canadian dollars. (G) '07 & '08 incl. write-downs on non-bank asset-backed commercial paper.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	100

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HEARING EXHIBIT 00000524

BOK FINANCIAL NDQ-BOKF

RECENT PRICE 53.65 | P/E RATIO 14.7 (Trailing: 15.4 Median: 15.0) | RELATIVE P/E RATIO 0.91 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 3 Raised 10/26/07
SAFETY 2 New 9/24/04
TECHNICAL 3 Lowered 5/30/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+70%)	15%
Low	65	(+20%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	1
Options	3	1	0	8	14	15	10	2	1
to Sell	1	4	0	5	7	10	2	4	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	46	61	61
to Sell	39	37	45
Hld's(000)	13409	13902	14023

High:	19.3	21.5	22.4	19.1	30.4	34.4	40.1	49.5	49.8	55.3	56.0	61.4	
Low:	11.0	15.8	16.7	13.2	18.3	25.3	28.9	37.2	39.4	44.1	47.3	45.9	

LEGENDS
15.0 x Earnings p sh
Relative Price Strength
2-for-1 split 2/99
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 128 / 96 / 80 / 64 / 48 / 40 / 32 / 24 / 16 / 12

Percent shares traded: 3 / 2 / 1

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.9	-9.7
3 yr.	33.7	27.3
5 yr.	72.6	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.63	.72	.86	.95	1.04	1.25	1.28	1.46	1.65	2.06	2.41	2.38	2.68	3.01	3.16	3.34	*3.65*	*3.95*	Earnings per sh A	*5.25*
--	--	--	--	--	--	--	--	--	--	--	--	--	.30	.55	.75	*.88*	*.80*	Div'ds Decl'd per sh C	*1.00*
3.31	4.16	4.44	5.71	6.84	8.12	9.51	9.93	12.80	14.98	19.02	20.60	23.25	22.99	25.05	27.86	*29.70*	*32.85*	Book Value per sh	*44.30*
41.85	46.25	50.00	50.22	50.46	50.80	50.69	53.62	53.78	54.31	56.72	58.92	59.50	66.96	68.70	69.47	*67.00*	*67.00*	Common Shs Outst'g B	*67.00*
7.5	11.6	9.6	9.0	8.6	11.6	15.3	13.6	9.5	11.9	12.5	14.7	15.6	14.9	15.7	15.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
.45	.69	.63	.60	.54	.67	.80	.78	.62	.61	.68	.84	.82	.79	.85	.83			Relative P/E Ratio	*1.00*
--	--	--	--	--	--	--	--	--	--	--	--	--	.7%	1.1%	1.4%			Avg Ann'l Div'd Yield	*1.3%*
6809.4	8374.0	9748.3	11130	12245	13582	14395	16253	18060	20840	*22020*	*23720*	Total Assets ($mill)	*30600*
3487.0	*4567.3*	5435.2	6193.5	6784.9	7355.3	7820.3	9036.1	10606	11891	*13280*	*14400*	Loans ($mill)	*18800*
182.3	236.1	268.9	326.8	368.2	390.0	423.2	449.3	486.7	544.5	*600*	*640*	Net Interest Inc ($mill)	*800*
14.5	10.4	17.2	37.6	33.7	35.8	20.4	12.4	18.4	34.7	*70.0*	*60.0*	Loan Loss Prov'n ($mill)	*30.0*
161.9	188.5	199.1	259.3	324.0	303.0	312.6	345.6	371.7	405.6	*460*	*510*	Noninterest Inc ($mill)	*660*
217.8	280.5	303.0	353.2	425.6	410.1	444.9	467.8	512.4	570.6	*620*	*660*	Noninterest Exp ($mill)	*810*
74.7	89.2	100.1	126.2	150.4	158.4	179.0	201.5	213.0	225.2	*245*	*265*	Net Profit ($mill)	*355*
33.3%	33.3%	32.2%	35.4%	35.4%	36.0%	33.8%	36.0%	35.0%	34.7%	*36.0%*	*36.0%*	Income Tax Rate	*36.0%*
1.10%	1.07%	1.03%	1.13%	1.23%	1.17%	1.24%	1.24%	1.18%	1.08%	*1.10%*	*1.10%*	Return on Total Assets	*1.15%*
--	--	1031.0	1407.3	1243.4	1171.0	1166.6	1350.3	891.5	1425.8	*2200*	*2000*	Long-Term Debt ($mill)	*2000*
505.1	*557.2*	703.6	828.5	1093.6	1228.6	1398.5	1539.2	1721.0	1935.4	*1990*	*2195*	Shr. Equity ($mill)	*2965*
7.4%	6.7%	7.2%	7.4%	8.9%	9.0%	9.7%	9.5%	9.5%	9.3%	*9.0%*	*9.5%*	Shr. Eq. to Total Assets	*9.5%*
51.2%	*54.5%*	*55.8%*	*55.6%*	*55.4%*	*54.2%*	*54.3%*	55.6%	58.7%	57.1%	*60.5%*	*60.5%*	Loans to Tot Assets	*61.5%*
14.8%	16.0%	14.2%	15.2%	13.8%	12.9%	12.8%	13.1%	12.4%	11.6%	*12.5%*	*12.0%*	Return on Shr. Equity	*12.0%*
15.3%	16.5%	14.5%	15.5%	13.9%	13.0%	12.9%	11.8%	10.2%	9.0%	*9.5%*	*9.5%*	Retained to Com Eq	*9.5%*
--	--	--	--	--	--	--	10%	17%	22%	*24%*	*23%*	All Div'ds to Net Prof	*19%*

CAPITAL STRUCTURE as of 3/31/08
LT Debt $2200.7 mill. LT Interest $163.0 mill.
Due in 5 Yrs. $2200.7 mill.

Leases, Uncapitalized Annual rentals $18.8 mill.
No defined Benefits Pension Plan

Pfd Stock None
Common Stock 67,438,599 shares
as of 4/30/08

MARKET CAP: $3.6 billion (Mid Cap)

ASSETS($Mill.)	2006	2007	3/31/08
Loans	10606.3	11890.6	12251.1
Funds Sold	22.0	173.2	22.3
Securities	5103.7	6098.9	6184.1
Other Earning	43.6	1.8	12.6
Other	2284.0	2675.4	2655.9
LIABILITIES($Mill.)			
Deposits	12386.7	13459.3	13329.5
Funds Borrowed	2348.5	3225.1	2910.2
Long-Term Debt	891.5	1425.9	2200.7
Shr. Equity	1721.0	1935.4	1992.6
Other	711.9	794.2	693.0
Total	18059.6	20839.9	21126
Loan Loss Resrv.	109.5	126.7	136.6

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	12.5%	6.6%	*11.5%*
Earnings	11.5%	9.0%	*10.0%*
Dividends	--	--	*23.5%*
Book Value	14.0%	10.0%	*10.5%*
Total Assets	11.0%	6.0%	*10.0%*

Calendar	LOANS ($ mill.) Mar 31	Jun 30	Sep 30	Dec 31	
2005	7977	8406	8774	9036	--
2006	9098	9689	9900	10606	--
2007	11029	11580	11629	11891	--
2008	12251	*12600*	*12900*	*13280*	
2009	*13600*	*13800*	*14100*	*14400*	

Calendar	EARNINGS PER SHARE A Mar 31	Jun 30	Sep 30	Dec 31	Full Year
2005	.78	.75	.76	.72	3.01
2006	.81	.82	.78	.75	3.16
2007	.78	.80	.89	.87	3.34
2008	.92	*.90*	*.92*	*.91*	*3.65*
2009	*.95*	*.96*	*1.02*	*1.02*	*3.95*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	.10	.10	.10	.30
2006	.10	.15	.15	.15	.55
2007	.15	.20	.20	.20	.75
2008	.20	.225			

BUSINESS: BOK Financial Corporation is a bank holding company. It operates four principal lines: corporate banking, consumer banking, mortgage banking, and trust services from 150 locations. Its banking and bank-related activities are primarily performed through Bank of Oklahoma, N.A. (BOK); Bank of Texas, N.A.; Bank of Albuquerque, N.A.; Bank of Arkansas, N.A.; and Colorado State Bank and Trust, N.A. Has about 4,110 employees. At 12/31/07, loan loss reserve was 1.06% of loans. Officers and directors own 66.6% of shares (3/08 proxy). Chairman: George B. Kaiser. President & CEO: Stanley Lybarger. Incorporated: Oklahoma. Address: Bank of Oklahoma Tower, P.O. Box 2300, Tulsa, Oklahoma 74192. Telephone: 918-588-6000. Internet: www.bokf.com.

BOK Financial is making steady progress. We believe that the bank's net interest margin will widen in the coming quarters as the yield curve continues to shift from being flattened to more normalized. Indeed, in the first quarter the net interest margin improved one basis point from a year earlier, to 3.31%. What's more, a greater level of earning assets helped to boost net interest income 14% year over year, to $14 million. And while competition remains intense on the deposit side, BOK Financial has been able to increase loans at a relatively decent pace. Overall, we think that the bank's bottom line will rise 9%, to $3.65 this year.

BOK will likely maintain healthy credit quality in the years ahead. Net charge-offs as a percentage of total average loans and nonperforming assets increased in the March interim. Nonetheless, we still think that they are at fairly manageable levels for the bank. The fact that BOK has limited exposure to the subprime market should also help. Furthermore, it is maintaining solid reserves to cushion against any further deterioration in asset quality.

We expect BOK Financial to geographically expand in the coming years. This Oklahoma-based institution has a strong foothold in the southern U.S. and has been slowly increasing its presence in other regions over the past few years. Going forward, the company will likely purchase additional banks that fit with its strategy of taking over well-managed organizations.

Our projections indicate annual earnings advances of approximately 10% over the next 3 to 5 years. Modest loan and deposit growth, along with greater fee income, will probably drive the bottom-line gains we envision over this period. Factors that may limit our projections, though, are more competitive pricing in the market and greater noninterest expenses related to branch expansion.

These shares are ranked to perform in line with the broader markets over the coming year. In addition, risk-averse investors may find some appeal in this fairly safe investment. However, the stock's total return possibilities over the pull to 2011–2013 are unexciting.

Randy Shrikishun *June 20, 2008*

(A) Diluted earnings (primary in 1995 and 1996). Next earnings report due in mid-July.
(B) In millions, adjusted for split.
(C) Dividends expected to be paid in late-Feb., May, Aug., and Nov.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	95

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BP p.l.c. (ADR) NYSE-BP

RECENT PRICE **70.20** | P/E RATIO **7.8** (Trailing: 11.4 / Median: 14.0) | RELATIVE P/E RATIO **0.48** | DIV'D YLD **4.7%** | VALUE LINE

TIMELINESS **2** Raised 5/9/08
SAFETY **1** Raised 3/28/97
TECHNICAL **3** Raised 5/23/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+55%)	16%
Low	90	(+30%)	11%

Insider Decisions

NOT REPORTED

U.S. Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	323	378	346
to Sell	499	512	576
Hld's(000)	380756	394225	391461

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
High:	46.5	48.7	62.6	60.6	55.2	54.0	49.6	62.1	72.7	76.9	79.6	77.7							
Low:	32.4	36.5	40.2	43.1	42.2	36.3	34.7	46.7	58.6	63.5	58.6	57.8							
	1.51	1.48	1.53	1.56	1.71	1.64	1.67	1.62	1.50	1.45	1.61	1.78	1.92	1.72	1.96	1.98	1.95	1.95	Translation Rate (£/$) A
	27.80	28.85	27.62	30.70	40.61	37.11	21.16	25.74	39.43	46.60	47.92	63.08	79.46	72.46	81.77	90.16	115.20	118.35	Revenues per ADR
	1.85	2.21	2.88	3.40	4.12	3.96	3.01	3.44	5.28	5.02	4.69	6.25	7.55	8.40	9.30	8.84	12.60	13.05	"Cash Flow" per ADR
	.53	.59	1.08	1.72	2.18	2.44	1.39	1.92	3.49	3.34	2.16	3.24	4.14	5.48	6.30	5.41	9.00	9.25	Earnings per ADR B
	.63	.48	.52	.83	1.06	1.32	1.45	1.31	1.35	1.43	1.57	1.53	1.66	2.09	2.30	2.54	3.28	3.45	Gross Div'ds Decl'd ADR Cm
	2.90	2.36	2.01	2.43	3.11	3.16	2.61	1.99	2.67	3.29	3.28	3.43	3.69	3.57	4.85	5.65	6.40	6.75	Cap'l Spending per ADR
	6.83	7.24	8.23	9.08	10.58	10.77	12.95	13.32	17.48	16.67	17.96	21.63	23.71	24.82	26.60	29.71	34.55	39.25	Book Value per ADR
	1806.2	1817.0	1834.2	1858.3	1883.4	1920.8	3227.7	3247.0	3755.0	3738.7	3729.8	3687.1	3587.7	3442.8	3251.7	3154.0	3125.0	3100.0	Common ADRs Outst'g D
	24.5	23.7	16.8	12.7	13.1	15.9	30.8	27.8	15.1	14.9	21.2	12.8	13.1	11.8	10.9	12.6	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio
	1.49	1.40	1.10	.85	.82	.92	1.60	1.58	.98	.76	1.16	.73	.69	.63	.59	.66			Relative P/E Ratio
	4.9%	3.5%	2.9%	3.8%	3.8%	3.4%	3.4%	2.5%	2.6%	2.9%	3.4%	3.7%	3.1%	3.2%	3.3%	3.7%			Avg Ann'l Div'd Yield
							68304	83568	148062	174218	178721	232571	285059	249465	265906	284365	360000	370000	Revenues ($mill)
							15.0%	16.0%	16.1%	13.2%	10.7%	10.7%	11.5%	13.4%	13.7%	12.6%	14.5%	14.5%	Operating Margin
							5255.0	4965.0	7276.0	6273.0	9099.0	10940	11160	8771.0	9128.0	10579	11125	11750	Depreciation ($mill)
							4468.0	6204.0	12555	12512	8395.0	12089	15913	20141	21115	17287	28250	29300	Net Profit ($mill)
							24.2%	26.7%	26.5%	28.3%	35.5%	32.8%	32.4%	30.8%	35.4%	33.0%	36.5%	36.5%	Income Tax Rate
							6.5%	7.4%	8.5%	7.2%	4.7%	5.2%	5.6%	8.1%	7.9%	6.1%	7.8%	7.9%	Net Profit Margin
							d940.0	202.0	2972.0	d1506	d1235	3881.0	d2948	3793.0	d1091	2971.0	5500	4500	Working Cap'l ($mill)
							10918	9644.0	14772	12327	11922	12869	12907	10230	11086	15651	16500	17500	Long-Term Debt ($mill)
							41786	43281	65666	62322	66999	79764	85092	85462	86517	93690	107950	121725	Shr. Equity ($mill)
							9.3%	12.7%	16.3%	17.4%	11.3%	13.5%	16.6%	21.3%	22.0%	16.2%	23.0%	21.0%	Return on Total Cap'l
							10.7%	14.3%	19.1%	20.1%	12.5%	15.2%	18.7%	23.6%	24.4%	18.5%	26.0%	24.0%	Return on Shr. Equity
							4.9%	4.8%	12.4%	12.3%	4.6%	8.0%	11.6%	14.0%	15.2%	9.6%	16.5%	15.0%	Retained to Com Eq
							54%	67%	35%	39%	63%	47%	38%	41%	38%	48%	36%	37%	All Div'ds to Net Prof

	2011	2012	2013
Target Price Range			

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	12.8	-9.7
3 yr.	34.2	27.3
5 yr.	104.6	85.8

VALUE LINE, INC. 11-13

CAPITAL STRUCTURE as of 3/31/08
Total Debt $29.9 bill. Due in 5 Yrs unavailable
LT Debt $13.8 bill. LT Interest $750 mill. (12% of Cap'l)
Uncapitalized Leases: Annual rentals $3.8 bill.
Pension Assets 12/07: $42.8 bill.
Obligation $43.1 bill.
Pfd Stock Negligible

Common Stock 18,877,537,000 shs. equivalent to 3,146,256,000 ADRs

MARKET CAP: $221 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	2590	3562	4820
Receivables	38692	38020	43698
Inventory (FIFO)	18915	26554	26885
Other	14064	12066	13113
Current Assets	74261	80202	88516
Accts Payable	42236	43152	47546
Debt Due	12924	15394	16051
Other	20192	18685	19346
Current Liab.	75352	77231	82943

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	8.5%	13.0%	9.0%
"Cash Flow"	8.5%	12.0%	8.5%
Earnings	10.5%	14.0%	9.5%
Dividends	8.0%	9.5%	9.5%
Book Value	10.5%	9.5%	11.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	54743	60704	69310	64708	249465
2006	63288	72132	68540	61946	265906
2007	61307	71872	71334	79852	284365
2008	87745	89500	90500	92255	360000
2009	90000	92000	93000	95000	370000

Calendar	EARNINGS PER ADR B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.54	1.40	1.26	1.28	5.48
2006	1.54	1.82	1.73	1.21	6.30
2007	1.35	1.90	1.22	.94	5.41
2008	2.09	2.25	2.30	2.36	9.00
2009	2.20	2.30	2.35	2.40	9.25

Calendar	QUARTERLY DIVIDENDS PAID Cm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.405	.405	.426	.426	1.66
2005	.51	.51	.535	.535	2.09
2006	.56	.56	.59	.59	2.30
2007	.62	.62	.65	.65	2.54
2008	.8115	.8115			

BUSINESS: BP p.l.c. is one of the world's largest integrated oil companies. Daily 2007 production (including equity interests): crude oil & liquids, 2,414,000 barrels; natural gas, 8.1 billion cubic feet; refinery runs, 2.4 mill. bbls. 2007 refining margin: $9.94/barrel; refining availability: 82.9%. Acquired Amoco, 1998; Arco, 2000; Burmah Castrol, 2000. Proved reserves (incl. equity int.) as of 12/31/06: 9.8 bill. barrels of oil; 45.9 tcf of natural gas. Estimated pretax present value of reserves: $139 bill. Has 96,200 employees. Fixed assets: 69% oil and gas; 26% refining; 5% other. Chairman: Peter Sutherland. Chief Executive: A. Hayward. Inc.: England and Wales. Addr.: 1 St. James Square, London SW1Y 4PD, England. U.S. Tel.: 212-451-8034. Internet: www.bp.com.

BP has put most of its recent problems behind it. Difficulties at one of the two refineries that had been experiencing significant downtime have been cleared up. Operating rates at the other have risen notably, too, and are expected to be up to full speed in the months ahead. The pickup in profits early in 2008 is partly attributable to the improved performance in this area. Rising oil prices have also helped, of course.

Rising oil prices may slow production growth, but the net effect is positive. BP has 60 major oil and gas development projects under way, with the brightest possibilities for extra volume from the Gulf of Mexico, Angola, Azerbaijan, and Indonesia. Nine ventures are due on stream in 2008. Budgeted at a $60 a barrel oil price, completion of these ventures might lift production by 10% by 2012. But the many production-sharing contracts in force mean that BP maxes out sooner on the revenues it is allowed to earn as oil prices rise. That suggests a more flattish tone for the production profile, if the spike in crude quotations holds. Even so, rising oil prices are bullish for profits, despite their dampening effect on volume.

BP is working to secure resources. A planned joint venture with Husky Energy would get it into the Canadian oil sands. BP has agreed to give up a half-share in its Ohio refinery — which would be upgraded to handle more heavy oil — for a 50% stake of the large Sunrise field in Alberta. Cost estimates for the undertaking are now being confirmed. BP could break ground in 2010 if all goes as planned.

Meantime, Russian production has leveled off. BP did well to get into that resource-rich nation when its competitors were unable to, and has profited accordingly. But disputes with the company's partners have cast a cloud over operations lately. It's not clear when BP will realize more growth in Russia. State-controlled Gazprom may eventually move in on the partnership and gain the upper hand.

This top-quality issue is timely and offers good risk-adjusted 3- to 5-year total return potential. Without question, though, oil prices will need to remain high for BP to achieve the earnings and dividend progress we envision.

Robert Mitkowski, Jr. *June 13, 2008*

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	65

(A) At yearend.
(B) Based on U.S. GAAP. Excludes nonrecurring items: '92, (80¢); '93, (15¢); '96, (6¢); '97, (31¢); '98, (37¢); '99, (51¢); '00, (69¢); '01, ($1.05); '02, 8¢; '03, 28¢; '04, 32¢; '05, 5¢; '06, 37¢. Next earnings report due July 29.
(C) Dividends historically paid in mid-March, June, Sep., and Dec. ■Dividend reinvestment plan available. Gross dividends (before withholding tax) until 2003. Dividends now free of British withholding by tax treaty.
(D) In mill., adj. for splits. 1 ADR = 6 shares.

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CAMPBELL SOUP NYSE-CPB

RECENT PRICE 35.30 | P/E RATIO 16.0 (Trailing: 18.0 Median: 20.0) | RELATIVE P/E RATIO 1.03 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 3 Raised 12/7/07
SAFETY 2 Lowered 5/14/09
TECHNICAL 3 Raised 7/18/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+85%)	18%
Low	45	(+25%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	1
Options	0	1	2	2	2	0	0	2	2
to Sell	2	2	4	4	2	2	0	3	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	161	170	160
to Sell	181	178	159
Hld's(000)	156954	150619	156248

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
	12.47	13.08	13.49	14.61	15.54	17.39	14.95	14.37	14.68	18.29	14.96	16.29	17.42	18.50	18.27	20.76	21.90	22.90	Sales per sh A	25.70
	1.41	1.59	1.78	1.99	2.28	2.62	2.53	2.28	2.26	2.24	2.06	2.12	2.24	2.42	2.41	2.78	2.90	3.05	"Cash Flow" per sh	3.55
	.98	1.11	1.26	1.40	1.61	1.85	1.90	1.72	1.65	1.55	1.28	1.52	1.58	1.71	1.66	1.95	2.09	2.25	Earnings per sh A B	2.75
	.36	.46	.55	.61	.67	.75	.82	.88	.90	.90	.63	.63	.64	.69	.74	.82	.88	.94	Div'ds Decl'd per sh C=	1.10
	.67	.73	.85	.79	.84	.72	.57	.66	.47	.49	.66	.69	.71	.81	.77	.88	.85	.85	Cap'l Spending per sh	.90
	4.04	3.39	4.01	4.96	5.55	3.10	1.95	.53	.32	d.60	d.28	.94	2.14	3.11	4.40	3.42	4.75	6.05	Book Value per sh D	10.80
	502.34	503.40	496.00	498.00	494.00	458.00	448.00	447.00	427.00	409.00	410.00	410.00	408.00	408.00	402.00	379.00	370.00	370.00	Common Shs Outst'g E	370.00
	19.2	18.5	15.6	15.9	18.2	23.4	26.4	27.6	21.4	18.9	21.6	15.1	16.7	16.7	19.0	19.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
	1.16	1.09	1.02	1.06	1.14	1.35	1.48	1.58	1.39	.97	1.18	.86	.88	.89	1.03	1.04			Relative P/E Ratio	1.35
	1.9%	2.2%	2.8%	2.7%	2.3%	1.7%	1.5%	1.8%	2.5%	3.1%	2.3%	2.7%	2.4%	2.4%	2.3%	2.1%			Avg Ann'l Div'd Yield	2.0%
							6696.0	6424.0	6267.0	6664.0	6133.0	6678.0	7109.0	7548.0	7343.0	7867.0	8110	8475	Sales ($mill) A	9500
							27.4%	25.3%	25.6%	23.8%	23.5%	20.6%	19.6%	19.7%	19.5%	19.3%	19.5%	19.5%	Operating Margin	21.0%
							261.0	255.0	251.0	266.0	319.0	243.0	260.0	279.0	289.0	283.0	285	290	Depreciation ($mill)	300
							874.0	766.0	714.0	649.0	525.0	626.0	652.5	707.0	681.0	771.0	785	835	Net Profit ($mill)	1050
							33.9%	33.7%	33.7%	34.2%	34.2%	32.3%	31.5%	31.4%	29.6%	30.0%	31.0%	31.0%	Income Tax Rate	31.0%
							13.1%	11.9%	11.4%	9.7%	8.6%	9.4%	9.2%	9.4%	9.3%	9.8%	9.7%	9.9%	Net Profit Margin	10.7%
							d1363	d1852	d1864	d1899	d1479	d1493	d858.0	d490.0	d850.0	d452.0	d285	d230	Working Cap'l ($mill)	220
							1169.0	1330.0	1218.0	2243.0	2449.0	2249.0	2543.0	2542.0	2116.0	2074.0	1800	1800	Long-Term Debt ($mill)	1800
							874.0	235.0	137.0	d247.0	d114.0	387.0	874.0	1270.0	1768.0	1295.0	1755	2240	Shr. Equity ($mill)	3990
							45.1%	51.2%	55.3%	36.8%	25.2%	26.1%	20.9%	20.6%	19.9%	25.1%	23.5%	22.0%	Return on Total Cap'l	18.5%
							100.0%	326.0%	521.2%	--	--	161.8%	74.7%	55.7%	38.5%	59.5%	44.5%	37.5%	Return on Shr. Equity	25.5%
							58.0%	161.7%	240.9%	--	--	94.8%	45.0%	34.0%	22.0%	35.8%	26.0%	22.0%	Retained to Com Eq	15.5%
							42%	50%	54%	58%	54%	41%	40%	39%	43%	40%	42%	42%	All Div'ds to Net Prof	40%

CAPITAL STRUCTURE as of 4/27/08
Total Debt $2116 mill. Due in 5 Yrs $349 mill.
LT Debt $1767 mill. LT Interest $115 mill.

(LT interest earned: 8.3x; total int. coverage: 6.2x)
(53% of Cap'l)
Leases, Uncapitalized Annual rentals $77 mill.
Pension Assets-7/07 $2.0 bill. Oblig. $1.9 bill.
Pfd Stock None

Common Stock 371,518,353 shs.
as of 5/29/08

MARKET CAP: $13.1 billion (Large Cap)

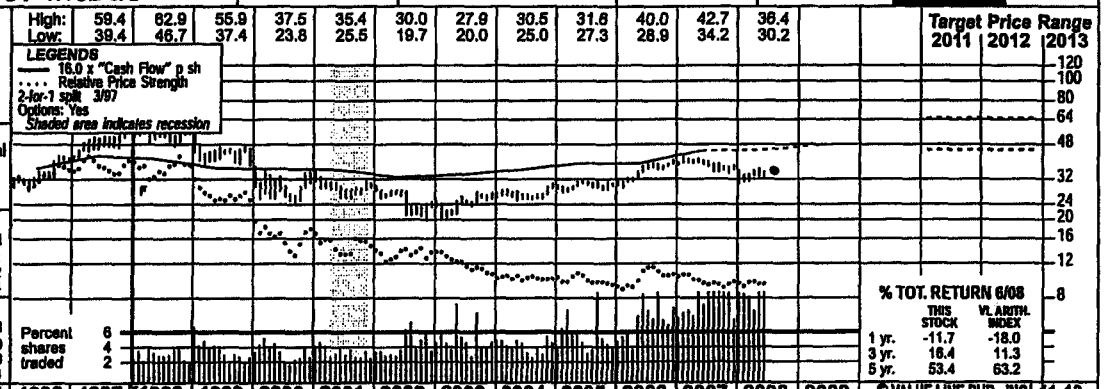
CURRENT POSITION ($MILL.)	2006	2007	4/27/08
Cash Assets	657	71	50
Receivables	494	581	655
Inventory (LIFO)	728	775	666
Other	233	151	239
Current Assets	2112	1578	1610
Accts Payable	691	694	593
Debt Due	1097	Nil	349
Other	1174	1336	721
Current Liab.	2962	2030	1663

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	2.0%	4.5%	5.0%
"Cash Flow"	1.0%	3.0%	6.0%
Earnings	1.0%	3.5%	8.0%
Dividends	1.0%	-1.5%	6.5%
Book Value	-2.0%	--	20.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	2091	2223	1736	1498	7548
2006	2002	2159	1728	1454	7343
2007	2153	2252	1868	1594	7867
2008	2298	2218	1880	1714	8110
2009	2325	2375	1975	1800	8475

Fiscal Year Ends	EARNINGS PER SHARE A B Oct.Per	Jan.Per	Apr.Per	Jul.Per	Full Fiscal Year
2005	.56	.57	.35	.23	1.71
2006	.55	.58	.35	.18	1.66
2007	.67	.68	.46	.14	1.95
2008	.70	.69	.43	.27	2.09
2009	.75	.75	.50	.25	2.25

Calendar	QUARTERLY DIVIDENDS PAID C= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.158	.158	.17	.17	.66
2005	.17	.17	.17	.18	.69
2006	.18	.18	.20	.20	.76
2007	.20	.20	.22	.22	.84
2008	.22	.22			



BUSINESS: Campbell Soup is the world's largest soup maker, as well as a leading producer of packaged foods and beverages. Brands include *Campbell's*, *Erasco*, and *Liebig* soups; *Swanson* broths; *Pepperidge Farm* cookies; *Campbell's* canned pasta and chili; *V8* juices; *Prego* pasta sauces; and *Godiva* chocolates. Acquired Australia's Snack Foods Limited, 7/02. Spun off Vlasic Foods division, 3/98. Foreign operations in '07: 30% of sales, 20% of earnings. R&D, 1.3% of '07 sales. Has 24,000 employees. Off. and dir. (*including heirs of founder John T. Dorrance*) own 43% of shares (10/07 Proxy). Chairman: George Sherman. Pres. & CEO: Douglas Conant. Inc.: NJ. Address: Campbell Place, Camden, New Jersey 08103. Tel.: 856-342-4800. Web: www.campbellsoup.com.

Although Campbell Soup has posted mixed results in recent quarters, we generally look for a decent growth year in fiscal 2009 (begins August 4th). The New Jersey-based company has experienced heightened competition in its core soup operation, primarily from rival General Mills, which makes the *Progresso* line. Sales of ready-to-eat soups fell 9% in the April quarter. However,

A focus on specialty lines should prove beneficial. Recently introduced low-sodium soups are targeted, in part, at expanding Campbell's market to include consumers that have previously avoided canned soup in order to keep salt intake low. A number of new products are due in the coming weeks, including several under the *Select Harvest* name, the soupmaker's health-oriented brand. Meanwhile, in the past couple of quarters, premium refrigerated and shelf-stable, aseptically packaged soups have been marketed successfully to a more upscale demographic. Further planned promotions should generate additional interest for these products.

Markets in Russia and China hold significant promise. Soup consumption in these two countries is notably high. Even modest penetration of these markets, which are roughly eightfold Campbell's current global market, would be very rewarding. To that end, the company is gradually introducing soups to the Moscow metropolitan area, as well as throughout China's Guandong province. So far, the endeavor appears to be meeting with expectations. In-store cooking demonstrations and sampling events, extensive marketing campaigns, and free product samples should foster demand.

The Godiva divestiture is complete. Campbell sold the premium chocolate maker, which generates about $500 million in annual revenue, to Turkey's Yildiz for $850 million. The deal should enable the company to better position itself toward healthy offerings, which are more lucrative and have better growth prospects.

Neutrally ranked Campbell Soup shares have limited appeal. The current price of CPB stock already reflects much of our profit-growth assumptions for the company.

Warren Thorpe *August 1, 2008*

(A) Fiscal year ends about July 31st. (B) Based on diluted shares after '97. Excludes nonrecurring gains/(losses): '93, ($1.09); '97, (34¢); '98, (40¢); '99, (9¢); '06, 14¢; '07 2Q, (4¢); '07 3Q, 10¢. Next earnings report due late August. (C) Dividends historically paid early April, July, October, and late December. ■ Div'd reinvest. plan available. (D) Includes intangibles in '06: $2,361.0 million, or $5.87/share. (E) In millions, adjusted for stock split. (F) Bold line in array above reflects spinoff of Vlasic in 1998.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	10
Earnings Predictability	95

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CHEVRON CORP. NYSE-CVX

RECENT PRICE 97.86 | P/E RATIO 9.6 (Trailing: 10.8 / Median: 15.8) | RELATIVE P/E RATIO 0.59 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 2 Raised 2/15/08
SAFETY 1 Raised 1/4/91
TECHNICAL 2 Raised 6/13/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+50%)	12%
Low	115	(+20%)	7%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	0	0	3	1	0	1	0
to Sell	0	2	0	0	2	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	487	591	488
to Sell	721	700	823
Hld's(000)	1354833	1346331	1327772

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	44.6	45.1	57.0	47.4	49.2	45.8	43.5	56.1	66.0	76.2	95.5	104.6								
Low:	30.9	33.9	36.6	35.0	39.2	32.7	30.7	42.0	49.8	53.8	65.0	76.4								
	28.80	24.65	23.28	24.01	28.23	26.69	23.40	27.87	40.63	50.11	46.37	56.94	73.70	88.77	86.02	105.67	*145.00*	*155.20*	Sales per sh [A]	*188.05*
	3.22	3.28	3.16	3.34	3.73	4.18	2.80	3.76	6.26	4.88	2.98	5.90	8.67	8.96	10.09	13.11	*14.45*	*14.05*	"Cash Flow" per sh	*16.65*
	1.18	1.40	1.30	1.51	2.03	2.43	1.02	1.57	3.99	1.55	.54	3.48	6.28	6.54	7.80	8.77	*10.20*	*9.60*	Earnings per sh [B]	*11.80*
	.83	.88	.93	.96	1.04	1.14	1.22	1.24	1.30	1.33	1.40	1.43	1.54	1.75	2.01	2.26	*2.53*	*2.88*	Div'ds Decl'd per sh [Cm]	*3.20*
	2.58	2.55	2.61	2.71	2.62	2.97	2.97	3.33	2.85	4.58	3.56	2.63	2.99	3.90	5.85	7.98	*11.80*	*10.20*	Cap'l Spending per sh	*9.80*
	10.55	10.74	11.20	11.00	11.96	13.32	13.04	13.52	15.53	16.02	14.79	16.97	21.47	28.07	28.22	36.88	*41.60*	*44.45*	Book Value per sh	*52.00*
	1300.7	1303.0	1303.5	1304.7	1306.2	1311.9	1306.1	1312.7	1283.1	2120.2	2136.3	2138.3	2107.1	2232.7	2442.7	2090.4	*1950.0*	*1900.0*	Common Shs Outst'g [D]	*1800.0*
	14.6	15.3	16.8	16.0	14.7	15.4	39.9	28.6	10.6	26.8	74.4	10.2	7.6	8.8	8.1	9.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*11.0*
	.89	.90	1.10	1.07	.92	.89	2.08	1.83	.69	1.48	4.06	.58	.40	.47	.44	.50			Relative P/E Ratio	*.75*
	4.8%	4.1%	4.2%	4.0%	3.5%	3.0%	3.0%	2.8%	3.1%	3.0%	3.5%	4.0%	3.2%	3.0%	3.2%	2.7%			Avg Ann'l Div'd Yield	*2.5%*
							30557	36586	52129	106245	99049	121761	155300	198200	210118	220904	*282745*	*294900*	Sales ($mill) [A]	*338500*
							29.4%	47.0%	44.3%	14.7%	10.1%	15.7%	17.0%	16.1%	19.1%	18.5%	*17.0%*	*16.5%*	Operating Margin	*17.0%*
							2320.0	2866.0	2848.0	7059.0	5231.0	5384.0	4935.0	5913.0	7505.0	8708.0	*8300*	*8450*	Depreciation ($mill)	*8765*
							1339.0	2070.0	5185.0	3288.0	1132.0	7230.0	13328	14099	17138	18688	*19890*	*16240*	Net Profit ($mill)	*21240*
							27.0%	43.3%	44.1%	60.3%	72.8%	43.4%	35.1%	44.0%	46.4%	41.9%	*45.0%*	*45.0%*	Income Tax Rate	*44.0%*
							4.4%	5.7%	9.9%	3.1%	1.1%	5.9%	6.6%	7.1%	8.2%	8.5%	*7.0%*	*6.2%*	Net Profit Margin	*6.3%*
							d869.0	d592.0	539.0	d2327	d2100	3315.0	9708.0	9325.0	7895.0	5579.0	*6100*	*7200*	Working Cap'l ($mill)	*9050*
							4393.0	5485.0	5153.0	*8989.0*	*10666*	*10651*	*10217*	*12131*	7679.0	6070.0	*5600*	*5500*	Long-Term Debt ($mill)	*8500*
							17034	17749	19925	33958	31604	36295	45230	62676	68935	77088	*81150*	*84500*	Shr. Equity ($mill)	*93600*
							6.9%	9.6%	21.3%	8.5%	3.5%	16.2%	24.7%	19.4%	22.7%	22.6%	*21.5%*	*18.5%*	Return on Total Cap'l	*18.5%*
							7.9%	11.7%	26.0%	9.7%	3.6%	19.9%	29.5%	22.5%	24.9%	24.2%	*24.5%*	*21.5%*	Return on Shr. Equity	*22.5%*
							NMF	2.5%	17.6%	1.3%	NMF	11.6%	22.3%	16.5%	18.5%	18.0%	*18.5%*	*15.0%*	Retained to Com Eq	*16.5%*
							119%	79%	33%	87%	NMF	42%	24%	27%	26%	26%	*25%*	*30%*	All Div'ds to Net Prof	*27%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	25.1	-9.7
3 yr.	101.8	27.3
5 yr.	227.1	85.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $6393 mill. Due in 5 Yrs $780 mill.
LT Debt $5613 mill. LT Interest $334.6 mill.
Includes $411 million capitalized leases.
(7% of Cap'l)

Leases, Uncapitalized Annual rentals $431.3 mill.
Pension Assets-12/07 $6.83 bill. Oblig. $14.11 bill.

Pfd Stock None
Common Stock 2,068,473,013 shs.

MARKET CAP: $202 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	11446	7592	8681
Receivables	18912	18293	23874
Inventory (LIFO)	4934	5120	5652
Other	2511	3104	3281
Current Assets	37803	34109	41488
Accts Payable	17167	17212	23490
Debt Due	48	1892	780
Other	9459	9563	11169
Current Liab.	26674	28667	35439

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.5%	15.5%	*12.5%*
"Cash Flow"	11.0%	18.0%	*7.0%*
Earnings	14.5%	30.5%	*7.5%*
Dividends	6.5%	8.5%	*8.0%*
Book Value	10.0%	15.0%	*9.0%*

Calendar	QUARTERLY SALES ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	41607	48343	54456	53794	198200
2006	54624	53536	54212	47746	210118
2007	48227	56094	55173	61410	220904
2008	*65946*	*70750*	*70250*	*75799*	*282745*
2009	*72000*	*73000*	*74500*	*75400*	*294900*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.28	1.76	1.64	1.86	6.54
2006	1.80	1.97	2.29	1.74	7.80
2007	2.18	2.52	1.75	2.32	8.77
2008	*2.48*	*2.65*	*2.60*	*2.47*	*10.20*
2009	*2.35*	*2.50*	*2.40*	*2.35*	*9.60*

Calendar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.365	.365	.40	.40	1.53
2005	.40	.45	.45	.45	1.75
2006	.45	.52	.52	.52	2.01
2007	.52	.58	.58	.58	2.26
2008	*.58*	*.65*			

BUSINESS: Chevron Corp. is the world's fourth largest oil company based on proven reserves. Daily 2008 gross production: crude oil & NGLs, 2.239 mill. barrels; natural gas, 4.414 bill. cubic feet. Net proved reserves, 12/07: oil, 8.589 bill. bbls.; *natural gas*, 22.480 trill. cu. ft. Avg. 5-yr. finding costs: $5.43 a barrel (vs. ind. avg. $5.22). 5-yr. reserve replacement rate: 97% (vs. ind. avg. 112%). Est. present value of reserves: $167.2 bill. Product sales: 4.4 mill. bbls./day. Has 4,132 owned/leased stations, mainly in the U.S.; supplies 11,414 others. Has about 125,000 employees. Officers & Directors own less than 1% of stock (5/08 proxy). Chairman and CEO: David J. O'Reilly. Inc.: DE. Addr.: 575 Market St., San Francisco, CA 94105. Tel.: 925-842-1000. Web: www.chevroncorp.com.

Chevron stock has risen over 15% since our March report. Much of the ascent is due to skyrocketing crude oil prices, despite a pullback in production. Additionally, the Refining and Marketing (R&M) operation performed better than anticipated in the first quarter. Thanks to the completion of the El Segundo project, Chevron was able to increase its heavy crude throughput, which is cheaper, while minimizing its sweet crude throughput. This permitted the U.S. R&M sector to post a profit of $4 million, as opposed to an expected loss of over $35 million.

The company's financial flexibility remains high. Chevron bought back over $2 billion of stock in the first interim, and we look for this pace to continue unabated. Too, the quarterly dividend was hiked 12%, to $0.65 a share. Meanwhile, capital expenditures are likely to surpass $23 billion this year, given the large amount of international activity expected in the second half, as well as ongoing cost pressures. With the per-share numbers escalating, and the stock price higher, we wouldn't be surprised to see the company declare a 2-for-1 stock split to make the equity appear more affordable.

Start-ups in the E&P division remain on track. Major upstream projects, such as Agbami and Tengiz SGP, are slated for the third quarter. The Tengiz SGI start-up occurred in the first period, as did the Moho-Bilondo (Angola) undertaking, well ahead of schedule. The Blind Faith (GOM) project has been pushed back into the second half, however.

Share earnings should top $10 this year. We roughly estimate that for every $10 a barrel rise in light sweet crude, Chevron's per-share earnings rise about $0.30. This figure has further upside potential depending on whether natural gas prices increase, which they have of late. As such, despite our expectation for a weak summer refining outlook, and lower production volume (around 2.5 mmboe/d, compared to 2.6 in 2007), due to the high price of oil, our earnings estimate may well prove conservative.

We have raised our Target Price Range. This high-quality and timely issue has decent risk-adjusted total-return potential over the pull to 2011-2013.

Jeremy J. Butler *June 13, 2008*

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	90
Earnings Predictability	15

(A) Sales exclude (consumer) petroleum & chemicals excise taxes. *2005 sales figures* restated to account for UNOCAL merger. (B) Based on diluted shares. Excl. nonrecur. gains (losses): '92, ($0.02); '93 ($0.43); '95, ($.79); '96, $0.03; '97, $0.06; '98, ($0.48). Incl. nonrecur. loss of $1.41: '01. Next earnings report due mid-July. (C) Dividends historically paid on or about 10th of March, June, September and December. ■Dividend reinvestment plan available. (D) In millions, adj. for stock splits.

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CHUBB CORP. NYSE-CB

RECENT PRICE 53.54 | P/E RATIO 8.9 (Trailing: 8.2 Median: 15.0) | RELATIVE P/E RATIO 0.55 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 3 Lowered 4/11/08
SAFETY 1 Raised 6/20/08
TECHNICAL 3 Lowered 6/6/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

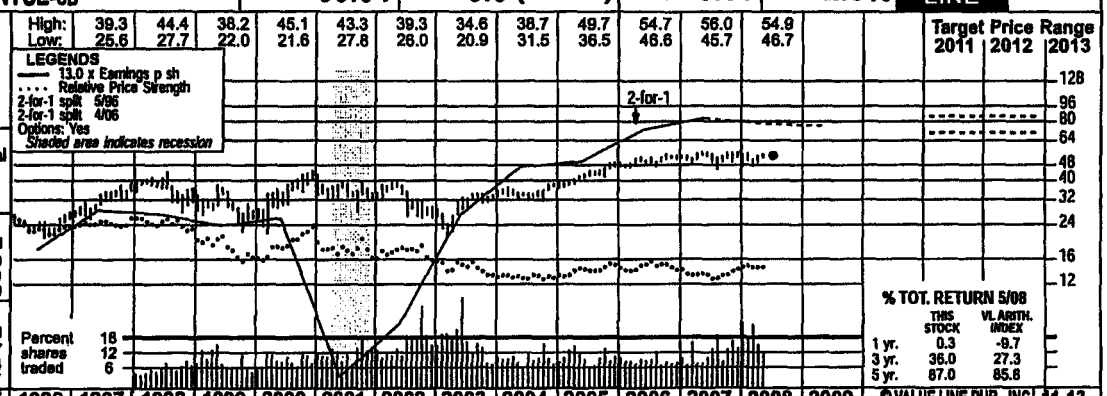
	Price	Gain	Ann'l Total Return
High	85	(+60%)	14%
Low	70	(+30%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	1	0	0	0	0	0	0	0	0
Options	0	1	0	1	2	1	0	1	3
to Sell	0	4	1	1	6	3	0	9	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	250	288	287
to Sell	295	279	284
Hld's(000)	329896	323671	315997



Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	0.3	-9.7
3 yr.	36.0	27.3
5 yr.	87.0	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
9.04	9.99	10.87	11.89	13.07	15.28	16.34	16.10	17.57	19.57	23.61	27.09	30.20	29.12	29.08	31.89	*32.90*	*33.65*	P/C Prem Earned p sh	*35.45*
1.98	2.28	2.39	2.43	2.03	2.14	2.53	2.55	2.74	2.89	2.91	2.97	3.26	3.37	3.84	4.64	*5.05*	*5.50*	Investment Inc p sh [A]	*6.35*
d.22	d1.20	d.11	.24	.04	.20	d.58	d.50	d.24	d2.91	d2.46	d.18	2.01	2.17	4.59	5.51	*4.10*	*3.50*	Underwriting Inc p sh [A]	*2.45*
1.74	.98	1.49	1.96	1.38	2.20	2.10	1.83	2.01	.32	.58	2.08	3.63	3.87	5.60	6.41	*6.00*	*5.85*	Earnings per sh [B]	*5.90*
.39	.42	.46	.49	.54	.58	.62	.64	.66	.68	.70	.72	.78	.86	1.00	1.16	*1.32*	*1.40*	Div'ds Decl'd per sh [Cm]	*1.60*
11.30	11.96	12.23	15.09	15.62	16.82	17.39	17.87	19.96	19.18	20.03	22.67	26.28	29.68	33.71	38.56	*42.65*	*46.55*	Book Value per sh	*55.45*
350.08	350.84	347.28	348.85	349.72	337.43	324.53	350.98	349.84	340.14	342.40	375.93	385.35	418.08	411.28	374.65	*360.00*	*350.00*	Common Shs Outst'g [D]	*350.00*
166%	182%	153%	142%	155%	191%	212%	168%	171%	185%	164%	131%	133%	144%	149%	137%	*Bold figures are Value Line estimates*		Price to Book Value	*140%*
10.8	22.2	12.6	10.9	17.6	14.7	17.6	16.4	17.0	NMF	NMF	14.3	9.6	11.0	9.0	8.2			Avg Ann'l P/E Ratio	*13.0*
.66	1.31	.83	.73	1.10	.85	.92	.93	1.11	NMF	NMF	.82	.51	.59	.49	.44			Relative P/E Ratio	*.85*
2.1%	1.9%	2.5%	2.3%	2.2%	1.8%	1.7%	2.1%	1.9%	1.9%	2.1%	2.4%	2.2%	2.0%	2.0%	2.2%			Avg Ann'l Div'd Yield	*2.1%*
5303.8	5652.0	6145.9	6656.4	8085.3	10183	11636	12176	11958	11946	*11850*	*11775*	P/C Premiums Earned	*12400*
68.8%	70.5%	67.5%	80.8%	75.4%	67.6%	63.1%	64.3%	55.2%	52.8%	*58.0%*	*59.5%*	Loss to Prem Earned	*63.5%*
33.5%	32.3%	32.9%	32.6%	31.3%	30.4%	29.2%	28.0%	29.0%	30.1%	*29.5%*	*29.5%*	Expense to Prem Writ	*29.5%*
-2.3%	-2.8%	-.4%	-13.4%	-6.7%	2.0%	7.7%	7.7%	15.8%	17.1%	*12.5%*	*11.0%*	Underwriting Margin	*7.0%*
16.8%	12.5%	16.0%	--	--	11.2%	24.2%	23.5%	27.8%	28.0%	*28.0%*	*28.0%*	Income Tax Rate	*28.0%*
707.0	621.1	714.7	111.5	200.9	753.9	1402.4	1578.2	2367.0	2564.0	*2220*	*2115*	Net Profit ($mill)	*2100*
5.7%	5.8%	5.8%	5.8%	5.2%	4.7%	4.2%	4.3%	4.5%	4.5%	*4.5%*	*5.0%*	Inv Inc/Total Inv	*5.5%*
20746	23537	25027	29449	34114	38361	44260	48061	50277	50574	*51500*	*53500*	Total Assets ($mill)	*62000*
5644.1	6271.8	6981.7	6525.3	6859.2	8522.0	10126	12407	13863	14445	*15350*	*16300*	Shr. Equity ($mill)	*19400*
12.5%	9.9%	10.2%	1.7%	2.9%	8.8%	13.8%	12.7%	17.1%	17.8%	*14.5%*	*13.0%*	Return on Shr. Equity	*11.0%*
8.9%	6.5%	7.0%	NMF	NMF	5.9%	10.9%	9.9%	14.1%	14.7%	*11.5%*	*10.0%*	Retained to Com Eq	*8.0%*
29%	34%	32%	NMF	118%	33%	21%	22%	17%	17%	*21%*	*23%*	All Div'ds to Net Prof	*27%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3460.0 mill. Due in 5 Yrs $1085.0 mill
LT Debt $3460.0 mill. LT Interest $210.0 mill.
(19% of Cap'l)
Leases, Uncapitalized Annual rentals $89.0 mill.
Pension Assets-12/07 $1409.0 mill.
Oblig. $1658.0 mill.
Pfd Stock None
Common Stock 365,488,126 shs.

MARKET CAP: $19.6 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	31966	33871	34071
Stocks	1957	2320	2008
ReinsuranceRecov.	2594	2307	2297
Other	13760	12076	12817
Total Assets	50277	50574	51193
Unearned Prems	6546	6599	6594
Reserves	22293	22523	22893
Other	7575	6907	7359
Total Liab'ties	36414	36129	36846

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	8.5%	8.0%	3.0%
Invest Income	6.0%	7.0%	*6.0%*
Earnings	11.0%	40.5%	*2.0%*
Dividends	6.5%	8.0%	*6.0%*
Book Value	8.0%	11.5%	*8.5%*

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3035	3019	3043	3079	12176
2006	3019	2970	2974	2995	11958
2007	2985	2964	2978	3019	11946
2008	2976	*2950*	*2950*	*2974*	*11850*
2009	*2950*	*2940*	*2940*	*2945*	*11775*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.11	1.14	.45	1.17	3.87
2006	1.42	1.35	1.37	1.46	5.60
2007	1.53	1.60	1.68	1.60	6.41
2008	1.65	*1.45*	*1.45*	*1.45*	*6.00*
2009	*1.50*	*1.45*	*1.45*	*1.45*	*5.85*

Calendar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.18	.195	.195	.195	.77
2005	.195	.215	.215	.215	.84
2006	.215	.25	.25	.25	.97
2007	.25	.29	.29	.29	1.12
2008	.29	.33			

BUSINESS: The Chubb Corporation is a holding company engaged in property and casualty insurance. The company has offices located throughout North America, Europe, South America, and the Pacific Rim. Acquired Executive Risk, Inc. in July 1999. Sold life/health and real estate operations in 1997. Mix of p/c premiums written at 12/31/07: personal lines, 31%; standard commercial, 43%; specialized commercial, 25%; Reinsurance, 1%. Has about 10,600 employees. Morgan Stanley owns 6.2% of common stock; officers and directors control less than 1% of common (3/08 proxy). Chairman, President, and CEO: John D. Finnegan. *Incorporated:* N.J. Address: 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061. *Telephone:* 908-903-2000. *Internet:* www.chubb.com.

Chubb Corp. started 2008 on a solid note. Although operating income dropped a bit during the first quarter, the P/C insurance provider managed to post a sturdy 8% share-earnings advance, thanks largely to a lower share count resulting from aggressive buyback activity of late. (Note that at the end of March, nearly 15 million shares remained in the repurchase program.) Too, underwriting performance was healthy, with the combined ratio at just under 84%, aided by favorable reserve releases and light catastrophe losses.

The soft P/C pricing environment remains a challenge, however. To be sure, lower rates have tempered top-line momentum for more than a couple of years. Recent market data suggest that pricing competition within the P/C insurance industry in the U.S. will likely continue in the foreseeable future. Against this backdrop, the top line figures to be hurt by difficulties in winning new business and retaining existing accounts within Chubb's core U.S. operations.

Underwriting profits may well narrow. For one thing, reserve development will probably moderate in the quarters ahead. Also, the company's exposure to the credit market crisis is still somewhat concerning, even though CB has indicated that its risk is manageable, thanks to strict underwriting practices. Indeed, loss trends within the professional liability and directors & officers lines bear watching, as claims may begin to pick up there. Catastrophe losses, meanwhile, are another unknown factor, which may well push the combined ratio higher. For this year, we continue to assume such outlays will account for three percentage points.

Accordingly, we still expect share earnings to decline this year and next. Despite the first-quarter showing, full-year profits will probably decline 6% in 2008 and recede a bit more next year, based on lackluster premium growth and an uptick in loss trends.

Still, a well-covered dividend gives this stock some appeal. The stock is neither a standout for the year ahead nor the long haul, as earnings progress will likely remain muted. Nonetheless, a decent dividend payout and prospects for increases are pluses here.

J. Susan Ferrara *June 20, 2008*

(A) Before taxes. Incl. p/c inv. inc. after 1996. (B) Primary egs. thru 1996. Dil. thereafter. Excl. cap. gains begin. with 2002: '02, 7¢; '03, 15¢; '04, 38¢; '05, 60¢; '06, 38¢; '07, 60¢; Q1 '08, 12¢. Incl. cap. gains: '00, 10¢; '99, 17¢; '98, 27¢; '97, 20¢; '96, 17¢; '95, 24¢; '92, 69¢. Excl. nonrec. loss: '93, $2.43. Qtrs. may not add due to diff. in shs. out'g. Next egs. rpt. due late July. (C) Dividends are historically paid early January, April, July, October. ■ Dividend reinvestment plan available. (D) In mill., adj. for stock splits.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	75
Earnings Predictability	45

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CINCINNATI FINCL. NDQ-CINF

RECENT PRICE 33.31 | P/E RATIO 11.9 (Trailing: 10.0 Median: 20.0) | RELATIVE P/E RATIO 0.73 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS 3 Raised 8/17/07
SAFETY 2 New 7/27/90
TECHNICAL 3 Lowered 6/6/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+80%)	19%
Low	45	(+35%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	1	0	0	0	1	0
Options	0	1	0	0	0	2	0	1	1
to Sell	1	0	1	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	148	130	154
to Sell	156	175	152
Hld's(000)	93308	94416	91930

High: 42.8 42.6 38.5 39.3 38.9 42.9 38.0 43.5 45.9 49.2 48.4 40.2
Low: 18.7 27.7 27.3 23.8 30.8 29.4 30.0 36.6 38.4 41.2 36.0 33.0

LEGENDS
1.3 x Book value p sh
Relative Price Strength
3-for-1 split 5/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013: 120 100 80 64 48 32 24 20 16 12 8

Percent shares traded: 6 4 2

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-20.1	-9.7
3 yr.	-2.5	27.3
5 yr.	20.5	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
5.45	5.95	6.36	6.86	7.43	7.91	8.39	9.28	10.30	11.60	13.39	15.04	16.65	17.57	18.28	18.83	18.35	18.45	P/C Prem Earned p sh [A]	20.80
1.20	1.31	1.43	1.63	1.78	1.90	2.00	2.17	2.33	2.36	2.49	2.64	2.81	3.02	3.29	3.66	3.85	4.15	Investment Inc p sh [A]	4.75
d.23	1.45	1.49	1.68	1.56	2.21	1.79	d.34	d1.56	d.94	d.61	.02	1.13	1.32	1.04	1.83	.40	.25	Underwriting Inc p sh [A]	.45
.93	1.08	1.07	1.21	1.19	1.61	1.28	1.38	.66	1.08	1.67	2.17	2.94	3.17	2.82	3.54	2.80	2.80	Earnings per sh [B]	3.30
.28	.31	.35	.39	.44	.50	.56	.62	.69	.76	.81	.91	1.00	1.21	1.34	1.42	1.56	1.64	Div'ds Decl'd per sh [C] ■	1.80
9.41	10.62	10.55	14.43	17.25	25.67	30.59	30.35	33.80	33.58	31.34	35.17	35.64	34.98	39.35	35.72	36.65	37.50	Book Value per sh [F]	41.85
182.20	183.44	183.85	184.25	184.02	183.77	183.77	178.63	177.38	176.61	176.61	176.40	175.35	174.00	173.00	166.00	163.00	160.00	Common Shs Outst'g [D]	160.00
138%	151%	137%	111%	104%	97%	117%	110%	96%	105%	117%	99%	112%	120%	116%	120%	Bold figures are Value Line estimates		Price to Book Value	125%
14.0	14.9	13.5	13.3	15.2	15.6	28.0	24.2	48.9	32.7	21.9	16.1	13.5	13.2	16.2	12.2			Avg Ann'l P/E Ratio	16.0
.85	.88	.89	.89	.95	.90	1.46	1.38	3.18	1.68	1.20	.92	.71	.70	.87	.65			Relative P/E Ratio	1.05
2.2%	1.9%	2.4%	2.4%	2.5%	2.0%	1.6%	1.9%	2.1%	2.2%	2.2%	2.6%	2.5%	2.9%	2.9%	3.3%			Avg Ann'l Div'd Yield	3.4%
						1542.6	1657.3	1827.6	2071.0	2391.0	2653.0	2919.0	3058.0	3163.0	3125.0	2990	2950	P/C Premiums Earned	3325
						79.2%	75.7%	86.5%	80.3%	76.4%	71.1%	63.2%	62.5%	63.5%	58.6%	66.5%	58.5%	Loss to Prem Earned [E]	67.0%
						--	27.9%	27.8%	27.8%	28.2%	28.8%	30.0%	30.0%	30.8%	31.7%	31.0%	30.5%	Expense to Prem Writ [E]	30.5%
						20.8%	-3.6%	-14.3%	-8.1%	-4.6%	.1%	6.8%	7.5%	5.7%	9.7%	2.5%	1.5%	Underwriting Margin [E]	2.5%
						21.3%	20.8%	--	12.7%	19.6%	22.5%	26.1%	26.2%	23.1%	24.7%	25.0%	25.0%	Income Tax Rate	25.0%
						241.6	254.7	118.4	193.0	300.0	386.0	524.0	562.0	496.0	610	465	460	Net Profit ($mill)	540
						3.6%	3.8%	3.7%	3.6%	4.0%	3.7%	3.9%	4.1%	4.1%	5.0%	4.5%	4.5%	Inv Inc/Total Inv	5.0%
						11087	11380	13287	13959	14059	15509	16107	16003	17222	16637	16000	16000	Total Assets ($mill)	17000
						5620.9	5421.3	5995.0	5998.0	5598.0	6204.0	6249.0	6086.0	6808.0	5929.0	5875	6000	Shr. Equity ($mill) [F]	6700
						4.3%	4.7%	2.0%	3.2%	5.4%	6.2%	8.4%	9.2%	7.3%	10.3%	8.0%	7.5%	Return on Shr. Equity	8.0%
						2.5%	2.7%	NMF	1.0%	2.8%	3.7%	5.6%	5.9%	3.9%	6.2%	3.5%	3.5%	Retained to Com Eq	4.0%
						41%	43%	101%	68%	47%	40%	34%	36%	46%	39%	55%	57%	All Div'ds to Net Prof	53%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $860.0 mill. Due in 5 Yrs Nil
LT Debt $860.0 mill. LT Interest $52.0 mill.
(Incl. $420 mill. 6.9% non-redeemable sr. debs. due '28 and $371 mill. 6.125% sr. notes due '34) (14% of Cap'l)
Pension Assets-12/07 $210.0 mill. Oblig. $206.0 mill.
Pfd Stock None

Common Stock 163,163,257 shs.
as of 4/24/08
MARKET CAP: $5.4 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	5805	5848	5965
Stocks	7799	6249	5629
Other	3618	4540	4351
Total Assets	17222	16637	15945
Unearned Prems	1579	1564	1585
Reserves (p/c)	3896	3967	4019
Other	4939	5177	4892
Total Liab'ties	10414	10708	10496

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	9.5%	9.0%	2.0%
Invest Income	6.5%	7.0%	6.0%
Earnings	9.0%	23.0%	.5%
Dividends	11.5%	12.0%	5.5%
Book Value	6.5%	2.0%	2.0%

Calendar	P/C PREMIUMS EARNED ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	753	765	765	775	3058
2006	778	793	791	801	3163
2007	784	787	777	777	3125
2008	751	750	750	739	2990
2009	740	740	735	735	2950

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.78	.84	.61	.94	3.17
2006	.74	.72	.66	.70	2.82
2007	.88	.94	.66	1.07	3.54
2008	.66	.71	.70	.73	2.80
2009	.68	.70	.70	.72	2.80

Calendar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.227	.250	.262	.262	1.00
2005	.262	.290	.305	.305	1.16
2006	.305	.335	.335	.335	1.31
2007	.335	.355	.355	.355	1.40
2008	.355	.390			

BUSINESS: Cincinnati Financial Corporation is a holding company. Subsidiaries operate in the following areas: property and casualty insurance (Cincinnati Insurance, Cincinnati Casualty, and Cincinnati Indemnity), life and health insurance (Inter-Ocean Insurance and Life Insurance Company of Cincinnati which merged into Cincinnati Life Insurance Company 2/88), and financial services (CFC Investment Company). 2007 Property/Casualty premium distribution: Commercial lines, 77%; Personal lines, 23%. Has approximately 4,090 employees. Officers and directors own 10.6% of stock (3/08 Proxy). Chairman & CEO: J.J. Schiff, Jr. Vice-chair. & Pres.: James Benoski. Inc.: Ohio. Address: 6200 S. Gilmore Road, Fairfield, Ohio 45014. Telephone: 513-870-2000. Internet: www.cinfin.com.

Cincinnati Financial had a poor start to 2008. In fact, first-quarter share earnings missed our estimate by $0.06 and plummeted from the year earlier, with much of the weakness stemming from a sharp rise in the combined ratio of nine percentage points, largely reflecting high catastrophe losses. A steep decline in premiums written and earned, mostly within the commercial insurance segment, didn't help either, as soft pricing conditions persisted.

Intense pricing competition will likely continue to hurt underwriting performance in the near term. Rate declines in recent years have inevitably driven down the top line. Indeed, although CINF continues to be selective with the new commercial business it brings in, pricing seems apt to weaken further in the coming months. Similarly, lower rates within the homeowners and auto liability lines will probably make it difficult for the personal insurance segment to contribute much to the top line, even though policy credits and pricing adjustments implemented a couple of years ago have helped to attract new business. These factors, coupled with a likely rise in loss trends and high catastrophe losses, may well elevate the combined ratio for this year and next.

Consequently, we've trimmed our share-net estimates for 2008 and 2009 by a dime each. More specifically, we expect share earnings this year to drop some 20% versus 2007, on a 5% decline in premiums written and a combined ratio of between 96% and 98% (including catastrophe losses of 4.5 percentage points and a benefit from favorable reserve development of a similar amount). Profits may well be flat in 2009, based on continued pricing weakness and a potential pickup in loss trends. A more stable P/C insurance backdrop, the rollout of new services, and geographic expansion should help drive profits modestly higher over the long haul.

That said, this stock boasts a good, well-covered yield. Although these shares lack appeal for year-ahead and 3- to 5-year price performance, the recent dividend hike and the likelihood for additional increases make them mostly suitable for income-oriented accounts.

J. Susan Ferrara *June 20, 2008*

(A) Before inc. tax. (B) Prim. egs. thru '96, dil. after. Incl. real. cap. g/(l): '01, 8¢; '00, 1¢; '99, (14¢); '98, 24¢; '97, 21¢; '96, 16¢; '95, 9¢; '94, 16¢; '93, 18¢; '92, 12¢. Excl. cap. g/(l) begin. '02: (34¢); '03, (15¢); '04, 34¢; '05, 23¢; '06, $2.48; '07, $1.43; Q1'08, (92¢). Excl. n.r. gain: '03, 8¢. Qtrly. eps may not add due to rounding. Next egs. rpt. due early Aug. (C) Div'ds paid in mid-Jan., Apr., July, Oct. Stock div'd of 5% paid 6/15/04 and 4/26/05. ■DRIP avail. (D) In mill., adj. for split & div'd. (E) P/C ins. only. (F) Assumes growth in the equity portfolio.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	40
Earnings Predictability	70

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COMMERCE BANCSH. NDQ-CBSH

RECENT PRICE 43.22 | P/E RATIO 14.7 (Trailing: 14.4 Median: 15.0) | RELATIVE P/E RATIO 0.91 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 3 Raised 10/26/07
SAFETY 1 New 7/27/90
TECHNICAL 3 Lowered 5/30/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+25%)	9%
Low	45	(+5%)	4%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	2	0	0	
Options	0	1	0	0	2	1	2	2	0
to Sell	0	2	0	1	2	0	1	2	4

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	64	66	80
to Sell	74	82	79
Hld's(000)	31883	32590	33003

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	.82	.92	1.01	1.06	1.21	1.38	1.56	1.75	1.96	2.04	2.26	2.43	2.68	2.87	2.94	2.82	2.95	3.05	Earnings per sh A	3.75
	.18	.20	.22	.25	.28	.32	.35	.39	.42	.46	.49	.61	.76	.83	.89	.95	1.00	1.04	Div'ds Decl'd per sh B	1.20
	6.84	7.55	7.67	8.94	9.64	10.39	11.39	10.92	12.99	14.53	16.54	17.56	18.04	17.93	19.61	21.25	23.50	26.15	Book Value per sh	34.00
	88.26	94.39	94.95	98.87	95.89	94.43	94.88	98.87	88.05	87.60	85.64	82.62	79.11	74.62	73.55	71.89	73.00	75.00	Common Shs Outst'g C	78.00
	10.5	11.0	10.3	11.2	11.7	14.9	16.1	14.4	11.7	13.2	13.8	13.6	14.7	15.3	15.6	15.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	13.0
	.64	.65	.68	.75	.73	.86	.94	.82	.76	.68	.75	.78	.78	.81	.84	.83			Relative P/E Ratio	.85
	2.1%	1.9%	2.1%	2.1%	2.0%	1.6%	1.3%	1.5%	1.8%	1.7%	1.6%	1.8%	1.9%	1.9%	1.9%	2.1%			Avg Ann'l Div'd Yield	2.5%
							11402	11401	11115	12903	13308	14287	14250	13886	15230	16205	17500	18500	Total Assets ($mill)	23000
							6929.8	7453.9	7778.2	7508.5	7745.3	8007.5	8173.0	8770.7	9828.4	10472	11300	12000	Loans ($mill)	15000
							427.7	466.0	480.7	467.9	500.0	502.4	497.3	501.7	513.2	538.1	580	625	Net Interest Inc ($mill)	750
							36.9	35.3	35.2	36.4	34.1	40.7	30.4	28.8	25.6	42.7	70.0	65.0	Loan Loss Prov'n ($mill)	90.0
							214.0	236.2	252.8	277.5	280.6	301.7	326.9	341.2	361.6	379.8	405	400	Noninterest Inc ($mill)	475
							379.3	419.0	430.4	439.6	452.9	472.1	482.8	496.5	525.4	574.8	600	620	Noninterest Exp ($mill)	690
							150.1	168.2	178.6	182.0	199.5	206.5	220.3	223.2	219.8	206.7	215	230	Net Profit ($mill)	300
							33.5%	32.9%	33.3%	32.4%	32.0%	29.1%	29.2%	29.7%	32.1%	31.2%	32.5%	32.5%	Income Tax Rate	32.5%
							1.32%	1.46%	1.61%	1.41%	1.50%	1.45%	1.55%	1.61%	1.44%	1.28%	1.25%	1.25%	Return on Total Assets	1.30%
							27.1	25.7	224.7	392.6	338.5	401.0	389.5	269.4	53.9	583.6	775	900	Long-Term Debt ($mill)	1300
							1080.8	1079.8	1143.8	1272.5	1416.3	1451.0	1426.9	1337.8	1442.1	1527.7	1715	1960	Shr. Equity ($mill)	2650
							9.5%	9.5%	10.3%	9.9%	10.6%	10.2%	10.0%	9.6%	9.5%	9.4%	10.0%	10.5%	Shr. Eq. to Total Assets	11.5%
							60.8%	65.4%	70.0%	58.2%	58.2%	56.0%	57.4%	63.2%	64.5%	64.6%	64.5%	65.0%	Loans to Tot Assets	65.0%
							13.9%	15.4%	15.6%	14.3%	14.1%	14.2%	15.4%	16.7%	15.2%	13.5%	12.5%	11.5%	Return on Shr. Equity	11.5%
							10.8%	12.1%	12.3%	11.1%	11.1%	10.7%	11.2%	11.9%	10.7%	9.0%	8.5%	7.5%	Retained to Com Eq	7.5%
							22%	22%	21%	22%	21%	25%	28%	28%	30%	33%	34%	34%	All Div'ds to Net Prof	32%

CAPITAL STRUCTURE as of 3/31/08

LT Debt $781.9 mill. LT Interest $30.0 mill.
Due in 5 Years $421.3 mill.

Pension Assets-12/07 $104.8 mill. Oblig.$86.3 mill.

Pfd Stock None

Common Stock 71,981,537 shs.
as of 5/5/08

MARKET CAP: $3.1 billion (Mid Cap)

ASSETS	2006	2007	3/31/08
Loans	9828.4	10471.8	10791.7
Funds Sold	527.8	655.2	525.0
Securities	3496.3	3297.0	3547.5
Other Earning	--	--	--
Other	1377.8	1780.8	1903.6
LIABILITIES($Mill.)			
Deposits	11744.9	12551.6	12591.1
Funds Borrowed	1771.3	1239.2	1457.2
Long-Term Debt	53.9	583.6	781.9
Net Worth	1442.1	1527.7	1578.1
Other	218.1	302.7	359.6
Total	15230.3	16204.8	16767.8
Loan Loss Resrv.	131.7	133.6	141.7

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	8.5%	8.5%	6.0%
Earnings	9.0%	6.5%	4.5%
Dividends	12.0%	14.5%	5.0%
Book Value	7.5%	6.0%	9.5%
Total Assets	7.5%	7.5%	6.0%

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	8275	8370	8614	8771
2006	9010	9251	9701	9828
2007	9772	10093	10317	10472
2008	10792	*10900*	*11200*	*11300*
2009	*11400*	*11600*	*11900*	*12000*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.63	.69	.81	.74	2.87
2006	.70	.74	.73	.77	2.94
2007	.70	.75	.77	.60	2.82
2008	.89	*.65*	*.68*	*.73*	*2.95*
2009	.73	*.75*	*.77*	*.80*	*3.05*

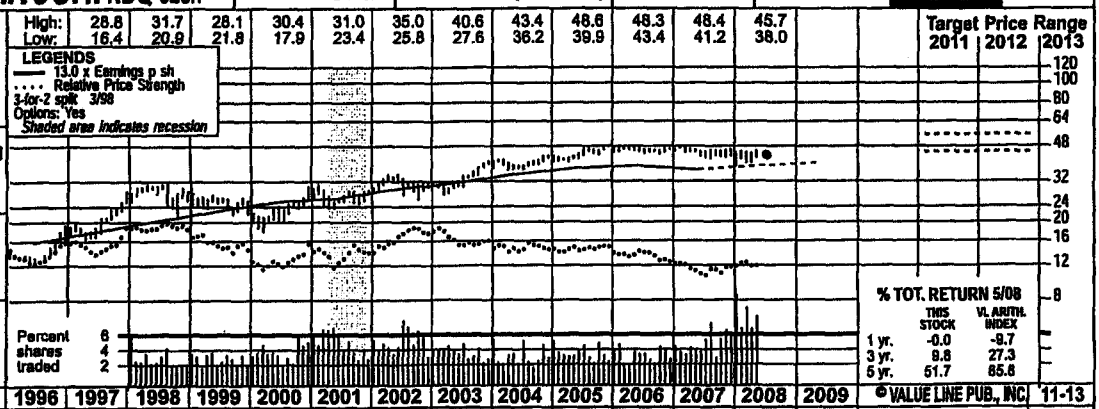
Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.189	.189	.189	.189	.76
2005	.208	.208	.208	.208	.83
2006	.222	.222	.222	.222	.89
2007	.238	.238	.238	.238	.95
2008	.25	.25			

(A) Based on diluted shares outstanding. Excl. gain from change in accounting: '90, $0.06. Next earnings report due mid-July.
(B) Dividends historically paid in late March, June, September, and December. Plus stock dividend: 5% in '94, '95, '96, '97, '98, '99, '00, '01, '02, '03, '04, '05, '06, '07.
(C) In millions, adjusted for stock splits & dividends.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100

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BUSINESS: Commerce Bancshares, Inc. has over 360 locations in Missouri, Illinois, Kansas, Oklahoma, & Colorado. Subsidiaries engaged in mortgage, credit-related insurance, venture capital, and real estate activities. Annualized net loan losses, .42% of average loans in '07. Loan loss reserve, 1.30% of loans at 3/31/08; problem & past-due assets, .56%. Loan portfolio (12/31/07): commercial, 31%; commercial real estate, 27%; residential mortgage, 15%; consumer, 27%. On 3/31/08, had 5,128 full-time equivalent empl. Directors & officers own 9.4% of stock; Commerce Bank in trust capacities, 12.5%; American Century, 5.7% (proxy 3/08). CEO: D.W. Kemper. Inc.: MO. Address: 1000 Walnut, P.O. Box 13686, Kansas City, MO 64199. Tel.: 816-234-2000. Internet: commercebank.com.

Commerce Bancshares booked a gain of $0.21 a share related to Visa's initial public offering in the March quarter. It also reversed some of the Visa-related expenses recorded in the final period of 2007, which increased March-quarter share net by about $0.08. The gains were partly offset by $0.05 of noncash impairment charges. A larger loan loss reserve provision depressed underlying results.

Although measures of Commerce's credit quality still look good, the company probably can't avoid experiencing some increase in bad loans in the current weak economic climate. Its problem and past-due loans each rose by about $5 million in the March quarter, but the problem asset ratio is still fairly low. Moreover, the loan loss reserve covers problem assets and past-due loans more than twice. Construction loans accounted for only 6.3% of total loans at the end of March, with less than 25% ($163 million) of the portfolio for residential construction, an area of some concern. On the other hand, potential problem loans doubled in 2007 and rose another 10% in the March period (to $141 million). Given the economic stress on consumers and businesses, higher provisions to the reserve probably will be needed this year and in early 2009 to offset further growth in charge-offs and to maintain Commerce's reserve levels relative to its healthy loan growth.

In anticipation of a moderate rise in credit costs, we have trimmed our share-net estimates for 2008 and 2009 by $0.10 and $0.15, respectively. But we still expect earnings to advance at a mid-single-digit pace this year and next. Deposit service charge, trust, bank card, and brokerage income all seem to be growing nicely. The pace of loan growth, bolstered in the March period by a seasonal rise in lending to a number of large grain dealers, may moderate to a still healthy mid- to upper-single-digit pace, supporting a similar increase in net interest income. Expenses appear well controlled.

The stock is ranked to track the market averages in the year ahead (Timeliness: 3, Average). And unless earnings growth over the next few years exceeds our projections, the issue's appreciation potential to 2011-2013 is limited.

Theresa Brophy *June 20, 2008*

CONAGRA FOODS INC. NYSE-CAG

RECENT PRICE 20.95 | P/E RATIO 11.9 (Trailing: 11.0 Median: 18.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 3 Lowered 5/30/08
SAFETY 2 Lowered 8/5/05
TECHNICAL 3 Raised 7/25/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

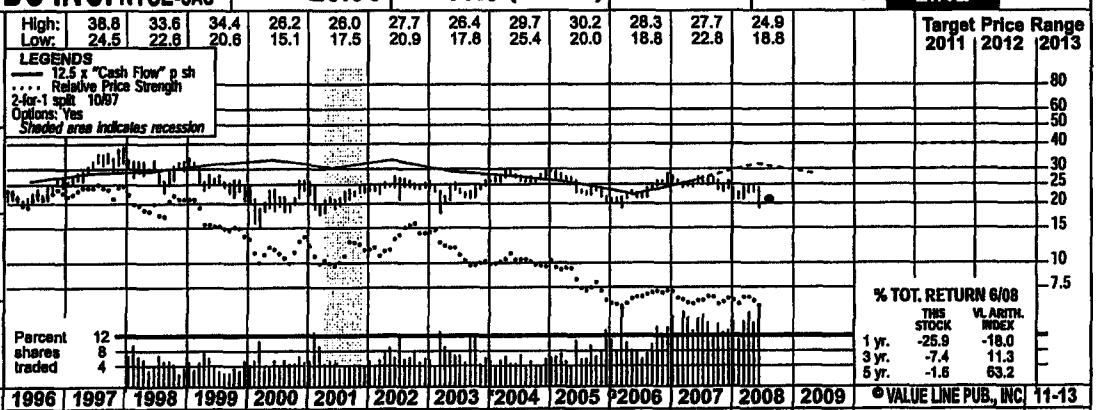
	Price	Gain	Ann'l Total Return
High	40	(+90%)	20%
Low	30	(+45%)	12%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	0	1	2	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	168	204	197
to Sell	240	229	215
Hld's(000)	349215	352891	349536



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
45.74	47.23	52.04	53.27	54.64	53.35	51.95	52.22	53.22	51.87	52.41	37.48	27.92	28.12	22.67	24.56	26.95	26.90	Sales per sh A	31.60
1.44	1.57	1.73	1.87	2.08	2.29	2.34	2.54	2.67	2.43	2.67	2.33	2.21	2.04	1.78	2.10	2.55	2.25	"Cash Flow" per sh	2.95
.75	.79	.91	1.03	1.17	1.34	1.36	1.46	1.67	1.33	1.47	1.58	1.50	1.35	1.15	1.35	1.90	1.60	Earnings per sh B	2.20
.26	.32	.35	.42	.46	.53	.61	.69	.79	.88	.93	.98	1.03	1.07	1.09	.72	.74	.76	Div'ds Decl'd per sh C ■	.80
.80	.75	.87	.95	1.47	1.49	1.24	1.41	1.13	1.07	1.01	.74	.68	.68	.52	.87	.95	1.05	Cap'l Spending per sh	1.15
4.81	4.51	4.93	5.51	4.97	5.49	6.06	6.18	6.21	7.60	8.17	8.73	9.30	9.38	9.10	9.36	11.00	11.30	Book Value per sh D	13.75
463.93	455.64	451.82	452.55	454.28	449.92	458.93	470.99	476.97	524.28	527.14	529.34	520.13	518.10	510.86	489.78	485.00	455.00	Common Shs Outst'g E	440.00
19.8	18.1	14.5	15.4	17.1	18.7	23.9	19.8	13.5	16.0	15.6	15.3	16.7	20.2	19.4	18.2	12.7		Avg Ann'l P/E Ratio	16.0
1.20	1.07	.95	1.03	1.07	1.08	1.24	1.13	.88	.82	.85	.87	.88	1.08	1.05	.96	.70		Relative P/E Ratio	1.05
1.7%	2.3%	2.7%	2.6%	2.3%	2.1%	1.9%	2.4%	3.5%	4.1%	4.1%	4.1%	4.1%	3.9%	4.9%	2.9%	3.1%		Avg Ann'l Div'd Yield	2.3%
23841	24594	25386	27194	27630	19839	14522	14567	11579	12028	13073	12250	Sales ($mill) A	13900
7.4%	7.9%	7.2%	7.8%	8.3%	9.6%	11.9%	11.4%	10.2%	13.1%	13.0%	12.0%	Operating Margin	13.0%
446.3	499.8	471.0	592.9	623.2	391.9	352.3	350.9	311.2	346.0	310	300	Depreciation ($mill)	340
628.0	696.3	800.7	682.5	783.0	840.1	796.0	704.7	596.1	683.8	932.2	730	Net Profit ($mill)	950
38.5%	38.0%	24.0%	38.2%	38.2%	34.2%	30.9%	39.2%	32.4%	36.4%	37.4%	36.0%	Income Tax Rate	36.0%
2.6%	2.8%	3.2%	2.5%	2.8%	4.2%	5.5%	4.8%	5.1%	5.7%	7.1%	6.0%	Net Profit Margin	6.8%
417.2	269.7	477.3	427.0	2120.5	2256.2	2143.3	2135.1	1825.5	2325.1	2430.7	2500	Working Cap'l ($mill)	2275
2487.4	2543.1	2566.8	4109.5	5743.7	5395.2	5280.7	4349.1	3154.8	3420.0	3386.9	2800	Long-Term Debt ($mill)	2200
2778.9	2808.8	2964.1	3983.2	4308.2	4621.7	4839.5	4859.4	4650.0	4582.9	5337.4	5150	Shr. Equity ($mill)	6045
13.9%	14.6%	16.3%	10.4%	9.7%	10.0%	9.5%	9.2%	9.6%	10.2%	12.0%	10.5%	Return on Total Cap'l	12.5%
22.6%	23.9%	27.0%	17.1%	18.2%	18.2%	16.4%	14.5%	12.8%	14.9%	17.5%	14.0%	Return on Shr. Equity	15.5%
13.1%	13.2%	14.4%	5.8%	7.0%	7.2%	5.4%	3.2%	.7%	6.9%	10.7%	7.5%	Retained to Com Eq	10.0%
42%	45%	47%	66%	62%	61%	67%	78%	95%	54%	39%	47%	All Div'ds to Net Prof	36%

CAPITAL STRUCTURE as of 5/25/08
Total Debt $4001.6 mill. Due in 5 Yrs $1315.0 mill.
LT Debt $3386.9 mill. LT Interest $210.0 mill.
(Total interest coverage: 4.9x) (39% of Cap'l)

Leases, Uncapitalized Annual rentals $79.4 mill.
Pension Assets-5/07 $2.3 bill. Oblig. $2.4 bill.

Pfd Stock None
Common Stock 487,624,133 shs.
as of 3/23/08
MARKET CAP: $10.2 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	5/25/08
Cash Assets	331.6	735.2	140.9
Receivables	1180.9	1203.1	890.6
Inventory (LIFO)	2132.5	2348.5	1931.5
Other	1145.3	719.2	3119.0
Current Assets	4790.3	5006.0	6082.0
Accts Payable	868.9	1108.1	786.0
Debt Due	431.1	39.5	614.7
Other	1664.8	1533.3	2250.6
Current Liab.	2964.8	2680.9	3651.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-7.5%	-13.5%	4.0%
"Cash Flow"	-0.5%	-5.5%	7.0%
Earnings	1.0%	-3.0%	9.5%
Dividends	7.5%	2.0%	-3.0%
Book Value	5.5%	5.0%	7.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A F G Aug.Per	Nov.Per	Feb.Per	May Per	Full Fiscal Year
2005	3383	4009	3468	3707	14567
2006	2700	3026	2879	2974	11579
2007	2689	3089	2918	3332	12028
2008	2956	3511	3528	3078	13073
2009	2750	3100	3125	3275	12250

Fiscal Year Ends	EARNINGS PER SHARE A B F G Aug.Per	Nov.Per	Feb.Per	May Per	Full Fiscal Year
2005	.28	.47	.34	.26	1.35
2006	.31	.38	.31	.15	1.15
2007	.21	.39	.37	.38	1.35
2008	.36	.50	.63	.41	1.90
2009	.28	.44	.50	.38	1.60

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.26	.26	.26	.273	1.05
2005	.273	.273	.273	.273	1.09
2006	.273	.18	.18	.18	.81
2007	.18	.18	.18	.19	.73
2008	.19	.19			

BUSINESS: ConAgra Foods, Inc. is a consumer food company that markets and manufactures a variety of products sold in supermarkets and restaurants. Popular consumer brands include *Chef Boyardee, Healthy Choice, Orville Redenbacher, Slim Jim, Reddi-wip, Hebrew National, Swiss Miss, PAM, Crunch 'n Munch,* and *Hunt's.* It operates through three divisions: Consumer Foods, Food and Ingredients, and International Foods. Sold its ham and seafood operations, 4/06; refrigerated meats, 10/06. Depr. rate: 6.8%. Has *24,500 employees.. Off./dir. own .7% of common;* Capital Research & Mgmt., 6.1% (8/07 proxy). CEO & President: Gary Rodkin. Inc.: DE. Addr.: One ConAgra Drive, Omaha, NE 68102-5001. Telephone: 402-595-4000. Internet: www.conagrafoodscompany.com.

The operating landscape for ConAgra Foods in fiscal 2009 (began May 26th) appears quite challenging. Indeed, there are several factors in play right now that will likely result in a negative year-to-year earnings comparison. The absence of CAG's Trading and Merchandising Group (discussed below), which has performed exceptionally in recent quarters, will hurt near-term results. Too, the company faces a very onerous cost environment. Soaring ingredients and fuel prices continue to weigh on margins. Moreover, the company's aggressive pricing initiatives, implemented to offset the impact of inflationary cost pressures, have led to some weakness in volume. Based on these factors, we now look for fiscal 2009 share earnings to come in about 15% lower than last year.

The sale of the commodities trading business was completed in late June. The trading and merchandising unit netted ConAgra roughly $2.75 billion, $650 million more than originally expected. The company plans to use most of the proceeds to aggressively buy back shares and reduce its leveraged balance sheet. Long term, we believe this is a good move for ConAgra Foods. First, it removes a volatile, commodity-driven business from CAG's portfolio, which should lead to greater earnings clarity. And despite the recent success, the trading group's performance can be rather erratic. Second, it allows the company to focus more on its main consumer foods business. Lastly, ConAgra received a nice premium, as the commodities markets are overheated right now. That said,

The jury is still out as to how well ConAgra will perform over the next 3 to 5 years. Our chief concern here always has been the company's lack of high-growth products. If ConAgra puts the recent proceeds from the trading group divestiture to good use, in terms of product innovation and marketing spending, our recently revised 3- to 5-year projections could prove conservative.

This equity does not now stand out for either the year ahead or the 3- to 5-year pull. The stock's above-average dividend yield, though, may appeal to income-oriented investors.

William G. Ferguson *August 1, 2008*

(A) FY ends last Sun. in May. (B) Dil. egs. beginning in '97. Excl. n/r items: '93, 26¢; '96, d78¢; '97, d3¢; '98, d3¢; '99, d71¢; '00, d81¢; '01, d9¢; '03; d12¢; '04, d2¢ '05, d8¢; '06, d25¢. Disc. items: '04, 18¢; '05, d4¢; '06, 23¢; '07, 16¢. Egs. may not sum to total due to share count change. Next egs. rprt. due late Sept. (C) Div'ds paid in Mar., June, Sept., Dec. ■ Div'd reinv. plan. (D) Incl. intang. At 5/25/08: $8.76/sh. (E) In mill., adj. for split. (F) FY 2004 data reflect divestitures. (G) FY 2006 data restated for divestitures.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	70

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CULLEN/FROST NYSE-CFR

RECENT PRICE 55.51 | P/E RATIO 15.4 (Trailing: 15.2 Median: 15.0) | RELATIVE P/E RATIO 0.96 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 3 Raised 11/2/07
SAFETY 2 Raised 11/25/05
TECHNICAL 3 Lowered 8/15/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+45%)	10%
Low	60	(+10%)	2%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	6	0	3	8
to Sell	0	0	1	0	0	7	0	3	6

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	96	113	123
to Sell	89	85	104
Hld's(000)	40498	42970	42427

	High:	31.4	30.6	30.4	43.4	41.9	40.8	43.6	49.2	56.4	59.8	57.1	58.8
	Low:	16.3	20.4	22.7	19.6	23.6	26.3	29.0	38.8	41.9	52.0	47.6	42.9

LEGENDS
14.0 x Earnings p sh
Relative Price Strength
2-for-1 split 6/96
2-for-1 split 6/99
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	9.4	-12.2
3 yr.	13.9	7.2
5 yr.	63.5	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
.42	.87	.83	1.02	1.20	1.38	1.39	1.78	2.03	1.46	2.33	2.48	2.66	3.07	3.42	3.55	3.60	3.85	Earnings per sh A	5.10
--	.04	.17	.29	.41	.48	.58	.68	.76	.84	.88	.94	1.04	1.17	1.32	1.54	1.66	1.80	Div'ds Decl'd per sh B■	2.10
4.95	6.21	6.64	7.62	8.43	9.06	9.70	9.64	11.14	11.58	13.72	14.87	15.84	18.03	23.01	25.18	26.90	30.00	Book Value per sh	41.65
41.65	44.04	44.49	44.80	44.96	45.08	52.86	52.62	51.43	51.36	51.30	51.78	51.92	54.48	59.84	58.66	59.50	60.00	Common Shs Outst'g C	60.00
13.6	10.1	10.6	10.2	11.5	15.7	19.4	14.7	13.9	22.8	14.8	14.1	16.6	15.8	16.4	14.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.82	.60	.70	.68	.72	.90	1.01	.84	.90	1.17	.81	.80	.88	.84	.89	.77			Relative P/E Ratio	.95
--	.4%	1.9%	2.7%	2.9%	2.2%	2.1%	2.6%	2.7%	2.5%	2.5%	2.7%	2.3%	2.4%	2.4%	2.9%			Avg Ann'l Div'd Yield	2.9%
6869.6	6996.7	7660.4	8369.6	9552.3	9672.1	9952.8	11741	13224	13485	14000	14800	Total Assets ($mill)	17000
3593.0	4108.4	4471.4	4445.7	4436.3	4507.2	5089.2	6004.7	7277.3	7677.0	8500	9000	Loans ($mill)	11000
268.0	297.0	322.8	316.2	314.0	313.8	331.4	391.3	469.2	518.7	525	560	Net Interest Inc ($mill)	675
10.4	12.4	14.1	40.0	22.5	10.5	2.5	10.3	14.2	14.7	20.0	25.0	Loan Loss Prov'n ($mill)	30.0
138.7	157.1	170.9	192.9	200.7	215.4	225.1	230.4	240.7	268.2	285	300	Noninterest Inc ($mill)	350
278.5	293.0	313.3	352.6	312.1	326.0	345.0	367.0	410.4	462.4	480	500	Noninterest Exp ($mill)	550
75.7	97.6	108.8	77.9	122.2	130.5	141.3	165.4	193.6	212.1	215	230	Net Profit ($mill)	305
35.7%	34.3%	34.5%	33.1%	32.1%	32.2%	32.4%	32.3%	32.2%	31.6%	31.0%	31.0%	Income Tax Rate	31.0%
1.10%	1.40%	1.42%	.93%	1.28%	1.35%	1.42%	1.41%	1.46%	1.57%	1.55%	1.55%	Return on Total Assets	1.70%
--	--	--	278.4	265.7	255.8	377.7	415.4	428.6	400.3	380	375	Long-Term Debt ($mill)	350
512.9	509.3	573.0	594.9	703.8	770.0	822.4	982.2	1376.9	1477.1	1600	1800	Shr. Equity ($mill)	2500
7.5%	7.3%	7.5%	7.1%	7.4%	8.0%	8.3%	8.4%	10.4%	11.0%	11.5%	12.0%	Shr. Eq. to Total Assets	14.0%
52.3%	58.7%	58.4%	53.1%	46.4%	46.6%	51.1%	51.1%	55.0%	56.9%	60.5%	61.0%	Loans to Tot Assets	64.5%
14.7%	19.2%	19.0%	13.1%	17.4%	16.9%	17.2%	16.8%	14.1%	14.4%	13.5%	13.0%	Return on Shr. Equity	12.0%
8.8%	12.1%	12.1%	5.8%	11.0%	10.7%	10.6%	10.6%	8.7%	8.2%	7.5%	7.0%	Retained to Com Eq	7.0%
40%	37%	36%	56%	37%	37%	38%	37%	38%	43%	46%	47%	All Div'ds to Net Prof	41%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $395.2 mill.

Leases, Uncapitalized Annual rentals $18.2 mill.

Pension Assets-12/07 $102 mill. Oblig. $121 mill.

Preferred Stock None

Common Stock 59,091,315 shs.
(as of 7/17/08)

MARKET CAP: $3.3 billion (Mid Cap)

ASSETS($MILL.)	2006	2007	6/30/08
Loans, Net	7277.3	7677.0	8259.0
Funds Sold	735.2	354.1	9.0
Securities	3350.5	3427.1	3241.6
Other Earning	709.4	842.4	880.5
Other	1151.8	1184.4	1281.2
LIABILITIES($MILL.)			
Deposits	10387.9	10529.7	10627.2
Funds Purchased	864.2	933.1	957.7
Borrowings	428.6	400.3	395.2
Shr. Equity	1376.9	1477.1	1477.1
Other	166.6	144.8	214.1
Total	13224.2	13485.0	13671.3
Loan Loss Reserve	96.1	92.3	94.5
Net Interest Margin	4.67%	4.69%	4.67%D

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	9.5%	7.0%	6.0%
Earnings	11.0%	11.5%	7.5%
Dividends	13.0%	10.0%	.5%
Book Value	10.0%	12.5%	17.0%
Total Assets	7.5%	6.0%	8.0%

Calendar	NET LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	5326	5512	5632	6005
2006	6427	6492	6516	7277
2007	7363	7316	7368	7677
2008	7920	8259	8300	8500
2009	8600	8700	8800	9000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.70	.77	.79	.81	3.07
2006	.83	.87	.88	.84	3.42
2007	.78	.89	.95	.93	3.55
2008	.89	.89	.91	.91	3.60
2009	.90	.95	1.00	1.00	3.85

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.24	.265	.265	.265	1.04
2005	.265	.30	.30	.30	1.17
2006	.30	.34	.34	.34	1.32
2007	.34	.40	.40	.40	1.54
2008	.40	.42			

BUSINESS: Cullen/Frost Bankers, Inc., is a financial holding company based in San Antonio, Texas, with about $13.5 billion in assets. Net charge-offs were .14% of average loans in 2007. In 2007, loan loss reserve was 1.19% of loans; nonperforming assets, .72% of loans and foreclosed property. Loans breakdown: commercial and industrial, 46.4%; commercial mortgage, 23.7%; construction real estate, 10.3%; home equity & other consumer, 12.2%; land, 5.5%; 1-4 family, 1.6%; other, 0.3%. Had 3,781 employees at 12/31/07. Officers and directors own 8.5% of common stock (4/08 Proxy). Chairman and CEO: Richard W. Evans, Jr. Incorporated: Texas. Address: 100 W. Houston Street, San Antonio, Texas 78205. Telephone: (210) 220-4011. Internet: www.frostbank.com.

The sluggish U.S. economy has begun to take its toll on Cullen/Frost. The company recently released its June-period financial results. For the quarter, share earnings were $0.89, a few pennies below our estimate and flat compared to the year-earlier interim. Although it continued to expand its loan portfolio at a good clip, lower interest rates, fierce competition, and the weak housing market caused Cullen's net interest margin to narrow slightly, year over year. Looking ahead,

We have reduced both our 2008 and 2009 share-earnings estimates. The U.S. economy has shown few signs of rebounding, and we believe it will remain weak for the next several quarters. Competition will also play a role and in our view, loan and deposit growth will slow into 2009. Moreover, these factors will impact the net interest margin, and we believe that it will narrow by 10–20 basis points over the next year or so. An increased share count will also hurt share profits. All told, we now believe that Cullen will post share net of $3.60 and $3.85 this year and in 2009, down from our previous estimates of $3.70 and $4.00, respectively. On the bright side,

Cullen will likely benefit from its strong balance sheet. The company possesses a large amount of cash and a manageable amount of debt. In our view, it will continue to focus on expanding its operations in the metropolitan areas of Dallas, Fort Worth, and Houston. We expect that the U.S. economy will improve by the second half of 2009, and by then, Cullen will likely be able to grow its net loans at a good pace. In sum, we think the company will reach profits of more than $5.00 a share by the 2011–2013 time frame.

These shares are not particularly appealing at this time. Fierce competition, coupled with the lackluster economy, will likely lead to Cullen registering uninspiring share-earnings gains this year and in 2009. Furthermore, our Timeliness Ranking System suggests that this equity will only mirror the year-ahead market. Looking long term, although Cullen possesses good growth prospects, this stock offers below-average appreciation potential out to 2011–2013. Income seekers can probably find better-yielding stocks elsewhere.

Ian Gendler *August 22, 2008*

(A) Diluted earnings. Next earnings report due mid-Oct.
(B) Dividends historically paid mid-March, June, September, and December.
(C) In millions, adjusted for stock splits.
(D) Net interest margin for the quarter ended 6/30/08.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	90

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DUPONT NYSE-DD

RECENT PRICE 41.89 | P/E RATIO 12.0 (11.9 / 21.0) | RELATIVE P/E RATIO 0.79 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 3 Lowered 6/6/08
SAFETY 1 Raised 1/31/97
TECHNICAL 3 Lowered 6/13/08
BETA 1.05 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+105%)	22%
Low	70	(+65%)	17%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	1	0	1	1	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	1	0	0	0	0	0	1	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	298	406	442
to Sell	446	386	389
Hld's(000)	614357	613912	611076

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	28.00	27.38	28.88	28.68	37.83	39.91	21.99	25.76	27.10	24.68	24.15	27.07	27.50	28.97	29.74	32.67	*35.50*	*37.50*	Sales per sh D	*44.20*
Low:	3.24	3.31	4.21	4.16	5.39	5.72	3.88	4.09	4.54	2.98	3.54	3.19	3.75	3.97	4.40	4.90	*5.30*	*5.55*	"Cash Flow" per sh	*6.20*
	1.25	1.23	2.04	2.91	3.24	3.61	2.54	2.58	2.73	1.19	2.01	1.65	2.38	2.32	2.88	3.28	*3.50*	*3.70*	Earnings per sh A D	*4.20*
	.87	.88	.91	1.02	1.12	1.23	1.37	1.38	1.40	1.40	1.40	1.40	1.40	1.46	1.48	1.52	*1.65*	*1.70*	Div'ds Decl'd per sh B ■	*1.92*
	3.29	2.67	2.24	2.20	2.85	4.22	1.89	1.97	1.85	1.49	1.29	1.72	1.24	1.46	1.66	1.76	*1.85*	*1.90*	Cap'l Spending per sh	*2.10*
	8.54	8.11	9.24	5.58	9.04	9.77	12.18	12.09	12.52	14.19	8.88	9.57	11.20	9.43	9.96	12.38	*14.05*	*15.05*	Book Value per sh	*18.60*
	1350.0	1355.2	1362.0	1470.1	1158.1	1129.5	1126.2	1045.1	1042.9	1002.0	993.94	997.28	994.34	919.61	922.07	898.30	*890.00*	*880.00*	Common Shs Outst'g C	*860.00*
	19.5	19.7	14.0	11.0	13.0	16.2	25.3	24.6	18.0	36.5	21.5	25.1	18.4	19.5	14.9	15.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
	1.18	1.16	.92	.74	.81	.93	1.32	1.40	1.17	1.87	1.17	1.43	.97	1.04	.80	.79			Relative P/E Ratio	*1.20*
	3.6%	3.6%	3.2%	3.2%	2.7%	2.1%	2.1%	2.2%	2.8%	3.2%	3.2%	3.4%	3.2%	3.2%	3.5%	3.1%			Avg Ann'l Div'd Yield	*2.5%*
							24767	26918	28268	24726	24006	26996	27340	26639	27421	29378	*31600*	*33000*	Sales ($mill) D	*38000*
							22.9%	21.2%	20.6%	14.1%	*15.8%*	*11.7%*	*14.5%*	*13.7%*	*13.2%*	*14.7%*	*16.0%*	*15.5%*	Operating Margin	*15.0%*
							1452.0	1444.0	1860.0	1754.0	1515.0	1584.0	1347.0	1358.0	1384.0	1371.0	*1500*	*1525*	Depreciation ($mill)	*1600*
							2923.0	2843.0	2884.0	1236.0	2012.0	1607.0	2390.0	2300.3	2684.0	3033.7	*3200*	*3350*	Net Profit ($mill)	*3720*
							37.2%	34.3%	26.7%	28.1%	13.3%	14.8%	18.8%	35.4%	19.8%	19.7%	*22.0%*	*26.0%*	Income Tax Rate	*30.0%*
							11.8%	10.6%	10.2%	5.0%	8.4%	6.0%	8.7%	8.6%	9.8%	10.3%	*10.1%*	*10.2%*	Net Profit Margin	*9.8%*
							d2374	1425.0	2401.0	6734.0	6363.0	5419.0	7272.0	4958.0	4930.0	4619.0	*5200*	*5500*	Working Cap'l ($mill)	*6200*
							4495.0	6625.0	6858.0	5350.0	5647.0	4301.0	5548.0	6783.0	6013.0	5955.0	*5500*	*5000*	Long-Term Debt ($mill)	*5000*
							13954	12875	13299	14452	9063.0	9781.0	11377	8907.0	9422.0	11136	*12500*	*13250*	Shr. Equity ($mill)	*16000*
							17.3%	15.7%	15.7%	7.2%	14.7%	11.8%	14.8%	16.0%	18.6%	18.8%	*18.5%*	*19.0%*	Return on Total Cap'l	*18.5%*
							20.9%	22.1%	21.7%	8.6%	22.2%	*16.4%*	21.0%	25.8%	28.5%	27.2%	*25.5%*	*25.5%*	Return on Shr. Equity	*23.5%*
							10.0%	10.5%	10.9%	NMF	6.9%	2.1%	8.9%	9.9%	14.2%	14.6%	*14.0%*	*14.0%*	Retained to Com Eq	*13.0%*
							53%	53%	51%	119%	70%	88%	59%	63%	51%	46%	*46%*	*45%*	All Div'ds to Net Prof	*44%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $8980 mill. Due in 5 Yrs $5686.0 mill.
LT Debt $5784 mill. LT Interest $275.0 mill.
Total Debt Incl. $13.0 mill. capitalized leases.
(Total interest coverage: 10.5x) (32% of Cap'l)
Leases, Uncapitalized Annual rentals $328 mill.
Pension Assets-12/07 $22.6 bill. Oblig. $22.2 bill.
Pfd Stock $237.0 mill. Pfd Div'd $10.0 mill.
Includes 700,000 shs. $3.50 cum. callable at $102; 1,673,000 shs. $4.50 cum. callable at $120.

Common Stock 900,706,000 shs.
As of 4/15/08
MARKET CAP: $37.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	1893	1436	1127
Receivables	5198	5683	7645
Inventory (LIFO)	4941	5278	5310
Other	838	763	779
Current Assets	12870	13160	14861
Accts Payable	2711	3172	3061
Debt Due	1517	1370	3196
Other	3712	3999	3537
Current Liab.	7940	8541	9794

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-2.0%	3.0%	*6.5%*
"Cash Flow"	-1.5%	3.0%	*6.0%*
Earnings	-1.5%	7.5%	*7.0%*
Dividends	3.0%	1.0%	*4.5%*
Book Value	2.0%	-3.0%	*10.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	7431	7511	5870	5827	26639
2006	7394	7442	6309	6276	27421
2007	7845	7875	6675	6983	29378
2008	8575	*8550*	*7200*	*7275*	*31600*
2009	*8800*	*8800*	*7650*	*7750*	*33000*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.96	.90	.33	.13	2.32
2006	.93	1.01	.49	.45	2.88
2007	1.07	1.04	.59	.57	3.28
2008	1.31	*1.05*	*.60*	*.54*	*3.50*
2009	*1.30*	*1.15*	*.65*	*.60*	*3.70*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.35	.35	.35	.35	1.40
2005	.35	.37	.37	.37	1.46
2006	.37	.37	.37	.37	1.48
2007	.37	.37	.37	.41	1.52
2008	.41	.41			

BUSINESS: DuPont is engaged in the field of science and technology in a range of disciplines, including high performance materials, electronics, safety and security, biotechnology. The company operates on a global scale, manufacturing a wide range of products for distribution and sale to many different markets, including automotive, construction, agricultural, medical, protective apparel, electronics and nutrition. In 2007: R&D, 4.6% of sales; depreciation rate, 5.2%. Has approximately 60,000 employees. Capital World Investors owns 5.1% of common stock; officers and directors, 1.0% (3/08 Proxy). Chairman & CEO: Charles O. Holliday, Jr. Incorporated: Delaware. Address: 1007 Market St., Wilmington, DE 19898. Telephones: 302-774-1000. Internet: www.dupont.com.

DuPont turned in another solid performance for the first quarter. The top line advanced at a nice clip during the period, as sales benefited from higher local prices and favorable currency movements. Growth in emerging markets led the way, while the company continued to experience weakness in the domestic construction and automotive markets. Despite higher operating costs, DuPont benefited from a lower tax rate and a decline in shares outstanding. Earnings came in at $1.31 a share, a 22% improvement. Looking forward, slowing demand in the United States should offset growth in agriculture and international markets. Overall, we expect a moderate bottom-line advance in the current year, due to growth in the first quarter.

The company has received registration approvals from the EPA and Canadian authorities for Altacor and Coragen. These two new insecticides offer growers long-lasting control for a wide variety of pests. This reflects the company's focus on developing solutions for agricultural markets.

DuPont has formed a joint-venture cellulosic ethanol company with Genencor, a division of Denmark-based Danisco. The venture will develop and commercialize low-cost technological solutions for the production of cellulosic ethanol, a next-generation biofuel produced from non-food sources. DuPont and Danisco will initially invest $140 million over the next three years. With food and gas prices at elevated levels, there appears to be a significant market opportunity for sustainable biofuels technologies.

These shares are neutrally ranked for year-ahead performance. We project solid share-earnings growth at the company over the pull to 2011-2013. Moreover, DuPont offers a healthy dividend yield, and earns high marks for Safety and Financial Strength. Total return potential is fairly attractive, on a risk-adjusted basis.

Michael Napoli, CPA *July 18, 2008*

Restated Sales (Pre-tax Operating Margins) by Business Line

	2006	2007	2008	2009
Agric.&Nutr.	6241 (8.1%)	8842(13.1%)	*8350(13.5%)*	*8800(13.0%)*
Coatings&Color	6241(12.7%)	6556(12.8%)	*6600(16.0%)*	*6800(15.5%)*
Electronics	3464(17.0%)	3683(16.1%)	*4100(18.0%)*	*4300(18.0%)*
Perform. Mat.	6004(10.4%)	6587 (9.5%)	*6850(14.0%)*	*7200(13.0%)*
Safety & Prot.	5414(18.9%)	5550(21.6%)	*5500(17.5%)*	*5650(18.0%)*
Other	57(NMF)	160(NMF)	*200(NMF)*	*250(NMF)*
Company Total	27421(13.2%)	29378(14.7%)	*31600(16.0%)*	*33000(15.5%)*

(A) Based on avg. shares outstand. through 1997, then dil. Excl. nonrec. items: '92, ($8.35); '93, ($1.65); '94, (7¢); '95, (20¢); '96, 1¢; '97, ($1.51); '98, (17¢); '99, ($2.57); '00, (54¢); '01, $2.99; '02, ($3.12); '03, (69¢); '04, (62¢); '05, (25¢); '06, 50¢; '07, (6¢). Excl. gain from discon. ops.: '99, $6.98. Totals may not sum due to rounding. Next egs. rpt. due late July.
(B) Div'd historically paid in mid-March, June, Sept., Dec. ■ Div'd reinvest. plan available.
(C) In mill., adj'd for split.
(D) Sold Textile division in 2004.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	5
Earnings Predictability	70

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DUN & BRADSTREET NYSE-DNB

RECENT PRICE 92.86 | P/E RATIO 17.0 (Trailing: 18.5 Median: NMF) | RELATIVE P/E RATIO 1.10 | DIV'D YLD 1.3% | VALUE LINE

TIMELINESS 2 Raised 6/27/08
SAFETY 3 New 12/15/00
TECHNICAL 3 Raised 2/1/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

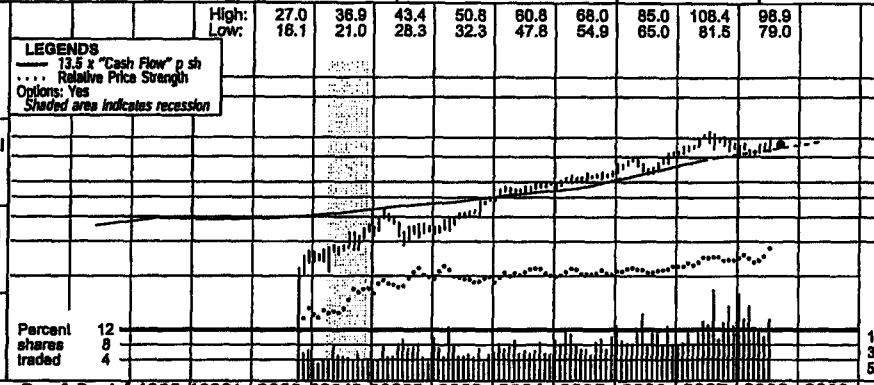
	Price	Gain	Ann'l Total Return
High	180	(+95%)	19%
Low	120	(+30%)	8%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	3	1	2	1	1	2
to Sell	0	0	3	2	1	1	1	2	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	120	135	116
to Sell	156	157	168
Hld's(000)	49295	49654	48121



% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	0.0	-12.2
3 yr.	55.3	7.2
5 yr.	139.2	58.8

On September 30, 2000, The Dun & Bradstreet Corp. was separated into two independent publicly traded companies. Under terms of the transaction, "Old" Dun & Bradstreet changed its name to Moody's Corp. and through a special dividend of shares of "New" Dun & Bradstreet distributed to shareholders of record at the close of business on September 20th, spun off the company's D&B operating company, which was subsequently renamed The Dun & Bradstreet Corp.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $825.6 mill. Due in 5 Yrs $825.6 mill.
LT Debt $825.6 mill. LT Interest $55.0 mill.

Leases, Uncapitalized Annual rentals $29.1 mill.

Pension Assets-12/07 $1589.0 mill.
Pension Oblig. $1591.4 mill.

Pfd Stock None
Common Stock 54,566,203 shs.

MARKET CAP: $5.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	138.4	175.8	245.6
Receivables	425.6	445.6	384.2
Other	81.1	96.9	71.6
Current Assets	645.0	718.3	701.2
Accts Payable	40.3	30.5	47.9
Debt Due	.1	--	--
Other	765.1	879.5	845.2
Current Liab.	805.5	910.0	893.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	4.5%	7.5%	11.0%
"Cash Flow"	6.0%	9.5%	12.0%
Earnings	12.0%	17.5%	13.0%
Dividends	--	--	NMF
Book Value	--	--	NMF

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	341.3	351.7	341.6	409.0	1443.6
2006	367.2	367.4	359.2	437.5	1531.3
2007	379.0	380.8	374.7	464.7	1599.2
2008	414.7	427.7	425	492.6	1760
2009	460	475	465	550	1950

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.70	.73	.75	1.29	3.49
2006	.81	.82	.87	1.47	3.97
2007	.98	.98	1.00	1.74	4.70
2008	1.14	1.15	1.15	1.81	5.25
2009	1.35	1.25	1.35	2.10	6.05

Calendar	QUARTERLY DIVIDENDS PAID F Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	--	--
2005	--	--	--	--	--
2006	--	--	--	--	--
2007	.25	.25	.25	.25	1.00
2008	.30	.30	.30		

	1998	1999A	2000	2001D	2002E	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	17.22	17.51	17.69	17.02	17.15	19.19	20.61	21.53	25.48	28.24	32.55	36.05	Revenues per sh	46.80
	2.92	2.87	2.92	3.08	3.35	3.54	3.86	4.15	4.85	5.73	6.35	7.15	"Cash Flow" per sh	9.75
	1.34	1.25	1.50	1.75	2.15	2.54	2.98	3.49	3.97	4.70	5.25	6.05	Earnings per sh A	8.35
	--	--	--	--	--	--	--	--	--	1.00	1.20	1.40	Div'ds Decl'd per sh	2.00
	.57	.43	.30	.21	.21	.15	.18	.09	.19	.24	.35	.40	Cap'l Spending per sh	.55
	d4.50	d5.18	d.64	d.27	d.25	.67	.79	1.16	d6.64	d7.77	d6.65	d3.70	Book Value per sh B	8.75
	82.50	80.40	80.16	76.88	74.36	72.25	68.61	67.06	60.10	56.63	54.00	54.00	Common Shs Outst'g C	53.00
	--	--	15.0	16.2	16.6	16.0	18.5	17.9	18.7	19.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	--	--	.98	.83	.91	.91	.98	.95	1.01	1.06			Relative P/E Ratio	1.20
	--	--	--	--	--	--	--	--	--	1.1%			Avg Ann'l Div'd Yield	1.0%
	1420.5	1407.7	1417.6	1308.8	1275.6	1386.4	1414.0	1443.6	1531.3	1599.2	1760	1950	Revenues ($mill)	2480
	24.1%	23.4%	25.0%	26.3%	29.1%	26.9%	28.2%	29.8%	30.1%	31.1%	32.5%	33.0%	Operating Margin	34.0%
	126.2	127.9	111.2	94.5	84.2	64.0	47.3	36.1	33.3	46.6	52.0	60.0	Depreciation ($mill)	75.0
	114.9	102.6	122.8	142.6	164.9	191.9	217.7	242.0	258.3	277.7	290	325	Net Profit ($mill)	445
	41.0%	41.3%	44.9%	40.9%	38.3%	35.7%	41.7%	37.3%	37.3%	33.0%	37.5%	37.5%	Income Tax Rate	37.5%
	8.1%	7.3%	8.7%	10.9%	12.9%	13.8%	15.4%	16.8%	16.9%	17.4%	16.7%	16.9%	Net Profit Margin	18.0%
	d423.2	d430.3	d204.5	d82.5	d103.9	d5.1	48.5	d269.8	d160.5	d191.7	d200	d115	Working Cap'l ($mill)	90.0
	--	--	--	299.6	299.9	299.9	300.0	.1	458.9	724.8	750	800	Long-Term Debt ($mill)	800
	d371.0	d416.6	d51.0	d20.9	d18.8	48.4	54.2	77.6	d399.1	d440.1	d360	d200	Shr. Equity ($mill)	465
	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Total Cap'l	NMF
	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Return on Shr. Equity	NMF
	--	--	--	--	--	NMF	NMF	NMF	NMF	NMF	NMF	NMF	Retained to Com Eq	NMF
	--	--	--	--	--	--	--	--	--	21%	23%	23%	All Div'ds to Net Prof	23%

BUSINESS: The Dun & Bradstreet Corp. is a worldwide provider of business information and related decision-support services. It operates offices in 28 countries, conducts operations in 10 other nations through minority interests in joint-venture companies and operates through independent correspondents in more than 150 additional countries. The company compiles credit information on over 100 million businesses worldwide. Has about 4,900 employees. Officers/directors own 3.1% of common shares. Davis Selected Advisers owns 15.8% of the common stock (3/08 Proxy). Chairman, CEO & President: Steven W. Alesio. Incorporated: Delaware. Address: 103 JFK Parkway, Short Hills, New Jersey 07078. Telephone: 973-921-5500. Internet: www.dnb.com.

Dun & Bradstreet has adjusted its pricing structure to gain more business from each customer. The company has bundled its services to encourage its subscribers to step up spending levels for its *DNBi* product. Whereas previous arrangements gave limited access to reports and data from its Risk Management unit, this upgraded plan gives users a broader range of data in exchange for a slight premium in pricing. This endeavor has helped to increase revenues during the year as sales levels within the RM division were 9.5% higher, year to year, during the first six months of 2008, primarily from the shifting of its customers' purchasing habits.

A new offering should extend its reach among smaller customers. Dun & Bradstreet launched a credit-monitoring program for small businesses called *Trade Exchange*. The software links to the company's accounts receivable files in *QuickBooks* to identify vendors that are slow or delinquent in payment. Companies that participate in the program receive discounted access to the company's existing credit reports. D&B is able to use the data to sell to larger companies, banks, and other financial service companies for uses in credit evaluation.

Operations abroad have been helped through the use of joint ventures. International sales during the second quarter increased 23% over the year-earlier period, bolstered through new joint ventures in the Japanese and Russian markets. These undertakings should also help to enhance the database of information offered to existing customers.

Increased usage of its *DNBi* subscription products should be beneficial to the bottom line. With D&B continuing to move more of its customers into these higher-priced products, margins should widen in coming years. Along with the continuing share-repurchase program, this buying shift by its consumers should increase earnings roughly 10%–15% in both 2008 and 2009.

Dun & Bradstreet's Timeliness rank is now Above Average (2). Still, the earnings gains over the 3- to 5-year pull leave this stock with less than ideal appreciation potential at the current valuation.

Christopher T. Wells *September 5, 2008*

(A) Diluted earnings. Pro forma through 1999. Excl. nonrecurring gains (chrgs.): '01, 13¢; '02, (28¢); '03, (24¢); '04, (8¢); '05, (30¢); '06, (27¢); 2Q '08, 36¢. Next egs. report due late Oct. (B) Includes intangibles. In 2007: $385.5 million, $6.81/sh. (C) In mill. (D) Adjusted for the sale of Receivable Management Services product lines. (E) 2002 results restated to reflect the correction of prior revenue recognition errors; 1997-2001 data not restated. (F) Div'd historically paid early Mar., May, August, late November.

Company's Financial Strength	B
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	100

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ECOLAB INC. NYSE-ECL

RECENT PRICE 44.24 | P/E RATIO 23.9 (Trailing: 26.0 / Median: 26.0) | RELATIVE P/E RATIO 1.46 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 3 Lowered 5/16/08
SAFETY 1 Raised 3/17/05
TECHNICAL 3 Lowered 5/9/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+45%)	11%
Low	55	(+25%)	7%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	0	1	1	5	0	0	1
to Sell	0	0	0	1	1	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	189	225	229
to Sell	198	182	222
Hld's(000)	132148	133595	134349

High: 14.0 19.0 22.2 22.8 22.1 25.2 27.9 35.6 37.2 46.4 52.8 52.3
Low: 9.1 13.1 15.8 14.0 14.3 18.3 23.1 26.1 30.7 33.6 37.0 42.5

LEGENDS
12.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/98
2-for-1 split 6/03
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

2-for-1

Percent shares traded: 9, 6, 3

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.0	-9.7
3 yr.	43.1	27.3
5 yr.	76.0	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.98	4.13	4.46	5.18	5.75	6.35	7.29	8.04	8.90	9.21	13.10	14.61	16.25	17.84	19.48	22.16	*25.60*	*28.55*	Sales per sh	*35.10*
.49	.54	.55	.68	.78	.91	1.07	1.19	1.35	1.37	1.79	1.96	2.18	2.27	2.54	2.87	*3.20*	*3.55*	"Cash Flow" per sh	*4.70*
.26	.30	.34	.38	.44	.50	.58	.65	.75	.73	.92	1.03	1.19	1.23	1.43	1.66	*1.85*	*2.10*	Earnings per sh A	*3.00*
.09	.10	.12	.13	.15	.16	.19	.21	.24	.26	.27	.29	.32	.35	.40	.46	*.52*	*.58*	Div'ds Decl'd per sh B■	*.75*
.23	.27	.33	.42	.43	.47	.57	.56	.59	.62	.82	.82	1.07	1.06	1.15	1.24	*1.35*	*1.45*	Cap'l Spending per sh	*1.95*
1.36	1.48	1.71	1.76	2.01	2.14	2.67	2.94	2.98	3.44	4.23	5.03	6.07	6.49	6.69	7.84	*9.25*	*10.60*	Book Value per sh D	*14.10*
252.21	252.44	270.68	256.81	259.20	258.25	258.96	258.83	254.32	255.80	259.88	257.42	257.54	254.14	251.34	246.80	*243.00*	*239.00*	Common Shs Outst'g C	*245.00*
16.5	17.3	16.1	17.0	18.8	22.3	26.2	29.6	25.0	27.3	24.6	24.9	25.6	26.8	28.5	26.7	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
1.00	1.02	1.06	1.14	1.18	1.29	1.36	1.69	1.63	1.40	1.34	1.42	1.35	1.43	1.54	1.42			Relative P/E Ratio	*1.35*
2.1%	1.9%	2.1%	2.0%	1.8%	1.4%	1.3%	1.1%	1.3%	1.3%	1.2%	1.1%	1.1%	1.1%	1.0%	1.0%			Avg Ann'l Div'd Yield	*1.3%*
						1688.2	2080.0	2264.3	2354.7	3403.6	3761.8	4184.9	4534.8	4895.8	5469.6	*6215*	*6820*	Sales ($mill)	*8600*
						20.3%	20.4%	20.8%	20.5%	19.3%	18.9%	18.8%	17.6%	18.0%	17.9%	*18.0%*	*18.5%*	Operating Margin	*21.0%*
						122.0	134.5	148.4	163.0	223.4	229.7	247.4	256.9	268.6	291.9	*320*	*340*	Depreciation ($mill)	*420*
						154.5	174.4	195.8	188.2	240.6	274.7	312.9	319.5	368.6	417.1	*460*	*510*	Net Profit ($mill)	*730*
						42.4%	41.1%	40.7%	40.5%	39.8%	38.1%	36.5%	35.9%	35.0%	34.4%	*34.0%*	*34.5%*	Income Tax Rate	*35.0%*
						8.2%	8.4%	8.6%	8.0%	7.1%	7.3%	7.5%	7.0%	7.5%	7.6%	*7.4%*	*7.5%*	Net Profit Margin	*8.5%*
						103.7	108.6	68.6	101.6	149.5	298.4	339.5	302.3	350.9	199.0	*250*	*300*	Working Cap'l ($mill)	*450*
						227.0	169.0	234.4	512.3	539.7	604.4	645.4	519.4	557.1	599.9	*870*	*870*	Long-Term Debt ($mill)	*900*
						690.5	762.0	757.0	880.4	1099.8	1295.4	1562.5	1649.2	1680.2	1935.7	*2250*	*2530*	Shr. Equity ($mill)	*3450*
						17.3%	19.3%	20.4%	14.1%	15.3%	15.4%	15.1%	15.7%	17.4%	17.4%	*15.5%*	*16.0%*	Return on Total Cap'l	*17.5%*
						22.4%	22.9%	25.9%	21.4%	21.9%	21.2%	20.0%	19.4%	21.9%	21.6%	*20.5%*	*20.0%*	Return on Shr. Equity	*21.0%*
						15.3%	15.8%	17.7%	13.8%	15.6%	15.4%	14.8%	13.9%	15.9%	15.7%	*15.0%*	*15.0%*	Retained to Com Eq	*16.0%*
						32%	31%	31%	35%	29%	27%	26%	28%	27%	27%	27%	27%	All Div'ds to Net Prof	25%

CAPITAL STRUCTURE as of 3/31/08

Total Debt $1308.9 mill. Due in 5 Yrs $560.0 mill.
LT Debt $864.9 mill. LT Interest $45.0 mill.
(LT Interest earned: 13.7x; total interest coverage: 13.5x) (30% of Cap'l)

Leases, Uncapitalized Annual rentals $53.0 mill.
Pension Assets-12/07 $1,123.1 mill.
Oblig. $1,388.7 mill.

Pfd Stock None
Common Stock 247,155,483 shrs.
as of 4/30/08
MARKET CAP: $10.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	484.0	137.4	219.5
Receivables	867.5	974.0	1026.2
Inventory (LIFO)	364.9	450.8	475.7
Other	137.2	155.1	169.6
Current Assets	1853.6	1717.3	1891.0
Accts Payable	330.9	343.7	387.4
Debt Due	509.0	403.5	444.0
Other	662.8	771.1	772.8
Current Liab.	1502.7	1518.3	1604.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	13.0%	14.0%	*10.0%*
"Cash Flow"	12.5%	11.0%	*10.5%*
Earnings	12.5%	12.5%	*13.0%*
Dividends	11.0%	9.5%	*11.0%*
Book Value	13.5%	14.5%	*12.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1069.9	1158.6	1164.8	1141.5	4534.8
2006	1120.1	1225.9	1278.8	1271.0	4895.8
2007	1254.2	1362.4	1413.2	1439.8	5469.6
2008	1457.9	*1555*	*1605*	*1597.1*	*6215*
2009	*1600*	*1710*	*1760*	*1750*	*6820*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.27	.31	.38	.27	1.23
2006	.30	.36	.43	.34	1.43
2007	.35	.42	.49	.40	1.66
2008	.39	*.47*	*.54*	*.45*	*1.85*
2009	*.45*	*.53*	*.60*	*.52*	*2.10*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.08	.08	.08	.32
2005	.088	.088	.088	.088	.35
2006	.10	.10	.10	.10	.40
2007	.115	.115	.115	.115	.46
2008	.13	.13			

BUSINESS: Ecolab Inc. develops and markets chemicals and services for cleaning, pest elimination, sanitizing, and maintenance. It sells to the hospitality, institutional, and industrial markets. Began a 50-50 European joint venture with Henkel KGaA, 7/91 (bought remaining 50%, 11/01). Acquired Stove Parts Supply, 8/00; Spartan, 2/00; Blue Coral Systems, 2/99; GCS Service, 7/98 and others. Foreign operations: 46% of '07 sales; R&D, 1.5%. '07 depreciation rate: 11.2%. Has about 26,050 employees. Henkel KGaA owns about 17.7% of stock; Henkel Corp., 11.7%; Officers & Directors, 1.8% (3/08 proxy). CEO: Douglas M. Baker. Inc.: Delaware. Address: Ecolab Ctr., 370 N. Wabasha Street, St. Paul, MN 55102. Tel.: 651-293-2233. Internet: www.ecolab.com.

Things are going well, overall, for Ecolab these days. Operations in the United States, Latin America, and Asia Pacific regions have registered the strongest sales gains. Results are also benefiting from additional improvements in operating efficiency and repurchases of common stock. Despite a lackluster showing in Europe and escalating raw material costs, earnings per share could well increase about 11%, to $1.85, in 2008. Positive contributions from completed acquisitions ought to enable the bottom line to advance another 14%, to $2.10 a share, next year.

Prospects out to 2011-2013 look sound, too. Management's strategy of aggressively cross-selling the various divisions' complementary products ought to continue to pay off nicely. New cleaning solutions and more restructurings should also help. Consequently, share net stands to advance between 10% and 15% annually over the 3- to 5-year horizon.

The company recently completed its purchase of Ecovation, a provider of renewable energy solutions and effluent management systems primarily for domestic food and beverage manufacturers, for $210 million. (Ecovation's 2007 sales were $50 million.) This business has tremendous expansion potential, given increasingly difficult environmental regulations. We estimate that the purchase will be modestly dilutive to 2008 earnings, due to integration expenses, but synergies ought to bring about accretion to the bottom line in 2009 and thereafter. There are quite a few smaller companies that provide specialized services that Ecolab would like to bring under its wing, if the price is right.

The stock has enjoyed a steady rise in price over the years, thanks to Ecolab's ability to generate healthy results on a consistent basis. Note, also, the 1 (Highest) Safety rank and excellent mark for Price Stability.

But it appears that some of the good news is discounted by the present quotation, leading to subpar capital appreciation possibilities out to 2011-2013. More business combinations could prompt us to raise the Target Price Range, however.

Frederick L. Harris, III *June 13, 2008*

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	95
Earnings Predictability	100

(A) Diluted egs. Primary egs. thru '96. Excl. gns (loss) fr. disc. op's: '98, 14¢; '02, 1¢. Excl. nonrec. gains (losses): '93, 1¢; '94, (3¢); '99, 1¢; '00, 4¢; '02, (13¢); '03, 1¢; '04, (1¢); '07, 4¢; Q1 '08, 2¢. Qtrs. for '05 restated for expensing stock options. Next egs. rpt. late July. (B) Dividends paid in the middle of Jan., Apr., July & Oct. ■ Div'd reinv. plan. (C) In mill., adj. for stk. splits. (D) Incl. intang., '07: $1,608.1 mill., $6.52/sh.

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EMERSON ELECTRIC NYSE-EMR

RECENT PRICE 49.45 | P/E RATIO 15.5 (17.0 20.0) | RELATIVE P/E RATIO 1.01 | DIV'D YLD 2.4% | VALUE LINE

TIMELINESS 2 Raised 6/6/08
SAFETY 1 New 7/27/00
TECHNICAL 3 Lowered 5/9/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+80%)	18%
Low	75	(+50%)	13%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	1	0	0	
Options	0	2	0	1	0	0	0	0	
to Sell	0	0	0	2	0	0	0	0	

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	423	472	411
to Sell	457	457	529
Hld's(000)	580757	588276	582013

	High:	30.2	33.7	35.7	39.9	39.6	33.0	32.5	35.4	38.9	45.2	59.1	58.7
	Low:	22.5	27.3	25.7	20.3	22.0	20.9	21.9	28.1	30.3	36.8	41.3	44.9

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 3/97
2-for-1 split 12/06
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	22.8	-9.7
3 yr.	87.3	27.3
5 yr.	150.8	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
8.59	9.09	9.62	11.18	12.46	13.95	15.35	16.48	18.18	18.44	16.43	16.57	18.61	21.07	25.02	28.67	31.90	34.65	Sales per sh [A]	41.25
1.07	1.17	1.29	1.47	1.66	1.85	2.04	2.25	2.46	2.07	1.90	1.84	2.16	2.49	3.05	3.55	4.20	4.60	"Cash Flow" per sh	5.45
.75	.79	.88	1.02	1.14	1.26	1.39	1.50	1.65	1.20	1.26	1.21	1.49	1.78	2.24	2.66	3.15	3.50	Earnings per sh [AB]	4.15
.35	.36	.38	.45	.49	.54	.59	.65	.72	.77	.78	.79	.80	.83	.89	1.05	1.22	1.35	Div'ds Decl'd per sh [C]	1.80
.39	.34	.37	.47	.57	.65	.69	.68	.81	.66	.48	.40	.48	.63	.75	.87	1.00	1.10	Cap'l Spending per sh	1.25
4.16	4.35	4.85	5.44	5.98	6.15	6.62	7.14	7.49	7.29	6.82	7.67	8.63	9.01	10.13	11.14	11.70	12.70	Book Value per sh [D]	15.40
897.23	899.05	884.34	885.59	894.88	881.61	876.20	866.09	854.95	839.25	841.42	842.31	838.86	821.30	804.69	787.23	780.00	765.00	Common Shs Outst'g [E]	715.00
17.2	18.1	17.0	16.3	18.0	20.4	21.8	20.7	17.5	27.2	21.4	20.9	20.5	18.7	17.8	17.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	20.0
1.04	1.07	1.11	1.09	1.13	1.18	1.13	1.18	1.14	1.39	1.17	1.19	1.08	1.00	.96	.90			Relative P/E Ratio	1.35
2.7%	2.5%	2.6%	2.7%	2.4%	2.1%	2.0%	2.1%	2.5%	2.3%	2.9%	3.1%	2.6%	2.5%	2.2%	2.3%			Avg Ann'l Div'd Yield	2.2%
13447	14270	15545	15480	13824	13958	15615	17305	20133	22572	24900	26500	Sales ($mill) [A]	29500						
20.4%	20.6%	20.7%	19.3%	17.7%	17.9%	18.2%	18.2%	18.3%	18.5%	18.5%	19.0%	Operating Margin	18.5%						
562.5	637.5	678.5	708.5	541.0	534.0	557.0	562.0	607.0	656.0	800	820	Depreciation ($mill) [F]	900						
1228.6	1313.6	1422.4	1031.8	1060.0	1013.0	1257.0	1485.0	1845.0	2136.0	2480	2715	Net Profit ($mill)	3000						
36.1%	35.0%	34.7%	35.0%	32.3%	28.4%	32.1%	30.9%	31.3%	31.3%	32.0%	32.0%	Income Tax Rate	32.0%						
9.1%	9.2%	9.2%	6.7%	7.7%	7.3%	8.1%	8.6%	9.2%	9.5%	10.0%	10.2%	Net Profit Margin	10.2%						
979.6	534.0	263.9	d59.0	561.0	2083.0	2077.0	1906.0	1956.0	2519.0	2950	3550	Working Cap'l ($mill)	4845						
1056.6	1317.1	2247.7	2255.6	2990.0	3733.0	3136.0	3128.0	3128.0	3372.0	3375	3000	Long-Term Debt ($mill)	2000						
5803.3	6180.5	6402.8	6114.0	5741.0	6460.0	7238.0	7400.0	8154.0	8772.0	9125	9730	Shr. Equity ($mill)	11020						
18.5%	18.1%	17.0%	13.1%	12.7%	10.4%	12.6%	15.0%	17.1%	18.3%	21.0%	22.0%	Return on Total Cap'l	23.5%						
21.2%	21.3%	22.2%	16.9%	18.5%	15.7%	17.4%	20.1%	22.6%	24.4%	27.0%	28.0%	Return on Shr. Equity	27.0%						
12.2%	12.1%	12.6%	6.2%	7.1%	5.4%	8.0%	10.7%	13.7%	14.8%	17.0%	17.0%	Retained to Com Eq	15.5%						
42%	43%	43%	63%	62%	65%	54%	47%	40%	39%	38%	39%	All Div'ds to Net Prof	43%						

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4947 mill. Due in 5 Yrs $1612 mill.
LT Debt $3338 mill. LT Interest $178.0 mill.
(Tot. Int. coverage: 12.9x) (30.1% of Cap'l)

Leases, Uncapitalized $558 mill.

Pension Assets-9/07 $3.90 bill. Oblig. $3.51 bill.
Pfd Stock None

Common Stock 780,767,964 shs.
as of 4/30/08

MARKET CAP: $38.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	810	1008	1767
Receivables	3716	4260	4377
Inventory (Avg Cst)	2222	2227	2532
Other	582	570	762
Current Assets	7330	8065	9438
Accts Payable	2305	2501	2403
Debt Due	898	404	1609
Other	2171	2641	2576
Current Liab.	5374	5546	6588

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	7.0%	9.0%
"Cash Flow"	6.0%	7.0%	10.0%
Earnings	7.0%	10.0%	11.0%
Dividends	6.5%	4.0%	9.0%
Book Value	5.5%	7.0%	7.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) [A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	3970	4227	4465	4643	17305
2006	4548	4852	5217	5516	20133
2007	5051	5513	5874	6134	22572
2008	5637	6023	6450	6790	24900
2009	6000	6400	6900	7200	26500

Fiscal Year Ends	EARNINGS PER SHARE [AB] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.35	.42	.50	.51	1.78
2006	.48	.53	.59	.64	2.24
2007	.55	.61	.72	.78	2.66
2008	.66	.75	.84	.90	3.15
2009	.70	.85	.95	1.00	3.50

Cal-endar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.208	.81
2005	.208	.208	.208	.223	.85
2006	.223	.223	.223	.263	.93
2007	.263	.263	.263	.30	1.08
2008	.30	.30			

BUSINESS: Emerson Electric Company designs and manufactures a broad range of electrical and electronic products and systems for the commercial, industrial, and consumer markets. Operating segments include: Process Management (in 2007, provided 24% of revenues, 30% of operating income), Industrial Automation (18%, 19%), Network Power (22%, 18%), Climate Technologies (17%, 16%), and Appliances and Tools (19%, 17%). In 2007, foreign sales were 52% of total; Research & Development, 1.7%. Has about 127,800 employees. Officers and directors own .5% of stock (12/07 Proxy). Chairman & CEO: David N. Farr. Incorporated: MO. Address: 8000 W. Florissant Avenue, St. Louis, MO 63136. Telephone: 314-553-2000. Internet: www.gotoemerson.com.

Emerson continues to deliver outstanding results in the face of a challenging macro environment. For the fiscal second quarter (year ends September 30th) earnings advanced 23% year over year, and revenues increased 9%. Half of the top-line growth came from internal gains, with the rest stemming from foreign currency translation and acquisitions. The company offset rising raw material costs by increasing its prices, and actually improved the operating margin by 100 basis points over last year, aided by efficiency initiatives and increased volumes.

We expect the company to maintain similar growth in coming quarters. Orders in May increased 10%, marking the ninth straight month of double-digit gains. Despite contending with tough year over year comparisons, the Industrial Automation, Network Power, and Process Automation segments continue to perform very well due to their exposure to the global energy and infrastructure markets. Importantly, these businesses are expanding rapidly in emerging markets, which now account for roughly 30% of the company's sales. There's been speculation about whether or not Emerson can keep up this growth rate, but we remain optimistic.

The company is investing in its future. Much of Emerson's current success can be attributed to investment in new technologies made during an industry downturn years ago. Now the company is attempting to replicate this by investing in next-generation products before its competitors do. Specifically, new products that help companies reduce emissions should benefit EMR in the long term.

Emerson shares are ranked favorably for both Timeliness and Safety. The company has relatively low debt and robust free cash flow. Further, it has a varied product mix and a very diversified international presence (52% of sales). Emerson also has bright earnings prospects, as order growth remains vibrant and the company is doing an excellent job of controlling costs. Although EMR's stellar performance is no secret to investors, we believe there is still some price upside in the year ahead, as we expect hearty internal revenue growth to continue. Indeed, we think these shares are a solid choice.

Kevin Downing *July 11, 2008*

(A) Fiscal year ends September 30th.
(B) Based on avg. shs. outst'g until fiscal '97, diluted thereafter. Excludes nonrecurring loss: '05, 8¢; gain: '07, 5¢. Next earnings report due early August.
(C) Dividends historically paid in mid-March, June, Sept., Dec. Has div'd reinvest. plan.
(D) Incl. intang. in '07: $6412.0 mill., $8.06/sh.
(E) In mill., adj. for stk. splits.
(F) Depr. on an accel. basis to 9/30/92; straight-line basis afterwards.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	75

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EXXON MOBIL NYSE-XOM

RECENT PRICE 85.71 | P/E RATIO 9.8 (Trailing: 11.1 / Median: 15.0) | RELATIVE P/E RATIO 0.60 | DIV'D YLD 1.9% | VALUE LINE

TIMELINESS 2 Raised 2/15/08
SAFETY 1 Raised 6/30/95
TECHNICAL 3 Lowered 1/18/08
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	145	(+70%)	15%
Low	120	(+40%)	10%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	0	0	0	0	0
Options	2	0	4	0	2	6	0	3	0
to Sell	0	0	4	0	1	8	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	530	610	525
to Sell	871	883	978
Hld's(000)	2629724	2784692	2691381

	High:	33.6	38.7	43.8	47.7	45.8	44.6	41.1	52.1	66.0	79.0	95.3	96.1
	Low:	24.1	28.3	32.2	34.9	35.0	29.8	31.6	39.9	49.3	55.8	69.0	77.6

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 4/97
2-for-1 split 7/01
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded 9 6 3

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	8.5	-9.7
3 yr.	66.8	27.3
5 yr.	170.1	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
20.76	20.03	20.42	21.72	23.50	24.48	20.74	23.14	29.74	27.54	26.70	32.12	41.24	53.52	58.49	66.63	86.00	92.65	Sales per sh A	116.30
1.97	2.03	1.93	2.36	2.47	2.77	2.42	2.40	3.61	3.39	2.88	3.97	5.48	7.19	8.82	9.82	11.65	12.15	"Cash Flow" per sh	14.80
.96	1.05	.92	1.28	1.40	1.64	1.31	1.19	2.41	2.18	1.61	2.56	3.89	5.35	6.55	7.28	8.75	9.00	Earnings per sh B	11.15
.71	.72	.73	.75	.78	.81	.82	.84	.88	.91	.92	.98	1.06	1.14	1.28	1.37	1.55	1.65	Div'ds Decl'd per sh C ■	2.00
1.45	1.40	1.34	1.43	1.45	1.50	1.72	1.56	1.22	1.47	1.71	1.96	1.87	2.26	2.70	2.86	5.00	5.25	Cap'l Spending per sh	5.80
6.64	6.87	7.42	8.05	8.71	8.85	8.99	9.13	10.21	10.74	11.13	13.69	15.90	18.13	19.87	22.62	24.70	28.30	Book Value per sh	41.30
4968.0	4968.0	4968.0	4968.0	4966.8	4914.0	4856.0	6954.0	6930.0	6809.0	6700.0	6568.0	6401.0	6133.0	5729.0	5382.0	5000.0	4750.0	Common Shs Outst'g D E	4300.0
15.8	15.3	16.7	13.9	15.3	18.0	26.5	32.3	17.3	16.9	23.4	14.1	11.7	10.9	10.0	11.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
.96	.90	1.10	.93	.96	1.04	1.38	1.84	1.12	.97	1.28	.80	.62	.58	.54	.60			Relative P/E Ratio	.80
4.7%	4.5%	4.7%	4.2%	3.6%	2.8%	2.4%	2.2%	2.1%	2.2%	2.4%	2.7%	2.3%	2.0%	2.0%	1.6%			Avg Ann'l Div'd Yield	1.5%
100697	160883	206083	187510	178909	210959	263989	328213	335086	358600	430000	440000							Sales ($mill) A	500000
12.2%	11.1%	16.2%	15.4%	12.8%	14.2%	17.3%	18.1%	20.1%	19.2%	19.0%	18.5%							Operating Margin	18.5%
5340.0	8304.0	8130.0	7944.0	8310.0	9047.0	9767.0	10253	11416	12250	12750	13750							Depreciation ($mill)	15000
6440.0	8380.0	16910	15105	11011	17030	25330	33860	39090	40610	45500	44000							Net Profit ($mill)	48700
28.9%	28.8%	40.6%	37.4%	37.1%	42.7%	38.6%	43.0%	42.0%	42.4%	46.0%	46.0%							Income Tax Rate	45.0%
6.4%	5.2%	8.2%	8.1%	6.2%	8.1%	9.6%	10.3%	11.7%	11.3%	10.6%	10.0%							Net Profit Margin	9.7%
d1819	d7592	2208.0	5567.0	5116.0	7574.0	17396	27035	26960	27651	27500	25500							Working Cap'l ($mill)	20000
4530.0	8402.0	7280.0	7099.0	6655.0	4756.0	5013.0	6220.0	6645.0	7183.0	7250	8000							Long-Term Debt ($mill)	10000
43750	63466	70757	73161	74597	89915	101756	111186	113844	121762	123500	134500							Shr. Equity ($mill)	177625
13.7%	12.1%	22.0%	19.2%	13.9%	18.1%	23.8%	28.9%	32.6%	31.6%	35.0%	31.0%							Return on Total Cap'l	26.5%
14.7%	13.2%	23.9%	20.6%	14.8%	18.9%	24.9%	30.5%	34.3%	33.4%	37.0%	32.5%							Return on Shr. Equity	27.5%
5.6%	4.0%	15.2%	12.1%	6.2%	11.2%	17.9%	23.7%	27.4%	26.9%	30.0%	26.5%							Retained to Com Eq	22.5%
62%	70%	36%	41%	58%	41%	28%	22%	20%	19%	18%	18%							All Div'ds to Net Prof	18%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $10006 mill. Due in 5 Yrs $2910 mill.
LT Debt $7235 mill. LT Interest $395 mill.
Total interest coverage: over 25.0x
Incl. $409 mill. of capitalized leases (5% of Cap'l)
Leases, Uncapitalized Annual rentals $2.0 bill.
Pension Assets-12/07 $27.8 bill.
Obligation $34.5 bill.

Pfd Stock None
Common Stock 5,283,694,459 shares

MARKET CAP: $453 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	32848	34500	41393
Receivables	28942	36450	36428
Inventory (FIFO)	10714	11089	15378
Other	3273	3924	4559
Current Assets	75777	85963	97758
Accts Payable	39082	45275	53613
Debt Due	1702	2393	2771
Other	8033	10654	14599
Current Liab.	48817	58312	70983

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	16.5%	12.0%
"Cash Flow"	13.0%	21.0%	9.5%
Earnings	16.0%	25.5%	9.5%
Dividends	5.0%	7.0%	8.0%
Book Value	9.0%	13.5%	12.5%

Calendar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	72237	79107	88571	88298	328213
2006	78653	87813	88504	80116	335086
2007	76890	87249	91160	103301	358600
2008	04791	110000	105000	110209	430000
2009	107000	112500	107500	113000	440000

Calendar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.15	1.23	1.32	1.65	5.35
2006	1.37	1.72	1.77	1.69	6.55
2007	1.62	1.83	1.70	2.13	7.28
2008	2.03	2.25	2.25	2.22	8.75
2009	2.10	2.30	2.30	2.30	9.00

Calendar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.25	.27	.27	.27	1.06
2005	.27	.29	.29	.29	1.14
2006	.32	.32	.32	.32	1.28
2007	.32	.35	.35	.35	1.37
2008	.35	.40			

BUSINESS: Exxon Mobil Corp. is the largest publicly traded oil company. Owns 69.6% of Imperial Oil (Canada). Daily production in 2007: crude oil, 2.6 mil. barrels; natural gas, 9.4 bill. cubic feet. Reserves as of 12/31/07, including equity interests: 21.5 billion barrels of oil equivalent, about 52% gas, 48% oil. Est. pretax present value of reserves at 12/31/07: $267 bill. Daily refinery runs, 5.6 million barrels; product sales, 7.1 mill. bbls. Annual chemical sales, 27.5 mill. tonnes. Has 32,386 service stations. Average capital employed: 49% upstream, 20% downstream, 10% chemicals, 21% corp. Employs 80,800. Chairman and CEO: Rex Tillerson. Inc.: NJ. Addr.: 5959 Las Colinas Blvd., Irving, TX 75039-2298. Tel.: 972-444-1000. Internet: www.exxonmobil.com.

Exxon Mobil is powering ahead. Fueled by rising oil prices, earnings may be headed for another record year in 2008. Further per-share gains could be realized in 2009 and out to early next decade, if the oil market remains supportive.

The run-up in oil prices is not all roses. Higher feedstock costs at the refineries and chemical plants have taken a toll on results in those lines. Falling gasoline demand is another problem. But the boom in profits from the exploration and production division is more than making up for the weakness downstream.

A dip in oil production highlights why that fuel has become so costly. Exxon Mobil pumped 10% less oil in the first quarter of 2008, due to the loss in output from Venezuela, the effects of production sharing contracts, and declines from mature fields. Oil traders have bid up quotations as much as they have partly because industry stalwarts, such as Exxon Mobil, are unable to boost volume. The big move in oil prices more than offset the dip in volume. But even though this wasn't slated to be an especially good year for production, investors were disappointed by the extent of the falloff.

The overall production picture is not as bad, when natural gas is included. Exxon boosted its gas production slightly in the first quarter, so that combined output fell about 6%. There is still promise that results will pick up in the years ahead. Spending is up 20% this year, and will very likely remain in a high range in the coming three to five years (partly to offset cost inflation). A dozen large projects are due to start up in 2008, and more are scheduled further down the line. That translates into modest volume potential, although any supplies held back by host nations, owing to high oil prices, undermines those possibilities to an extent.

The stock is well ranked (2) for Timeliness. The shares are a good way for conservative investors to take part in the oil boom, given Exxon Mobil's top (1) Safety rank. Risk-adjusted total return potential to 2011-2013 is adequate in view of the equity's top quality. Large, ongoing share repurchases provide an underpinning for the stock. Steady dividend increases will also help.

Robert Mitkowski, Jr. *June 13, 2008*

(A) Net of gasoline excise taxes.
(B) Based on diluted shares. Excludes nonrecurring gains (losses): '94, 10¢; '95, 2¢; '96, 11¢; '97, 6¢; '98, (2¢); '99, (7¢); '00, 12¢; '01, 3¢; '02, 7¢; '03, 67¢; '05, 36¢; '06, 7¢. Next earnings report due late July.
(C) Dividends historically paid in the second week of March, June, Sep., and Dec. ■Dividend reinvestment plan available.
(D) In mill., adjusted for splits.
(E) Stock Purchase Plan available w/o broker.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	85

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FORTUNE BRANDS NYSE-FO

RECENT PRICE 54.08 | P/E RATIO 12.4 (10.7 / 15.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 5 Lowered 7/11/08
SAFETY 1 Raised 4/29/05
TECHNICAL 3 Raised 6/27/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+115%)	23%
Low	95	(+75%)	17%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	1	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	2	0	0
to Sell	0	0	0	0	0	1	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	187	235	190
to Sell	270	250	289
Hld's(000)	110914	111491	115578

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	30.44	33.85	38.08	38.37	38.63	42.48	50.53	48.25	57.73	55.64	*51.95*	*52.60*	Revenues per sh	*59.20*
	3.16	3.49	3.92	4.00	4.55	5.20	7.18	6.51	7.02	7.03	*6.15*	*6.65*	"Cash Flow" per sh	*9.05*
	1.67	1.99	2.29	2.41	3.19	3.79	5.23	4.62	5.30	5.12	*4.35*	*4.70*	Earnings per sh A	*6.85*
	.85	.89	.93	.97	1.02	1.14	1.26	1.38	1.50	1.62	*1.68*	*1.68*	Div'ds Decl'd per sh B■	*1.76*
	1.46	1.47	1.48	1.40	1.32	1.33	1.67	1.52	1.75	1.74	*1.60*	*1.60*	Cap'l Spending per sh	*2.00*
	23.73	16.72	13.85	14.15	15.68	18.54	22.10	24.87	31.08	36.94	*39.65*	*42.75*	Book Value per sh C	*50.00*
	172.20	163.20	153.50	148.00	146.99	146.28	144.89	146.35	151.91	153.91	*154.00*	*154.00*	Common Shs Outst'g D	*152.00*
	21.4	18.3	11.4	14.7	15.4	14.3	14.0	18.1	14.5	15.7			Avg Ann'l P/E Ratio	*15.0*
	1.11	1.04	.74	.75	.84	.82	.74	.96	.78	.81			Relative P/E Ratio	*1.00*
	2.4%	2.4%	3.5%	2.7%	2.1%	2.1%	1.7%	1.7%	2.0%	2.0%			Avg Ann'l Div'd Yield	*1.7%*
	5240.9	5524.7	5844.5	5678.7	5677.7	6214.5	7320.9	7061.2	8769.0	8563.1	*8000*	*8100*	Revenues ($mill)	*9000*
	16.6%	16.5%	17.0%	16.3%	18.0%	17.9%	19.3%	20.6%	20.8%	19.8%	*18.0%*	*18.5%*	Operating Margin	*22.0%*
	251.1	230.5	236.7	218.7	178.7	192.6	257.7	257.8	254.7	280.4	*270*	*290*	Depreciation ($mill)	*325*
	293.6	339.8	366.2	373.4	490.5	568.7	783.8	695.5	811.7	801.3	*680*	*735*	Net Profit ($mill)	*1050*
	42.6%	40.4%	40.4%	37.7%	36.4%	33.1%	26.1%	34.5%	26.0%	30.9%	*31.5%*	*31.5%*	Income Tax Rate	*35.0%*
	5.6%	6.2%	6.3%	6.6%	8.6%	9.2%	10.7%	9.8%	9.3%	9.4%	*8.5%*	*9.1%*	Net Profit Margin	*11.7%*
	420.7	309.9	224.6	711.2	388.4	148.1	605.9	374.8	1414.7	1687.0	*1690*	*1710*	Working Cap'l ($mill)	*2050*
	981.7	1204.8	1151.8	950.3	841.7	1242.6	1239.5	4889.9	5034.9	3942.7	*3500*	*3000*	Long-Term Debt ($mill)	*2000*
	4097.5	2738.2	2135.9	2102.7	2313.2	2719.5	3209.6	3645.6	4728.0	5685.5	*6105*	*6580*	Shr. Equity ($mill)	*7600*
	6.7%	9.6%	12.4%	13.7%	16.7%	15.2%	18.5%	9.0%	10.0%	9.8%	*8.0%*	*8.5%*	Return on Total Cap'l	*12.0%*
	7.2%	12.4%	17.1%	17.8%	21.2%	20.9%	24.4%	19.1%	17.2%	14.1%	*11.0%*	*11.0%*	Return on Shr. Equity	*14.0%*
	3.6%	7.0%	10.3%	10.8%	14.8%	14.8%	18.7%	13.6%	12.4%	9.7%	*7.0%*	*7.0%*	Retained to Com Eq	*10.5%*
	50%	44%	40%	40%	31%	29%	23%	29%	28%	31%	*38%*	*35%*	All Div'ds to Net Prof	*25%*

Bold figures are Value Line estimates

Fortune Brands, Inc. is the successor to American Brands, Inc. (AMB) following the divestiture of its United Kingdom-based Gallaher tobacco subsidiary and subsequent name change. AMB was established on 12/31/85 with the merger of American Tobacco Co. (spun-off 12/22/94) and American New Jersey. On 5/30/97, AMB shareholders of record received one American Depositary Receipt (representing four shares of Gallaher Group, PLC) for each AMB share held.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4684.1 mill. Due in 5 Yrs $1398.0 mill.
LT Debt $3569.6 mill. LT Interest $250.0 mill.
(LT interest earned 5.0x; Total int. coverage: 4.4x)
(38% of Cap'l)
Leases, Uncapitalized Annual rentals $64.8 mill.
Pension Assets-12/07 $849.1 mill.
Oblig. $1072.8 mill.
Pfd Stock $5.7 mill. Pfd Div'd $.6 mill.
234,900 shs. $2.67 pfd. (no par), liq. val. $30.50, ea. cv. to 6.205 com. shs. (less than 1% of Cap'l)
Common Stock 153,688,086 shares
as of 4/30/08
MARKET CAP: $8.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	182.7	203.7	179.4
Receivables	1165.3	1101.9	1079.8
Inventory (FIFO)	2187.0	2047.6	2173.8
Other	395.1	427.7	458.9
Current Assets	3930.1	3780.9	3891.9
Accts Payable	482.5	468.9	445.5
Debt Due	789.3	431.0	1114.7
Other	1233.6	1184.0	936.6
Current Liab.	2515.4	2093.9	2496.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	6.5%	7.0%	*5.0%*
"Cash Flow"	11.5%	12.5%	*4.0%*
Earnings	17.5%	18.0%	*4.5%*
Dividends	--	8.0%	*3.5%*
Book Value	2.0%	12.0%	*9.5%*

Calendar	QUARTERLY REVENUES ($ mill.) E Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1517	1783	1802	1959	7061
2006	2016	2257	2219	2277	8769
2007	1909	2293	2145	2215	8563
2008	1806	*2100*	*1995*	*2099*	*8000*
2009	*1775*	*2075*	*2100*	*2150*	*8100*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.95	1.33	1.12	1.22	4.62
2006	1.06	1.55	1.30	1.39	5.30
2007	.81	1.53	1.35	1.43	5.12
2008	.78	*1.20*	*1.15*	*1.22*	*4.35*
2009	*.80*	*1.30*	*1.25*	*1.35*	*4.70*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.30	.30	.33	.33	1.26
2005	.33	.33	.36	.36	1.38
2006	.36	.36	.39	.39	1.50
2007	.39	.39	.42	.42	1.62
2008	.42	.42			

BUSINESS: Fortune Brands, Inc. (formerly American Brands) is a consumer-products company primarily involved in the manufacture of hardware, sporting goods, and distilled spirits. Brand names include: *Aristokraft* (cabinets), *Moen* (faucets), *Master Lock* (padlocks), *Jim Beam* (bourbon), *Courvoisier* (cognac) *Foot-Joy* (athletic footwear), *Titleist* (golf balls), *MasterBrands* (kitchen and bath cabinets), *Therma-Tru* (residential doors) and *Waterloo* (tool storage). International operations generated 28% of sales in '07. '07 depreciation rate: 9.0%. Has 31,027 employees. Off./dir. own 1.5% of stock (3/08 proxy). President and CEO: Bruce Carbonari. Inc.: DE. Address: 520 Lake Cook Road, Deerfield, IL 60015. Telephone: (847) 484-4400. Internet: www.fortunebrands.com.

Investors should hold off on Fortune Brands' untimely shares for now. The stock has plummeted since our last review, and significant downside risk remains.

The company's first-quarter year-to-year revenue and earnings declines were the beginning of what will likely be a steep slide over the next few quarters. Indeed, the difficult economic climate, plagued by the ongoing correction in the housing market, the spike in energy commodity prices, and the result of waning consumer confidence, has begun to take its toll on the top and bottom lines. As consumers begin to tighten purses, home improvement purchases and homebuilding remain soft, many golfers are deferring "big ticket" purchases of golf clubs, and trading up to pricier brands of spirits has moderated considerably in the U.S.. In addition, higher costs for commodities, such as petroleum-based materials, glass and steel, are adding to the margin pressures. Moreover, higher taxation on ready-to-drink spirits in Australia likely eroded operating profits during the second quarter. Meanwhile, the sale of Fortune's domestic wine business to Constellation Brands has been making comparisons even more unfavorable.

Still, we believe the company will adjust its cost structure to offset the top-line slump. The cost savings that will result from the recent asset sale ought to boost margins. This move should improve the sales mix, as the premium spirits business is Fortune's most profitable segment. Meanwhile, we believe the company will begin to soften the blow of recent economic woes by employing company wide productivity initiatives, manufacturing capacity realignment, and aggressive supply-chain adjustments in the home products business. Too, the annualization of increased brand-building investments should help Fortune to regain market share in key categories, particularly in international markets.

Simon R. Shoucair *July 25, 2008*

Sales (and Operating Margin) by Business Line

	2006	2007	2008	2009
Home & Hardware	4694 (14.6%)	2607 (13.1%)	*2280 (10.0%)*	*2150 (10.0%)*
Spirits & Wine	2761 (25.9%)	4551 (28.4%)	*4450 (25.0%)*	*4600 (26.0%)*
Golf Products	1313 (12.6%)	1405 (11.8%)	*1350 (11.0%)*	*1350 (11.0%)*
Company Total	8769 (19.7%)	8563 (19.8%)	*8000 (18.0%)*	*8100 (18.5%)*

* Earnings before depreciation, interest and taxes, excluding certain items, as a percentage of sales.

(A) Diluted earnings. Excludes net nonrecurring items: '97, (84¢); '98, (18¢); '99, ($7.34); '00, ($4.08); '01, 8¢; '02, 48¢; '03, 10¢; '05, (49¢); '06, 18¢; '07, (25¢). Next egs. rpt. due late October.
(B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available.
(C) Incl. intang. assets. As of 12/31/07: $8.1 bill., $52.39/sh.
(D) In millions. (E) Rev's. may not sum due to rounding.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	85

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HEARING EXHIBIT 00000539

GEN'L. DYNAMICS NYSE-GD

RECENT PRICE 85.99 | P/E RATIO 14.6 (Trailing: 15.8 Median: 16.0) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 2 Raised 12/28/07
SAFETY 1 Raised 3/30/01
TECHNICAL 3 Lowered 5/9/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+50%)	12%
Low	110	(+30%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	4	8	3	6	2	6	1
to Sell	0	0	3	7	3	6	0	4	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	301	356	299
to Sell	328	296	361
Hld's(000)	320582	321388	314618

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	22.9	31.0	37.7	39.5	48.0	55.6	45.4	55.0	61.1	78.0	94.6	95.1								
Low:	15.8	20.1	23.1	18.1	30.3	36.6	25.0	42.5	48.8	56.7	70.6	74.0								
	14.04	12.56	12.14	12.12	14.19	16.15	19.61	22.28	25.83	30.29	34.40	41.97	48.73	53.06	59.30	67.43	75.20	80.75	Sales per sh	94.75
	.77	1.05	1.04	1.13	1.34	1.62	1.93	2.26	2.82	3.03	3.14	3.22	3.83	4.52	5.16	6.20	7.15	7.80	"Cash Flow" per sh	9.45
	.44	.82	.88	.98	1.07	1.25	1.43	1.77	2.24	2.33	2.59	2.50	3.02	3.63	4.20	5.10	5.90	6.50	Earnings per sh [A]	8.00
	.20	.25	.35	.38	.41	.41	.43	.48	.51	.55	.60	.64	.72	.78	.89	1.10	1.34	1.55	Div'ds Decl'd per sh [B]	2.25
	.07	.06	.09	.13	.30	.33	.62	.49	.72	.89	.66	.57	.66	.65	.82	1.17	1.25	1.30	Cap'l Spending per sh	1.50
	7.58	4.70	5.22	6.19	6.79	7.61	8.76	7.89	9.53	11.28	12.93	14.95	17.96	20.34	24.22	29.13	32.40	36.85	Book Value per sh [C]	50.60
	247.37	250.25	251.98	252.98	252.41	251.57	253.39	402.03	401.00	401.49	401.99	395.93	400.26	400.40	405.79	403.98	395.00	390.00	Common Shs Outst'g [D]	380.00
	21.4	14.9	12.3	12.7	15.0	15.5	16.8	17.3	12.9	16.5	16.9	14.7	16.2	15.3	16.0	16.0	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	1.30	.88	.81	.85	.94	.89	.87	.99	.84	.85	.92	.84	.86	.81	.86	.84			Relative P/E Ratio	1.00
	2.1%	2.0%	3.3%	3.0%	2.6%	2.1%	1.8%	1.6%	1.8%	1.4%	1.4%	1.7%	1.5%	1.4%	1.3%	1.3%			Avg Ann'l Div'd Yield	1.4%
							4970.0	8959.0	10356	12163	13829	16617	19504	21244	24063	27240	29700	31500	Sales ($mill)	36000
							13.4%	15.6%	15.0%	14.4%	13.0%	10.5%	11.6%	12.0%	12.5%	13.0%	13.5%	13.5%	Operating Margin	14.0%
							126.0	193.0	228.0	272.0	213.0	277.0	326.0	342.0	384.0	423.0	450	465	Depreciation ($mill) [E]	525
							364.0	715.0	901.0	943.0	1051.0	997.0	1207.0	1468.0	1710.0	2080.0	2370	2570	Net Profit ($mill)	3065
							33.7%	36.5%	28.6%	33.8%	33.6%	27.3%	32.4%	30.1%	32.3%	31.7%	32.5%	32.5%	Income Tax Rate	32.5%
							7.3%	8.0%	8.7%	7.8%	7.6%	6.0%	6.2%	6.9%	7.1%	7.6%	8.0%	8.2%	Net Profit Margin	8.5%
							412.0	38.0	650.0	314.0	516.0	778.0	1788.0	2268.0	2056.0	3134.0	3500	4425	Working Cap'l ($mill)	7065
							167.0	169.0	162.0	724.0	718.0	3296.0	3231.0	2781.0	2774.0	2118.0	1900	1700	Long-Term Debt ($mill)	1000
							2219.0	3171.0	3820.0	4528.0	5199.0	5921.0	7189.0	8145.0	9827.0	11768	12800	14365	Shr. Equity ($mill) [C]	19230
							15.3%	21.6%	22.8%	18.3%	17.9%	11.5%	12.2%	14.1%	14.1%	15.4%	16.5%	16.5%	Return on Total Cap'l	15.5%
							16.4%	22.5%	23.6%	20.8%	20.2%	16.8%	16.8%	18.0%	17.4%	17.7%	18.5%	18.0%	Return on Shr. Equity	16.0%
							11.5%	18.3%	18.3%	16.0%	15.7%	12.6%	12.9%	14.2%	13.7%	13.9%	14.5%	13.5%	Retained to Com Eq	11.5%
							30%	19%	22%	23%	22%	25%	23%	21%	21%	21%	23%	24%	All Div'ds to Net Prof	28%

Target Price Range 2011 | 2012 | 2013: 200, 160, 100, 80, 60, 50, 40, 30, 20

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	18.5	-9.7
3 yr.	78.0	27.3
5 yr.	196.4	85.8

CAPITAL STRUCTURE as of 3/30/08

Total Debt $2790 mill. Due in 5 Yrs $1380 mill.
LT Debt $2117 mill. LT Interest $95 mill.
(Total Int. coverage: 24.3x)
(15% of Cap'l)

Leases, Uncapitalized None
Pension Assets-12/07 $7.45 bill. Oblig. $7.07 bill.
Pfd Stock None
Common Stock 398,490,987 shs.
as of 4/27/08

MARKET CAP: $34.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	1604	2891	2605
Receivables	2341	2874	2976
Inventory (Avg Cst)	1484	1621	1663
Other	4451	4912	4946
Current Assets	9880	12298	12190
Accts Payable	1956	2318	2091
Debt Due	7	673	673
Other	5861	6173	6292
Current Liab.	7824	9164	9056

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	15.5%	14.5%	8.0%
"Cash Flow"	14.5%	12.0%	10.0%
Earnings	14.5%	12.5%	11.0%
Dividends	9.0%	11.0%	16.0%
Book Value	13.5%	17.0%	13.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	4819	5214	5380	5831	21244
2006	5546	5934	6069	6514	24063
2007	6300	6591	6834	7515	27240
2008	7005	7150	7400	8145	29700
2009	7250	7650	7900	8700	31500

Calendar	EARNINGS PER SHARE [A] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.85	.85	.92	1.01	3.63
2006	.94	1.04	1.08	1.14	4.20
2007	1.07	1.27	1.34	1.42	5.10
2008	1.42	1.45	1.48	1.55	5.90
2009	1.50	1.60	1.65	1.75	6.50

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.18	.18	.18	.18	.72
2005	.18	.20	.20	.20	.78
2006	.20	.23	.23	.23	.89
2007	.23	.29	.29	.29	1.10
2008	.29	.35			

BUSINESS: General Dynamics operates in divisions: Marine Systems (18% of '07 sales, 14% op. profit); Combat Systems (29%, 29%); Information Systems & Technology (35%, 32%); Aerospace (18%, 25%). Acq'd. Anteon Int. (6/06), FC Business Systems, Inc. (1/06) GTE's Gov't Systems (9/99), Gulfstream Aero. (7/99), NASSCO (11/98), Computing Dev. (12/97), Advanced Tech. Sys. (10/97), Lockheed's Armament & Def. Sys. (1/97). Has 81,000 employees. Off. & dir. own 7.6% of com.; Longview Management, 7.6%; Northern Trust, 8.3%; Marsico Capital, 5.7% (4/08 Proxy). Chairman & Chief Executive Officer: N. D. Chabraja. Inc.: DE. Addr.: 2941 Fairview Park Dr. Suite 100, Falls Church, VA 22042. Tel.: 703-876-3000. Web: www.generaldynamics.com.

General Dynamics began 2008 with results that were well ahead of both the year-before figures and our expectation for a solid period. Sales were 11.2% higher (we had looked for an 8.7% gain) and share earnings rose by a hefty 32.7% (our estimate had been 21.4%).

Profitability is widening, reflecting rising sales and more-efficient production. As a result, we've increased our share-net estimates for both 2008 and 2009.

The Aerospace group is a particular standout, as its sales surge and its operating margins soar. In fact, its first-quarter operating returns widened from 15.8% in last year's first quarter to 18.5% in the 2008 March period. This reflects strong demand for its *Gulfstream* business jets, a favorable product shipment mix, higher prices, and labor efficiencies. Note however, that this segment's margins are likely to dip a bit in later periods due to increased product development and selling costs. Even so, we look for full-year group operating margins of about 18% versus last year's 16.8%.

The *Gulfstream G650* (now under development) has generated super demand around the globe. The new private jet, scheduled for first deliveries in 2012, will fly at 700 mph, proceed at 51,000 feet, and have a range exceeding 8,000 miles. With a base price of $58 million, the *G650* is not low-cost but orders have surged. Indeed, so many letters of intent (with refundable deposits) have already been received that production seems likely to be accelerated. In fact, GD noted that the initial response was six to seven times the 83 shipments originally planned for the first 2.5 years of the program. Overseas demand appears to be bolstered by the weakness of the dollar, with foreign orders running well over 50% of the total.

General Dynamics should benefit from the U.S. Navy's need for replacement ships, which seems to be well accepted by Congress. As one of two domestic producers of warships, the company is well positioned to benefit from the USN's recapitalization. But though these shares are timely, their price has risen so well over the last five years that much of the company's good growth potential seems already discounted.

Morton L. Siegel *June 20, 2008*

(A) Primary egs. through 1996, then diluted. Excl. disc. ops.: '92, $0.64; '93, 3¢; '95, 22¢; '07, d2¢. Excl. nonrecur. items; '92, $1.59; '93, $2.64; '95, 8¢; '99, 41¢; '03, 2¢; '04, 6¢. Next egs. rpt. due late July.
(B) Dividends historically paid in mid-Feb., May, Aug., Nov.
(C) Incl. intangibles. In 2007: $9.9 bill., $24.54/sh.
(D) In mill., adj'd. for stock splits.
(E) Accelerated depreciation.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	95

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GENERAL ELECTRIC NYSE-GE

RECENT PRICE 26.65 | P/E RATIO 12.1 (12.3 / 23.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS 3 Lowered 4/25/08
SAFETY 1 New 7/27/90
TECHNICAL 4 Lowered 7/18/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+165%)	29%
Low	55	(+105%)	22%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	2	0	1	1	1	1	3	1
Options	0	0	0	1	4	0	0	0	0
to Sell	0	0	1	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	704	736	811
to Sell	821	857	829
Hld's(000)	6023740	5838265	6829601

High: 25.5 34.6 53.2 60.5 53.6 41.8 32.4 37.8 37.3 38.5 42.2 38.5
Low: 16.0 23.0 31.4 41.6 28.5 21.4 21.3 28.9 32.7 32.1 33.9 25.6

LEGENDS
14.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 5/97
3-for-1 split 5/00
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 120 / 100 / 80 / 64 / 48 / 32 / 24 / 20 / 16 / 12 / 8

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.8	-18.0
3 yr.	-15.4	11.3
5 yr.	7.4	63.2

Percent shares traded: 6 / 4 / 2

1992	1993	1994	1995	1996	1997	1998	1999	2000[A]	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC	11-13
5.56	5.91	5.87	7.00	8.02	9.28	10.24	11.33	13.07	12.69	13.21	13.33	14.44	14.28	15.90	17.30	*19.00*	*20.10*	Revenues per sh	*22.60*
.69	.75	.89	1.02	1.12	1.25	1.54	1.77	2.08	2.14	2.12	2.24	2.38	2.58	2.90	3.28	*3.30*	*3.60*	"Cash Flow" per sh	*4.75*
.42	.43	.58	.65	.73	.83	.93	1.07	1.29	1.41	1.51	1.55	1.61	1.72	1.99	2.20	*2.20*	*2.40*	Earnings per sh [B]	*3.35*
.19	.22	.25	.28	.32	.36	.42	.49	.57	.64	.73	.77	.82	.91	1.03	1.15	*1.25*	*1.30*	Div'ds Decl'd per sh [C] ■	*1.45*
.14	.16	.17	.18	.24	.22	.21	.21	.26	.29	.24	.97	1.24	1.38	1.62	1.79	*1.80*	*1.90*	Cap'l Spending per sh	*2.20*
2.29	2.52	2.58	2.96	3.15	3.52	3.96	4.32	5.08	5.52	6.39	7.87	10.47	10.43	10.93	11.57	*11.80*	*12.95*	Book Value per sh [D]	*17.75*
10265	10244	10236	9999.1	9867.3	9793.8	9813.9	9854.5	9932.0	9925.9	9969.9	10063	10586	10484	10277	9987.6	*9950*	*9950*	Common Shs Outst'g [E]	*9950*
15.5	18.1	14.3	15.1	19.4	25.1	30.3	35.9	40.1	30.8	20.7	18.1	20.5	20.5	17.3	17.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*19.0*
.94	1.07	.94	1.01	1.22	1.45	1.58	2.05	2.61	1.58	1.13	1.03	1.08	1.09	.93	.91			Relative P/E Ratio	*1.40*
3.0%	2.8%	3.0%	2.9%	2.2%	1.7%	1.5%	1.3%	1.1%	1.5%	2.3%	2.7%	2.5%	2.6%	3.0%	3.0%			Avg Ann'l Div'd Yield	*2.0%*
						100469	111630	129853	125913	131698	134187	152866	149702	163391	172738	*189000*	*200000*	Revenues ($mill)	*225000*
						29.2%	29.2%	29.5%	30.3%	26.9%	27.8%	26.8%	30.6%	32.5%	35.1%	*33.0%*	*33.0%*	Operating Margin [A]	*35.0%*
						5860.0	6691.0	7736.0	7089.0	5998.0	6956.0	8385.0	9538.0	9158.0	10278	*10750*	*11500*	Depreciation ($mill) [F]	*13000*
						9296.0	10717	12735	14128	15133	15589	16819	18275	20666	22468	*22250*	*24250*	Net Profit ($mill)	*34000*
						31.0%	31.2%	31.0%	28.3%	19.9%	21.7%	17.9%	17.4%	16.1%	15.5%	*16.0%*	*17.0%*	Income Tax Rate	*20.0%*
						9.3%	9.6%	9.8%	11.2%	11.5%	11.6%	11.0%	12.2%	12.6%	13.0%	*11.8%*	*12.1%*	Net Profit Margin	*15.1%*
						102083	111971	139551	141804	206819	238969	287826	184959	235281	244405	*260175*	*260000*	Working Cap'l ($mill)	*246000*
						59863	71427	82132	79806	140632	170004	212670	212281	260804	319015	*345000*	*345000*	Long-Term Debt ($mill)	*320000*
						38880	42557	50492	54824	63706	79180	110821	109354	112314	115559	*117500*	*129000*	Shr. Equity ($mill) [D]	*176600*
						9.5%	9.4%	9.6%	10.5%	7.4%	7.4%	6.3%	7.1%	6.7%	6.4%	*5.0%*	*5.0%*	Return on Total Cap'l	*7.0%*
						23.9%	25.2%	25.2%	25.8%	23.8%	19.7%	15.2%	16.7%	16.4%	19.4%	*19.0%*	*19.0%*	Return on Shr. Equity	*19.5%*
						13.8%	14.4%	14.5%	14.2%	12.5%	10.0%	7.7%	8.2%	9.1%	9.5%	*8.5%*	*8.5%*	Retained to Com Eq	*11.0%*
						42%	43%	42%	45%	47%	49%	49%	51%	50%	51%	*55%*	*54%*	All Div'ds to Net Prof	*43%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $547.9 bill. Due in 5 Yrs $265.6 bill.
LT Debt $346.7 bill. LT Interest $25.5 bill.
(Total interest coverage: 2.1x) (73% of Cap'l)

Leases, Uncapitalized $6.3 bill.
Pension Assets-12/07 $67.1 bill. Oblig. $48.6 bill.

Pfd Stock None
Common Stock 9,967,400,000 shs.

MARKET CAP: $266 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	76055	61175	60913
Receivables	351272	399919	431492
Inventory (LIFO)	11401	12897	14276
Other	17067	16527	16642
Current Assets	455795	490518	523323
Accts Payable	21697	21398	21311
Debt Due	172153	195101	201157
Other	26664	29614	31453
Current Liab.	220514	246113	253921

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	4.0%	*6.0%*
"Cash Flow"	10.0%	6.5%	*8.5%*
Earnings	10.5%	7.0%	*9.5%*
Dividends	12.5%	10.0%	*6.0%*
Book Value	13.0%	14.0%	*8.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	34926	36956	37027	40793	149702
2006	38029	40048	40693	44621	163391
2007	39200	42384	42566	48588	172738
2008	42243	46891	*47500*	*52366*	*189000*
2009	*45200*	*48500*	*50300*	*56000*	*200000*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.34	.41	.42	.55	1.72
2006	.39	.47	.49	.64	1.99
2007	.48	.54	.50	.68	2.20
2008	.44	.54	.52	*.70*	*2.20*
2009	*.50*	*.55*	*.60*	*.75*	*2.40*

Calendar	QUARTERLY DIVIDENDS PAID [C] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.20	.80
2005	.22	.22	.22	.22	.88
2006	.25	.25	.25	.28	1.03
2007	.28	.28	.28	.28	1.12
2008	.31	.31	.31		

BUSINESS: General Electric Co. is one of the largest & most diversified industrial companies in the world. Segments include: Infrastructure (33% of '07 revenues; 37% of operating profits); Healthcare (10%, 11%); NBC Universal (9%, 11%); Industrial (10%, 6%); Commercial Finance (20%, 21%), other (18%, 14%). In 2005, sold Insurance Solutions business and reduced ownership to less than 20% of Genworth Financial. Foreign revenues: 50%; R&D, 2.4%; '07 deprec. rate: 8.6%. Has about 327,000 employees. Officers/ directors own less than 1% of stock (3/08 Proxy). Chairman & Chief Executive Officer: Jeffrey Immelt. Incorporated: NY. Address: 3135 Easton Turnpike, Fairfield, Connecticut 06431. Telephone: 203-373-2211. Internet: www.ge.com.

We have moved General Electric to a new industry. The stock was previously included in the Electrical Equipment group, but will now be included in the Diversified Company group. We believe the current designation better reflects GE's well-diversified business.

Although our most recent review was only two weeks ago, a lot has happened since then. First of all, the company released its June-period financial statements. Revenues rose 11%, led by the Infrastructure segment, where the top line advanced 26%. However, the Industrial segment felt the effects of the soft U.S. economy. Indeed, sales increased a modest 2%, while higher costs caused operating profit to fall 32%. Also, the company announced that it is considering spinning off the entire Consumer and Industrial segment. Indeed, management has already stated its desire to shed its appliances operations, but now wishes to spin off the segment's other two subdivisions (lighting and industrial) as well. Lastly, GE announced that it was selling its Japanese Commercial Finance division to Shinsei Bank for $5.4 billion. The company did not specify what it plans to do with the sale proceeds.

We think earnings will be flat this year. The struggling economy should make operating conditions difficult through year's end. Although the Infrastructure segment will probably continue its recent run of strong performances, weakness in other areas of the company will probably weigh on the bottom line. However, we think earnings will rise at a 9%-10% clip in 2009, thanks to an increased focus on industries with stronger fundamentals. Too, international operations should provide a nice cushion from the rocky domestic economy, especially in high-growth emerging markets.

We like these neutrally ranked shares for the long haul. At its recent quotation, GE offers above-average capital appreciation potential over the coming 3 to 5 years. Too, the stock carries our Highest (1) Safety rank, as well as excellent ratings for Financial Strength, Price Stability, and Earnings Predictability. All told, we see a very attractive risk-reward scenario here.

Tom Nikic *July 25, 2008*

(A) Operating margin includes all costs/ expenses except interest and depreciation.
(B) Based on avg. shs. Excl. nonrecur. losses: '00, 24¢; '01, 4¢; '02, 10¢. Next earnings report due mid October.
(C) Dividends historically paid in late January, April, July and October. ■ Div'd reinvest. plan. avail.
(D) Incl. intang. At 12/31/07: $97,294 mill., $9.98/sh.
(E) In mill., adj. for stk. splits.
(F) Mostly on an accelerated basis.

Company's Financial Strength	A++
Stock's Price Stability	95
Price Growth Persistence	15
Earnings Predictability	100

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GENUINE PARTS NYSE-GPC

RECENT PRICE 42.52 | P/E RATIO 13.5 (Trailing: 14.1 Median: 16.0) | RELATIVE P/E RATIO 0.83 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 3 Raised 5/30/08
SAFETY 1 New 7/27/90
TECHNICAL 3 Lowered 8/18/06
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+75%)	18%
Low	60	(+40%)	12%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	1	0
Options	0	0	0	0	0	1	0	0	0
to Sell	0	0	0	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	142	160	175
to Sell	153	165	175
Hld's(000)	124734	124509	122115

High:	35.9	38.3	35.8	26.7	37.9	38.8	33.8	44.3	46.6	48.3	51.7	46.3	
Low:	28.7	28.3	22.3	18.3	23.9	27.1	27.2	32.0	40.8	40.0	46.0	38.3	

LEGENDS
— 12.5 x "Cash Flow" p sh
···· Relative Price Strength
3-for-2 split 4/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.5	-9.7
3 yr.	12.3	27.3
5 yr.	56.6	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
21.35	23.52	26.41	28.77	31.77	33.58	36.85	45.02	48.55	47.39	47.36	48.55	51.99	56.54	61.34	65.29	69.00	72.50	Sales per sh	85.30
1.46	1.57	1.77	1.93	2.11	2.24	2.37	2.64	2.77	2.58	2.51	2.43	2.62	2.91	3.22	3.58	3.80	4.10	"Cash Flow" per sh	5.30
1.28	1.39	1.55	1.68	1.82	1.90	1.98	2.11	2.20	2.08	2.10	2.03	2.25	2.50	2.76	2.98	3.15	3.40	Earnings per sh A	4.45
.67	.70	.77	.84	.89	.96	.99	1.04	1.10	1.14	1.16	1.18	1.20	1.25	1.35	1.46	1.56	1.64	Div'ds Decl'd per sh B■	2.00
.18	.31	.36	.50	.53	.51	.49	.50	.41	.24	.37	.42	.41	.50	.74	.70	.70	.70	Cap'l Spending per sh	.70
7.19	7.75	8.30	9.03	9.62	10.39	11.44	12.28	13.11	13.52	12.21	13.29	14.54	15.57	14.96	16.36	17.65	18.10	Book Value per sh C	25.15
171.86	166.42	163.94	162.87	160.05	178.95	179.51	177.28	172.39	173.47	174.38	174.05	174.96	173.03	170.49	166.07	163.00	161.00	Common Shs Outst'g D	155.00
16.4	17.3	15.4	15.5	16.1	16.9	17.1	14.1	10.0	14.5	15.9	15.6	16.7	17.4	15.9	16.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.99	1.02	1.01	1.04	1.01	.97	.89	.80	.65	.74	.87	.89	.88	.93	.86	.87			Relative P/E Ratio	1.00
3.2%	2.9%	3.2%	3.2%	3.0%	3.0%	2.9%	3.5%	5.0%	3.8%	3.5%	3.7%	3.2%	2.9%	3.1%	3.0%			Avg Ann'l Div'd Yield	3.0%
						6614.0	7981.7	8369.9	8220.7	8258.9	8449.3	9097.3	9783.1	10458	10843	11250	11675	Sales ($mill)	13225
						10.2%	9.6%	9.6%	9.1%	8.9%	8.7%	8.1%	8.2%	8.3%	8.5%	8.5%	8.5%	Operating Margin	9.0%
						69.3	90.0	92.3	85.8	70.2	69.0	62.2	65.5	73.4	87.7	97.5	105	Depreciation ($mill)	125
						355.8	377.6	385.4	361.5	367.5	353.6	395.6	437.4	475.4	506.3	520	555	Net Profit ($mill)	700
						39.6%	38.9%	40.4%	39.7%	39.3%	38.1%	37.8%	38.3%	38.3%	38.0%	38.0%	38.0%	Income Tax Rate	38.0%
						5.4%	4.7%	4.6%	4.4%	4.4%	4.2%	4.3%	4.5%	4.5%	4.7%	4.7%	4.8%	Net Profit Margin	5.3%
						1865.3	1979.2	2031.2	2227.0	2266.1	2400.7	2500.8	2557.8	2636.3	2505.0	2675	3000	Working Cap'l ($mill)	3850
						588.6	702.4	770.6	835.6	674.8	625.1	503.2	500.0	500.0	250.0	250	250	Long-Term Debt ($mill)	Nil
						2053.7	2177.5	2260.8	2345.1	2130.0	2312.3	2544.4	2694.0	2550.0	2716.7	2875	3075	Shr. Equity ($mill) C	3900
						13.7%	13.7%	13.6%	12.3%	14.2%	12.9%	13.6%	14.2%	16.1%	17.6%	17.0%	17.0%	Return on Total Cap'l	18.0%
						17.3%	17.3%	17.0%	15.4%	17.3%	15.3%	15.5%	16.2%	18.6%	18.6%	18.0%	18.0%	Return on Shr. Equity	18.0%
						8.7%	8.9%	8.6%	7.1%	7.8%	6.4%	7.3%	8.2%	9.7%	9.7%	9.0%	9.5%	Retained to Com Eq	10.0%
						50%	49%	49%	54%	55%	58%	53%	49%	48%	48%	49%	48%	All Div'ds to Net Prof	44%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $500.0 mill. Due in 5 Yrs $500.0 mill.
LT Debt $250.0 mill. LT Interest $15.5 mill.
(9% of Capital)

Leases, Uncapitalized Annual rentals $131.7 mill.
Pension Assets-12/07 $1387.7 mill.
Oblig. $1365.8 mill.

Preferred Stock None
Common Stock 163,817,639 shares

MARKET CAP: $7.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	136.0	231.8	161.5
Receivables	1227.8	1216.2	1303.8
Inventory (LIFO)	2236.4	2335.7	2314.5
Other	234.9	269.3	245.9
Current Assets	3835.1	4053.0	4025.7
Accts Payable	910.3	989.8	1002.7
Debt Due	--	250.0	250.0
Other	288.5	308.2	316.8
Current Liab.	1198.8	1548.0	1569.5

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	5.0%	5.5%
"Cash Flow"	4.5%	4.5%	8.5%
Earnings	4.5%	5.0%	8.5%
Dividends	4.0%	3.5%	6.5%
Book Value	5.0%	4.0%	8.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	2342	2475	2555	2411	9783.1
2006	2554	2662	2699	2543	10458
2007	2648	2770	2798	2627	10843
2008	2739	2866	2900	2745	11250
2009	2850	2975	3000	2850	11675

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.61	.63	.63	.63	2.50
2006	.66	.70	.71	.70	2.76
2007	.71	.76	.76	.75	2.98
2008	.75	.80	.80	.80	3.15
2009	.81	.86	.87	.86	3.40

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.295	.30	.30	.30	1.20
2005	.30	.313	.313	.313	1.24
2006	.313	.338	.338	.338	1.33
2007	.338	.365	.365	.365	1.43
2008	.365	.39			

BUSINESS: Genuine Parts Company is a distributor of automotive replacement parts in the U.S., Canada, and Mexico. It also distributes industrial replacement parts in the U.S. and Canada through its Motion Industries subsidiary. S.P. Richards Company, the Office Products group, distributes business products in the U.S. and Canada. The Electrial/Electronic group, EIS, distributes electrical and electronic compenents in the U.S., Canada, and Mexico. Has approximately 32,000 employees. Dodge & Cox owns 8.9% of common stock; Barclays Global, 7.6%; officers & directors, 3.2% (2/08 proxy). Chairman, President & CEO: Thomas C. Gallagher. Incorporated: GA. Address: 2999 Circle 75 Parkway, Atlanta, GA 30339. Telephone: 770-953-1700. Internet: www.genpt.com.

Genuine Parts is holding its own during these trying times. A difficult operating climate has been brought about by the sluggish U.S. economy and weak automotive industry fundamentals. This poses a clear challenge to this purveyor of automotive and industrial parts. Nevertheless, the company's top line totaled $2.74 billion in the March quarter, up 3% from a year earlier. Net income in the interim grew 2%, to $123.5 million. Importantly, the Automotive Group, Genuine's largest segment, reported a 4% sales increase. This was the segment's highest percentage gain since the second quarter of 2006. Elsewhere, EIS, the Electrical Group, and Motion Industries, the Industrial Group, reported strong showings. On the other hand, S.P. Richards, the Office Products distributor, experienced a slight top-line decline in the first quarter, reflecting continued softness in business fundamentals. However, we expect this division to turn things around before the year is out. For now, we are leaving our 2008 sales and earnings estimates largely unchanged. We are, however, more confident in the company's ability to reach these targets.

We like what management is doing with Genuine's strong cash flow. The company once again raised the annual dividend. Genuine also made some opportunistic share repurchases, buying back approximately 2.4 million shares in the March interim. Finally, management has not neglected operations. Three of the company's businesses recently made bolt-on acquisitions.

Wall Street has gotten back on board. This stock is up more than 5% since March, thanks to Genuine's respectable first-quarter showing. We have bumped this issue's Timeliness rank up one notch, to 3 (Average), and now expect this equity to mirror the year-ahead market. Longer-term investors may well like this stock's 3- to 5-year total return potential.

Andre J. Costanza *June 27, 2008*

Restated Sales (and Operating Margins*) by Business Line

	2006	2007	2008	2009
Automotive	5185.1 (7.7%)	5311.8 (7.6%)	5475 (8.0%)	5675 (8.0%)
Industrial	3107.6 (8.3%)	3351.0 (8.4%)	3500 (8.5%)	3775 (8.5%)
Office Prods	1779.8 (8.4%)	1765.1 (8.9%)	1750 (9.0%)	1745 (9.0%)
Electrical	488.1 (5.5%)	436.3 (7.0%)	465 (7.0%)	500 (7.5%)
Other	d22.7 (NMF)	d21.0 (NMF)	d20.0 (NMF)	d20.0 (NMF)
Company Total	10458 (8.1%)	10843 (8.1%)	11250 (8.1%)	11675 (8.2%)

*After depreciation but before corporate expenses

(A) Primary earnings thru '96, diluted thereafter. Excludes nonrecurring losses: '01, 37¢; '02, 16¢; '03, 11¢. Quarterly figures may not sum due to rounding. Next earnings report due late July.
(B) Dividends historically paid in early January, early April, early July, and early October. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In '07: $82.5 million, $0.50 a share.
(D) In millions, adjusted for split.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100

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HERSHEY CO. (THE) NYSE-HSY

RECENT PRICE 34.95 | P/E RATIO 18.9 (Trailing: 18.0 Median: 23.0) | RELATIVE P/E RATIO 1.22 | DIV'D YLD 3.4% | VALUE LINE

TIMELINESS 4 Raised 3/14/08
SAFETY 2 Lowered 11/2/07
TECHNICAL 3 Raised 1/18/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+45%)	12%
Low	40	(+15%)	7%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	1	0	0	0
Options	0	1	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	165	192	171
to Sell	243	217	212
Hld's(000)	98628	104889	113736

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	31.9	38.2	32.4	33.2	35.1	39.7	39.3	56.8	67.4	57.7	56.8	40.8								
Low:	21.1	29.8	22.9	18.9	27.6	28.2	30.3	37.3	52.5	48.2	38.2	32.3								
	8.93	9.95	10.39	11.94	13.04	15.05	15.49	14.34	15.49	16.80	15.35	16.11	17.96	20.11	21.47	21.79	22.45	23.35	Sales per sh A	26.20
	.94	1.05	1.13	1.34	1.45	1.71	1.72	1.66	1.86	2.10	2.29	2.53	2.92	3.27	3.30	3.49	2.95	3.05	"Cash Flow" per sh	3.60
	.67	.72	.78	.85	1.00	1.12	1.15	1.05	1.20	1.37	1.59	1.80	2.06	2.28	2.34	2.08	1.85	1.90	Earnings per sh B	2.35
	.26	.29	.31	.34	.38	.42	.46	.50	.54	.58	.63	.73	.84	.93	1.05	1.14	1.20	1.25	Div'ds Decl'd per sh ■C	1.40
	.69	.60	.40	.46	.52	.61	.56	.42	.51	.59	.54	.92	.79	.81	.86	.90	1.40	1.05	Cap'l Spending per sh	.80
	4.06	4.03	4.15	3.50	3.80	2.98	3.64	3.97	4.31	4.23	5.11	4.94	4.42	4.25	2.97	2.61	2.95	3.55	Book Value per sh D	5.80
	360.75	350.45	346.94	309.06	305.88	285.86	286.29	276.92	272.56	271.28	268.44	259.06	246.59	240.52	230.26	227.05	227.00	227.00	Common Shs Outst'g E	225.00
	16.0	17.6	15.2	16.6	20.5	24.1	29.6	26.3	20.7	23.0	21.3	19.6	22.3	26.2	22.7	23.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	19.0
	.97	1.04	1.00	1.11	1.28	1.39	1.54	1.50	1.35	1.18	1.16	1.12	1.18	1.40	1.23	1.22			Relative P/E Ratio	1.25
	2.4%	2.3%	2.7%	2.4%	1.9%	1.6%	1.4%	1.8%	2.2%	1.8%	1.9%	2.1%	1.8%	1.6%	2.0%	2.4%			Avg Ann'l Div'd Yield	3.1%
							4435.6	3970.9	4221.0	4557.2	4120.3	4172.6	4429.2	4836.0	4944.2	4946.7	5100	5300	Sales ($mill) A	5900
							17.8%	18.2%	18.7%	18.9%	22.5%	23.8%	24.7%	24.8%	24.1%	23.9%	20.5%	20.0%	Operating Margin	21.0%
							158.2	163.3	176.0	190.5	177.9	180.6	189.7	218.0	199.9	310.9	250	260	Depreciation ($mill)	280
							332.9	295.3	330.1	377.9	436.0	474.7	529.8	567.3	559.1	481.8	425	435	Net Profit ($mill)	535
							38.8%	39.0%	38.8%	37.3%	36.7%	36.7%	36.6%	36.4%	36.2%	36.0%	36.0%	36.0%	Income Tax Rate	36.0%
							7.5%	7.4%	7.8%	8.3%	10.6%	11.4%	12.0%	11.7%	11.3%	9.7%	8.3%	8.2%	Net Profit Margin	9.1%
							319.2	567.2	528.5	561.1	716.7	545.8	d103.0	d109.3	d35.7	d192.2	d110	d40.0	Working Cap'l ($mill)	115
							879.1	878.2	877.7	877.0	851.8	968.5	690.6	942.8	1248.1	1280.0	1280	1280	Long-Term Debt ($mill)	1280
							1042.3	1098.6	1175.0	1147.2	1371.7	1279.9	1089.3	1021.1	683.4	592.9	665	810	Shr. Equity ($mill)	1305
							19.1%	16.6%	17.6%	20.3%	21.0%	22.6%	31.6%	30.6%	30.8%	27.9%	24.5%	23.0%	Return on Total Cap'l	22.5%
							31.9%	26.9%	28.1%	32.9%	31.8%	37.1%	48.6%	55.6%	81.8%	81.3%	64.0%	53.5%	Return on Shr. Equity	41.0%
							19.6%	14.4%	15.8%	19.5%	19.6%	22.7%	29.7%	33.9%	47.4%	38.7%	26.0%	18.0%	Retained to Com Eq	16.5%
							39%	46%	44%	41%	38%	39%	39%	39%	42%	52%	59%	67%	All Div'ds to Net Prof	60%

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 9/96
2-for-1 split 6/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-33.3	-18.0
3 yr.	-43.5	11.3
5 yr.	5.0	63.2

CAPITAL STRUCTURE as of 6/29/08
Total Debt $1950.2 mill. Due in 5 Yrs $860.0 mill.
LT Debt $1514.0 mill. LT Interest $95.0 mill.
(LT interest earned: 8.2x; Total interest coverage: 6.6x) (71% of Cap'l)
Leases, Uncapitalized Annual rentals $15.4 mil.
Pension Assets-12/07 $1387 million
Oblig. $1033 million
Pfd Stock None

Common Stock 227,042,627 shs.
Incl. 60,805,727 Class B shs. (10 votes per sh.)
as of 4/18/08
MARKET CAP: $7.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/29/08
Cash Assets	97.1	129.2	45.4
Receivables	522.7	487.3	303.0
Inventory (LIFO)	648.8	600.2	697.6
Other	149.2	209.9	233.0
Current Assets	1417.8	1426.6	1279.0
Accts Payable	155.5	223.0	281.2
Debt Due	844.0	856.4	436.2
Other	454.0	539.4	487.7
Current Liab.	1453.5	1618.8	1205.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	4.5%	6.0%	3.5%
"Cash Flow"	8.5%	10.0%	1.0%
Earnings	8.5%	10.0%	1.0%
Dividends	10.5%	12.5%	5.0%
Book Value	-.5%	-6.5%	10.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	1126	988	1368	1354	4836
2006	1140	1052	1416	1336	4944
2007	1153	1052	1399	1343	4947
2008	1160	1105	1450	1385	5100
2009	1200	1115	1500	1485	5300

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.31	Full Year
2005	.45	.37	.73	.74	2.28
2006	.50	.41	.78	.65	2.34
2007	.51	.35	.68	.54	2.08
2008	.37	.29	.65	.54	1.85
2009	.38	.32	.67	.53	1.90

Calendar	QUARTERLY DIVIDENDS PAID ■ C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.198	.198	.22	.22	.84
2005	.22	.22	.245	.245	.93
2006	.245	.245	.27	.27	1.03
2007	.27	.27	.2975	.2975	1.14
2008	.2975	.2975			

BUSINESS: *The Hershey Company* is the largest U.S. producer of chocolate and nonchocolate confectionery products. (Major brands: *Hershey's, Reese's, Cadbury, Ice Breakers, Kit Kat, Jolly Rancher, Good 'n' Plenty, Heath, Mounds,* and *Milk Duds*). Sold majority of pasta operations, 1/99. Acquired Henry Heide, 12/95; Leaf North America, 12/96. Advertising costs, 2.6% of '07 sales. '07 depreciation rate: 8.6%. Has 11,000 full-time employees. Hershey Trust owns 7.5% of common & 99.7% of Class B; T. Rowe Price Associates, 7.1%; Officers & Directors, 1.6% (3/08 proxy). Chairman: Kenneth L. Wolfe. CEO and President: David J. West. Inc.: Delaware. Address: 100 Crystal A Drive, Hershey, PA 17033. Telephone: 717-534-4200. Internet: www.hersheys.com.

Hershey's share net likely will slip some 10% this year. Higher costs, such as for dairy products and cocoa, are a problem. What's more, the company is beefing up spending on marketing. It also is expanding the salesforce. The moves are needed to prevent a further erosion of market share, but they put additional pressure on margins. To offset the increased costs, the company has imposed a 13% price hike on roughly one-third of its U.S. product line. And it has rolled out two new premium products, *Bliss* and *Starbucks*. On balance, though, in view of the cost pressures, we think the company will post earnings of only $1.85 a share this year. *Note:* Our 2008 earnings presentation excludes expected charges of some 39 cents-42 cents a share related to the company's business realignment efforts.

We look for only a modest earnings recovery next year. Commodity prices may well continue to climb in 2009. And the company plans to boost advertising spending by more than 20%. That should pay off with higher sales, since the spending is targeted at core brands that produce roughly 60% of sales in the U.S. but, again, it will keep pressure on margins. On the other hand, the company may well initiate additional price increases, and will derive some benefit from the supply chain realignment and increased production from a facility in Mexico.

The longer-term outlook is more favorable. The company will have to continue to invest in advertising if it is to boost sales. But Hershey's initiatives to cut costs are aimed at taking $170 million-$190 million a year out of expenses. The actions also ought to help improve capacity utilization. And the company has processes in place to spur innovation and develop new products to boost sales. Finally, efforts to expand outside its traditional U.S. markets should be a plus.

Still, most investors probably will want to look elsewhere. Good-quality Hershey shares are untimely, and have below-average 3- to 5-year appreciation potential. What's more, a statement by the head of the Hershey Trust, the company's controlling shareholder, that Hershey is not for sale removes most of the previous speculative interest in the issue.

George A. Niemond *August 1, 2008*

(A) Years end Dec. 31; quarters end Sun. on or following end of 13th, 26th, & 39th weeks of year. (B) Primary earnings until '96, then diluted. Excludes nonrecurring gains (losses): '93, (9¢); '94, (12¢); '96, (6¢); '98, 2¢; '99, 58¢; '00, 1¢; '01, (62¢); '02, (8¢); '03, (6¢); '04, 24¢; '05, (29¢); '07, ($1.15); '08, (20¢). Qs may not add to total. Next earnings report due late Oct. (C) Dividends historically paid mid-March, June, Sept., Dec. ■ Div'd reinvestment plan available. (D) Includes intangibles. In '07: $3.26/share. (E) In mill., adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	90

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ILL. TOOL WORKS NYSE-ITW

RECENT PRICE 50.20 | P/E RATIO 13.8 (Trailing: 15.6 Median: 20.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 3 Lowered 2/8/08
SAFETY 1 Raised 6/24/05
TECHNICAL 3 Lowered 11/16/07
BETA .95 (1.00 = Market)

2011-13 PROJECTIONS

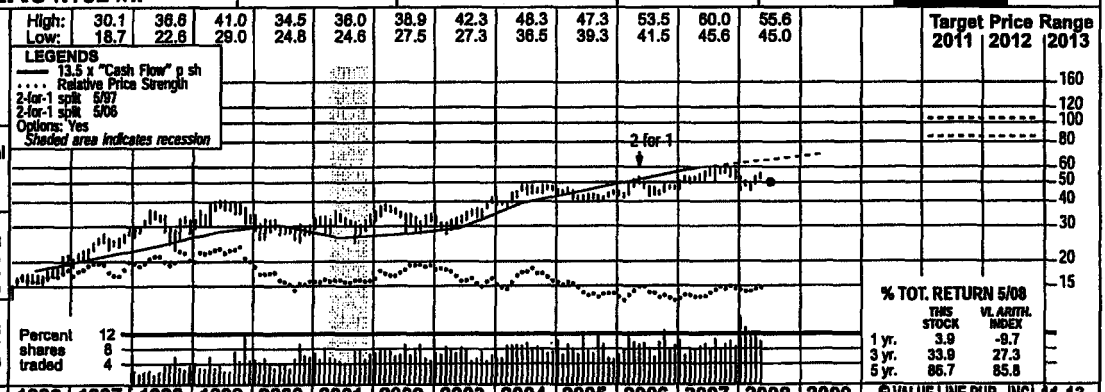
	Price	Gain	Ann'l Total Return
High	105	(+110%)	22%
Low	85	(+70%)	16%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	5	4	0	0	0	2	0	0
to Sell	2	5	6	2	2	2	3	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	305	339	277
to Sell	340	326	393
Hld's(000)	442156	435202	434415



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	6.27	6.98	7.59	8.77	10.08	10.46	11.28	15.51	16.50	15.23	15.44	16.26	20.07	23.01	25.15	30.51	*34.70*	*37.90*	Sales per sh	*49.40*
	.71	.75	.90	1.14	1.34	1.55	1.77	2.09	2.27	1.95	2.02	2.18	2.90	3.34	3.87	4.52	*4.80*	*5.20*	"Cash Flow" per sh	*7.05*
	.43	.46	.61	.82	.98	1.17	1.34	1.50	1.58	1.31	1.51	1.69	2.20	2.60	3.01	3.36	*3.65*	*3.95*	Earnings per sh [A]	*5.50*
	.12	.12	.14	.16	.18	.23	.26	.32	.38	.41	.45	.47	.50	.61	.71	.91	*1.12*	*1.20*	Div'ds Decl'd per sh [B■]	*1.35*
	.26	.27	.29	.32	.34	.36	.42	.56	.52	.42	.44	.42	.48	.52	.54	.67	*.80*	*.85*	Cap'l Spending per sh	*1.10*
	2.99	2.78	3.38	4.06	4.84	5.62	6.67	8.00	8.93	9.90	10.84	12.76	13.05	13.44	16.14	17.64	*17.95*	*18.75*	Book Value per sh [C]	*22.85*
	448.63	452.60	455.83	473.48	495.54	499.20	500.78	601.66	604.90	610.34	613.17	617.27	584.46	561.63	558.75	530.10	*512.00*	*500.00*	Common Shs Outst'g [D]	*470.00*
	18.5	20.3	16.9	16.0	17.5	20.8	22.8	23.9	18.6	23.9	22.3	20.1	20.0	16.6	15.5	16.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
	1.12	1.20	1.11	1.07	1.10	1.20	1.19	1.36	1.21	1.22	1.22	1.15	1.06	.88	.84	.84			Relative P/E Ratio	*1.15*
	1.4%	1.3%	1.4%	1.2%	1.0%	1.0%	.8%	.9%	1.3%	1.3%	1.3%	1.4%	1.1%	1.4%	1.5%	1.5%			Avg Ann'l Div'd Yield	*1.4%*
							5647.9	9333.2	9983.6	9292.8	9467.7	10036	11731	12921	14055	16171	*17775*	*18950*	Sales ($mill)	*23225*
							23.8%	20.4%	21.0%	19.3%	19.4%	19.6%	20.5%	20.4%	20.4%	19.9%	*18.5%*	*18.5%*	Operating Margin	*19.0%*
							211.8	343.3	413.4	386.3	305.8	306.6	353.3	383.1	443.9	524.7	*550*	*585*	Depreciation ($mill) [E]	*685*
							672.8	911.9	958.0	802.4	931.8	1040.2	1339.6	1494.9	1717.7	1869.9	*1915*	*2010*	Net Profit ($mill)	*2620*
							36.5%	36.4%	35.2%	34.8%	35.0%	34.0%	33.0%	31.5%	29.8%	29.2%	*29.0%*	*28.0%*	Income Tax Rate	*27.0%*
							11.9%	9.8%	9.6%	8.6%	9.8%	10.4%	11.4%	11.6%	12.2%	11.6%	*10.8%*	*10.6%*	Net Profit Margin	*11.3%*
							612.5	1227.5	1511.5	1645.0	2311.6	3294.3	2471.2	2110.9	2569.8	3205.4	*2475*	*2550*	Working Cap'l ($mill)	*2475*
							947.0	1360.7	1549.0	1267.1	1460.4	920.4	921.1	958.3	955.6	1888.8	*1500*	*1625*	Long-Term Debt ($mill)	*1775*
							3338.0	4815.4	5401.0	6040.7	6649.1	7874.3	7627.6	7546.9	9017.5	9351.3	*9175*	*9375*	Shr. Equity ($mill)	*10725*
							15.8%	15.2%	14.2%	11.3%	11.8%	12.1%	16.0%	18.0%	17.7%	17.1%	*18.5%*	*19.0%*	Return on Total Cap'l	*22.0%*
							20.2%	18.9%	17.7%	13.3%	14.0%	13.2%	17.6%	19.8%	19.0%	20.0%	*21.0%*	*21.0%*	Return on Shr. Equity	*24.0%*
							16.3%	15.1%	13.6%	9.2%	9.9%	9.6%	13.6%	15.4%	14.6%	14.6%	*14.5%*	*15.0%*	Retained to Com Eq	*18.0%*
							19%	20%	23%	31%	29%	27%	23%	22%	23%	27%	*31%*	*30%*	All Div'ds to Net Prof	*25%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	3.9	-9.7
3 yr.	33.9	27.3
5 yr.	86.7	85.8

CAPITAL STRUCTURE as of 3/31/08
Total Debt $2775.5 mill. Due in 5 Yrs $2350 mill.
LT Debt $1435.5 mill. LT Interest $105.0 mill. (13% of Cap'l)
(Total int. coverage and LT int. earned: over 25x)
Leases Uncapitalized: Annual Rentals $135.2 mill.

Pension Assets-12/07 $2.26 bill. Oblig. $2.08 bill.

Pfd Stock None
Common Stock 522,781,884 shs.
MARKET CAP: $26.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	590.2	827.5	927.4
Receivables	2471.3	2915.5	3014.4
Inventory (LIFO)	1482.5	1625.8	1766.0
Other	662.4	796.8	720.9
Current Assets	5206.4	6165.6	6428.7
Accts Payable	707.7	854.1	873.6
Debt Due	462.7	410.5	1340.0
Other	1466.2	1695.7	1709.6
Current Liab.	2636.6	2960.3	3923.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Sales	10.0%	7.5%	*11.5%*
"Cash Flow"	11.5%	10.0%	*11.0%*
Earnings	12.5%	12.5%	*11.5%*
Dividends	14.5%	10.5%	*12.0%*
Book Value	13.5%	9.5%	*7.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3074	3295	3257	3296	12921
2006	3297	3579	3538	3641	14055
2007	3717	4137	4073	4244	16171
2008	4139	*4575*	*4500*	*4561*	*17775*
2009	*4625*	*4700*	*4775*	*4850*	*18950*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.53	.65	.72	.70	2.60
2006	.65	.81	.78	.77	3.01
2007	.71	.89	.89	.87	3.36
2008	.79	*.97*	*.95*	*.94*	*3.65*
2009	*.82*	*1.00*	*1.05*	*1.08*	*3.95*

Calendar	QUARTERLY DIVIDENDS PAID [B■] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.12	.12	.12	.14	.50
2005	.14	.14	.14	.165	.59
2006	.165	.165	.165	.21	.71
2007	.21	.21	.21	.28	.91
2008	.28	.28			

BUSINESS: Illinois Tool Works Inc. manufactures components and fasteners for automotive, construction, and general industrial applications; specialty products; machinery and related consumables for automotive, construction, food and beverage, and general industrial markets. Has over 825 business units in 52 countries. Research & development, 1% of '07 sales; foreign sales 55.0% of total. '07 depreciation rate: 9.1%. Has about 60,000 employees. All directors, nominees, and executive officers own 10.9% of common stock; The Northern Trust Co. owns 12.4% (3/08 Proxy). CEO and President: David B. Speer. Chairman: W. James Farrell. Inc.: Delaware. Address: 3600 West Lake Avenue, Glenview, Illinois 60025. Telephone: 847-724-7500. Internet: www.itwinc.com.

Illinois Tool Works continues to face a challenging environment on the domestic front. Although it's well diversified with 825 businesses in over 50 countries, a good portion (27% in 2007) is concentrated in construction and automotive. On both of those fronts, positive news is scarce. On the residential side, the U.S. housing market continues to seek a bottom. But even once it stabilizes, that segment will likely remain depressed for some time. Meanwhile, commercial construction is picking up downside momentum. Elsewhere, Big 3 automotive sales continue to downshift. Most notably, GM (ITW's largest customer in this segment) recently announced a number of factory closings as it scales down SUV production. On the positive side, acquisitions and more favorable business trends overseas should support 5%–10% earnings growth for this year and next (more below).

The company's acquisition pipeline remains robust. Illinois picked up in the March interim 16 companies with about $230 million in annualized revenues. It's targeting about $1 billion in annualized revenues for 2008, but this could easily be surpassed should it pursue its bid to acquire Britain's Enodis plc, a commercial foodservice equipment company with $1.6 billion in revenues last year. Illinois' $2.3 billion offer was recently topped by the Manitowoc Company, but a counteroffer would not be a surprise.

Overseas markets present more favorable prospects. ITW is benefiting from a combination of faster growth (particularly in Asia), lower foreign taxes, and favorable currency translation rates (thanks to the weakened U.S. dollar). The latter has been a big boon in recent years, and even in the latest quarter accounted for as much as 4.8% of revenue growth. However, this tailwind may soon run its course. Specifically, the U.S. Federal Reserve has indicated that growing concerns over inflation would likely forestall any further rate cuts, suggesting the dollar may be poised to strengthen.

These shares retain some long-term appeal. Although neutrally ranked for year-ahead performance, the stock holds moderately above-average appreciation potential over the 2011–2013 time span.

Mario Ferro *June 20, 2008*

(A) Primary earnings through 1996, diluted thereafter. Excludes nonrecurring (losses): '99, (24¢); '08 Q1, (22¢). Excl. discontinued operations: '07, 8¢. Next earnings report due mid-July.
(B) Dividends historically paid in late Jan., April, July, and Oct. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In '07: $5,683.3 mill., $10.72/sh.
(D) In millions, adjusted for stock splits.
(E) Includes accelerated depreciation.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	95

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INT'L FLAVORS & FRAG. NYSE-IFF

RECENT PRICE 41.64 | P/E RATIO 13.9 (Trailing: 15.1 / Median: 18.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 2.2% | VALUE LINE

TIMELINESS 3 Lowered 8/31/07
SAFETY 2 Lowered 9/22/00
TECHNICAL 3 Lowered 12/21/07
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+80%)	17%
Low	55	(+30%)	9%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	2	0	0
Options	0	0	0	0	1	0	0	0	0
to Sell	0	0	0	0	0	1	0	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	137	126	143
to Sell	139	151	136
Hld's(000)	73066	75275	71970

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	53.4	51.9	48.5	37.8	31.7	37.4	36.6	43.2	42.9	49.9	54.6	48.0								
Low:	39.9	32.1	33.6	14.7	19.8	26.0	29.2	32.8	31.2	32.5	45.7	38.9								
	9.77	10.61	11.80	12.97	13.06	13.07	13.27	13.73	15.01	19.46	19.20	20.23	21.52	21.97	23.43	28.10	*30.20*	*32.45*	Sales per sh	*38.35*
	1.94	2.12	2.35	2.61	2.45	2.46	2.36	2.34	2.25	2.73	2.85	3.05	3.04	3.04	3.38	3.93	*4.20*	*4.55*	"Cash Flow" per sh	*5.55*
	1.64	1.78	2.03	2.24	2.00	2.00	1.90	1.79	1.48	1.41	1.94	2.13	2.08	1.96	2.34	2.69	*3.00*	*3.30*	Earnings per sh [A]	*4.20*
	.91	1.00	1.12	1.27	1.38	1.45	1.49	1.52	1.29	.60	.60	.62	.67	.72	.74	.88	*.96*	*1.05*	Div'ds Decl'd per sh [B] ■	*1.35*
	.43	.72	.91	.85	.72	.53	.85	.97	.62	.55	.87	.70	.75	1.03	.65	.81	*1.15*	*1.00*	Cap'l Spending per sh	*1.00*
	8.48	7.96	9.04	10.06	9.79	9.17	8.91	8.19	6.48	5.53	6.10	7.90	9.63	10.09	10.12	7.62	*5.80*	*7.65*	Book Value per sh [C]	*14.15*
	115.26	112.06	111.46	110.95	109.97	109.13	106.05	104.82	97.43	94.76	94.25	93.99	94.52	90.74	89.42	81.02	*80.00*	*78.00*	Common Shs Outst'g [D]	*76.00*
	21.5	20.8	19.8	22.2	23.2	23.9	22.7	22.4	18.8	18.5	16.9	15.1	18.1	18.9	16.3	18.5	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.0*
	1.30	1.23	1.30	1.49	1.45	1.38	1.18	1.28	1.22	.95	.92	.86	.96	1.01	.87	.97			Relative P/E Ratio	*1.05*
	2.6%	2.7%	2.8%	2.6%	3.0%	3.0%	3.4%	3.8%	4.6%	2.3%	1.8%	1.9%	1.8%	1.9%	1.8%	1.8%			Avg Ann'l Div'd Yield	*2.0%*
							1407.3	1439.5	1462.8	1843.8	1809.2	1901.5	2033.7	1993.4	2095.4	2276.6	*2415*	*2565*	Sales ($mill)	*2915*
							25.3%	23.7%	22.0%	22.2%	21.9%	23.1%	21.3%	19.9%	20.8%	19.9%	*19.9%*	*20.0%*	Operating Margin	*21.0%*
							49.0	56.4	69.3	123.5	84.5	86.5	91.0	91.9	89.7	82.8	*85.0*	*87.5*	Depreciation ($mill)	*90.0*
							203.8	189.2	149.8	135.1	183.7	200.1	196.1	184.3	213.7	235.7	*250*	*270*	Net Profit ($mill)	*330*
							34.5%	33.5%	33.6%	38.0%	34.0%	32.0%	30.2%	17.3%	27.6%	24.8%	*29.0%*	*29.0%*	Income Tax Rate	*30.0%*
							14.5%	13.1%	10.2%	7.3%	10.2%	10.5%	9.6%	9.2%	10.2%	10.4%	*10.3%*	*10.6%*	Net Profit Margin	*11.4%*
							575.1	465.7	d160.1	336.2	507.3	376.6	561.9	d11.4	633.0	651.6	*535*	*680*	Working Cap'l ($mill)	*1195*
							4.3	3.8	417.4	939.4	1007.1	690.2	669.0	131.3	791.4	1060.2	*1100*	*1100*	Long-Term Debt ($mill)	*1100*
							945.1	858.5	631.3	524.2	574.7	742.6	910.5	915.3	905.2	617.2	*465*	*605*	Shr. Equity ($mill) [C]	*1075*
							21.5%	21.9%	14.3%	10.7%	12.2%	14.8%	13.2%	17.6%	12.6%	14.1%	*16.0%*	*16.0%*	Return on Total Cap'l	*15.5%*
							21.6%	22.0%	23.7%	25.8%	32.0%	26.9%	21.5%	20.1%	23.6%	38.2%	*53.5%*	*45.0%*	Return on Shr. Equity	*31.0%*
							4.7%	3.3%	NMF	14.8%	22.1%	19.1%	14.6%	12.7%	16.2%	25.8%	*37.0%*	*31.0%*	Retained to Com Eq	*21.5%*
							78%	85%	104%	43%	31%	29%	32%	37%	32%	33%	*31%*	*31%*	All Div'ds to Net Prof	*31%*

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-16.7	-9.7
3 yr.	20.0	27.3
5 yr.	47.0	85.8

CAPITAL STRUCTURE as of 3/31/08

Total Debt $1224.2 Due in 5 Yrs $479.0 mill.
LT Debt $1071.3 mill. LT Interest $32.8 mill.
(LT interest earned: 5.0x; total int. cov.: 3.7x)
(35% of Capital)
Pension Assets-12/07 $1.1 bill. Oblig. $1.2 bill.

Pfd Stock None
Common Stock 80,503,403 million shs.
as of 4/18/08

MARKET CAP: $3.4 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	115.1	151.5	60.5
Receivables	369.9	412.2	464.3
Inventory (Avg Cst)	446.6	484.2	512.0
Other	148.2	142.6	143.3
Current Assets	1079.8	1190.5	1180.1
Accts Payable	111.7	131.0	133.2
Debt Due	15.9	152.4	152.9
Other	319.2	255.5	231.9
Current Liab.	446.8	538.9	516.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	6.0%	7.0%	*8.0%*
"Cash Flow"	2.5%	5.5%	*6.5%*
Earnings	--	6.5%	*10.5%*
Dividends	-5.5%	-9.0%	*9.5%*
Book Value	0.5%	8.0%	*7.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	523.0	515.6	493.1	461.7	1993.4
2006	511.4	530.5	539.1	514.4	2095.4
2007	566.1	573.7	583.3	553.5	2276.6
2008	596.6	*625*	*615*	*578.4*	*2415*
2009	*635*	*675*	*645*	*610*	*2565*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.55	.60	.48	.33	1.96
2006	.58	.67	.63	.47	2.34
2007	.69	.76	.71	.53	2.69
2008	.70	*.82*	*.85*	*.63*	*3.00*
2009	*.80*	*.90*	*.90*	*.70*	*3.30*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.16	.16	.175	.175	.67
2005	.175	.175	.185	.185	.72
2006	.185	.185	.185	.185	.74
2007	.21	.21	.23	.23	.88
2008	.23	.23			

BUSINESS: International Flavors & Fragrances is a leading manufacturer of flavor and fragrance chemicals sold to consumer products manufacturers worldwide. Fragrances account for about 56% of 2007 sales; flavors, 44%. Its products are principally used in perfumes, cosmetics, soaps and detergents, prepared foods, beverages, dairy foods, pharmaceuticals, and confectionery and tobacco products. In '07, international operations generated 72% of sales; R&D, 8.7% of sales. '07 depreciation rate: 7.4%. Acquired Bush Boake Allen, 11/00. Has about 5,300 employees. Off./dir. own 1.9% of stock; 2 instit. (*in total*), 13.7% (3/08 proxy). Chairman & CEO: Robert M. Amen. Inc.: NY. Address: 521 W. 57th St., New York, NY 10019. Telephone: 212-765-5500. Internet: www.iff.com.

International Flavors & Fragrances has been performing well despite the difficult operating environment. The company posted first-quarter earnings in line with last year. The relatively flat results stemmed from mixed performance at its two product divisions. IFF's Flavor unit experienced a top-line increase of 12% for the March interim. This was largely a result of increased market share in Latin America and Asia. Meanwhile, cost control efforts have worked to widen margins and bolster the bottom line. However, the Fragrance division posted flat sales. Its functional fragrance segment did well in Asia and Europe, but those results were moderated by weakness in North America. Moreover, global fine fragrance and ingredient sales were down this year, applying further pressure on this division's top- and bottom-line contributions.

Second-quarter sales and earnings ought to advance about 9% and 8%, respectively. The flavors division should continue to benefit from new contract wins in emerging markets such as China, India, and Brazil. Meanwhile, the fragrance division has been in the process of realigning its portfolio of ingredients due to pricing pressure and margin compression. In the near term, this will likely reduce sales, but the new mix should benefit margins and earnings moving forward.

Meanwhile, share net ought to benefit from the accelerated share-repurchase program (ASRP). The company has bought back approximately 700,000 shares this year. And with roughly $270 million remaining in the previously authorized ASRP, IFF was expected to buy back another one million shares before the close of the second quarter.

International Flavors and Fragrances stands to post solid results next year, as well. The Flavors segment ought to contribute most of the mid-single-digit increase in sales. Meanwhile, efficiency initiatives and the fragrance portfolio realignment may have taken hold by then, aiding margin expansion and the estimated 10% bottom-line advance.

These neutrally ranked shares offer a decent dividend yield, and about average capital appreciation potential for the pull to 2011-2013.

Bryan Fong *June 13, 2008*

(A) Primary earnings through '97, then basic. Excludes one-time gains/(losses): '92, 50¢; '96, 29¢; '98, 26¢; '00, 26¢; '01, 20¢; '02, 8¢; '03, 30¢; '04, 3¢, '05, (8¢); '06, 14¢; '07, (11¢). Excludes discontinued: '05 Q1, (2¢). Next earnings report due late July. Qtly egs. may not sum due to round'g.(B) Dividends historically paid in mid-January, April, July, and October. ■ Dividend reinvestment plan available. (C) Includes intangibles. In 2007: $732.8 million, $9.05 per share. (D) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	85

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KRAFT FOODS INC. NYSE-KFT

RECENT PRICE 29.24 | P/E RATIO 15.0 (Trailing: 16.1 Median: NMF) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 3 Lowered 2/9/07
SAFETY 1 Raised 11/7/03
TECHNICAL 3 Raised 8/1/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+120%)	25%
Low	50	(+70%)	17%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	2	0	0	1
Options	0	0	0	0	0	0	0	0	2
to Sell	0	0	0	0	0	1	0	0	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	382	437	380
to Sell	454	419	435
Hld's(000)	1042048	1138364	1131667

LEGENDS
.... Relative Price Strength
Options: Yes
Shaded area indicates recession

High: 35.6 43.9 39.4 36.1 35.7 36.7 37.2 33.0
Low: 29.5 32.5 26.3 29.5 27.9 27.4 30.0 28.0

Target Price Range 2011 | 2012 | 2013

120 100 80 64 48 32 24 20 16 12 8

Percent shares traded 15 10 5

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-16.5	-18.0
3 yr.	-2.5	11.3
5 yr.	-0.0	63.2

Kraft Foods Inc. was formed in 1989 when Philip Morris (now Altria Group) merged General Foods Corporation (which it acquired in 1985) with Kraft Inc. (acquired in 1988). In December of 2000, the company acquired Nabisco Holding Corporation. The company completed its initial public offering of 280 million shares at $31 each on June 12, 2001. Net proceeds totaled roughly $8.7 billion. Credit Suisse First Boston and Salomon Smith Barney were the lead underwriters. Philip Morris retained an 84% stake in Kraft, which it has since spun off.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $22672 mill. Due in 5 Yrs $15000 mill.
LT Debt $17428 mill. LT Interest $850 mill.
(LT interest earned: 9.5x; total interest coverage: 9.5x) (39% of Cap'l)

Pension Assets-12/07 $11047 mill. Oblig. $10227 mill.
Pfd Stock None
Common Stock 1,516.0 mill. shs.

MARKET CAP: $44.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	239	567	605
Receivables	3869	5197	5361
Inventory (LIFO)	3506	4096	4667
Other	640	877	1045
Current Assets	8254	10737	11678
Accts Payable	2602	4065	4157
Debt Due	3133	8107	5244
Other	4738	4914	4863
Current Liab.	10473	17086	14254

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	--	3.5%	7.5%
"Cash Flow"	--	2.5%	5.5%
Earnings	--	4.5%	6.5%
Dividends	--	28.5%	7.0%
Book Value	--	7.0%	7.0%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	8059	8334	8057	9663	34113
2006	8123	8619	8243	9371	34356
2007	8586	9205	9054	10396	37241
2008	10372	*10478*	*10300*	*11850*	*43000*
2009	*10800*	*10900*	*10700*	*12300*	*44700*

Calendar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.44	.47	.42	.56	E1.88
2006	.45	.51	.46	.51	E1.94
2007	.44	.50	.44	.44	1.82
2008	.44	*.51*	*.48*	*.52*	*1.95*
2009	*.47*	*.55*	*.52*	*.56*	*2.10*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.18	.18	.18	.205	.75
2005	.205	.205	.205	.23	.85
2006	.23	.23	.23	.25	.94
2007	.25	.25	.25	.27	1.02
2008	.27	.27	.27		

	1998	1999	2000	2001A	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	18.77	18.42	18.24	19.52	17.17	18.01	18.86	20.43	21.00	24.28	*28.40*	*29.60*	Sales per sh	*33.35*
	1.84	1.91	2.09	2.03	2.44	2.48	2.39	2.43	2.51	2.48	*2.55*	*2.75*	"Cash Flow" per sh	*3.40*
	1.12	1.20	1.38	1.17	2.02	2.00	1.87	1.88	1.94	1.82	*1.95*	*2.10*	Earnings per sh B	*2.75*
	--	--	--	.26	.54	.63	.75	.85	.94	1.02	*1.10*	*1.16*	Div'ds Decl'd per sh C	*1.40*
	.58	.59	.62	.63	.68	.63	.59	.70	.71	.81	*.80*	*.85*	Cap'l Spending per sh	*.90*
	--	9.25	9.66	13.53	14.93	16.57	17.54	17.72	17.45	17.80	*18.55*	*20.00*	Book Value per sh	*28.20*
	1455.0	1455.0	1455.0	1735.0	1730.6	1721.9	1705.4	1669.9	1636.0	1533.8	*1515.0*	*1510.0*	Common Shs Outst'g D	*1500.0*
	--	--	--	27.8	19.1	15.4	17.3	16.7	16.6	18.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*21.0*
	--	--	--	1.42	1.04	.88	.91	.89	.90	.97			Relative P/E Ratio	*1.40*
	--	--	--	.8%	1.4%	2.0%	2.3%	2.7%	2.9%	3.1%			Avg Ann'l Div'd Yield	*2.4%*
	27311	26797	26532	33875	29709	31010	32168	34113	34356	37241	*43000*	*44700*	Sales ($mill)	*50000*
	18.7%	19.2%	21.0%	22.1%	23.5%	21.9%	19.5%	17.8%	17.9%	15.6%	*14.5%*	*15.0%*	Operating Margin	*16.0%*
	1038.0	1030.0	1034.0	1642.0	716.0	813.0	879.0	879.0	898.0	899.0	*925*	*950*	Depreciation ($mill)	*1000*
	1632.0	1753.0	2001.0	1882.0	3505.0	3452.0	3205.0	3183.0	3203.0	2906.0	*2955*	*3170*	Net Profit ($mill)	*4125*
	45.6%	42.3%	41.4%	45.4%	35.5%	34.9%	32.3%	30.3%	31.7%	31.2%	*33.0%*	*33.0%*	Income Tax Rate	*33.0%*
	6.0%	6.5%	7.5%	5.6%	11.8%	11.1%	10.0%	9.3%	9.3%	7.8%	*6.9%*	*7.1%*	Net Profit Margin	*8.3%*
	--	517.0	d438.0	d1869	287.0	263.0	644.0	d571.0	d2219	d6349	*d2500*	*d1500*	Working Cap'l ($mill)	*500*
	--	433.0	2695.0	8134.0	10416	11591	9723.0	8475.0	7081.0	12902	*17500*	*17500*	Long-Term Debt ($mill)	*17500*
	--	13461	14048	23478	25832	28530	29911	29593	28555	27295	*28100*	*30200*	Shr. Equity ($mill)	*39300*
	--	14.4%	13.4%	6.7%	10.4%	9.2%	8.7%	9.0%	9.8%	8.1%	*7.5%*	*7.5%*	Return on Total Cap'l	*8.0%*
	--	13.0%	14.2%	8.0%	13.6%	12.1%	10.7%	10.8%	11.2%	10.6%	*10.5%*	*10.5%*	Return on Shr. Equity	*10.5%*
	--	13.0%	14.2%	7.1%	9.9%	8.3%	6.4%	5.9%	5.7%	4.6%	*4.5%*	*4.5%*	Retained to Com Eq	*5.0%*
	--	--	--	12%	27%	32%	40%	45%	49%	56%	*56%*	*55%*	All Div'ds to Net Prof	*51%*

BUSINESS: Kraft Foods Inc. is the largest branded food and beverage company headquartered in the U.S. and second largest worldwide. The company markets many of the world's leading food brands, including *Kraft* cheese, *Maxwell House* coffee, *Nabisco* cookies and crackers, *Philadelphia* cream cheese, *Oscar Mayer* meats, and *Post* cereals. Its products are currently sold in more than 150 countries around the globe. North American sales accounted for 64% of '07 total; International, 36%. Acquired Nabisco, 12/00. Has approximately 103,000 employees. Officers & Directors own less than 1% of common stock (3/08 Proxy). Chairman & CEO: Irene B. Rosenfeld. Address: Three Lakes Drive, Northfield, IL 60093. Telephone: 847-646-2000. Internet: www.kraft.com.

Kraft will probably be contending with a difficult operating environment for a while. In the coming periods, we think that earnings growth will be kept in check by higher energy and packaging expenses and by needed investments in the areas of marketing and product innovation. Additionally, surging prices for key commodities, from milk to corn and wheat, are apt to remain a problem, as they have been for most participants in the food processing industry. That said . . . **The company should be able to offset some of the cost headwinds by strategically raising prices across its product portfolio.** (The price hikes, which have become more aggressive lately as input cost inflation has accelerated, are expected to provide more relief to the bottom line in the second half of the year.) Moreover, Kraft, now in the second year of an ambitious three-year turnaround plan, ought to benefit from its ongoing restructuring activities. In fact, cumulative annualized savings from restructuring measures, including sizable headcount reductions and plant closures/divestitures, are on track to reach $1.0 billion by the end of 2008 and around $1.2 billion by the end of next year.

Over the long haul, margins will likely rebound from current levels. Apart from restructuring-related savings, profits should get a lift from an increasingly favorable product mix and economies of scale in emerging international markets. Plus, we look for the company to realize ample cost synergies from its recently completed $7.8 billion acquisition of Groupe Danone's biscuit division.

Top-line trends remain encouraging. Though commodity-oriented categories (e.g., cheese) are suffering in the current economic climate, the majority of Kraft's product lines are gaining market share these days. This is attributable to the company's brand-building actions, especially overseas, and focus on new products for health-conscious consumers.

Defensive-minded investors with a long-term view would do well to consider this quality issue. Annual share-net advances in the 5%-8% range are likely over the next 3 to 5 years, even if operating conditions remain challenging.

Justin Hellman *August 1, 2008*

(A) Results prior to 2001 are pro forma.
(B) Diluted earnings. Excludes nonrecurring gain/(losses): '03, 1¢; '04, (32¢); '05, (16¢); '06, (9¢). Next earnings report is due in mid-October.
(C) Dividends are typically paid in early October, January, April, and July.
(D) In millions.
(E) Doesn't sum due to rounding.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	5
Earnings Predictability	80

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LOCKHEED MARTIN NYSE-LMT

RECENT PRICE 102.98 | P/E RATIO 14.0 (Trailing: 14.3 / Median: 20.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD 1.7% | VALUE LINE

TIMELINESS 2 Raised 2/1/08
SAFETY 1 Raised 3/24/06
TECHNICAL 3 Raised 6/20/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

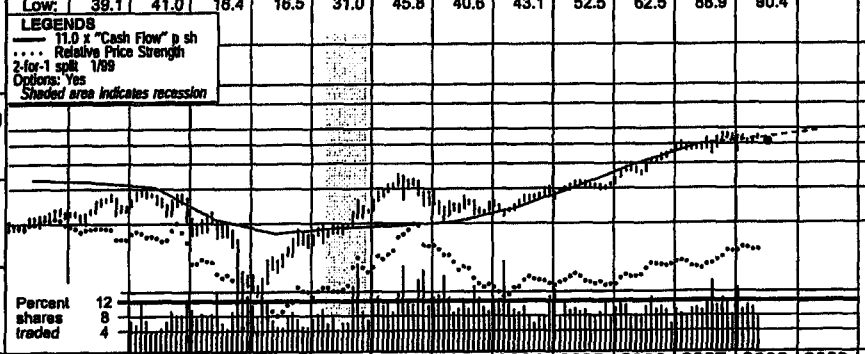
	Price	Gain	Ann'l Total Return
High	180	(+75%)	16%
Low	150	(+45%)	11%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	1	0	0	0
Options	0	3	0	3	0	0	0	0	0
to Sell	0	3	0	3	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	299	313	277
to Sell	274	285	334
Hld's(000)	366857	365082	356006



Target Price Range 2011 | 2012 | 2013: 320 / 200 / 160 / 120 / 100 / 80 / 60 / 40 / 18

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	13.3	-9.7
3 yr.	76.7	27.3
5 yr.	155.9	85.8

Lockheed Martin Corporation was formed in March, 1995 when Lockheed Corp. (LK) merged with Martin Marietta (ML) in a tax-free, stock-for-stock transaction. Under the terms of the agreement, Lockheed shareholders received 1.63 shares of the newly formed company for each Lockheed share. Martin Marietta shareholders received stock in the combined company on a one-for-one basis. On March 16, 1995, the stock of this newly formed entity began trading on the NYSE under the symbol "LMT".

CAPITAL STRUCTURE as of 3/30/08
Total Debt $4907 mill. Due in 5 Yrs $350 mill.
LT Debt $4803 mill. LT Interest $350 mill.
Incl. privately sold $1 bill. floating-rate bonds, due 2033 (12/31 rate-2.04%), ea. cv. at $75.00 into 13.33 mill. shs. (LT Interest earned: 13.5x; total interest coverage: 13.2x) (34% of Cap'l)
Leases, Uncapitalized Annual rentals $295 million
Pension Assets-12/07 $27.3 bill. Oblig. $28.1 bill.
Preferred Stock None
Common Stock 402,123,126 shs.
MARKET CAP: $41.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	1912	2648	2799
Receivables	4595	4925	5413
Inventory (FIFO)	1657	1718	1619
Other	2000	1649	1349
Current Assets	10164	10940	11180
Accts Payable	2221	2163	1906
Debt Due	34	104	104
Other	7298	7604	7864
Current Liab.	9553	9871	9874

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	3.5%	10.5%	8.5%
"Cash Flow"	2.5%	16.5%	11.5%
Earnings	7.0%	26.5%	12.5%
Dividends	5.0%	23.5%	12.0%
Book Value	3.5%	6.0%	11.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	8488	9295	9201	10229	37213
2006	9214	9961	9605	10840	39620
2007	9275	10651	11095	10841	41862
2008	9983	10850	11200	10967	43000
2009	10100	11650	12150	11850	45750

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.80	.96	.96	1.13	3.85
2006	1.12	1.31	1.29	1.64	5.36
2007	1.39	1.78	1.80	1.89	6.86
2008	1.75	1.85	1.85	1.90	7.35
2009	1.65	2.10	2.15	2.25	8.15

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.22	.22	.22	.25	.91
2005	.25	.25	.25	.30	1.05
2006	.30	.30	.30	.35	1.25
2007	.35	.35	.35	.42	1.47
2008	.42	.42			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	©VALUE LINE PUB., INC.	11-13
	66.78	84.18	58.68	54.40	58.41	71.35	81.11	86.14	94.11	102.35	107.50	117.30	Sales per sh	152.80
	5.57	3.83	3.24	3.44	3.54	3.73	4.39	5.60	7.36	9.10	9.80	10.75	"Cash Flow" per sh	14.15
	3.11	1.41	1.07	1.60	2.34	2.34	2.83	3.85	5.36	6.86	7.35	8.15	Earnings per sh A	11.00
	.82	.88	.44	.44	.44	.58	.91	1.05	1.25	1.47	1.71	1.83	Div'ds Decl'd per sh B■	2.50
	1.77	1.68	1.16	1.40	1.46	1.54	1.76	2.00	2.12	2.30	2.25	2.45	Cap'l Spending per sh	2.80
	15.60	15.99	16.59	14.61	12.89	15.15	16.03	18.21	16.35	23.97	25.90	29.80	Book Value per sh C	37.65
	393.30	397.78	431.66	441.00	455.00	446.00	438.00	432.00	421.00	409.00	400.00	390.00	Common Shs Outst'g D	360.00
	17.0	24.1	24.3	24.6	25.1	20.7	18.4	15.9	14.7	14.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.88	1.37	1.58	1.26	1.37	1.18	.97	.85	.79	.77			Relative P/E Ratio	1.00
	1.6%	2.6%	1.7%	1.1%	.7%	1.2%	1.8%	1.7%	1.6%	1.5%			Avg Ann'l Div'd Yield	1.6%
	26266	25530	25329	23990	26578	31824	35526	37213	39620	41862	43000	45750	Sales ($mill)	55000
	12.8%	10.2%	10.1%	9.9%	9.4%	8.1%	7.4%	8.8%	10.6%	12.1%	12.5%	12.5%	Operating Margin	12.5%
	1005.0	949.0	968.0	823.0	558.0	609.0	656.0	705.0	764.0	819.0	835	850	Depreciation ($mill)	900
	1184.0	575.0	432.0	694.0	1053.0	1053.0	1266.0	1712.0	2336.0	2903.0	3085	3335	Net Profit ($mill)	4200
	37.5%	39.5%	47.6%	37.1%	30.5%	31.3%	23.9%	29.9%	31.1%	31.5%	32.5%	32.5%	Income Tax Rate	32.5%
	4.5%	2.3%	1.7%	2.9%	4.0%	3.3%	3.6%	4.6%	5.9%	6.9%	7.2%	7.3%	Net Profit Margin	7.6%
	344.0	1884.0	1084.0	1089.0	805.0	508.0	387.0	1101.0	611.0	1069.0	1450	1515	Working Cap'l ($mill)	2550
	8957.0	11427	9065.0	7422.0	6217.0	6072.0	5104.0	4784.0	4405.0	4303.0	4200	3700	Long-Term Debt ($mill)	2500
	6137.0	6361.0	7160.0	6443.0	5865.0	6756.0	7021.0	7867.0	6884.0	9805.0	10360	11620	Shr. Equity ($mill)	13550
	10.3%	4.9%	5.3%	7.4%	10.9%	10.0%	12.2%	15.0%	22.3%	21.8%	22.5%	22.5%	Return on Total Cap'l	27.0%
	19.3%	9.0%	6.0%	10.8%	18.0%	15.6%	18.0%	21.6%	33.9%	29.6%	30.0%	28.5%	Return on Shr. Equity	31.0%
	14.2%	3.6%	3.5%	7.8%	14.6%	11.7%	12.3%	15.9%	26.1%	23.3%	23.0%	22.5%	Retained to Com Eq	24.0%
	26%	60%	42%	28%	19%	25%	32%	27%	23%	21%	22%	22%	All Div'ds to Net Prof	23%

BUSINESS: Lockheed Martin Corporation provides a broad range of products and services to the world's governments and commercial customers. Areas of concentration include space and missile systems, electronics, aeronautics, and information systems. Program base includes F-16, F-22, F-35 aircraft, ballistic and other missile systems, C-130 military transport, and Titan launch vehicles. '07 deprec. rate: 8.0%. Has about 140,000 empl. Off. & dir. control about .5% of com. shs.; employee plans, about 16.1%; Barclays Global Investors, 6.8%. (3/07 Proxy). Chrmn., Pres. and CEO: Robert J. Stevens. Incorporated: Maryland. Address: 6801 Rockledge Drive, Bethesda, Maryland 20817-1877. Telephone: (301) 897-6000. Internet: www.lockheedmartin.com.

Lockheed Martin's first quarter's sales and earnings exceeded our estimates, bolstered by some special benefits, but we haven't raised our full-year expectations. As we noted in our March report, our estimates were "a bit above company guidance". Following the March-quarter report, Lockheed raised its expectations. As a result, our share-earnings estimate for 2008 is now at the top end of company guidance.

Our estimates for 2008 and 2009 assume further recovery to "normal" profitability. Back in 2004, the company's operating margins were quite narrow, reflecting an unfavorable mix of production and development contracts and high pension costs. (Even so, a very low effective tax rate of 23.9% bolstered the year's share-earnings comparisons.) Since then, pension costs have come under control as a large proportion is charged on government contracts, and performance on contracts continues to improve. Accordingly, even though we look for a somewhat higher effective income tax rate, share earnings stand to rise during 2008 and 2009 by 7% and 11%, respectively.

The company's F-35 program (the Joint Strike Fighter) is "the elephant in the house". First production deliveries are scheduled for 2010. The United States plans to buy thousands of F-35s in three variations for the Air Force, Navy, and Marines. In addition, eight nations are partners on the program and plan to buy 730 more. Further, Israel, Japan, and Singapore expect to procure these aircraft. In fact, Lockheed compares international interest to that for its F-16 (still getting orders), of which, so far, some 4,600 aircraft have been sold to 25 nations. Industry estimates of the production value for the F-35 have reached *$300 billion*. And service and repair of these aircraft should provide hundreds of billions more, much of which will go to Lockheed Martin. As a result, the F-35 may be compared to a multi-decade annuity for this company.

This stock is timely, and company earnings should rise at a good pace for years to come. Nonetheless, LM's fine prospects are well known to investors, who have put the price at a level that discounts much of the probable growth.

Morton L. Siegel *June 20, 2008*

(A) Diluted egs. Excl. nonrecur. gains (losses): '98, (24¢); '99, (42¢); '00, ($2.36); '01, ($4.02); '02, ($1.23); '05, 25¢; '06, 44¢; '07, 25¢. Next egs. rpt. due late Jul.

(B) Dividends historically paid in late March, June, September, December. ■ Div'd reinvestment plan available.

(C) Incl. intang. In 2007: $9.9 bill., $24.08/sh.

(D) In millions, adjusted for stock split.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	65
Earnings Predictability	90

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MANULIFE FIN'L NYSE-MFC E

RECENT PRICE 36.24 | P/E RATIO 13.7 (13.2 NMF) | RELATIVE P/E RATIO 0.90 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Lowered 5/23/08
SAFETY 1 Raised 1/20/06
TECHNICAL 3 Lowered 1/25/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+50%)	13%
Low	45	(+25%)	8%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	121	140	124
to Sell	110	116	156
Hld's(000)	668947	707658	710769

LEGENDS
13.5 x Earnings p sh
.... Relative Price Strength
2-for-1 split 6/06
Options: Yes
Shaded area indicates recession

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC. 11-13
High:		7.2	16.1	15.7	15.0	16.2	24.3	30.0	34.5	46.9	41.0		Target Price Range 2011 | 2012 | 2013
Low:		5.3	5.1	11.0	8.7	10.9	16.2	21.7	29.0	32.4	33.4		
Trans. Rate (Cdn.$/US$)	--	.69	.67	.63	.63	.77	.83	.86	.86	1.01	1.00	1.10	1.13
Premium Inc per sh	--	4.42	4.18	4.81	5.71	6.86	6.67	10.09	10.62	13.29	13.50	14.40	17.55
Investment Inc per sh	--	2.53	2.63	2.58	2.75	3.32	4.03	5.22	5.80	6.41	6.30	6.85	8.25
Earnings per sh A	--	.61	.74	.79	.92	1.29	1.51	1.63	2.16	2.87	2.65	3.00	3.80
Div'ds Decl'd per sh B	--	--	.13	.15	.19	.30	.39	.48	.64	.83	.96	1.00	1.20
Book Value per sh C	--	4.46	4.98	5.40	5.93	7.36	11.91	12.73	13.91	16.37	17.55	18.85	22.45
Common Shs Outst'g D	--	998.00	966.00	964.00	926.00	926.00	1614.0	1584.0	1547.0	1501.0	1460.0	1460.0	1425.0
Price to Book Value	--	138%	184%	249%	214%	191%	168%	195%	232%	236%			230%
Avg Ann'l P/E Ratio	--	10.2	12.4	16.9	13.8	10.9	13.3	15.3	14.9	13.1			13.5
Relative P/E Ratio	--	.58	.81	.87	.75	.62	.70	.81	.80	.69			.90
Avg Ann'l Div'd Yield	--	--	1.5%	1.1%	1.5%	2.1%	2.0%	1.9%	2.0%	2.2%			2.3%
Premium Inc ($mill)	--	4412.7	4036.1	4636.1	5288.2	6355.5	10761	15985	16429	19941	20000	21000	25000
Investment Inc ($mill)	--	2522.3	2538.9	2487.2	2547.7	3078.2	6508.7	8271.5	8972.4	9626.3	9300	10000	11750
Other Income ($mill)	--	2299.9	2500.9	2741.5	2507.2	2973.3	5319.0	3304.1	4005.0	6320.7	6700	7500	8250
Total Income ($mill)	--	9234.9	9076.0	9864.9	10343	12407	22589	27560	29407	35888	36000	38500	45000
Benefits & Reserves ($m)	--	5242.8	4442.3	5053.0	5497.4	6436.4	11391	13787	13901	16323	17500	18000	20500
Income Tax Rate	--	25.9%	20.4%	14.4%	18.2%	15.3%	25.5%	25.2%	25.7%	22.1%	25.0%	26.0%	28.0%
Net Profit ($mill)	--	600.1	712.3	732.6	868.5	1210.2	2121.6	2627.8	3410.6	4411.2	3920	4380	5420
Insur in Force ($bill)	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Assets ($mill)	--	39295	40059	49351	51472	59788	153293	156357	160105	178223	185000	190000	200000
Shr. Equity ($mill)	--	4472.3	4809.1	5206.1	5487.3	7077.4	19506	20457	22064	24627	26000	27500	32000
Return on Shr. Equity	--	13.4%	14.8%	14.1%	15.8%	17.1%	10.9%	12.8%	15.5%	17.9%	15.0%	16.0%	17.0%
Retained to Com Eq	--	13.4%	12.1%	11.3%	12.5%	13.6%	8.0%	9.0%	11.2%	12.6%	9.5%	10.5%	11.5%
All Div'ds to Net Prof	--	--	18%	20%	21%	23%	28%	31%	29%	31%	37%	34%	32%

Bold figures are Value Line estimates

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-4.7	-18.0
3 yr.	55.8	11.3
5 yr.	176.4	63.2

Manulife Financial Corp. was created by the demutualization of the Manufacturers Life Insurance Company on 9/24/99. In the demutualization, the policyholders' interests were converted into Manulife common stock. The initial public offering was led by Scotia Capital for 138 million shares at $12.20 a share. Of note, Manufacturers Life was incorporated in 1887, and Canada's first Prime Minister, Sir John A. Macdonald, was elected as its first President.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $14018 mill. Due in 5 Yrs$12120 mill.
LT Debt $1630 mill. LT Interest $125 mill.
(Total interest coverage: 6.1x) (6% of Cap'l)

Leases, Uncapitalized: Annual rentals $108 mill.
Pension Assets-12/07 $3331.0 mill.
Oblig. $3378.5 mill.
Pfd Stock $618.9 mill. Pfd Div'd $30.0 mill.
Common Stock 1,497,000,000 shs.

MARKET CAP: $54 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	88717	73705	72957
Mortgages	24193	26374	26350
Policy Loans	5516	5893	5845
Other	41680	72603	71436
Total Assets	160105	178575	176688
Res'ves, Claims	112504	125915	124073
Unearned Prems	--	--	--
Separate Accounts	5550	5890	5531
Other	19987	22143	19595
Total Liabilities	138041	153948	149199

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	--	18.5%	7.5%
Invest Income	--	17.5%	6.0%
Earnings	--	22.0%	9.5%
Dividends	--	32.5%	11.0%
Book Value	--	21.0%	8.0%

Calendar	QUARTERLY INCOME ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	6512	6831	7165	7052	27560
2006	7228	7043	7233	7903	29407
2007	8706	7360	9452	10370	35888
2008	7729	7900	9900	10471	36000
2009	8500	8400	10600	11000	38500

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.41	.43	.36	.43	1.63
2006	.51	.52	.53	.60	2.16
2007	.68	.72	.71	.76	2.87
2008	.55	.65	.70	.75	2.65
2009	.70	.70	.80	.80	3.00

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.079	.077	.100	.110	.37
2005	.105	.120	.126	.128	.48
2006	.152	.156	.158	.173	.64
2007	.170	.208	.217	.239	.83
2008	.240	.238			

BUSINESS: Manulife Financial Corporation is Canada's largest life insurance company. It is also a leading global provider of other financial products and services, including pension products, annuities and mutual funds to individual and group customers in Canada, the U.S., and Asia. The company also provides reinsurance and investment management services. Premium income, 56% of '07 sales; investment income, 27%; Other, 17%. Acquired John Hancock Financial, 4/04. Has over 20,000 empls. Off. & dir. own less than 1% of common stock (3/08 proxy). Chrmn.: Arthur R. Sawchuk. Pres. & CEO: Dominic D'Alessandro. Inc.: Canada. Addr.: 200 Bloor Street East, Toronto, ON, M4W 1E5. Telephone: (416) 926-3000. Internet: www.manulife.com.

Manulife Financial reported a mixed performance for the first quarter. Premium income increased at a moderate clip during the period. However, sharp declines in global equity markets reduced earnings significantly, and share net came in well below the prior-year figure. Weakness in equities also hindered growth in funds under management. Looking forward, we expect a moderate share-earnings decline for full-year 2008.

We anticipate further growth in Asian markets. We look for continued strength in variable annuity sales in Japan, as the company should further benefit from an expanded distribution network. In addition, joint-venture subsidiary Manulife-Sinochem is currently licensed to operate in 30 cities across China. Moreover, the company has recently opened a sales office in Indonesia.

Manulife continues to expand its product offerings. It has recently introduced *Group IncomePlus* in Canada. This product provides group retirement savings plans with a guaranteed minimum withdrawal benefit. This follows the success of *IncomePlus*, a product introduced in 2006 that features a guaranteed minimum withdrawal benefit for individuals. Elsewhere, subsidiary John Hancock has launched *Protection Whole Life*, a policy that combines guaranteed death benefit protection with a guaranteed cash value and a long-term care rider. The addition of these products should benefit sales in the coming years.

Manulife has been active in repurchasing shares. During the first quarter, the company spent roughly $175 million in this effort. This pattern is encouraging, and we expect it will continue. The lower share count should benefit share net.

This stock is ranked to track the broader market for the coming six to 12 months. We expect solid bottom-line growth at Manulife from 2009 to 2011-2013. Moreover, these good-quality shares earn high marks for Safety and Price Stability, and the company's Earnings Predictability is high. This issue offers decent total return potential, on a risk-adjusted basis. A further decline in the stock price may provide investors with a more attractive entry point.

Michael Napoli, CPA *July 18, 2008*

(A) Diluted operating earnings. Quarterly figures are adjusted for exchange rates at year-end and may change from previous reports. Next earnings report due in August.
(B) Dividends are historically paid in March, June, September, and December. Adjusted for exchange rate at time of payment.
(C) Includes intangibles. At 3/31/08: $8309.0 mill., $5.55/share.
(D) In millions, adjusted for stock split.
(E) All figures are in U.S. Dollars, unless otherwise stated. MFC also trades on the Toronto Stock Exchange.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	95

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MERCURY GENERAL NYSE-MCY

RECENT PRICE 52.20 | P/E RATIO 12.7 (Trailing: 13.1 Median: 14.0) | RELATIVE P/E RATIO 0.79 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 3 Raised 6/13/08
SAFETY 2 Raised 9/26/03
TECHNICAL 3 Raised 4/11/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+65%)	16%
Low	60	(+15%)	8%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	0	0
to Sell	0	0	3	0	0	2	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	87	101	84
to Sell	95	98	98
Hld's(000)	22913	23655	25404

	High:	55.5	70.0	45.5	44.9	44.6	51.2	50.3	60.3	60.4	59.9	59.1	52.6
	Low:	26.1	33.0	20.9	21.1	32.0	37.3	33.5	46.3	51.2	48.8	48.6	42.3

LEGENDS
13.0 x Earnings p sh
Relative Price Strength
2-for-1 split 10/97
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.4	-9.7
3 yr.	2.9	27.3
5 yr.	27.0	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
8.34	8.66	9.66	11.23	13.72	18.71	20.51	21.83	23.05	25.44	32.04	39.41	46.38	52.15	54.82	54.70	54.20	56.75	P/C Prem Earned p sh	76.35
.97	.99	1.00	1.15	1.28	1.57	1.76	1.83	1.96	2.11	2.08	1.92	2.01	2.24	2.76	2.90	3.10	3.45	Investment Inc p sh	4.35
1.24	1.18	.55	.81	1.07	2.75	3.37	2.42	1.45	1.26	1.75	4.04	7.04	6.70	5.97	5.44	2.15	2.30	Underwriting Inc p sh	3.80
1.53	1.76	1.22	1.66	1.93	2.84	3.22	2.45	2.02	1.94	2.05	3.25	4.94	4.43	3.74	4.08	4.10	4.20	Earnings per sh [A]	6.00
.25	.30	.35	.40	.48	.58	.70	.84	.96	1.06	1.20	1.32	1.48	1.72	1.92	2.08	2.32	2.48	Div'ds Decl'd per sh [B]	2.80
6.47	8.22	8.34	10.30	11.66	14.51	16.78	16.71	19.06	19.71	20.21	23.07	26.77	29.44	31.54	34.02	34.75	36.75	Book Value per sh	42.75
54.63	54.78	54.83	54.89	55.01	55.12	54.68	54.43	54.19	54.28	54.36	54.42	54.51	54.61	54.67	54.73	55.00	55.00	Common Shs Outst'g [C]	55.00
155%	200%	171%	173%	202%	265%	307%	193%	147%	190%	216%	186%	191%	192%	172%	156%	Bold figures are Value Line estimates		Price to Book Value	165%
6.5	9.3	11.8	10.8	12.2	13.5	16.0	13.2	13.9	18.3	21.3	13.2	10.4	12.8	14.5	13.0			Avg Ann'l P/E Ratio	12.0
.39	.55	.77	.72	.76	.78	.83	.75	.90	.99	1.16	.75	.55	.68	.78	.69			Relative P/E Ratio	.80
2.5%	1.8%	2.5%	2.2%	2.0%	1.5%	1.4%	2.6%	3.4%	2.8%	2.7%	3.1%	2.9%	3.0%	3.5%	3.9%			Avg Ann'l Div'd Yield	3.9%
						1121.6	1188.3	1249.2	1380.6	1741.5	2145.0	2528.6	2847.7	2997.0	2993.9	2980	3120	P/C Premiums Earned	4200
						61.0%	66.4%	72.2%	73.2%	72.8%	67.7%	62.6%	65.4%	67.5%	68.0%	68.5%	68.5%	Loss to Prem Earned	68.0%
						22.5%	22.2%	21.1%	20.9%	20.3%	20.9%	21.3%	21.0%	21.3%	22.1%	27.5%	27.5%	Expense to Prem Earn	27.0%
						16.5%	11.4%	6.7%	5.9%	6.9%	11.4%	16.2%	13.6%	11.2%	9.9%	4.0%	4.0%	Underwriting Margin	5.0%
						24.5%	20.7%	14.9%	15.6%	14.7%	24.5%	29.8%	27.9%	31.2%	23.8%	28.0%	28.0%	Income Tax Rate	30.0%
						177.5	133.7	109.4	105.3	111.9	177.0	268.6	242.8	204.2	224.3	225	232	Net Profit ($mill)	330
						6.2%	6.3%	6.0%	6.1%	6.1%	4.7%	4.4%	4.2%	4.7%	4.8%	4.5%	5.0%	Inv Inc/Total Inv	5.5%
						1877	1906	2142	2317	2645	3120	3610	4042	4301	4414	4620	5050	Total Assets ($mill)	6500
						917.4	909.6	1032.9	1069.7	1098.8	1255.5	1459.5	1607.8	1724.1	1862.0	1910	2020	Shr. Equity ($mill)	2350
						19.4%	14.7%	10.6%	9.8%	10.2%	14.1%	18.4%	15.1%	11.8%	12.0%	12.0%	11.5%	Return on Shr. Equity	14.0%
						15.2%	9.7%	5.6%	4.5%	4.3%	8.4%	12.9%	9.3%	5.8%	5.9%	5.0%	5.0%	Retained to Com Eq	7.5%
						22%	34%	47%	55%	57%	41%	30%	39%	51%	51%	57%	59%	All Div'ds to Net Prof	47%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $160.1 mill. Due in 5 Yrs. $129.5 mill.
LT Debt $160.1 mill. LT Interest $11.5 mill. (8% of Cap'l)
Leases, Uncapitalized Annual rentals $9.5 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 54,729,913 shs.
as of 4/30/08
MARKET CAP: $2.9 billion (Mid Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	2899.0	2687.8	2775.4
Stocks	318.4	413.1	446.1
Other	1083.7	1113.6	1122.6
Total Assets	4301.1	4414.5	4344.1
Unearned Premium	950.3	938.4	946.7
Reserves	1088.8	1103.9	1042.5
Other	537.8	510.2	528.7
Total Liab.	2576.9	2552.5	2517.9

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	14.0%	15.0%	6.0%
Invest Income	7.0%	5.0%	11.0%
Earnings	6.5%	15.5%	5.5%
Dividends	14.5%	12.0%	4.5%
Book Value	10.0%	10.0%	6.5%

Calendar	P/C PREMIUMS EARNED ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	684.7	707.3	722.9	732.8	2847.7
2006	736.7	753.4	753.1	753.8	2997.0
2007	755.8	754.1	748.8	735.2	2993.9
2008	720.9	745	750	764.1	2980
2009	760	775	785	800	3120

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.05	1.31	1.24	.83	4.43
2006	.99	.64	1.22	.89	3.74
2007	1.11	1.15	1.13	.69	4.08
2008	1.02	1.04	1.04	1.00	4.10
2009	1.06	1.07	1.05	1.02	4.20

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.37	.37	.37	.37	1.48
2005	.43	.43	.43	.43	1.72
2006	.48	.48	.48	.48	1.92
2007	.52	.52	.52	.52	2.08
2008	.58				

BUSINESS: Mercury General is an insurance holding company that writes private passenger (83.7% of '07 premiums written), and commercial auto insurance (4.1%), as well as other property/casualty insurance (12.2%). Sells through approx. 4,500 agents. Most of the company's business is in California (78.0% of '07 premiums written), but also operates in Georgia, Illinois, Oklahoma, Texas, Florida, Virginia, New York, New Jersey, Arizona, Pennsylvania, Michigan and Nevada. Acq'd American Fidelity 12/96. Has about 5,200 employees. Off. and dir. own 34.8% of stock (incl. George Joseph's 34.4%); (3/08 proxy). Chrmn.: George Joseph. Pres. & CEO: Gabriel Tirador. Inc: CA. Addr.: 4484 Wilshire Blvd., Los Angeles, CA 90010. Tel.: 323-937-1060. Web: www.mercuryinsurance.com.

We have lowered our 2008 share earnings estimate for Mercury General by a nickel, to $4.10. The insurer started the year out at a slow pace with March-quarter share net and net premiums earned declining 8% and 5%, respectively. What's more, adverse loss reserve development in California and ongoing reserve strengthening, especially in the Florida and New Jersey markets, continued to limit underwriting growth, and we expect this trend to persist over the coming quarters. Meanwhile, lower investment income also pressured results. Finally, the competitive environment remains challenging. Nonetheless, Mercury currently writes private passenger automobile insurance in 13 states, and management plans to increase that number in the coming years. Because the company is a low-cost insurance provider, the expansion program should become an important contributor to earnings.

We think the bottom line will advance around 2% in 2009. The premium pricing environment has been soft over the past several quarters, and we expect this trend to continue through the next year. Moreover, competition will likely remain fierce for a while, especially within the California market. That said, even though we do not foresee an improvement in the insurer's combined ratio, modest investment income growth should help lift earnings.

Our projections indicate annual bottom-line gains of 10%–15% over the pull to 2011–2013. Even if the premium pricing environment improves, Mercury should benefit from its position as a low-cost provider. Also, contributions from the automobile insurance operations in new markets will probably rise further as Mercury gains a greater hold in these regions. Additionally, we think investment income will increase 5%–10% per annum, given the likelihood of a greater asset base.

This stock has rebounded approximately 15% since our March report. However, it is ranked to only mirror the year-ahead markets and offers limited appreciation potential over the next 3 to 5 years. Conservative income-oriented investors may find the equity appealing, though, given its Above-Average Safety rank and solid dividend yield.

Randy Shrikishun *June 20, 2008*

(A) Basic earnings. Includes capital gains (losses): '01, $0.08; '00, $0.05; '99, $0.06; '98, $0.09; '97, $0.06; '96 ($0.04); '95, $0.02; '94, ($0.12); '93, ($0.04); '92, ($0.07); '91, ($0.02); '90, ($0.01). Excl. gain/(loss) in '02 and thereafter. Next earnings report due early August.
(B) Dividends historically paid in late March, June, September, and December.
(C) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	70

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METLIFE INC. NYSE-MET

RECENT PRICE 53.91 | P/E RATIO 8.6 (8.5 NMF) | RELATIVE P/E RATIO 0.57 | DIV'D YLD 1.6% | VALUE LINE

TIMELINESS 3 Lowered 5/16/08
SAFETY 2 Raised 10/25/02
TECHNICAL 3 Lowered 2/29/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+150%)	27%
Low	100	(+85%)	18%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	1	1	1	1	1	1	1	2
to Sell	0	1	1	1	1	1	1	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	252	311	286
to Sell	274	246	282
Hld's(000)	413674	415449	409036

LEGENDS
12.0 x Earnings p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

	High:	36.5	36.6	34.8	34.1	41.3	52.6	60.0	71.2	63.6		
	Low:	14.3	24.7	20.6	23.5	32.3	37.3	48.0	58.5	51.2		

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-17.2	-18.0
3 yr.	21.3	11.3
5 yr.	98.2	63.2

MetLife was created by the demutualization of the Metropolitan Life Insurance company on 4/7/00. In the demutualization, the policyholders' interests were converted into MetLife common stock. The initial public offering was concurrent with the demutualization, and was underwritten by Credit Suisse First Boston and Goldman Sachs for 202,000 shares at $14.25 each.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $20550 mill. Due in 5 Yrs $3500 mill.
LT Debt $19918 mill. LT Interest $1000 mill. (38% of Cap'l)
Leases, Uncapitalized: Annual rentals $254 mill.
Pension Assets-12/07 $6550 mill. Oblig. $5775 mill.
Pfd Stock $2100 mill. Pfd Div. $137 mill. (4% of Cap'l)
Common Stock 710,306,273 shs. as of 5/2/08
MARKET CAP: $38.3 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Bonds	243428	242242	244088
Mortgages	42238	47030	47777
Policy Loans	10228	10419	10739
Other	231820	258871	254528
Total Assets	527715	558562	557132
Res've, Claims	272194	281570	286208
Unearn Prems	--	--	--
Separate Accounts	144365	160159	162570
Other	77358	81654	85355
Total Liab.	493917	523383	524133

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	--	9.5%	12.5%
Invest Income	--	7.5%	12.0%
Earnings	--	23.5%	11.0%
Dividends	--	25.0%	12.5%
Book Value	--	14.0%	9.5%

Calendar	QUARTERLY INCOME ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	10309	10616	12012	11839	44776
2006	11543	11409	12551	12893	48396
2007	12912	13219	13055	13821	53007
2008	13913	14250	14250	14587	57000
2009	14900	15150	15150	15800	61000

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	1.11	1.17	1.01	1.04	4.33
2006	1.33	1.28	1.24	1.36	5.21
2007	1.41	1.72	1.52	1.60	6.25
2008	1.52	1.55	1.55	1.63	6.25
2009	1.70	1.73	1.75	1.82	7.00

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	--	--	.46	.46
2005	--	--	--	.52	.52
2006	--	--	--	.59	.59
2007	--	--	--	.74	.74
2008	--	--			

	1998	1999	2000D	2001D	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	--	11.10	17.68	22.85	27.25	27.30	30.47	32.82	35.12	38.25	42.95	47.85	Premium Inc per sh	72.00
	--	10.11	15.47	16.66	16.18	15.37	16.95	19.68	22.86	26.06	27.45	29.00	Investment Inc per sh	44.80
	--	1.21	1.96	1.19	2.40	3.01	3.37	4.33	5.21	6.25	6.25	7.00	Earnings per sh A	9.75
	--	--	.20	.20	.21	.23	.46	.52	.59	.74	.85	.95	Div'ds Decl'd per sh B	1.25
	--	19.46	21.55	22.45	24.83	27.93	31.16	38.41	44.94	48.24	50.00	55.80	Book Value per sh	76.15
	--	755.90	760.68	715.51	700.28	757.19	732.49	757.54	751.98	729.22	710.00	690.00	Common Shs Outst'g C	625.00
	--	--	110%	133%	115%	103%	116%	117%	119%	134%			Price to Book Value	154%
	--	--	12.1	25.0	11.9	9.5	10.8	10.4	10.2	10.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
	--	--	.79	1.28	.65	.54	.57	.55	.55	.55			Relative P/E Ratio	0.80
	--	--	.8%	.7%	.7%	.8%	1.3%	1.2%	1.1%	1.1%			Avg Ann'l Div'd Yield	1.1%
	11460	8388.0	13446	16346	19086	20673	22316	24860	26412	27895	30500	33000	Premium Inc ($mill)	45000
	10228	7639.0	11768	11923	11329	11636	12418	14910	17192	19006	19500	20000	Investment Inc ($mill)	28000
	1994.0	2067.0	4252.0	1507.0	1377.0	1342.0	1198.0	5006.0	4792.0	6106.0	7000	8000	Other Income ($mill)	10000
	23682	18094	29466	29776	31792	33651	35932	44776	48398	53007	57000	61000	Total Income ($mill)	83000
	17000	11778	23872	21422	24415	25858	27474	31110	33378	35295	37500	40000	Benefits & Reserves ($m)	47500
	35.5%	32.4%	34.8%	32.5%	29.0%	24.8%	29.2%	27.4%	28.4%	29.8%	29.0%	29.0%	Income Tax Rate	29.0%
	1347.0	918.0	1541.0	906.0	1744.0	2247.0	2547.0	3333.7	4018.0	4762.0	4600	5000	Net Profit ($mill)	6350
	--	1.7	2.2	2.1	--	--	--	--	3.3	3.4	3.5	3.5	Insur in Force ($bill)	4.0
	215346	226791	255018	256898	277385	326841	356808	481645	527715	558562	600000	620000	Total Assets ($mill)	725000
	14867	14709	16389	16062	17385	21149	22824	29101	33798	35179	35500	38500	Shr. Equity ($mill)	47600
	9.1%	6.2%	9.4%	5.6%	10.0%	10.6%	11.2%	11.5%	11.9%	13.5%	13.0%	13.0%	Return on Shr. Equity	13.5%
	9.1%	6.2%	8.5%	4.7%	9.2%	9.8%	9.7%	9.9%	10.2%	11.6%	11.5%	11.5%	Retained to Com Eq	11.5%
	--	--	10%	16%	8%	6%	13%	14%	15%	14%	13%	13%	All Div'ds to Net Prof	12%

BUSINESS: MetLife, Inc. is the largest life insurance company in the U.S., with about $3.4 trillion of life insurance in force. It also is a leading group non-medical health insurer, & provides financial services to institutions and individuals. Serves about 13 mill. households in the U.S., and has insurance operations in 35 countries. Prem. Income, 53% of '07 sales; Inv. Income, 36%; Other, 11%. Owns 52.5% of Reinsurance Group of America. Acquired Travelers Life & Annuity, 7/05; GenAmerica, 1/00. 54,000 empls. Off. & dir. own less than 1% of common stock; policyholders' trust, 36.3% (3/08 proxy). Chairman, President & CEO: C. Robert Henrikson. Incorporated: DE. Address: 200 Park Ave., New York, NY 10166. Telephone: 212-578-2211. Internet: www.metlife.com.

MetLife will divest its stake in Reinsurance Group of America (RGA), through a tax-free spinoff of RGA stock to MetLife stockholders. MetLife currently owns 52% of RGA, and we look for the company to offer RGA Class B common stock in exchange for shares of MET. The current market value of MetLife's stake in RGA is about $1.6 billion. The transaction, which is likely to be completed sometime during the current quarter, is in effect a share repurchase for MetLife.

The spinoff should not have a material effect on earnings. The company's Reinsurance segment comprises only 3% of earnings, and the associated reduction in share count should offset the lost income.

The bottom line is likely to stagnate this year, though. The likelihood of low long-term interest rates and volatile equity markets for much of this year should limit MetLife's investment income growth. Growing premiums and improved underwriting results from the Institutional business should help to offset the weak investment performance. The company's pension closeout and dental businesses were particularly strong performers in this year's first quarter.

The International business ought to drive long-term gains. MetLife's International business comprises about 12% of operating earnings, though, we look for this contribution to double over the coming three to five years. The company is not likely to expand its footprint in that time, however, as management seems inclined to strengthen its position within existing markets before seeking to do business in additional countries. When combined with MET's dominant position in the domestic group and individual life markets, our projection of strong growth abroad augurs well for earnings advances.

The price of these shares has fallen 15% since our April report. Given our projected strong earnings growth subsequent to 2008, MET stock has worthwhile appreciation potential as a result of the decline. The company's aggressive share-repurchase program and solid gains from international markets ought to drive gains to 2011–2013. The prospect of a mediocre performance in the year ahead, though, limits its near-term appeal.

Jerry W. Gray Jr. *July 18, 2008*

(A) Diluted operating earnings starting in 2001. Excl. nonrec. items: '99, (30¢); '00, (43¢); '01, (50¢); '04, 8¢. Excludes capital gains/(losses): '03, (7¢); '04, 21¢; '05, $1.87; '06, $2.78. Next earnings report due late July.
(B) Dividends historically paid mid-December.
(C) In millions.
(D) Pro-forma from 1/99 through 3/00.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	100
Earnings Predictability	70

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NEWS CORP. INC. NYSE-NWS

RECENT PRICE 15.25 | P/E RATIO 11.9 (Trailing: 13.7 Median: NMF) | RELATIVE P/E RATIO 0.76 | DIV'D YLD 0.8% | VALUE LINE

TIMELINESS 3 Lowered 6/27/08
SAFETY 3 Raised 11/28/97
TECHNICAL 4 Lowered 8/15/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+195%)	32%
Low	30	(+95%)	20%

Insider Decisions

NOT REPORTED

U.S. Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	79	118	108
to Sell	138	120	118
Hld's(000)	205640	187630	183836

	High:	11.5	16.8	20.5	33.5	21.1	16.3	18.9	19.9	19.4	23.0	25.8	21.2
	Low:	8.5	10.1	12.3	15.0	11.5	8.8	11.2	15.3	14.8	16.2	19.7	14.0

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 11/04
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-35.2	-12.2
3 yr.	-14.2	7.2
5 yr.	-1.7	58.6

News Corp.'s predecessor was incorporated in 1923 as News Ltd. in Australia. In 1949, K. Rupert Murdoch bought a minority stake. News Ltd. expanded abroad in '69, acquiring a minority interest in what is now News Intl. in the U.K. In '79, News Corp. was formed to acquire all shs. of News Ltd. News Int'l became a sub. in '80; shs. not held by News Corp. were converted into Spec. Div'd. shs. In '04, News Corp. reincorporated from Australia to the U.S and created the Class A and Class B shares.

CAPITAL STRUCTURE as of 6/30/08
Total Debt $13511 mill. Due in 5 Yrs $742 mill.
LT Debt $13230 mill. LT Interest $750 mill.
(Total interest coverage: 6.6x) (32% of Cap'l)
Leases, Uncapitalized Annual rentals $434 mill.

Pension Assets-6/08 $1.9 bill. Oblig. $2.1 bill.
Pfd Stock None

Common Stock 2.617 billion shares
(1.818 billion class A shares—voting limited to certain events; 799 million class B voting shares)
as of 5/5/08
MARKET CAP: $40 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	2008
Cash Assets	5783.0	7654.0	4662.0
Receivables	5150.0	5842.0	6985.0
Inventory (FIFO)	1840.0	2039.0	2255.0
Other	350.0	371.0	460.0
Current Assets	13123.0	15906.0	14362.0
Accts Payable & Other	6331.0	7139.0	8901.0
Debt Due	42.0	355.0	281.0
Current Liab.	6373.0	7494.0	9182.0

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	2.5%	5.5%	12.5%
"Cash Flow"	6.5%	51.0%	12.5%
Earnings	7.5%	--	16.5%
Dividends	7.5%	20.5%	21.5%
Book Value	9.5%	13.5%	6.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) B Sep. 30	Dec. 31	Mar. 31	Jun. 30	Full Fiscal Year
2005	5146	6562	6043	6108	23859
2006	5682	6665	6198	6782	25327
2007	5914	7844	7530	7367	28655
2008	7067	8590	8750	8589	32996
2009	*8300*	*9500*	*9000*	*9200*	*36000*

Fiscal Year Ends	EARNINGS PER ADR BC Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2005	.19	.11	.12	.19	.61
2006	.15	.19	.19	.21	.74
2007	.17	.23	.24	.27	.91
2008	.25	.29	.33	.35	1.22
2009	*.28*	*.32*	*.34*	*.36*	*1.30*

Calendar	GROSS QUARTERLY DIV'DS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.022	--	.022	.04
2005	--	.020	--	.080	.10
2006	--	.050	--	.050	.10
2007	--	.050	--	.050	.10
2008	--	.060			

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC.	11-13
	.60	.66	.59	.51	.56	.67	--	--	--	--	--	--	Trans. Rate (A$/US$) A	--
	6.06	7.62	6.34	6.20	6.13	7.52	6.97	7.30	8.03	9.17	12.61 G	*13.85*	Revenues per sh B	*20.25*
	.51	.52	.21	.12	.09	.60	.69	.85	1.10	1.32	1.88 G	*1.80*	"Cash Flow" per sh	*2.50*
	.21	.12	d.12	d.25	d.23	.40	.48	.61	.74	.91	1.22 G	*1.30*	Earnings per sh BC	*1.80*
	.04	.04	.04	.04	.03	.04	.04	.04	.13	.10	.11	*.12*	Gross Div'ds Decl'd sh D	*.20*
	.27	.25	.19	.27	.11	.14	.12	.28	.31	.42	.55 G	*.55*	Cap'l Spending per sh	*.60*
	4.62	4.24	3.35	6.84	5.31	5.72	6.99	8.99	9.47	10.53	10.94	*12.30*	Book Value per sh E	*17.10*
	1877.1	1884.9	2089.1	2107.0	2851.6	2663.9	2984.8	3266.6	3155.7	3126.1	2617.0	*2600.0*	Common Shs Outst'g F	*2570.0*
	55.7	NMF	--	--	--	31.4	36.5	28.1	23.3	24.6	17.0		Avg Ann'l P/E Ratio	*21.5*
	2.90	NMF	--	--	--	1.79	1.93	1.50	1.26	1.29	.90		Relative P/E Ratio	*1.45*
	.3%	.3%	.2%	.2%	.2%	.3%	.2%	.2%	.8%	.4%	.5%		Avg Ann'l Div'd Yield	*.5%*
	11369	14371	13241	13060	16248	20042	20802	23859	25327	28655	32996	*36000*	Revenues ($mill) B	*52000*
	16.2%	14.4%	14.7%	13.9%	14.6%	17.1%	16.8%	17.9%	18.3%	18.6%	20.0%	*19.5%*	Operating Margin	*19.0%*
	594.0	729.3	712.7	774.6	897.7	631.8	565.0	648.0	775.0	879.0	1287	*1350*	Depreciation ($mill)	*1700*
	403.8	301.0	d230.7	d511.1	d569.4	1059.3	1533.0	2128.0	2688.0	3247.0	3624.6	*3380*	Net Profit ($mill)	*4700*
	25.3%	35.1%	--	--	--	39.8%	36.8%	34.3%	34.8%	34.2%	33.2%	*33.5%*	Income Tax Rate	*35.0%*
	3.6%	2.1%	NMF	NMF	NMF	5.3%	7.4%	8.9%	10.6%	11.3%	10.9%	*9.4%*	Net Profit Margin	*9.0%*
	1677.0	3890.0	2296.9	3134.0	1951.0	3583.2	3941.0	6130.0	6750.0	8412.0	5180	*4750*	Working Cap'l ($mill)	*5500*
	8488.0	8482.0	9074.8	9485.0	7662.0	8305.3	9080.0	10087	11385	12147	13230	*13000*	Long-Term Debt ($mill)	*16000*
	9521.0	9288.0	10881	18362	14073	15228	20875	29377	29874	32922	28623	*32000*	Shr. Equity ($mill)	*43500*
	2.7%	3.6%	.1%	NMF	NMF	5.8%	6.0%	6.0%	7.4%	8.1%	9.5%	*8.5%*	Return on Total Cap'l	*8.5%*
	4.2%	3.2%	NMF	NMF	NMF	7.0%	7.3%	7.2%	9.0%	9.9%	12.7%	*10.5%*	Return on Shr. Equity	*10.5%*
	2.8%	1.6%	NMF	NMF	NMF	5.8%	6.4%	6.4%	7.6%	8.7%	11.3%	*9.5%*	Retained to Com Eq	*9.5%*
	39%	57%	NMF	NMF	NMF	17%	13%	11%	16%	11%	9%	*9%*	All Div'ds to Net Prof	*11%*

BUSINESS: News Corporation makes and distributes films and produces TV shows (24% of fiscal 2008 operating profits); operates TV stations (21%), and owns cable television networks (24%). Also publishes newspapers, magazines, and books (23%) and operates satellite television broadcasting systems (8%). Owns 100% of Fox Entertainment Group. Satellite-TV operations include 100% of SKY Italia; 100% of STAR Television (in Asia); and 38% of British Sky Broadcasting (BSkyB). Keith Rupert Murdoch controls 31% of Class B stock (9/07 proxy). Chairman, President, & CEO: K. Rupert Murdoch. Incorporated: Delaware. Address: 1211 Avenue of the Americas, New York, NY 10036. Telephone: 212-852-7000. Internet: www.newscorp.com.

News completed a great year well . . . (Fiscal years end June 30th.) In the fourth quarter, profits increased at double-digit rates in all of the company's seven operating divisions but television, led by a 107% jump in filmed entertainment results and a 37% gain from direct broadcast satellite. The former benefited from the DVD releases of last year's films *Alvin and the Chipmunks, Alien Versus Predator,* and *Juno.* Direct broadcast profits were boosted by strong results at SKY Italia, which raised its subscriber count by 8% during fiscal 2008. TV profits, however, fell 28% in the June period as earnings declined at Fox Network, and Star; too, station profits were down 26% as local advertising revenues dropped 10%.

. . . but the outlook for fiscal 2009 is muted. Cable network profits will probably rise decently, thanks to higher affiliate fees for the highly rated Fox News channel, lower losses at the new business channel, and better results from the 40 international channels launched in 2008. SKY Italia will likely have another good year, as pay TV penetration in Italy is well below the average for Western Europe. Television profits, though, will probably continue to suffer from weak local ad revenues as the current economic slowdown continues, despite strong network ratings for *American Idol* and a healthy increase in upfront ad sales last May. Film results may not equal last year's record, which featured big box office action from eight releases. Finally, News sold units that contributed about 2% of last year's profits and reduced cash holdings by $3 billion in buying Dow Jones and repurchasing stock.

Share net will likely continue to grow at a double-digit pace out to 2011-2013. News Corp. figures to keep broadening its palette of entertainment and (some) information offerings and international reach in the coming years. Acquisitions that it can easily afford, thanks to its relatively low debt-to-capital ratio, should help. Fox cable affiliate fees will likely rise as those 10-year agreements are renewed. Film profits should increase, too, since News seems to know what the consumer will pay for.

These neutrally ranked shares have above-average appreciation potential.

Sigourney B. Romaine *August 15, 2008*

(A) At fiscal yearend; figures in US$ starting in 2005. (B) FY ends June 30th. (C) Dil. egs., according to US-GAAP (class B shs.). Excl. nonrecur. items, US GAAP: '98, d9¢; '99, d25¢; '00, 41¢; '01, 49¢; 02, d$6.14; '03, d8¢; '05, d42¢; '06, d11¢; '07, 4¢; '08, 59¢. Next egs. report due early Nov.. (D) On Class B shares; divs. recently paid in mid-April and mid-Oct. (E) Incl. intang.; at 12/31/07, $32.3 bill., $10.33 a share. (F) In mill., adj. for splits. ADRs until 2004. Each ADR equaled 4 common shares. (G) Based on 2.97 bill. diluted shares.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	35

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NORTHROP GRUMMAN NYSE-NOC

RECENT PRICE 71.78 | P/E RATIO 13.9 (Trailing: 15.3 Median: 17.0) | RELATIVE P/E RATIO 0.86 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS 4 Lowered 4/25/08
SAFETY 1 Raised 9/21/07
TECHNICAL 4 Lowered 6/13/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+95%)	20%
Low	115	(+60%)	14%

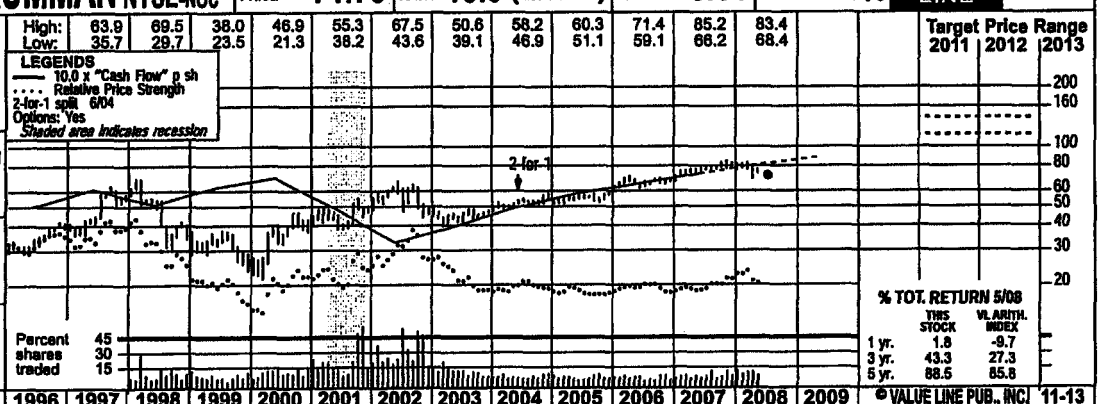
Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	2	0	0	1	0	8
to Sell	0	0	0	0	0	0	0	0	9

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	205	253	240
to Sell	230	205	248
Hld's(000)	297441	297028	294158

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	63.9	69.5	38.0	46.9	55.3	67.5	50.6	58.2	60.3	71.4	85.2	83.4								
Low:	35.7	29.7	23.5	21.3	38.2	43.6	39.1	46.9	51.1	59.1	66.2	68.4								
	58.55	51.75	68.14	68.92	69.66	68.02	64.66	64.51	52.86	62.45	47.11	72.35	81.92	88.44	87.15	94.77	*99.00*	*104.80*	Sales per sh	*131.25*
	2.96	3.17	5.23	5.41	5.03	6.13	5.14	6.25	6.98	4.85	3.28	3.97	4.95	5.83	6.50	7.30	*7.55*	*8.80*	"Cash Flow" per sh [A]	*11.50*
	1.28	1.00	2.50	2.56	2.00	2.99	2.26	3.47	4.41	2.40	2.86	2.09	2.99	3.52	4.44	5.04	*5.15*	*6.20*	Earnings per sh [B]	*8.35*
	.60	.80	.80	.80	.80	.80	.80	.80	.80	.80	.80	.80	.89	1.01	1.16	1.48	*1.57*	*1.69*	Div'ds Decl'd per sh [Cm]	*2.10*
	1.30	1.37	1.36	1.34	1.67	1.77	1.53	1.44	1.90	1.81	1.47	1.75	1.84	2.37	2.13	2.03	*2.05*	*2.25*	Cap'l Spending per sh	*2.65*
	13.23	13.51	13.10	14.75	18.37	19.49	20.70	23.36	27.19	34.04	39.22	43.58	45.83	48.45	48.03	52.35	*51.90*	*55.00*	Book Value per sh [D]	*68.75*
	94.80	97.83	98.48	98.83	115.86	134.56	137.67	139.44	144.12	217.11	365.20	362.22	364.43	347.36	345.92	337.83	*338.00*	*334.00*	Common Shs Outst'g [E]	*320.00*
	10.2	18.5	8.2	10.4	17.5	16.3	21.1	9.1	7.9	16.7	19.5	21.4	17.4	15.6	14.9	15.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*15.0*
	.62	1.09	.54	.70	1.10	.94	1.10	.52	.51	.96	1.07	1.22	.92	.83	.80	.80			Relative P/E Ratio	*1.00*
	4.6%	4.4%	3.9%	3.0%	2.3%	1.6%	1.7%	2.5%	2.3%	1.8%	1.4%	1.8%	1.7%	1.8%	1.8%	1.9%			Avg Ann'l Div'd Yield	*1.7%*
	8902.0	8995.0	7618.0	13558	17206	26206	29853	30721	30148	32018	*33500*	*35000*	Sales ($mill)	*42000*
	12.9%	15.1%	19.4%	12.2%	11.1%	8.5%	9.2%	9.6%	10.5%	11.7%	*11.5%*	*12.5%*	Operating Margin	*12.5%*
	383.0	389.0	381.0	645.0	525.0	682.0	734.0	773.0	705.0	730.0	*775*	*800*	Depreciation ($mill) [F]	*875*
	314.0	483.0	625.0	427.0	697.0	782.0	1093.0	1276.0	1567.0	1760.0	*1790*	*2145*	Net Profit ($mill)	*2800*
	36.9%	36.6%	35.9%	38.9%	30.9%	30.9%	32.3%	32.1%	31.2%	33.9%	*34.0%*	*34.0%*	Income Tax Rate	*34.0%*
	3.5%	5.4%	8.2%	3.1%	4.1%	3.0%	3.7%	4.2%	5.2%	5.5%	*5.3%*	*6.1%*	Net Profit Margin	*6.7%*
	666.0	329.0	d162.0	d543.0	4462.0	d616.0	684.0	d425.0	d34.0	340.0	*d250*	*380*	Working Cap'l ($mill)	*2665*
	2562.0	2000.0	1605.0	5033.0	9398.0	5410.0	5116.0	3881.0	3992.0	3918.0	*3750*	*3500*	Long-Term Debt ($mill)	*2000*
	2850.0	3257.0	3919.0	7741.0	14672	16135	17050	17178	16965	18037	*17550*	*18375*	Shr. Equity ($mill)	*22000*
	7.7%	11.1%	12.6%	4.8%	3.7%	4.7%	5.9%	6.9%	8.2%	8.7%	*9.0%*	*10.5%*	Return on Total Cap'l	*12.0%*
	11.0%	14.8%	15.9%	5.5%	4.8%	4.8%	6.4%	7.4%	9.2%	9.8%	*10.0%*	*11.5%*	Return on Shr. Equity	*12.5%*
	7.2%	11.4%	13.0%	3.6%	3.4%	3.0%	4.6%	5.4%	7.0%	7.1%	*7.0%*	*8.5%*	Retained to Com Eq	*9.5%*
	35%	23%	18%	37%	29%	39%	29%	28%	26%	29%	*30%*	*26%*	All Div'ds to Net Prof	*24%*



CAPITAL STRUCTURE as of 3/31/08
Total Debt $4097 mill. Due in 5 Yrs $1500 mill.
LT Debt $3928 mill. *Total Interest* $295 mill.
(LT interest earned: 9.7x; total interest coverage: 9.3x) (18% of Cap'l)
Leases, Uncapitalized None
Pension Assets-12/07 $22.9 bill. Oblig. $22.1 bill.
Pfd Stock $46 million[G] Pfd Div'd $3.2 million
(Called for redemption: 4/4/08) (0.2% of Cap'l)

Common Stock 342,057,191 shs.
as of 4/22/08
MARKET CAP: $24.6 billion (Large Cap)

CURRENT POSITION ($MILL)	2006	2007	3/31/08
Cash Assets	1015	963	429
Receivables	3566	3813	4358
Inventory (Avg Cst)	1178	1045	1132
Other	960	951	1030
Current Assets	6719	6772	6949
Accts Payable	1686	1901	1806
Debt Due	170	137	169
Other	4897	4394	4762
Current Liab.	6753	6432	6737

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	2.5%	10.5%	*6.5%*
"Cash Flow"	1.5%	5.5%	*10.0%*
Earnings	5.5%	6.0%	*11.5%*
Dividends	4.5%	8.5%	*9.5%*
Book Value	11.0%	8.0%	*5.5%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	7453	7962	7446	7860	30721
2006	7093	7601	7433	8021	30148
2007	7340	7926	7928	8824	32018
2008	*7724*	*8426*	*8375*	*8975*	*33500*
2009	*8250*	*8800*	*8650*	*9300*	*35000*

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.97	1.01	.65	.89	3.52
2006	1.02	1.26	.67	1.29	4.44
2007	1.10	1.26	1.35	1.33	5.04
2008	.76	*1.39*	*1.47*	*1.53*	*5.15*
2009	*1.35*	*1.55*	*1.63*	*1.67*	*6.20*

Calendar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.23	.23	.23	.89
2005	.23	.26	.26	.26	1.01
2006	.26	.30	.30	.30	1.16
2007	.37	.37	.37	.37	1.48
2008	.37	.40			

BUSINESS: Northrop Grumman Corp. operates in several main sectors. It is a leading maker of airborne systems; a designer of electronic warfare items; provides advanced information systems; builds warships and cargo ships; makes space systems. Acquired Litton Industries and Newport News, 2001; TRW, 2002. Has 122,600 employees. U.S. Government accounted for total of 90.0% of sales in '07. 2007 depr. rate: 9.0%. Off. & dir. control about 0.7% of stock.; State Street Bank, 9.7%; Capital Research, 9.0%; AXA Fin'l, 8.6%; Barclay's Global Investors, 5.2%. (4/08 Proxy). Chairman & CEO: Ronald D. Sugar. President: Wesley G. Bush. Inc.: DE. Address: 1840 Central Park East, Los Angeles, CA 90067. Telephone: 310-553-6262. Internet: www.northgrum.com.

Northrop Grumman took a big charge in the first quarter. It wrote off $0.61 a share, reflecting a "re-evaluation of the estimated schedule and cost to complete the *LHD-8* amphibious assault ship, as well as the resource impacts on other Gulf Coast ships". We believe this is due to the lingering effects of Hurricane Katrina, which hit the Gulf Coast and the shipyard division very hard, a couple of years ago. As a result of the charge, we look for little change in full-year share earnings this year, although we estimate a very good gain in 2009.

The company is hoping for confirmation of its award of the U.S. Air Force's new tanker aircraft. The ancient KC-135s must be replaced soon. Northrop won the contract to produce 179 KC-45 tankers, which were developed from Europe-based Airbus Industrie's (AI) A330 airliner. Boeing has appealed the decision, which is being reviewed by the nonpartisan Government Accountability Office. Accusations of European financial support for Airbus are a factor in the dispute. Meanwhile, reports that AI has asked France and Germany for aid to finance development of its new A350 is a complicating factor. Should Northrop Grumman finally win all or part of this much-needed program, we would adjust our projections accordingly.

The company's *nonshipbuilding* divisions are performing well. In fact, first-quarter operating profits for the other units were up 10% year to year, and we look for these gains to continue. In fact, the total backlog for the company reached $68 billion at the end of March, up 6.8% from a year ago. Northrop is a 40% partner on the F/A-18 fighter, makes about 25% of the new F-35 (there are industry estimates of $300 billion in production value), and is one of two makers of ships serving the Navy.

These shares are untimely for the year to come, but we project about average 3- to 5-year capital appreciation potential, based on the contracts now in the company's possession. Meanwhile, should the aerial tanker contract be finalized in Northrop Grumman's favor, we would expect to increase our projections.

Morton L. Siegel *June 20, 2008*

(A) Excl. stk.-based comp.: '06, 53¢, '07, 58¢. (B) Prim. egs. thru '96, then dil. Excl. nonrecur. (exp.), gns.: '94, ($2.14); '96, 17¢; '98, (87¢); '99, (12¢); '00, (12¢); '01, 22¢; '02, ($2.69); '03, 23¢; '04, (2¢); '05, 33¢, '06, (7¢); '07, 11¢. Next egs. rpt. due late July. (C) Div'd historically paid mid-Mar., Jun., Sep., Dec. ■ Div'd reinvest. plan available. (D) Incl. intang. assets. In 2007: $18.7 bill., $55.49/sh. (E) In mill., adj. for stk. split. (F) Depr. on accel. basis. (G) Redeem. pfd. is treated as LT debt, and its div'ds are incl. with interest expense.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	75

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NOVARTIS AG NYSE-NVS

RECENT PRICE 57.63 | P/E RATIO 14.8 (19.6 / 20.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 2.9% | VALUE LINE

TIMELINESS 3 Raised 5/2/08
SAFETY 1 Raised 10/26/01
TECHNICAL 4 Lowered 7/18/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+55%)	14%
Low	75	(+30%)	9%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	287	283	237
to Sell	262	256	264
Hld's(000)	289372	286117	274164

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	VALUE LINE, INC. 11-13
High:	41.7	49.0	51.0	44.9	46.9	44.1	46.0	50.8	54.7	61.6	60.4	59.2	
Low:	26.6	35.4	34.1	29.2	32.7	34.0	33.8	41.3	45.6	51.7	51.2	46.2	
	1.37	1.59	1.64	1.65	1.40	1.55	1.61	1.67	1.93	1.16	*1.06*	*1.16*	Translation Rate ($/CHF)[A] *1.18*
	8.49	7.90	8.16	6.61	8.02	10.08	11.63	13.83	15.65	16.76	*17.95*	*19.45*	Sales per ADR *22.60*
	2.21	1.99	1.99	1.77	2.05	2.32	2.95	3.38	3.91	4.08	*5.15*	*5.60*	"Cash Flow" per ADR *6.05*
	1.62	1.56	1.62	1.64	2.03	2.00	2.34	2.62	3.04	2.80	*3.90*	*4.10*	Earnings per ADR [B] *4.35*
	.53	.41	.48	.50	.51	.70	.78	.82	.86	1.41	*1.68*	*1.80*	Gross Divd's Decl'd ADR [C] *2.08*
	.42	.33	.72	.69	.99	.55	.52	.51	.77	1.10	*.90*	*.95*	Cap'l Spending per ADR *.90*
	8.30	11.93	8.40	8.52	9.82	12.33	13.91	14.16	17.51	21.26	*22.55*	*25.00*	Book Value per ADR *29.70*
	2725.5	2585.7	2675.6	2885.2	2885.3	2467.8	2428.9	2329.6	2348.3	2323.6	*2270*	*2200*	Equiv ADRs Outst'g [D] *2150*
	25.7	24.8	22.4	23.3	19.2	19.5	19.7	19.0	16.5	19.8	*Bold figures are*		Avg Ann'l P/E Ratio *19.0*
	1.34	1.41	1.46	1.19	1.05	1.11	1.04	1.01	1.00	1.04	*Value Line*		Relative P/E Ratio *1.25*
	1.3%	1.1%	1.3%	1.3%	1.3%	1.8%	1.7%	1.7%	1.5%	2.5%	*estimates*		Avg Ann'l Div'd Yield *2.7%*
	23139	20418	21832	19070	23151	24864	28247	32212	36749	38947	*40710*	*42800*	Sales ($mill) *49600*
	30.1%	27.3%	26.2%	28.1%	32.2%	23.7%	26.5%	26.1%	26.3%	26.4%	*28.0%*	*28.0%*	Operating Margin *25.0%*
	1602.9	949.0	918.0	931.0	690.0	717.0	1388.0	1731.0	1987.0	2936.0	*2825*	*3245*	Depreciation ($mill) *3625*
	4426.1	4188.0	4395.0	4181.0	5224.0	5016.0	5767.0	6141.0	7202.0	6540.0	*8855*	*9020*	Net Profit ($mill) *9350*
	23.6%	32.0%	22.6%	17.0%	16.9%	15.5%	16.3%	15.3%	12.9%	12.6%	*13.0%*	*13.5%*	Income Tax Rate *15.0%*
	19.1%	20.5%	20.1%	21.9%	22.6%	20.2%	20.4%	19.1%	19.6%	16.8%	*21.8%*	*21.1%*	Net Profit Margin *19.2%*
	10661	10859	12987	14353	12576	12953	13533	6115.0	5170.0	10789	*9230*	*9700*	Working Cap'l ($mill) *11000*
	2072.2	2712.0	1392.0	1523.0	2736.0	3191.0	2736.0	1319.0	656.0	677.0	*760*	*850*	Long-Term Debt ($mill) *1400*
	22614	30839	22477	24593	28344	30429	33783	32990	41111	49396	*51200*	*55000*	Shr. Equity ($mill) *63860*
	18.9%	12.7%	18.6%	16.2%	17.1%	15.4%	16.3%	18.0%	17.4%	13.1%	*17.5%*	*16.5%*	Return on Total Cap'l *14.5%*
	19.6%	13.6%	19.6%	17.0%	18.4%	16.5%	17.1%	18.6%	17.5%	13.2%	*17.5%*	*16.5%*	Return on Shr. Equity *14.5%*
	14.0%	9.6%	14.0%	11.2%	12.6%	10.8%	11.5%	12.2%	12.5%	8.5%	*10.0%*	*9.0%*	Retained to Com Eq *7.5%*
	28%	28%	29%	34%	31%	34%	33%	34%	28%	49%	*43%*	*44%*	All Divd's to Net Prof *48%*

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	1.0	-18.0
3 yr.	23.7	11.3
5 yr.	52.7	83.2

Target Price Range 2011 | 2012 | 2013

Novartis AG was created by the merger of Sandoz AG and Ciba-Geigy AG in December 1996. The company went public on December 23, 1996, issuing about 69 million shares at $27 a share on the Swiss stock exchange. On May 11, 2000 they became available in the form of American Depositary shares on the NYSE. On May 7, 2001 the company conducted a 1-for-40 stock split for each underlying share to bring it into parity with an ADR on the NYSE.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $6479 mill. Due in 5 Yrs $5731 mill.
LT Debt $748 mill. LT Interest $48.3 mill.
(2% of Cap'l)

Leases, Uncapitalized: Annual rentals $223 mill.

Pension Assets-12/07 $5.3 bill Oblig. $1.04 bill.

Common Stock 2,272,290,195 shs.
as of 4/25/08
MARKET CAP: $131 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	7955	13201	*10850*
Receivables	6161	6648	6883
Inventory (Avg Cst)	4498	5455	6241
Other	2790	2126	2313
Current Assets	21404	27430	26287
Accts Payable	2487	3018	3007
Debt Due	6643	5117	5731
Other	7104	8506	8318
Current Liab.	16234	16641	17056

ANNUAL RATES of change (per ADR)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	7.0%	15.0%	*6.5%*
"Cash Flow"	9.0%	14.5%	*8.0%*
Earnings	8.0%	10.0%	*7.5%*
Dividends	9.0%	15.5%	*12.5%*
Book Value	10.0%	14.5%	*9.0%*

Calendar	QUARTERLY SALES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	7341	7799	8415	8657	32212
2006	8394	9182	9484	9689	36749
2007	8836	10122	9818	10171	38947
2008	9909	*10300*	*9900*	*10601*	*40710*
2009	*9900*	*10500*	*11000*	*11400*	*42800*

Calendar	EARNINGS PER ADR[B] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.63	.70	.71	.58	2.62
2006	.83	.73	.80	.68	3.04
2007	.88	.85	.68	.39	2.80
2008	1.02	*1.00*	*.95*	*.93*	*3.90*
2009	*1.05*	*1.05*	*1.00*	*1.00*	*4.10*

Calendar	GROSS ANNUAL DIVIDENDS PAID[C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.78	--	--	--	.78
2005	--	.82	--	--	.82
2006	--	.86	--	--	.86
2007	--	1.41	--	--	1.41
2008	--	1.68			

BUSINESS: Novartis AG is a major Swiss-based pharmaceutical and health care company. Sales by business category for '07: Pharmaceuticals, 62%; Generics (Sandoz), 20%; Consumer health, 14%; Vaccines and Diagnostics, 4%. Major therapeutic area: hypertension. Major products include *Diovan, Lotrel, Gleevec, Zometa, Neoral, Femara, Sandostatin, Lamisil,* and *Zelnorm.* Major product in development: *Exforge.* '07 R&D, 16.5% of sales. Has about 80,500 employees in 140 countries. Acqd. Chiron, 4/20/06. Largest single investor: Emasan A G, which owns 3.2% of common ('07 Form 20F). Chairman & CEO: Daniel Vasella, Inc.: Switzerland. Addr.: Lichtstrasse 35, CH-4056 Basel, Switzerland. Tel.: 011-41-61-324-1111. U.S. tel.: 212-830-2440. Internet: www.novartis.com.

Novartis' patent expirations, although not nearly as severe as many drug companies, are still a concern. Novartis has some key product expirations. Chief among these is best-selling hypertension treatment *Diovan*, which is due to expire in 2012, and also *Femara*, in 2011. On the more immediate front, we have *Lamisil* and *Lotrel*, which are already facing stiff generic competition. The upcoming expirations of *Trileptal* and *Famvir* are also going to impact the earnings stream. Lastly, the marketing suspension of *Zelnorm* (irritable bowel syndrome), due to some patients experiencing angina, has been a setback.

To partially offset the anticipated earnings shortfall, Novartis is making cutbacks. The company is conservatively estimating cost savings of around $1.6 billion by 2010, which is about 5% of 2007 costs. Approximately $1.2 billion of this is expected to arise from the pharmaceutical division, with the remainder stemming from the generic drug (Sandoz), and consumer health businesses.

It is also investing heavily in product diversification. To this end, the company has entered into an agreement with Nestle, whereby Novartis would acquire Nestle's 77% stake in the U.S./Swiss eye care company, Alcon. For a total price tag of $39 billion, NVS would buy a 25% stake for $11 billion, and have a call option on the remaining 52% for $28 billion. (Alcon reported full-year 2007 profits of $1.6 billion.) Although we think the asking price is high, it should be worth the investment over the long term, given Alcon's high growth profile and leading global market share. Indeed, as more and more drug companies lose patent exclusivity on their mainline products, we believe they will scramble to find consumer health entities, such as Alcon, and selling prices will rise even higher.

This high-quality issue has decent total return potential to 2011-2113. By then, the Alcon acquisition should be paying off since it has higher margins than the pharmaceutical business. Cost cuts and new product introductions (*Lucentis, Exforge,* the *Exelon patch,* and *Aclast/Reclast*) should also help profits. The dividend is reliable and growing.

Jeremy J. Butler *July 18, 2008*

(A) At fiscal yearend.
(B) Based on U.S. GAAP and diluted ADR's. *Each ADR represents one common share.* Includes restructuring charge of $0.19 a share in 2007 (4Q). Next earnings report due late July.
(C) Annual dividend normally paid in the June quarter. (March in 2004). Dividend payments before 15% Swiss excise tax. CHF 1.35 a share (ADR) in 2007.
(D) In millions.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	95

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PARTNERRE LTD. NYSE-PRE

RECENT PRICE **66.09** | P/E RATIO **6.5** (Trailing: 4.8 Median: 12.0) | RELATIVE P/E RATIO **0.42** | DIV'D YLD **2.8%** | VALUE LINE

TIMELINESS **3** Lowered 5/9/08
SAFETY **2** Raised 8/1/08
TECHNICAL **3** Lowered 4/11/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+110%)	22%
Low	100	(+50%)	7%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	1	0	1	0
to Sell	0	1	0	0	0	1	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	112	153	127
to Sell	126	103	142
Hld's(000)	58043	54715	53887

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	12.99	26.92	26.23	32.52	46.31	65.19	68.07	63.44	64.25	67.69	*75.00*	*77.00*	P/C Prem Earned p sh	*86.00*
	3.21	6.24	5.46	4.77	4.68	4.87	5.43	6.43	7.87	9.12	*10.50*	*11.75*	Investment Inc p sh	*13.75*
	1.71	d4.37	d1.68	d9.62	d.15	2.40	1.55	d9.45	8.16	10.23	*6.40*	*6.15*	Underwriting Inc p sh	*4.85*
	4.34	1.40	2.41	d4.16	3.60	6.50	7.27	d4.52	11.56	14.43	*10.10*	*9.90*	Earnings per sh A	*12.00*
	.88	1.00	1.04	1.10	1.15	1.20	1.36	1.52	1.60	1.72	*1.84*	*1.96*	Div'ds Decl'd per sh B	*2.32*
	35.29	32.29	36.64	26.63	39.47	48.06	60.73	54.15	65.97	74.95	*89.40*	*96.00*	Book Value per sh	*109.50*
	52.80	49.26	50.11	50.24	52.38	53.74	54.85	56.73	57.08	57.38	*52.00*	*50.00*	Common Shs Outst'g C	*50.00*
	131%	116%	111%	190%	127%	108%	93%	117%	98%	100%			Price to Book Value	*90%*
	10.6	26.7	16.9	--	14.0	8.0	7.8	--	5.6	5.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*10.0*
	.55	1.52	1.10	--	.76	.46	.41	--	.30	.27			Relative P/E Ratio	*.65*
	1.9%	2.7%	2.6%	2.2%	2.3%	2.3%	2.4%	2.4%	2.5%	2.3%			Avg Ann'l Div'd Yield	*1.9%*
	685.6	1326.4	1314.4	1634.0	2425.7	3503.4	3733.7	3599.2	3667.3	3884.2	*3900*	*3850*	P/C Premiums Earned	*4400*
	57.9%	85.2%	74.2%	99.9%	70.7%	67.5%	66.3%	85.8%	57.6%	55.1%	*62.0%*	*63.0%*	Loss to Prem Earned	*66.0%*
	28.9%	31.0%	30.8%	26.6%	27.0%	28.1%	31.4%	29.0%	29.5%	29.5%	*29.5%*	*29.0%*	Expense to Prem Writ	*28.5%*
	13.2%	-16.2%	-4.9%	-26.5%	2.2%	4.4%	2.3%	-14.8%	12.9%	15.4%	*8.5%*	*8.0%*	Underwriting Margin	*5.5%*
	3.9%	--	--	--	8.8%	.0%	--	--	10.9%	10.1%	*12.5%*	*12.5%*	Income Tax Rate	*12.0%*
	266.3	94.8	142.3	d185.3	206.9	404.6	393.1	d213.7	711.5	775.8	*525*	*495*	Net Profit ($mill)	*600*
	3.7%	6.1%	7.9%	6.1%	5.2%	4.2%	3.8%	4.4%	4.7%	4.8%	*5.0%*	*5.2%*	Inv Inc/Total Inv	*6.0%*
	7825	7560	6091	7165	8738	10903	12511	13744	14948	16037	*18500*	*19750*	Total Assets ($mill)	*22000*
	2113.4	1840.7	2086.0	1748.1	2477.2	2594.4	3351.9	3299.0	3785.8	4321.6	*4650*	*4800*	Shr. Equity ($mill)	*5475*
	12.6%	5.1%	6.8%	NMF	8.4%	15.6%	11.7%	NMF	18.8%	18.0%	*11.5%*	*10.5%*	Return on Shr. Equity	*11.0%*
	9.7%	.2%	3.9%	NMF	6.2%	12.0%	9.0%	NMF	15.6%	15.0%	*9.0%*	*8.5%*	Retained to Com Eq	*9.0%*
	32%	97%	50%	NMF	38%	23%	24%	NMF	18%	17%	*18%*	*20%*	All Div'ds to Net Prof	*19%*

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-8.7	-18.0
3 yr.	15.3	11.3
5 yr.	52.6	63.2

Target Price Range 2011 | 2012 | 2013

PartnerRe Ltd.'s initial public offering occurred in October of 1993. Underwritten by Smith Barney Inc., the IPO generated proceeds of approximately $650 million (32.5 million shares issued at $20 a share). PartnerRe shares trade on the New York Stock Exchange under the ticker symbol PRE.

CAPITAL STRUCTURE as of 3/31/08

Total Debt $877.6 mill. Total Interest $23.5 mill.

(16% of Cap'l)

Leases, Uncapitalized: Annual rentals $25.8 mill.

No Defined Benefit Pension Plan
Pfd Stock $20.8 mill. Pfd Div'd $3.2 mill.

(less than 1% of Cap'l)

Common Stock 54,278,400 shs.
as of 4/30/08

MARKET CAP: $3.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Fixed Maturities	7835.7	9498.8	10375.9
Stocks	1015.1	871.8	--
Premiums Due	1573.6	1449.7	2135.2
Other	4523.8	4216.6	4779.8
Total Assets	14948.2	16036.9	17290.9
Unearned Prems	1215.6	1267.9	1837.8
Reserves	6870.8	7231.4	7573.4
Other	3076.0	3216.1	3407.1
Total Liabilities	11162.4	11715.4	12818.3

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Premium Inc	27.0%	13.0%	*5.5%*
Invest Income	15.5%	9.5%	*10.0%*
Earnings	5.0%	63.5%	*9.0%*
Dividends	10.5%	8.0%	*6.0%*
Book Value	8.5%	13.5%	*9.0%*

Calendar	NET PREMIUMS EARNED ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	896.4	880.3	915.5	907.0	3599.2
2006	832.8	859.0	973.6	1001	3667.3
2007	842.0	889.3	1056	1096	3884.2
2008	*909.8*	*925*	*1000*	*1065.2*	*3900*
2009	*840*	*880*	*1045*	*1085*	*3850*

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	1.21	2.05	d6.36	d1.42	d4.52
2006	2.33	2.01	3.55	3.67	11.56
2007	2.71	2.39	4.78	4.55	14.43
2008	1.98	*2.60*	*2.50*	*3.02*	*10.10*
2009	*2.25*	*2.55*	*2.40*	*2.70*	*9.90*

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.34	.34	.34	.34	1.36
2005	.38	.38	.38	.38	1.52
2006	.40	.40	.40	.40	1.60
2007	.43	.43	.43	.43	1.72
2008	.46	.46			

BUSINESS: PartnerRe Ltd. provides multiline reinsurance to insurance companies on a worldwide basis through the company and its subsidiaries. Premium breakdown as of 12/07: United States, 27%; Global (Non-U.S.), 20%; Global (Non-U.S.) Specialty, 27%; Catastrophe, 11%; Life, 15%. Has offices in Paris, Zurich, Greenwich, Bermuda, and Toronto. Has approximately 950 employees. Officers & directors own 3.1% of common stock; FMR, 8.5%; AXA Assurances, 6.4%; Lord Abbett, 6.0%; TPG-Axon, 5.4% (4/08 proxy). Chairman: John Rollwagen. President & Chief Executive Officer: Patrick Thiele. Incorporated: Bermuda. Address: 90 Pitts Bay Road, Pembroke HM 08, Bermuda. Telephone number: 441-292-0888. Internet address: www.partnerre.com.

PartnerRe registered a year-over-year earnings decline during the March quarter. The company posted operating earnings per share of $1.98, which represented a 27% reduction from the year-earlier tally. *Actual results exclude capital gains and losses from the insurer's investment portfolio.* The primary culprit behind the underperformance relative to 2007 was less profitable underwriting results. Indeed, the combined ratio climbed to 92.3%, a 7.5% increase from the year-ago tally. This implies that PartnerRe generated $7.70 in pretax profit for every $100 that it underwrote. This was on top of income generated from the company's investment portfolio. It should be noted that last year's March-quarter combined ratio was particularly strong, reflecting a historically low number of catastrophes.

The company's share net might well decline both this year and next, owing to a lackluster reinsurance market. We look for new business wins to keep premiums earned roughly flat over the next two years, as rates are poised for a decline. That said, management's keen underwriting ability should result in a positive underwriting margin over the next 18 to 24 months. Our assumption, of course, is based on a normal level of catastrophe activity. Too, investment income per share should trend higher, thanks to high levels of operating cash flow, along with a decent return on invested assets.

We have lowered PartnerRe stock's Timeliness rank by a notch over the past three months. This reflects the company's steep price decline since early May. However, the broader market averages have been in a tailspin over that time, though reinsurance stocks seem to have been especially hard hit. This likely reflects investor uncertainty regarding the near-term prospects for this industry. We look for intense competitive pressures to result in pricing constraints over the next year or so. Although recent catastrophes, namely floods and forest fires, might result in somewhat lower capacity, we don't see a rate catalyst in the near term. PartnerRe stock is ranked to track the year-ahead market index. However, over the 3- to 5-year pull price-recovery potential is worthwhile at the current valuation.

Alan G. House *August 1, 2008*

(A) Dil. earnings. Incl. cap. gains/(losses): '01, $0.28; 00, ($1.38); '99, ($0.33); '98, $0.29. Excl. capital gains and losses 2002 and thereafter. Excl. extraordinary gain: '01, $0.56; non-recurring loss: '02, $0.32. Next egs. report early Nov.
(B) Div'ds historically paid in early March, early June, early Sep., and early Dec.
(C) In millions.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	5

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PITNEY BOWES NYSE-PBI

RECENT PRICE 34.10 | P/E RATIO 11.8 (12.5 / 16.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 4.2% | VALUE LINE

TIMELINESS 3 Lowered 11/9/07
SAFETY 2 Lowered 1/11/08
TECHNICAL 3 Lowered 7/11/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+90%)	20%
Low	50	(+45%)	13%

Insider Decisions

	A	S	O	N	D	J	F	M	A
to Buy	0	0	0	1	0	0	0	0	0
Options	2	0	0	0	0	0	0	1	0
to Sell	2	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	185	182	174
to Sell	208	238	222
Hld's(000)	179767	181459	179085

High:	45.8	66.4	73.3	54.1	44.7	44.4	42.8	47.0	47.5	48.0	49.7	39.4
Low:	26.8	42.2	40.9	24.0	32.0	26.5	29.5	38.9	40.3	40.2	36.4	32.6

LEGENDS
9.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-21.3	-9.7
3 yr.	-10.7	27.3
5 yr.	9.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
10.62	11.20	10.81	11.85	13.04	14.66	15.61	16.75	15.60	17.03	18.74	19.70	21.52	24.23	25.97	28.58	32.20	34.90	Revenues per sh	44.05
1.74	2.00	2.04	2.26	2.53	2.95	3.44	3.94	3.81	3.61	3.55	3.69	3.91	4.22	4.40	4.59	4.95	5.35	"Cash Flow" per sh	6.55
.98	1.16	1.11	1.34	1.56	1.82	2.03	2.31	2.44	2.25	2.37	2.41	2.54	2.70	2.69	2.72	2.88	3.15	Earnings per sh (A)	4.00
.39	.45	.52	.60	.69	.80	.90	1.02	1.14	1.16	1.18	1.20	1.22	1.24	1.28	1.32	1.40	1.45	Div'ds Decl'd per sh (B)■	1.60
.69	.92	1.14	1.13	.92	.87	1.10	1.15	1.08	1.06	.96	1.23	1.38	1.29	1.49	1.23	1.35	1.45	Cap'l Spending per sh	1.70
5.10	5.91	5.76	6.90	7.56	6.69	6.09	6.13	5.16	3.68	3.62	4.68	5.60	5.74	3.16	2.99	3.05	3.25	Book Value per sh (C)	4.45
323.34	316.35	302.55	299.89	295.96	279.67	270.38	264.70	248.80	242.03	235.37	232.29	230.32	226.71	220.61	214.52	205.00	200.00	Common Shs Outst'g (D)	185.00
17.3	17.7	17.4	14.6	16.2	19.8	25.4	26.2	15.9	17.1	16.0	15.3	17.0	16.2	16.2	16.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
1.05	1.05	1.14	.98	1.01	1.14	1.32	1.49	1.03	.88	.87	.87	.90	.86	.87	.87			Relative P/E Ratio	.95
2.3%	2.2%	2.7%	3.1%	2.7%	2.2%	1.7%	1.7%	2.9%	3.0%	3.1%	3.3%	2.8%	2.8%	2.9%	2.9%			Avg Ann'l Div'd Yield	2.8%
4220.5	4432.6	3880.9	4122.5	4409.8	4576.9	4957.4	5492.2	5730.0	6130.0	6600	6975	Revenues ($mill)	8150
32.6%	34.4%	34.4%	31.9%	28.9%	28.2%	27.3%	27.2%	26.6%	25.3%	25.0%	25.0%	Operating Margin	25.0%
361.3	412.1	321.2	317.4	264.3	288.8	306.8	332.0	363.3	383.1	405	420	Depreciation ($mill)	460
587.9	629.6	626.4	556.3	572.0	569.1	594.0	625.8	606.8	601.7	610	645	Net Profit ($mill)	755
34.3%	32.7%	31.5%	31.6%	31.3%	32.1%	32.2%	32.0%	34.5%	32.9%	34.0%	34.0%	Income Tax Rate	34.0%
13.5%	14.2%	16.1%	13.5%	13.0%	12.4%	12.0%	11.4%	10.6%	9.8%	9.2%	9.2%	Net Profit Margin	9.3%
d212.8	469.8	d254.9	d526.4	d797.7	d133.8	d801.4	d168.6	171.9	d236.8	d125	d100	Working Cap'l ($mill)	Nil
1712.9	1997.9	1881.9	2419.2	2316.8	2840.9	2798.9	3849.6	3847.6	3802.1	3900	3950	Long-Term Debt ($mill)	4000
1648.0	1625.6	1285.0	891.4	853.3	1087.4	1290.1	1301.9	698.2	643.3	625	650	Shr. Equity ($mill)	825
18.3%	19.0%	21.7%	18.9%	20.3%	15.9%	16.6%	14.2%	15.9%	16.4%	16.0%	17.0%	Return on Total Cap'l	18.5%
34.5%	36.7%	48.8%	62.4%	67.0%	52.3%	46.0%	48.1%	86.8%	93.5%	97.5%	99.0%	Return on Shr. Equity	91.5%
19.5%	22.0%	26.0%	30.5%	34.0%	26.5%	24.2%	26.3%	46.1%	48.7%	50.0%	53.5%	Retained to Com Eq	55.0%
44%	43%	47%	51%	49%	49%	48%	45%	47%	48%%	49%	46%	All Div'ds to Net Prof	40%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $4865.5 mill. Due in 5 Yrs $1900 mill.
LT Debt $4047.0 mill. LT Interest $255 mill.
Over 90% of short- and long-term debt is issued by Pitney Bowes wholly owned finance subsidiary to support equipment (mostly PB) leasing programs.
(Total interest coverage: 4.7x) (86% of Cap'l)
Pension Assets 12/07 $2.21 bill. Oblig. $2.15 bill.
Pfd Stock $1.0 mill. Pfd Div'd $.1 mill.
43,475 shs. $2.12 cum. no par pfd. stk. cv. to 8 shs. com., red. at $28.50.
Common Stock 207,576,000 shs.
as of 5/1/08
MARKET CAP: $7.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	301.6	440.5	465.9
Receivables	2148.1	2339.5	2337.6
Inventory (LIFO)	237.8	198.0	218.0
Other	231.2	341.6	357.8
Current Assets	2918.7	3319.6	3379.3
Accts Payable	1677.5	1985.6	1893.9
Debt Due	490.5	953.8	818.5
Other	578.8	637.0	738.8
Current Liab.	2746.8	3556.4	3451.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	9.0%	9.0%
"Cash Flow"	5.5%	4.0%	7.0%
Earnings	5.5%	3.0%	6.5%
Dividends	6.5%	2.0%	4.0%
Book Value	-5.5%	-1.0%	2.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1318	1360	1356	1458	5492
2006	1362	1389	1433	1546	5730
2007	1414	1543	1509	1664	6130
2008	1574	1600	1625	1801	6600
2009	1665	1690	1715	1905	6975

Calendar	EARNINGS PER SHARE (A) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.63	.67	.66	.74	2.70
2006	.61	.65	.68	.77	2.69
2007	.66	.71	.63	.72	2.72
2008	.66	.68	.71	.83	2.88
2009	.72	.75	.77	.91	3.15

Calendar	QUARTERLY DIVIDENDS PAID (B)■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.305	.305	.305	.305	1.22
2005	.31	.31	.31	.31	1.24
2006	.32	.32	.32	.32	1.28
2007	.33	.33	.33	.33	1.32
2008	.35	.35			

BUSINESS: Pitney Bowes is the world's largest manufacturer of postage meters and mailing equipment. Mailstream Solutions rents postage meters and sells mail-processing systems in the U.S. and Europe (71% of revenues in 2007; 89% of operating profit). Mailstream Services provides mail room and document mgt. services and sells and services marketing systems; 29%, 11%. Sold Capital Services (financed equip. leases) in 7/06. Spun off operation that markets copiers and facsimile systems in 2001. Foreign opers.: 28% of revs.; R&D: 3.0%. Has about 36,100 employees. Off./ Dir. own under 1% of common (3/08 Proxy). Chrmn.: Michael Critelli. CEO: Murray Martin. Inc.: DE. Addr.: 1 Elmcroft Road, Stamford, CT 06926. Tel.: 203-356-5000. Internet: www.pitneybowes.com

Pitney Bowes will likely post much improved year-to-year earnings comparisons in the second half of 2008. A number of problems surfaced in 2007's third quarter, and they will not be completely resolved for a while. First, mailing equipment orders from financial institutions, a key customer base, have dropped from historical norms. Second, benefits from the mandated migration to digital meters in the U.S. have slowed considerably since mid-2007. Finally, regulatory changes and several other temporary factors hurt profits at the International division lately. That said, our expectation for considerable earnings improvement in the coming quarters is based on easy comparisons, an acceleration of share repurchases, new operating efficiencies (discussed below), and a resolution of the problems at International.

The company is nearing completion of its latest restructuring program. The previous program was completed in 2006, but the beneficial impact on operating margins was offset by rising pension costs and intensified pricing pressures. At present, the main objectives are to pare the employment count by 1,400 (4%) and reduce annual overhead costs by at least $100 million by 2009. Related charges are estimated at about $350 million.

Stock repurchases are running well above last year's level. Outlays of $180 million for this activity in the 2008 first quarter were twice last year's same-period level, and most of the remaining amount of the board's $500 million authorization was slated to be spent in the June interim. The total was $400 million in 2007. Estimated free cash flow of $450 million plus additional debt should cover this year's likely purchases.

Long-term revenue and profit growth potential is modest. Given the downward trend in the operating margin since 2000, we think PB's targeted operating efficiencies will, at best, enable the margin to stabilize. Too, the likely decrease in shares outstanding to 2011–2013 accounts for almost half of projected annual earnings growth of almost 8%.

At the currently depressed quotation, these shares offer good risk-adjusted total return potential to 2011–2013.

David R. Cohen *July 11, 2008*

(A) Diluted earnings since 1997. Excl. results of discontinued operations: '95, 7¢; '98, 3¢; '99, (8¢); '01, (10¢); '02, 16¢; '03, 1¢; '06, ($2.04); '07, 5¢; '08-Q1, (2¢). Excludes nonrecurring (losses) gains: '93, (5¢); '94, (32¢); '99, 11¢; '00, (1¢); '01, (17¢); '02, (56¢); '03, (31¢); '04, (49¢); '05, (43¢); '06, (18¢); '07, ($1.04); '08-Q1, (8¢). Next earnings report due late July.
(B) Divs. historically paid in March, June, September, and Dec. ■ Div. reinvestment plan avail. (C) Includes intang. At 12/31/07: $2.76 bill., $12.85/sh. (D) In millions, adj. for split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	10
Earnings Predictability	100

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PLAINS ALL AMER. NYSE-PAA

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD
48.75	18.1 (Trailing: 19.8 Median: NMF)	1.10	7.6%

VALUE LINE

TIMELINESS 4 Lowered 10/5/07
SAFETY 2 Raised 3/14/08
TECHNICAL 3 Raised 3/14/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

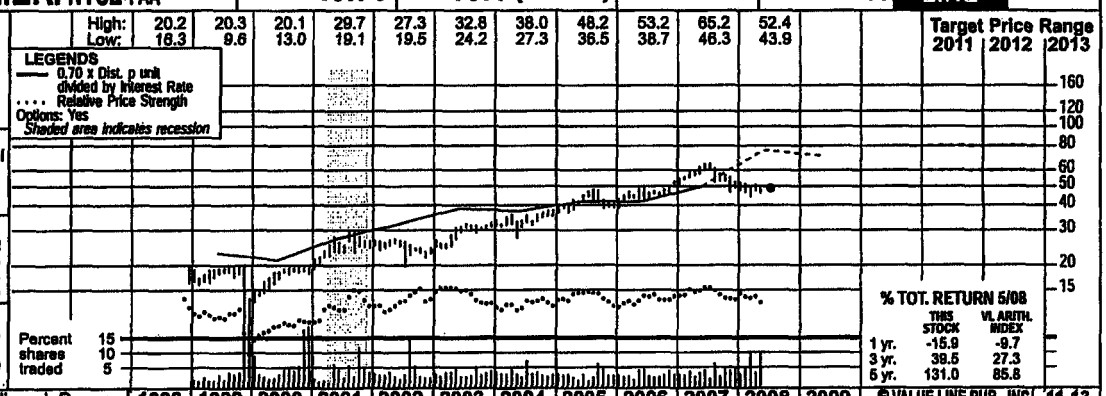
	Price	Gain	Ann'l Total Return
High	80	(+65%)	19%
Low	60	(+25%)	12%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	75	88	81
to Sell	72	65	69
Hld's(000)	41528	43769	45322



Plains All American Pipeline, L.P. constructed its first pipeline terminal in 1993. It acquired Plains Resources' oil pipeline business in September, 1998, in a deal that set the stage for the new company's IPO. On November 17, 1998, Plains All American Pipeline completed its initial public offering as a master limited partnership. Under lead manager Salomon Smith Barney, 13.09 million units were offered at $20.00 per unit.

CAPITAL STRUCTURE as of 3/31/08
Total Debt $3336 mill. Due in 5 Yrs $1335 mill.
LT Debt $2636 mill. LT Interest $140 mill.
(Total interest coverage 3.1x)
(44% of Cap'l)

Leases, Uncapitalized: $37 mill.
No Defined Benefit Pension Plan

Partners' Units 116.0 million units as of 5/1/08

MARKET CAP: $5.7 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	11.3	24.0	17.0
Receivables	1725.4	2561.0	2756.0
Inventory (Avg Cst)	1290.0	972.0	776.0
Other	130.9	116.0	114.0
Current Assets	3157.6	3673.0	3663.0
Accts Payable	1660.8	2577.0	2996.0
Debt Due	1187.0	960.0	700.0
Other	176.9	192.0	169.0
Current Liab.	3024.7	3729.0	3865.0

ANNUAL RATES of change (per unit)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	13.5%	*NMF*
"Cash Flow"	--	58.0%	*4.5%*
Earnings	--	--	*1.5%*
Cash Dist.	--	6.5%	*8.0%*
Book Value	--	23.0%	*4.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	6639	7161	8664	8713	31177
2006	8635	4892	4526	4392	22445
2007	4230	3918	5799	6447	20394
2008	7195	*7000*	*7250*	*7555*	*29000*
2009	*7325*	*7425*	*7525*	*7725*	*30000*

Calendar	EARNINGS (PER UNIT) A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.67	1.11	.95	.75	3.48
2006	.82	1.03	.95	.72	3.50
2007	.92	.91	.77	.50	3.09
2008	.57	*.65*	*.70*	*.78*	*2.70*
2009	*.65*	*.72*	*.73*	*.80*	*2.90*

Calendar	QUARTERLY DIST. (PER UNIT) B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.563	.563	.578	.60	2.30
2005	.613	.638	.65	.675	2.58
2006	.688	.707	.725	.75	2.87
2007	.80	.813	.83	.84	3.28
2008	.85	.865			

1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	148.64	193.14	158.79	169.11	247.78	311.70	422.64	205.15	175.81	*232.00*	*238.10*	Revenues per Unit	*280.00*
	d2.67	2.21	1.69	2.00	2.66	3.01	4.91	4.11	4.70	*4.50*	*4.70*	"Cash Flow" per Unit	*5.95*
	d3.16	1.44	1.25	1.34	1.54	1.97	3.48	3.50	3.09	*2.70*	*2.90*	Earnings per Unit A	*3.50*
	1.84	*1.83*	*1.95*	*2.11*	*2.21*	*2.30*	*2.58*	*2.87*	*3.28*	*3.58*	*3.86*	Dist. Decl'd per Unit B	*4.64*
	.40	.37	.49	.82	1.29	1.74	2.22	3.12	4.72	*5.20*	*5.40*	Cap'l Spending per Unit	*5.35*
	6.10	6.22	9.31	10.32	14.70	15.90	18.04	27.21	29.52	*28.40*	*29.15*	Book Value per Unit C	*31.25*
	31.63	34.39	43.25	49.58	50.81	67.29	73.77	109.41	116.00	*125.00*	*126.00*	Units Outst'g D	*128.00*
	--	12.2	19.7	18.5	18.9	17.1	12.0	13.1	18.3	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
	--	.79	1.01	1.01	1.08	.90	.64	.71	1.15	*Value Line*		Relative P/E Ratio	*1.35*
	10.4%	10.4%	7.9%	8.5%	7.6%	6.8%	6.2%	6.3%	5.8%	*estimates*		Avg Ann'l Dis't Yield	*6.6%*
	4701.9	6641.2	6868.2	8384.2	12590	20975	31177	22445	20394	*29000*	*30000*	Revenues ($mill)	*36000*
	NMF	1.4%	1.5%	1.5%	1.4%	1.2%	1.4%	1.6%	2.5%	*1.5%*	*1.5%*	Operating Margin	*2.0%*
	17.3	24.5	24.3	34.1	46.8	67.2	83.5	100.4	180.0	*220*	*230*	Depreciation ($mill)	*310*
	d101.8	51.4	48.7	65.3	88.2	135.1	278.3	348.8	365.0	*340*	*365*	Net Profit ($mill)	*450*
	--	--	--	--	--	--	--	.1%	4.2%	*Nil*	*Nil*	Income Tax Rate	*Nil*
	NMF	.8%	.7%	.8%	.7%	.6%	.9%	1.6%	1.8%	*1.2%*	*1.2%*	Net Profit Margin	*1.3%*
	101.5	47.1	52.9	d34.4	d68.9	d12.5	11.9	132.8	d56.0	*d50.0*	*d25.0*	Working Cap'l ($mill)	*30.0*
	259.5	320.0	351.7	509.7	519.0	949.0	951.7	2626.3	2624.0	*2700*	*2800*	Long-Term Debt ($mill)	*3000*
	193.0	214.0	402.8	511.6	746.7	1070.2	1330.7	2976.8	3424.0	*3550*	*3675*	Partners' Capital	*4000*
	NMF	12.3%	7.9%	7.6%	8.1%	7.7%	13.2%	6.8%	7.1%	*6.5%*	*6.5%*	Return on Total Cap'l	*6.5%*
	NMF	24.0%	12.1%	12.8%	11.8%	12.6%	20.9%	11.7%	10.7%	*9.5%*	*10.0%*	Return on Partners' Cap'l	*11.5%*
	NMF	NMF	NMF	NMF	NMF	NMF	6.1%	2.9%	NMF	*NMF*	*NMF*	Retained to Part.'s Cap	*NMF*
	NMF	116%	NMF	NMF	NMF	117%	71%	75%	106%	*NMF*	*NMF*	All Dist. to Net Prof	*NMF*

BUSINESS: Plains All American Pipeline, L.P., is a publicly traded master limited partnership which operates through various subsidiaries. It engages in the transportation, storage, terminaling, and marketing of crude oil, refined products, and liquefied petroleum gas. The company owned or leased approximately 20,000 miles of active pipelines and gathering systems (at 12/31/07); 23 million barrels of active, above-ground terminaling and storage facilities; and 1.3 million barrels of active, underground terminaling and storage facilities in North America. Has a 50% ownership in PAA/Vulcan Gas Storage LLC. Has about 2,000 empls. Chmn. & C.E.O.: Greg L. Armstrong. Addr.: 333 Clay Street, Suite 1600, Houston, TX 77002. Tel.: (713) 646-4100. Web: www.plainsallamerican.com.

Plains All American features an excellent distribution yield. The stock's 7.6% payout, coupled with its relatively low risk (Beta: .75), make this a choice selection for conservative, income-hungry accounts. Meanwhile,

The company's top and bottom lines are *moving in opposite* directions. Revenues will likely jump over 40% this year, largely due to the accretive effect of PAA's acquisition of Pacific Energy. Indeed, after some early miscues hobbled the integration, the two sides finally appear to be on the same page. PAA's management expects Pacific to add $40 million–$45 million to gross margins this year, and believes that number may widen to $70 million by 2012. But earnings tell a different story. Profits may slide 6%–7% this year as rising energy prices negate much of the margin improvements we foresee. However,

A series of expansion projects should bear fruit next year and beyond. In all, 1.3 million barrels of daily capacity are set to come on line in the first half of 2008, with another 1.4 million barrels coming into service well into 2009. Further,

Plains is well positioned to make another addition. The challenging economic backdrop could make it harder for smaller operators to compete with larger, better-funded firms, which may spark a wave of consolidation. This may open the door for PAA to make a few opportunistic acquisitions over the next several years. Thanks to a solid balance sheet (44% debt-to-total capital), management has the luxury to set aside $200 million–$300 million this year for potential purchases. Consequently,

We're projecting 2009 revenue and earnings estimates of $30 billion and $2.90 per unit, respectively. Higher price realizations, continued cost control efforts, and more-efficient operations spurred by pipeline additions ought to push the top and bottom lines higher next year.

Plains All American has limited appreciation potential over the pull to 2011–2013. Nonetheless, although the stock is untimely, it has appeal as a current-income vehicle based on the stellar yield.

Sharif Abdou *June 13, 2008*

(A) Based on average diluted units outstanding. Excludes nonrecurring gains/(losses): '05, ($0.76); '06, ($0.73); '07, ($0.58). Quarterly total may not sum due to rounding. Next earnings report due mid-July.
(B) Historically distributions paid mid-February, May, August, and November.
(C) Includes intangibles. As of 3/31/08: $1,071.0 mill., $9.23/sh.
(D) In millions.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	65

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PNC FINANCIAL NYSE-PNC

RECENT PRICE	P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE
70.53	13.8 (Trailing: 16.6 / Median: 13.0)	0.86	3.8%	

TIMELINESS 3 Raised 5/30/08
SAFETY 2 Raised 11/28/03
TECHNICAL 3 Raised 7/11/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

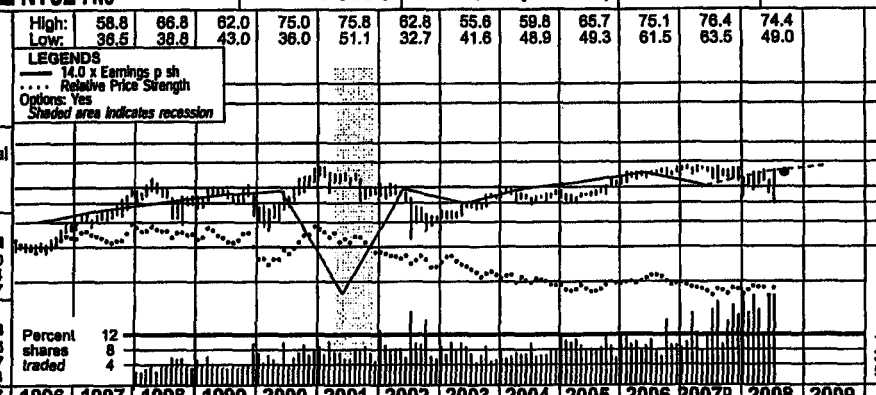
	Price	Gain	Ann'l Total Return
High	115	(+65%)	16%
Low	85	(+20%)	8%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	0	0	1	0	0	1	0
Options	0	1	0	0	0	1	0	1	4
to Sell	1	2	3	1	3	0	0	5	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	209	251	258
to Sell	331	275	287
Hld's(000)	214310	220480	229203



Target Price Range 2011 | 2012 | 2013
200
160
100
80
60
50
40
30
20

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	11.4	-12.2
3 yr.	44.7	7.2
5 yr.	74.6	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007D	2008	2009	© VALUE LINE PUB., INC.	11-13
2.37	3.14	2.57	2.29	2.87	3.28	3.60	3.93	4.09	1.24	4.20	3.55	4.21	4.55	5.06	4.35	5.10	5.50	Earnings per sh A	7.20
1.08	1.18	1.31	1.40	1.42	1.50	1.58	1.68	1.83	1.92	1.92	1.92	2.00	2.00	2.15	2.44	2.61	2.70	Div'ds Decl'd per sh B∎	3.30
15.94	18.34	18.76	16.87	17.13	16.87	18.86	19.22	21.87	20.57	24.07	23.99	26.57	29.23	36.38	42.08	45.95	49.15	Book Value per sh	61.45
232.57	234.71	233.25	340.86	324.12	300.43	303.70	293.00	290.00	283.00	285.00	277.00	281.25	293.00	296.52	353.00	344.00	346.00	Common Shs Outst'g C	350.00
10.9	9.7	10.5	11.4	11.2	13.8	14.9	13.8	13.0	51.9	11.8	13.5	12.9	12.3	13.7	16.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.0
.66	.57	.69	.76	.70	.80	.77	.79	.85	2.66	.64	.77	.68	.65	.74	.87			Relative P/E Ratio	1.00
4.2%	3.8%	4.9%	5.4%	4.4%	3.3%	2.9%	3.1%	3.4%	3.0%	3.9%	4.0%	3.7%	3.6%	3.1%	3.4%			Avg Ann'l Div'd Yield	3.3%
						77207	75413	69844	69568	66377	68168	79723	91954	101820	138920	146000	156000	Total Assets ($mill)	185000
						56897	49372	49926	37344	34777	33448	42888	48505	49545	67489	74000	79000	Loans ($mill)	96000
						2573.0	2433.0	2164.0	2262.0	2197.0	1996.0	1969.0	2154.0	2245.0	2915.0	3650	3900	Net Interest Inc ($mill)	4600
						225.0	163.0	136.0	903.0	309.0	177.0	52.0	21.0	124.0	315.0	750	780	Loan Loss Prov'n ($mill)	500
						2623.0	2680.0	2891.0	2543.0	3197.0	3257.0	3563.0	4162.0	5238.0	3790.0	4000	4450	Noninterest Inc ($mill)	5480
						3261.0	3124.0	3071.0	3338.0	3227.0	3476.0	3735.0	4333.0	4443.0	4296.0	4300	4650	Noninterest Exp ($mill)	5650
						1115.0	1199.0	1214.0	377.0	1200.0	1029.0	1197.0	1325.0	1506.0	1467.0	1760	1920	Net Profit ($mill)	2550
						34.8%	34.3%	34.3%	33.2%	34.1%	34.4%	31.0%	31.3%	46.7%	29.9%	32.0%	34.0%	Income Tax Rate	35.0%
						1.44%	1.59%	1.74%	.54%	1.81%	1.51%	1.50%	1.44%	1.48%	1.06%	1.20%	1.25%	Return on Total Assets	1.40%
						11232	7823.0	6958.0	7210.0	5248.0	6434.0	5663.0	8344.0	7595.0	11327	13000	14200	Long-Term Debt ($mill)	16000
						6043.0	5946.0	6656.0	5823.0	6859.0	6645.0	7473.0	8563.0	10788	14854	15800	17000	Shr. Equity ($mill)	21500
						7.8%	7.9%	9.5%	8.4%	10.3%	9.7%	9.4%	9.3%	10.6%	10.7%	11.0%	11.0%	Shr. Eq. to Total Assets	11.5%
						73.7%	65.5%	71.5%	53.7%	52.4%	49.1%	53.8%	52.7%	48.7%	48.6%	50.5%	50.5%	Loans to Tot Assets	52.0%
						18.5%	20.2%	18.2%	6.5%	17.5%	15.5%	16.0%	15.5%	14.0%	9.9%	11.0%	11.5%	Return on Shr. Equity	12.0%
						10.8%	12.1%	10.5%	NMF	9.5%	7.3%	8.4%	8.9%	8.1%	4.5%	5.5%	6.0%	Retained to Com Eq	6.5%
						44%	43%	45%	NMF	46%	53%	47%	43%	42%	55%	51%	50%	All Div'ds to Net Prof	45%

CAPITAL STRUCTURE as of 6/30/08

Total Debt $32.5 bill.

Leases, Uncapitalized Annual rentals $172 mill.

Pension Assets-12/07 $2019 mill. Oblig. $1507 mill.

Pfd Stock None.

Common Stock 346,497,190 shs.
As of 7/31/08
MARKET CAP: $24.4 billion (Large Cap)

ASSETS($Mill.)	2006	2007	6/30/08
Loans	49545	67489	72052
Securities	23191	30225	31032
Other Earning	14259	17303	18226
Other	14825	23903	21461
LIABILITIES($Mill.)			
Deposits	66301	82696	84689
Funds Borrowed	--	--	--
Total Debt	15028	30931	32472
Net Worth	10788	14854	15108
Other	9703	10439	10502
Total	101820	138920	142771
Loan Loss Resrv.	560	830	988

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	1.0%	4.0%	10.0%
Earnings	5.0%	8.0%	7.5%
Dividends	4.5%	3.0%	7.0%
Book Value	8.0%	10.0%	9.5%
Total Assets	4.5%	8.0%	9.0%

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	
2005	44074	48689	49876	48505	--
2006	49521	50548	48900	49545	--
2007	62235	64011	65043	67489	--
2008	69937	72052	73000	74000	
2009	75000	76000	77500	79000	

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.24	.98	1.14	1.19	4.55
2006	1.19	1.28	1.32	1.27	5.06
2007	1.46	1.22	1.19	.52	4.35
2008	1.09	1.45	1.28	1.28	5.10
2009	1.35	1.35	1.40	1.40	5.50

Calendar	QUARTERLY DIVIDENDS PAID B∎ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.50	.50	.50	.50	2.00
2005	.50	.50	.50	.50	2.00
2006	.50	.55	.55	.55	2.15
2007	.55	.63	.63	.63	2.44
2008	.63	.66	.66		

BUSINESS: PNC Financial Services Group is one of the largest bank holding companies in the U.S. based on assets. Primary markets include DE, FL, IN, KY, MA, NJ, OH, and PA. Businesses include regional & corp. banking, real estate finance, asset-based lending, wealth & asset mgmt., and global fund services. Loan breakdown: Comm., 41%; Consumer, 26%; Residential mortgage, 14%; Comm. real estate, 13%, other 6%.; Net loan losses, .49% of avg. loans in 2007. As of 6/30/08, loan loss reserves, 1.35% of loans; nonperforming assets, .51% of total assets. Off. & dir. own 1.5% of common stock. (3/08 proxy). Chrmn., Pres. & CEO: James Rohr. Inc.: PA. Address: One PNC Plaza, 249 Fifth Ave., Pittsburgh, PA 15222. Tel.: 412-762-8257. Internet: www.pnc.com.

PNC Financial Services Group continues to perform well. Total revenue rose about 19% during the June quarter, compared to a year ago. Net interest income, which accounts for about 48% of revenue, advanced 32% during the quarter. Much of the strength was due to improved profitability. The net interest margin expanded to 3.47% during the quarter, compared with 3.03% a year ago, reflecting lower interest and funding costs. This segment also got a boost from acquired business. In addition, noninterest income, which accounts for about 52% of revenues, advanced 9% during the quarter, thanks to higher service fees.

Some segments have been performing better than others. The Corporate and Institutional Banking division posted a 10% increase in income during the June quarter. Moreover, contributions from PNC's recently acquired interest in BlackRock, an asset management business, were substantial. This offset sluggishness at the Global Investment Servicing division, as well as declining profits at the Retail Banking segment.

Elsewhere, credit quality has weakened further. Nonperforming assets rose to 1.0% of loans during the quarter, compared with .40% a year ago. This reflects additional weakness in the residential and commercial real estate loan portfolios. As a result, PNC has boosted its provision for losses to $186 million during the June quarter, compared with $54 million a year ago.

The outlook remains positive. We are leaving our earnings estimate for 2008 unchanged, for now. Although we are lowering our estimate by $0.10 per share for 2009, we still expect a healthy advance for the year. Elsewhere, PNC Financial has done a good job of controlling costs. Although noninterest expense rose about 9% during the second quarter, this was easily offset by top line strength.

These neutrally ranked shares have moved up in price since our May report. This reflects PNC's strong second-quarter results and the healthy profit outlook for the year ahead. Nonetheless, our current projections indicate this stock offers somewhat below-average appreciation potential for the next 3 to 5 years.

Adam Rosner *August 22, 2008*

(A) Diluted earnings. Excludes nonrecurring gain (loss): '92, (46¢); '06, $3.67. Excludes discontinued operations: '00, 22¢; '01, 2¢; '02, (5¢), '04, (15¢). Incl. accounting charge: '01, 2¢. Qtly. egs. may not sum due to rounding. Next earnings report due late Oct.
(B) Dividends historically paid in January, April, July, and October.
∎Div'd reinvestment plan available.
(C) In millions.
(D) GAAP figures used for 2007.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	40
Earnings Predictability	50

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RAYTHEON NYSE-RTN

RECENT PRICE 59.11 | P/E RATIO 15.0 (Trailing: 16.8 Median: 19.0) | RELATIVE P/E RATIO 0.93 | DIV'D YLD 1.9% | VALUE LINE

TIMELINESS 2 Lowered 5/16/08
SAFETY 1 Raised 12/21/07
TECHNICAL 3 Lowered 5/23/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+50%)	13%
Low	75	(+25%)	8%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	4	5	0	0	0	0	0	6
to Sell	2	4	6	0	0	0	0	1	7

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	260	276	285
to Sell	259	263	281
Hld's(000)	342883	330240	333662

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	58.91	58.57	49.60	42.65	41.06	43.31	44.68	49.05	45.51	49.98	54.80	59.15	Sales per sh	72.50
	5.65	3.49	3.50	3.08	3.00	2.22	2.42	3.11	3.43	4.33	5.05	5.55	"Cash Flow" per sh	6.90
	3.34	1.34	1.46	1.35	2.15	1.29	1.49	2.08	2.56	3.31	3.95	4.40	Earnings per sh A	5.50
	.80	.80	.80	.80	.80	.80	.80	.88	.96	1.02	1.10	1.20	Div'ds Decl'd per sh B ■	1.75
	1.51	1.57	1.27	1.23	1.12	1.02	.80	.76	.66	.73	.85	.85	Cap'l Spending per sh	1.05
	32.23	32.35	31.77	28.54	21.72	21.90	23.29	23.99	24.90	29.43	30.80	33.00	Book Value per sh C	40.50
	336.80	338.76	340.62	395.43	408.21	418.14	453.10	446.37	445.87	426.20	415.00	410.00	Common Shs Outst'g D	400.00
	16.0	40.3	16.7	22.3	16.5	23.1	23.0	18.5	18.1	17.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.83	2.30	1.09	1.14	.90	1.32	1.22	.99	.98	.91			Relative P/E Ratio	1.00
	1.5%	1.5%	3.3%	2.7%	2.3%	2.7%	2.3%	2.3%	2.1%	1.8%			Avg Ann'l Div'd Yield	1.1%
	19840	19841	16895	16867	16760	18109	20245	21894	20291	21301	22750	24250	Sales ($mill)	29000
	16.7%	11.3%	13.7%	13.2%	12.6%	9.4%	9.0%	9.7%	10.9%	12.7%	13.3%	13.5%	Operating Margin	13.5%
	761.0	724.0	694.0	729.0	364.0	393.0	434.0	444.0	373.0	372.0	400	415	Depreciation ($mill) E	465
	1141.0	457.0	498.0	489.0	861.0	535.0	661.0	942.0	1155.0	1474.0	1700	1870	Net Profit ($mill)	2300
	42.6%	44.8%	43.2%	43.3%	29.4%	29.8%	26.9%	34.6%	33.7%	33.8%	34.0%	34.0%	Income Tax Rate	34.0%
	5.8%	2.3%	2.9%	2.9%	5.1%	3.0%	3.3%	4.3%	5.7%	6.9%	7.5%	7.7%	Net Profit Margin	7.9%
	1957.0	1045.0	3148.0	2609.0	2083.0	2736.0	1480.0	1667.0	2802.0	2828.0	2850	3440	Working Cap'l ($mill)	5625
	8163.0	7298.0	9054.0	6875.0	6280.0	6517.0	4229.0	3969.0	3278.0	2268.0	2000	1750	Long-Term Debt ($mill)	1000
	10856	10959	10823	12147	9728.0	10021	10959	10709	11101	12542	12780	13550	Shr. Equity ($mill)	16200
	7.2%	4.1%	4.2%	4.1%	6.7%	4.7%	5.4%	7.3%	8.9%	10.5%	12.0%	12.5%	Return on Total Cap'l	13.5%
	10.5%	4.2%	4.6%	4.0%	8.9%	5.3%	6.0%	8.8%	10.4%	11.6%	13.5%	13.0%	Return on Shr. Equity	14.0%
	8.0%	1.7%	2.1%	1.8%	6.1%	2.2%	3.0%	5.2%	6.6%	8.2%	9.5%	10.0%	Retained to Com Eq	10.0%
	24%	59%	55%	57%	37%	62%	53%	41%	36%	30%	27%	26%	All Div'ds to Net Prof	31%

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	16.9	-9.7
3 yr.	73.0	27.3
5 yr.	121.9	85.8

(New) Raytheon Co. was formed by the merger on 12/18/97 of (old) Raytheon Co. and the defense business of Hughes Electronics Corp. (a wholly owned sub. of General Motors). (Old) Raytheon stockholders received Class B com. sh. representing 70% of the equity of the new co. GM holders were given Class A shs, with the remaining 30% of the equity value. All com. shs were reclassified into one class in May 2001.

CAPITAL STRUCTURE as of 3/30/08
Total Debt $2.3 bill. Due in 5 years $.8 bill.
LT Debt $2.3 bill. LT Interest $130 mill.
(LT Interest earned: 14.2x; total interest coverage: 12.6x) (15% of Cap'l)
Leases, Uncapitalized Annual rentals $292 mill.

Pension Assets-12/07 $14.7 bill Oblig. $16.3 bill.

Pfd Stock None
Common Stock 423,004,000 shs.
as of 4/18/08

Warrants: 12 mill. ex. $37.50 through 6/16/11
MARKET CAP: $25.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	2460	2655	2287
Receivables	178	126	128
Inventory (FIFO)	4087	4207	4453
Other	2792	628	629
Current Assets	9517	7616	7497
Accts Payable	920	1141	1044
Debt Due	687	--	--
Other	5108	3647	3430
Current Liab.	6715	4788	4474

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	-2.5%	1.5%	7.0%
"Cash Flow"	--	2.5%	11.5%
Earnings	-.5%	10.0%	13.0%
Dividends	2.0%	3.5%	10.5%
Book Value	-1.5%	-1.0%	7.5%

Calendar	QUARTERLY SALES ($ mill.) Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	4944	5409	5331	6210	21894
2006	4660	4973	4936	5722	20291
2007	4804	5278	5219	6000	21301
2008	5354	5446	5700	6250	22750
2009	5550	5950	5900	6850	24250

Calendar	EARNINGS PER SHARE A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.43	.51	.51	.63	2.08
2006	.61	.61	.59	.75	2.56F
2007	.71	.79	.86	.95	3.31
2008	.92	.98	1.00	1.05	3.95
2009	1.00	1.05	1.15	1.20	4.40

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.20	.20	.20	.20	.80
2005	.20	.22	.22	.22	.86
2006	.22	.24	.24	.24	.94
2007	.24	.255	.255	.255	1.01
2008	.255	.28			

BUSINESS: Raytheon Company represents the 12/97 merger of (old) Raytheon Co. and the defense electronics business of Hughes Electronics Corp. This corporation is a global major provider of ground-based air defense systems, air intercept missiles, airborne and ground-based radar systems, communication and other military systems, and is an important producer of electronics-based aerospace and defense products & systems. Foreign sales: 20%. 2007 depreciation rate: 6.8%. Officers & Directors control .7% of stock, FMR, 6.2% (3/08 proxy). Has 72,100 employees. Chairman & Chief Executive Officer: William H. Swanson. Incorporated: Delaware. Address: 870 Winter Street, Waltham, Massachusetts. 02451. Telephone: 781-522-3000. Internet: www.raytheon.com.

Raytheon began 2008 on a strong note. First-quarter share earnings were up 30% from the year before and $0.07 above our estimate. As a result, even though our full-year forecast was a bit above company guidance, which remains $3.65-$3.80, we've decided to raise our sights again for both 2008 and 2009. Meanwhile, our sales estimate for 2008 is near the high end of management guidance of $22.4 billion-$22.9 billion. The profit difference reflects our expectation of a further widening of operating margins. **The U.S. Department of Defense (DOD) is this company's main customer,** with sales to the DOD accounting for over 80% of sales. And international business, part of which must, by law, be directed through the Pentagon, amounts to about 20% of the top line. Raytheon provides products, systems, services, and research, which tend to serve the high-tech segments of governmental demand. **First-quarter bookings handily exceeded sales,** even though sales were up 11.4% from the 2007 period. (Note that comparisons with a few years ago are distorted by the company's concentration on military products and systems, following last year's disposition of both its general aircraft division and Flight Aircraft, which serves the commercial airline industry. Last year's figures exclude the discontinued divisions, although it is our policy not to restate prior years.) The first quarter's order flow raised the March 31st backlog to a record $37.7 billion, which amounts to 165% of our estimate of 2008 sales. **Raytheon develops a considerable amount of "Cash Flow" in excess of its operating needs.** As a result, it has been able to raise its dividend four times in the past four years, and in recent years, the debt level has been reduced sharply. In addition, the company has an aggressive stock-repurchase program. These improvements have caused us to give the stock our Highest Safety rank. **Meanwhile, these shares are highly ranked for Timeliness over the coming year.** But their price is now over three times the low set back in 2000. As a result, even though we look for good growth in future years, the current valuation largely discounts the gains we foresee by 2011-2013.

Morton L. Siegel *June 20, 2008*

(A) Diluted earnings. Excl. nonrecur. chges.: '97, $1.35; '98, 81¢; '99, 15¢; '00, $1.05, '01, $3.49; '02, $3.74; '03, 41¢; '04, 55¢; '05, 16¢; '06, 1¢; gain: '06, 29¢; '07, $2.48. Next egs. rpt. due late July.
(B) Dividends historically paid in late January, April, July, October. ■ Div'd reinv. plan avail.
(C) Incl. intang. In '07: $11.6 billion, $27.28/sh.
(D) In mill.
(E) Accel. dep.
(F) Quarters based on full-year diluted shares.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	35
Earnings Predictability	65

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REPUBLIC SERVICES NYSE-RSG

RECENT PRICE 32.62 | P/E RATIO 17.6 (Trailing: 18.8 Median: 17.0) | RELATIVE P/E RATIO 1.14 | DIV'D YLD 2.3% | VALUE LINE

TIMELINESS — Suspended 7/25/08
SAFETY 2 Raised 9/7/07
TECHNICAL — Suspended 7/25/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

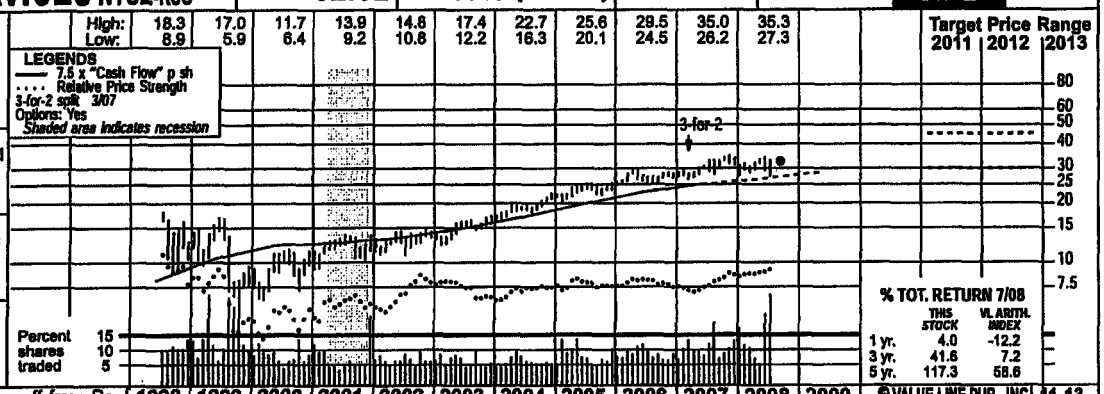
	Price	Gain	Ann'l Total Return
High	45	(+40%)	10%
Low	30	(-10%)	Nil

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	5	1	1	0	0
to Sell	0	0	0	0	5	1	1	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	146	162	141
to Sell	138	154	175
Hld's(000)	167809	168087	160608



Republic Services was spun off from Republic Industries (since renamed AutoNation) in July 1998. The initial public offering was for 50,600,000 domestic shares and 12,650,000 international shares, both at a price of $24 per share. The offering was through a syndicate led by Merrill Lynch; Deutsche Bank; and Donaldson, Lufkin & Jenrette. AutoNation sold its controlling 64% stake in the company in April 1999.

CAPITAL STRUCTURE as of 6/30/08

Total Debt $1617.0 mill. Due in 5 Yrs $600.0 mill.
LT Debt $1515.4 mill. LT Interest $75.0 mill.
(Total interest coverage: 6.6x) (55% of Cap'l)
Leases, Uncapitalized Annual rentals $6.5 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 181,995,777 shs.
as of 7/31/08

MARKET CAP: $5.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	29.1	21.8	13.1
Receivables	293.8	298.2	320.1
Inventory (FIFO)	--	--	--
Other	70.5	93.8	129.9
Current Assets	393.4	413.8	463.1
Accts Payable	161.5	625.1	139.7
Debt Due	2.6	2.3	101.6
Other	438.1	--	437.7
Current Liab.	602.2	627.4	679.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	--	11.5%	8.0%
"Cash Flow"	--	11.0%	8.5%
Earnings	--	7.5%	11.0%
Dividends	--	--	11.0%
Book Value	--	4.0%	8.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	677.2	718.6	730.0	738.1	2863.9
2006	737.5	779.8	787.1	766.2	3070.6
2007	765.6	808.4	806.2	796.0	3176.2
2008	779.2	827.5	*828.3*	*825*	*3260*
2009	*810*	*865*	*865*	*860*	*3400*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.29	.29	.30	.29	1.17
2006	.31	.35	.39	.34	C1.38
2007	.37	.41	.46	.41	C1.64
2008	.41	.46	*.48*	*.45*	*1.80*
2009	*.46*	*.51*	*.52*	*.51*	*2.00*

Calendar	QUARTERLY DIVIDENDS PAID D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.04	.04	.04	.08	.20
2005	.08	.08	.08	.093	.33
2006	.093	.093	.093	.107	.39
2007	.107	.107	.107	.17	.49
2008	.17	.17	.17	.19	

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	5.20	6.98	8.15	8.87	9.63	10.64	11.99	13.78	15.75	17.13	*18.10*	*19.45*	Revenues per sh	*24.40*
	1.08	1.41	1.64	1.68	1.78	1.97	2.26	2.63	3.03	3.34	*3.55*	*3.85*	"Cash Flow" per sh	*4.95*
	.67	.79	.86	.83	.85	.89	1.02	1.17	1.38	1.64	*1.80*	*2.00*	Earnings per sh A	*2.65*
	--	--	--	--	--	.08	.24	.35	.40	.55	.72	*.76*	Div'ds Decl'd per sh D	*.80*
	.73	1.10	.81	.98	1.05	1.15	1.26	1.56	1.73	1.58	*1.70*	*1.80*	Cap'l Spending per sh	*2.00*
	4.94	5.71	6.49	6.90	7.66	8.04	8.29	7.72	7.29	7.03	*6.95*	*8.00*	Book Value per sh	*11.90*
	263.12	263.22	258.02	254.47	245.49	236.74	225.87	207.90	195.00	185.42	*180.00*	*175.00*	Common Shs Outst'g B	*160.00*
	19.4	14.2	10.7	14.5	13.8	16.9	18.7	19.9	19.5	18.5	Bold figures are		Avg Ann'l P/E Ratio	*14.0*
	1.01	.81	.70	.74	.75	.96	.99	1.06	1.05	.97	Value Line		Relative P/E Ratio	*.95*
		--	--	--	--	.5%	1.3%	1.5%	1.5%	1.8%	estimates		Avg Ann'l Div'd Yield	*2.2%*
	1369.1	1838.5	2103.2	2257.5	2365.1	2517.8	2708.1	2863.9	3070.6	3176.2	*3260*	*3400*	Revenues ($mill)	*3900*
	28.5%	30.5%	30.3%	27.9%	27.6%	26.4%	26.8%	26.9%	27.1%	28.0%	*28.0%*	*28.5%*	Operating Margin	*29.0%*
	106.3	163.2	197.4	215.4	199.6	251.8	273.1	293.3	311.7	303.9	*310*	*325*	Depreciation ($mill)	*370*
	177.6	206.8	225.1	211.6	236.2	215.4	237.9	253.7	279.6	315.4	*325*	*350*	Net Profit ($mill)	*425*
	36.0%	38.5%	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%	37.0%	37.7%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
	13.0%	11.2%	10.7%	9.4%	10.0%	8.6%	8.8%	8.9%	9.1%	9.9%	*10.0%*	*10.3%*	Net Profit Margin	*10.9%*
	.2	d53.3	24.0	d61.6	60.1	d116.0	49.9	d184.7	d208.8	d213.6	*d200*	*d150*	Working Cap'l ($mill)	*50.0*
	557.2	1152.1	1200.2	1334.1	1439.3	1289.2	1351.9	1472.1	1544.6	1565.5	*1500*	*1500*	Long-Term Debt ($mill)	*1500*
	1299.1	1502.7	1674.9	1755.9	1881.1	1904.5	1872.5	1605.8	1422.1	1303.8	*1250*	*1400*	Shr. Equity ($mill)	*1900*
	9.7%	8.9%	9.2%	8.1%	8.2%	7.8%	8.6%	9.6%	10.8%	12.4%	*13.0%*	*13.5%*	Return on Total Cap'l	*13.5%*
	13.7%	13.8%	13.4%	12.1%	12.6%	11.3%	12.7%	15.8%	19.7%	24.2%	*26.0%*	*25.0%*	Return on Shr. Equity	*22.5%*
	13.7%	13.8%	13.4%	12.1%	12.6%	10.3%	10.2%	11.3%	14.1%	16.4%	*15.5%*	*15.5%*	Retained to Com Eq	*15.5%*
	--	--	--	--	--	9%	19%	28%	28%	32%	*40%*	*38%*	All Div'ds to Net Prof	*30%*

BUSINESS: Republic Services, Inc. is one of the largest non-hazardous solid waste companies in the U.S., providing collection, processing, recycling, and disposal services. The company owns and operates 58 solid waste landfills, 94 transfer stations, and 33 recycling facilities ('07 10-K). Provides collection services for municipal, industrial, commercial, and residential customers through 136 collection companies in 21 states. Acq. Olympic Disposal, 8/98; Imperial Sanitation, 8/98; Rapid Disposal, 8/98. Has 13,000 employees. Officers/directors as a group own less than 1% of common (4/08 Proxy). Chairman & CEO: James E. O'Connor, Inc.: Delaware. Addr.: 110 S.E. 6th St., 28th Floor, Fort Lauderdale, FL 33301. Tel.: 954-769-2400. Internet: www.republic.com.

Republic Services has agreed to buy rival Allied Waste for upwards of $6 billion in stock. Under terms of the transaction, announced on June 23rd and expected to close in the fourth quarter, Republic will pay Allied Waste shareholders .45 of a Republic share for each share of Allied held. The combined entity will bear the Republic Services name and still be headed by CEO James O'Connor, but shareholders of Allied will own 52% of the trash hauler once the merger is completed. **The deal seems to make sense,** despite the fact that M&A activity in the waste industry has not always produced positive results. The addition of Allied should help Republic to widen its geographic footprint and expand its still-small landfill business. Moreover, the new company, with sector leader Waste Management as its only national competitor, ought to benefit from a benign pricing environment. In the meantime, from a financial standpoint . . . **The transaction is expected to be accretive to share net in 2009 and to yield $150 million in annual operating synergies within three years.** Cost savings will most likely stem from collection route optimization and transfer station-related efficiency gains. Headcount reductions will probably be limited, however, especially since the two companies' service territories do not overlap very much.

Republic has rejected unsolicited takeover bids from Waste Management. Concerned about the ramifications of a Republic/Allied tie-up, Waste Management, in July, offered to buy Republic for $34 a share in cash (this amount was later raised to $37 a share). But Republic dismissed the bids as inadequate and reiterated its commitment to the Allied deal. In fact, in an effort to avoid a hostile takeover battle with Waste Management, Republic has put in place measures that would penalize companies for trying to make large-scale purchases of its stock.

These unranked shares have some speculative, long-term appeal. While the company appears richly valued on a stand-alone basis, anticipated synergies from the Republic/Allied merger should give a big boost to the bottom line by 2011-2013. (Note that our estimates will not factor in Allied until the transaction closes.)

Justin Hellman *September 5, 2008*

(A) Diluted earnings. Excludes nonrecurring losses: '99, 3¢; '01, 34¢. Excludes gain: '02, 1¢. Next earnings report due in late October.
(B) In millions, adjusted for split.
(C) Quarterly share net does not sum to year-end total in 2006 & 2007 due to rounding.
(D) Quarterly cash dividend initiated in July 2003. Payments typically made in October, January, April, and July.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	100
Earnings Predictability	95

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SARA LEE NYSE-SLE

RECENT PRICE 13.17 | P/E RATIO 15.5 (Trailing: 14.3 Median: 17.0) | RELATIVE P/E RATIO 1.00 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS 3 New 5/2/08
SAFETY 2 Lowered 2/1/08
TECHNICAL 4 Lowered 7/11/08
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	25	(+90%)	20%
Low	20	(+50%)	14%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	1	2	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	1	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	147	188	194
to Sell	251	231	227
Hld's(000)	499559	500852	494404

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:	28.9	31.8	29.0	25.3	24.8	23.8	23.1	24.5	25.0	19.6	18.2	16.1								
Low:	18.3	22.2	21.1	13.4	18.3	16.2	16.3	20.2	17.3	14.1	14.8	12.0								
	13.80	15.02	16.16	18.43	19.20	20.54	21.72	22.64	20.69	22.70	22.46	23.53	24.64	24.50	20.95	16.95	18.95	20.15	Sales per sh A	23.10
	1.10	1.23	1.31	1.43	1.56	1.72	1.84	1.90	2.06	2.19	1.99	2.22	2.31	2.31	1.81	1.48	1.55	1.70	"Cash Flow" per sh	2.30
	.62	.70	.74	.81	.92	1.02	1.11	1.21	1.27	1.33	1.36	1.49	1.59	1.36	.93	.72	.80	.90	Earnings per sh B	1.40
	.31	.28	.31	.34	.37	.41	.45	.49	.53	.57	.60	.62	.75	.78	.79	.40	.42	.44	Div'ds Decl'd per sh C=	.55
	.53	.75	.65	.50	.56	.57	.51	.61	.76	.68	.85	.96	.67	.66	.82	.87	.80	.80	Cap'l Spending per sh	.85
	3.18	3.33	3.14	3.79	4.16	4.17	1.69	1.17	1.19	1.15	1.93	2.36	3.71	3.74	3.22	3.61	2.60	3.05	Book Value per sh D	4.10
	959.45	970.76	961.53	961.31	970.11	960.55	921.33	883.78	846.33	781.96	784.72	777.35	793.92	785.89	760.98	724.43	705.00	695.00	Common Shs Outst'g E	650.00
	18.5	19.9	18.2	15.4	17.0	18.5	24.1	21.8	16.1	15.6	15.6	13.5	13.2	16.4	19.7	23.3	19.0		Avg Ann'l P/E Ratio	17.0
	1.18	1.18	1.06	1.03	1.06	1.07	1.25	1.24	1.05	.80	.85	.77	.70	.87	1.06	1.22	1.05		Relative P/E Ratio	1.15
	2.5%	2.0%	2.6%	2.7%	2.4%	2.2%	1.7%	1.9%	2.6%	2.7%	2.8%	3.1%	3.6%	3.5%	4.3%	2.4%	2.8%		Avg Ann'l Div'd Yield	2.4%
							20011	20012	17511	17747	17628	18291	19566	19254	15944	12278	13350	14000	Sales ($mill) A	15000
							11.9%	11.5%	13.4%	12.5%	11.5%	12.0%	11.3%	11.3%	12.8%	10.9%	11.5%	12.0%	Operating Margin	13.5%
							618.0	553.0	602.0	599.0	471.0	532.0	561.0	737.0	662.0	539.0	510	525	Depreciation ($mill)	580
							1102.0	1147.5	1158.0	1136.0	1111.0	1212.0	1272.0	1081.0	714.0	536.0	590	645	Net Profit ($mill)	915
							31.0%	28.7%	26.1%	21.0%	18.0%	17.7%	17.5%	15.8%	38.2%	11.3%	33.0%	32.0%	Income Tax Rate	31.0%
							5.5%	5.7%	6.6%	6.4%	6.3%	6.6%	6.5%	5.6%	4.5%	4.4%	4.4%	4.6%	Net Profit Margin	6.1%
							d513.0	d966.0	d785.0	125.0	d477.0	754.0	323.0	843.0	497.0	1342.0	550	400	Working Cap'l ($mill)	425
							2270.0	1892.0	2248.0	2640.0	4326.0	5157.0	4171.0	4115.0	3807.0	2803.0	3050	2800	Long-Term Debt ($mill)	2250
							1866.0	1299.0	1259.0	1137.0	1742.0	2052.0	2948.0	2938.0	2449.0	2615.0	1845	2135	Shr. Equity ($mill)	2660
							28.5%	38.7%	34.9%	33.4%	20.3%	18.4%	19.4%	17.2%	13.7%	11.8%	13.5%	15.0%	Return on Total Cap'l	20.0%
							59.1%	88.3%	92.0%	99.9%	63.8%	59.1%	43.1%	36.8%	29.2%	20.5%	32.0%	30.0%	Return on Shr. Equity	34.5%
							42.0%	66.1%	66.8%	72.3%	41.4%	39.0%	18.9%	21.0%	10.1%	6.2%	16.0%	15.5%	Retained to Com Eq	21.0%
							41%	40%	42%	43%	44%	41%	56%	43%	65%	70%	50%	48%	All Div'ds to Net Prof	39%

LEGENDS
10.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-27.6	-18.0
3 yr.	-31.9	11.3
5 yr.	-23.1	63.2

CAPITAL STRUCTURE as of 3/29/08
Total Debt $3365 mill. Due in 5 Yrs $3166 mill.
LT Debt $2478 mill. LT Interest $205.0 mill.
Incl. ESOP loan guarantees.
(LT Interest earned: 6.0x; total interest coverage: 5.0x)
(42% of Cap'l)

Pension Assets - 6/07 $4.3 bill. Oblig. $4.9 bill.

Common Stock 706,307,100 shs.

MARKET CAP: $9.3 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/29/08
Cash Assets	2231	2520	1258
Receivables	1750	1307	1433
Inventory (FIFO)	2153	1050	1297
Other	640	766	720
Current Assets	6774	5643	4708
Accts Payable	1226	1075	1068
Debt Due	2152	1464	887
Other	2899	1762	1814
Current Liab.	6277	4301	3769

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	.5%	-1.0%	2.0%
"Cash Flow"	2.0%	-2.0%	3.5%
Earnings	1.0%	-5.5%	5.5%
Dividends	6.0%	3.0%	-3.0%
Book Value	-1.5%	20.0%	7.5%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	4757	5073	4670	4754	19254
2006	3900	4155	3789	4100	15944
2007	2891	3182	3006	3199	12278
2008	3131	3491	3243	3485	13350
2009	3300	3675	3400	3625	14000

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.Per	Dec.Per	Mar.Per	Jun.Per	Full Fiscal Year
2005	.44	.40	.23	.29	1.36
2006	.28	.32	.22	.11	.93
2007	.21	.21	.13	.17	.72
2008	.10	.22	.22	.26	.80
2009	.13	.24	.25	.28	.90

Calendar	QUARTERLY DIVIDENDS PAID C= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.1875	.1875	.1875	.1875	.75
2005	.1975	.1975	.1975	.1975	.79
2006	.1975	.1975	.1975	.10	.69
2007	.10	.10	.10	.10	.40
2008	.105	.105	.105		

BUSINESS: Sara Lee Corporation is a diversified international manufacturer and marketer of branded consumer products with operations in beverages, specialty meats, baked goods, and household/personal care. Meats group includes: *Hillshire Farms, Jimmy Dean,* and *Ball Park.* Bakery group includes *Earthgrains* and *Sara Lee.* Beverage group includes numerous brands of coffee and tea. Apparel business (intimates and underwear) spun off, 9/06. Int'l sales: 54% of total. '07 deprec. rate: 10.1%. Has about 52,000 employees. Officers & directors own less than 1% of stock; three financial institutions, 18.5% (9/07 proxy). Chairman & CEO: Brenda C. Barnes. Inc.: Maryland. Address: Three First National Plaza, Chicago, IL 60602. Tel.: 312-726-2600. Internet: www.saralee.com.

Sara Lee's top line is climbing at a good clip. Foreign currency translations are providing a noticeable boost, reflecting the company's sizable presence overseas, where it generates over half of its sales. Otherwise, revenues have been rising at a solid, mid-single-digit clip, with all six businesses contributing to the gains. Price increases to combat rising commodity costs have been a big element of this growth, particularly in the North American and International Bakery divisions. Thus far, these actions don't seem to be sparking too much resistance from consumers.

Sara Lee likely halted a three-year earnings slump in fiscal 2008, which ended on June 28th. Lower interest expense and a smaller share base have share net headed back in the right direction, and the company probably maintained this momentum in the June quarter. From an operating perspective, though, progress has been slower to develop, with adjusted operating income actually declining modestly year over year during the first nine months of the fiscal year. Still,

The food producer appears to be gaining the upper hand on rising commodity costs. In fact, improved pricing, along with lower marketing spending and ongoing cost-cutting initiatives, should allow Sara Lee to report meaningful growth in operating profits for the final three months of fiscal 2008.

The stock is an Average (3) selection for Timeliness. Likewise, total return potential to 2011-2013, though getting a boost from an above-average dividend yield, is unexceptional in our view. Earnings now look to be headed in the right direction, and should climb another 13%, to $0.90 a share, in fiscal 2009. The market, though, seems reluctant to give Sara Lee much credit for this just yet. The restructuring efforts begun by management in 2005 have been slow to bear fruit, and profits will likely remain below their mid-decade peak for several more years. Too, the company has expressed concerns about the impact on its business of volatile commodity prices and weaker economic conditions in some key markets. In response, we have trimmed our fiscal 2008 and 2009 calls by $0.02 and $0.05, respectively, since our May report.

Robert M. Greene, CFA *August 1, 2008*

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	10
Earnings Predictability	65

(A) Fisc. year ends on Sat. closest to June 30. (B) Primry. egs. until fisc. '97. Diluted egs. beg. fisc. '98. Excl. net nonrecurr. items: '92, 15¢; '94, d55¢; '98, d$1.73; '99, 5¢; '00, 49¢; '01, 55¢; '02, 1¢; '05 d7¢; '06, d40¢; '07, d15¢; '08, d$1.00. Excl. disc. ops.: '00, 8¢; '01, 77¢; '02, 14¢; '03, 1¢; '05, 2¢; '06, 19¢; '07, 10¢. Next egs. report due August 7th. (C) Dividends paid in Jan., April, July, Oct. = Div'd. reinv. plan avail. (D) Incl. intang. In '07: $3,759 mill.; $5.19/sh. (E) In mill., adj. for stock split.

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SIGMA-ALDRICH NDQ-SIAL

RECENT PRICE 57.56 | P/E RATIO 22.1 (Trailing: 23.8 Median: 19.0) | RELATIVE P/E RATIO 1.35 | DIV'D YLD 0.9% | VALUE LINE

TIMELINESS 1 Raised 5/2/08
SAFETY 1 Raised 12/15/06
TECHNICAL 3 Lowered 5/23/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+20%)	6%
Low	60	(+5%)	2%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	1	0	0	0	0
Options	5	10	0	8	4	0	1	7	2
to Sell	3	10	0	9	2	0	0	7	2

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	148	179	189
to Sell	188	214	227
Hld's(000)	97567	98450	98937

High: 20.6 21.4 17.6 20.4 25.7 26.4 29.0 30.8 33.6 39.7 56.6 63.0
Low: 13.4 12.9 12.3 10.1 18.1 19.1 20.5 26.6 27.7 31.3 37.4 47.1

LEGENDS
14.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 1/07
2-for-1 split 1/07
Options: Yes
Shaded area indicates recession

Target Price Range 2011 2012 2013

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	37.0	-9.7
3 yr.	102.7	27.3
5 yr.	137.7	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
3.29	3.71	4.27	4.81	5.17	5.61	5.93	5.14	5.56	6.08	8.49	9.12	10.25	12.22	13.45	15.40	*17.95*	*19.70*	Sales per sh A	*23.15*
.62	.70	.74	.87	.97	1.07	1.13	1.07	1.05	1.45	1.39	1.84	2.23	2.55	2.74	3.09	*3.45*	*3.85*	"Cash Flow" per sh	*4.85*
.48	.54	.55	.66	.74	.83	.83	.74	.83	.94	.89	1.34	1.67	1.88	2.05	2.34	*2.60*	*2.85*	Earnings per sh B	*3.60*
.07	.08	.09	.10	.11	.13	.14	.15	.18	.17	.17	.22	.26	.38	.42	.46	.52	.58	Div'ds Decl'd per sh C	.70
.16	.38	.36	.30	.47	.54	.85	.46	.35	.75	.43	.38	.51	.68	.56	.60	*.65*	*.65*	Cap'l Spending per sh	*.75*
2.57	2.97	3.51	4.13	4.71	5.28	6.04	6.24	4.36	5.54	6.20	7.02	8.82	9.04	10.56	12.21	*13.60*	*14.80*	Book Value per sh	*18.45*
199.10	199.22	199.33	199.51	200.09	200.75	201.25	201.81	197.14	146.03	142.25	142.28	137.46	136.40	133.67	132.41	*129.00*	*127.00*	Common Shs Outst'g D	*125.00*
25.8	22.9	18.5	16.8	18.9	19.9	20.9	20.9	18.7	23.2	26.5	19.1	17.1	16.4	17.2	19.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
1.56	1.35	1.21	1.12	1.18	1.15	1.09	1.19	1.22	1.19	1.45	1.09	.90	.87	.93	1.01			Relative P/E Ratio	*1.20*
.5%	.6%	.8%	.9%	.8%	.8%	.8%	.9%	1.0%	.6%	.7%	.8%	.9%	1.2%	1.2%	1.0%			Avg Ann'l Div'd Yield	*1.1%*
1194.3	1037.9	1096.3	1179.4	1207.0	1298.1	1409.2	1668.5	1797.9	2038.7	*2315*	*2500*	Sales ($mill) A	*2895*
25.6%	26.1%	25.3%	24.5%	26.8%	27.8%	28.2%	26.9%	28.1%	28.0%	*26.5%*	*26.5%*	Operating Margin	*28.0%*
61.8	66.9	67.6	71.4	66.3	69.3	73.4	90.1	90.9	97.8	*110*	*125*	Depreciation ($mill)	*155*
166.3	148.6	139.1	140.7	130.7	193.1	232.9	258.3	276.0	311.1	*335*	*360*	Net Profit ($mill)	*450*
31.4%	27.1%	31.5%	30.2%	52.0%	29.2%	25.3%	24.8%	27.0%	28.9%	*28.0%*	*29.0%*	Income Tax Rate	*29.0%*
13.9%	14.3%	12.7%	11.9%	10.8%	14.9%	16.5%	15.5%	15.4%	15.3%	*14.5%*	*14.4%*	Net Profit Margin	*15.5%*
630.3	669.0	378.3	329.7	429.2	557.6	662.5	489.5	670.3	647.5	*600*	*620*	Working Cap'l ($mill)	*650*
.4	.2	100.8	177.7	176.8	176.3	177.1	283.2	337.9	207.0	*200*	*200*	Long-Term Debt ($mill)	*300*
1216.4	1259.4	859.3	809.7	882.2	999.3	1211.7	1233.4	1410.9	1616.6	*1755*	*1880*	Shr. Equity ($mill)	*2305*
13.7%	11.8%	14.8%	14.9%	12.9%	16.9%	17.0%	17.4%	16.5%	17.6%	*17.0%*	*17.0%*	Return on Total Cap'l	*17.5%*
13.7%	11.8%	16.2%	17.4%	14.8%	19.3%	19.2%	20.9%	19.6%	19.2%	*19.0%*	*19.0%*	Return on Shr. Equity	*19.5%*
11.3%	9.4%	13.1%	14.3%	12.1%	15.8%	15.3%	16.8%	15.6%	15.5%	*15.5%*	*15.5%*	Retained to Com Eq	*16.0%*
17%	20%	19%	17%	19%	18%	20%	20%	20%	19%	*20%*	*20%*	All Div'ds to Net Prof	*19%*

CAPITAL STRUCTURE as of 3/31/08
Total Debt $504.5 mill. Due in 5 Yrs $304.4 mill.
LT Debt $200.1 mill. LT Interest $12.2 mill. (10% of Cap'l)
No Defined Benefit Pension Plan
Leases, Uncapitalized Annual rentals $13.4 mill.
Pfd Stock None
Common Stock 131,726,092 shs. as of 4/27/08
MARKET CAP: $7.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	173.8	237.6	226.4
Receivables	248.0	276.3	333.7
Inventory (LIFO)	596.0	653.6	689.9
Other	95.1	115.0	129.7
Current Assets	1112.9	1282.5	1379.7
Accts Payable	97.2	131.0	120.1
Debt Due	189.0	331.3	304.4
Other	156.4	172.7	211.6
Current Liab.	442.6	635.0	636.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	10.0%	13.0%	9.0%
"Cash Flow"	11.0%	16.5%	9.5%
Earnings	11.0%	19.0%	9.5%
Dividends	14.0%	21.0%	9.0%
Book Value	8.5%	14.5%	9.5%

Calendar	QUARTERLY SALES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	399.8	444.0	412.2	410.5	1666.5
2006	443.1	448.5	441.4	464.9	1797.9
2007	495.9	507.5	503.2	532.1	2038.7
2008	569.6	*580*	*575*	*590.4*	*2315*
2009	*610*	*620*	*630*	*640*	*2500*

Calendar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.54	.45	.47	.42	1.88
2006	.49	.52	.52	.52	2.05
2007	.56	.60	.54	.64	2.34
2008	.64	.70	.63	.63	*2.60*
2009	*.70*	*.70*	*.72*	*.73*	*2.85*

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.085	.085	.085	--	.26
2005	.09	.09	.10	.10	.38
2006	.10	.10	.11	.11	.42
2007	.115	.115	.115	.115	.46
2008	.13	.13			

BUSINESS: Sigma-Aldrich Corp. develops, manufactures, and distributes a wide range of biochemicals, organic chemicals, chromatography products and diagnostic reagents. The company markets more than 130,000 products in 165 countries. These products are used in research and development in universities, in the chemical industry, in the diagnosis of disease, and as specialty chemicals for manufacturing processes. Foreign sales about 61% of '07 rev. Has about 7,745 employees. Offs. and dirs. own 1.9% of shares; State Farm Mutual Fund, 10.9%; Capital World Investors, 7% (3/08 proxy). Chairman: David Harvey; Pres. & CEO: Jai Nagarkatti. Inc.: DE. Address: 3050 Spruce St., St. Louis, MO 63103. Tel.: 314-771-5765. Internet: www.sigma-aldrich.com.

We look for Sigma-Aldrich to post share net of around $2.60 in 2008. Sigma has a 20% share of the domestic market and a 10% share of the global market for research chemical sales. We are conservatively estimating internal revenue growth of 7% this year. The February, 2007 Epichem purchase is expected to have a more robust effect on the top line. Currency translation benefits should add another 4% to revenue. Additionally, the bottom line ought to benefit from the repurchase of around three million shares. We also believe Sigma's supply chain initiatives will help keep costs down.

Profits should continue upward next year. Our numbers reflect the effect of minor acquisitions (under $50 million in annual sales), since such minor bolt-on purchases have been a constant element in SIAL's business strategy. Such buys will most likely add to the Sigma-Aldrich Fine Chemicals (SAFC), and Research Biotech segments, since these are faster-growing, and more profitable, particularly overseas (where SIAL generates about 60% of total sales). Share buybacks will probably continue, albeit at a slower clip.

The company has executed well on the bottom line over the last few years, and should continue to do so. The Stock Price Stability and Earnings Predictability ratings have both improved during this decade. Sigma has wisely segued into faster-growth niches, specifically into the drug and biotech industries. This has helped earnings growth. Earnings stability has been achieved by courting more smaller accounts (those under $1 million), thus increasing market share and spreading risk. SIAL has also kept costs down by enhancing inventory management, and has subsequently reduced product obsolescence. It has also minimized delivery times to the customer, by working closely with suppliers.

This timely stock has possessed our top rank for Safety (1) since 2006. This is a major reason it has become an institutional darling on Wall Street. Rock solid finances, robust cash flow generation, and monumental market share means that it is difficult to purchase these shares at anything but a premium price. **We encourage accumulation on weakness.**

Jeremy J. Butler *June 13, 2008*

(A) Incl. the acquisitions of the Supelco chromatography division of Rohm and Haas from 5/93; and Circle AW Products Company from 6/93.
(B) Basic earnings until end of '97, diluted thereafter. Excludes loss from discontinued operations: '02, $0.76. Next earnings report due mid-July.
(C) Dividends historically paid in mid-March, June, September, and December.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	80
Earnings Predictability	70

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SUNTRUST BANKS NYSE-STI

RECENT PRICE 42.89 | P/E RATIO 18.3 (Trailing: 21.2 / Median: 13.0) | RELATIVE P/E RATIO 1.14 | DIV'D YLD 7.4% | VALUE LINE

TIMELINESS 4 Lowered 5/2/08
SAFETY 1 Raised 2/23/07
TECHNICAL 4 Lowered 8/15/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+135%)	28%
Low	80	(+85%)	22%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	1	1	0	0	0	0	1	0
Options	0	1	0	0	1	0	0	0	0
to Sell	0	0	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	222	221	233
to Sell	273	276	254
Hld's(000)	197026	209761	217914

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
High:					75.3	87.8	80.6	68.1	72.4	70.2	71.7	76.6	75.8	85.6	94.2	70.0				
Low:					44.1	54.0	60.4	41.6	57.3	51.5	51.4	61.3	65.3	69.7	60.0	25.6				
Earnings per sh A E	1.64	1.89	2.19	2.47	2.76	3.13	3.08	3.54	4.35	4.77	4.71	4.79	5.25	5.48	5.68	4.11	2.35	3.55	Earnings per sh A E	5.70
Div'ds Decl'd per sh B ■	.52	.58	.66	.74	.83	.93	1.00	1.38	1.48	1.60	1.72	1.80	2.00	2.20	2.44	2.92	3.08	3.20	Div'ds Decl'd per sh B ■	3.75
Book Value per sh C	10.83	14.74	14.93	18.86	22.66	24.59	25.47	24.73	27.81	28.97	31.04	34.52	44.30	46.65	48.78	50.38	51.00	52.70	Book Value per sh C	70.70
Common Shs Outst'g D	249.72	244.94	231.36	226.39	215.33	211.41	321.12	308.35	296.27	288.60	282.50	281.92	360.84	361.98	354.90	348.41	355.50	355.50	Common Shs Outst'g D	365.00
Avg Ann'l P/E Ratio	12.0	11.9	10.9	12.0	14.2	16.9	23.5	19.3	12.1	13.5	13.4	12.7	13.1	13.2	13.5	19.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	16.0
Relative P/E Ratio	.73	.70	.71	.80	.89	1.09	1.22	1.10	.79	.69	.73	.72	.69	.70	.73	1.02			Relative P/E Ratio	1.05
Avg Ann'l Div'd Yield	2.6%	2.6%	2.8%	2.5%	2.1%	1.6%	1.4%	2.0%	2.8%	2.5%	2.7%	3.0%	2.9%	3.0%	3.2%	3.7%			Avg Ann'l Div'd Yield	4.2%
Total Assets ($mill)							93170	95390	103496	104741	117323	125393	158870	179713	182162	179574	180500	187000	Total Assets ($mill)	246000
Loans ($mill)							64145	65132	71365	68092	72238	79790	100376	113527	120410	121036	127300	134000	Loans ($mill)	167000
Net Interest Inc ($mill)							2929.1	3145.5	3108.4	3252.6	3243.7	3320.3	3685.2	4579.0	4660.5	4719.5	4700	4780	Net Interest Inc ($mill)	5800
Loan Loss Prov'n ($mill)							214.6	170.4	134.0	275.2	469.8	313.6	135.5	176.9	262.5	664.9	1600	820	Loan Loss Prov'n ($mill)	380
Noninterest Inc ($mill)							1716.2	1660.0	1773.6	2155.8	2391.7	2303.0	2604.4	3155.0	3470.9	3297.4	3375	3480	Noninterest Inc ($mill)	4700
Noninterest Exp ($mill)							2932.4	2939.4	2828.5	3113.5	3342.3	3400.6	3897.0	4718.6	4919.4	5233.8	5300	5640	Noninterest Exp ($mill)	7050
Net Profit ($mill)							971.0	1124.0	1294.1	1369.2	1331.8	1332.3	1572.9	1967.9	2047.6	1471.8	825	1260	Net Profit ($mill)	2070
Income Tax Rate							35.2%	33.7%	32.6%	32.2%	27.0%	30.2%	30.3%	30.7%	30.6%	30.5%	30.0%	30.0%	Income Tax Rate	32.5%
Return on Total Assets							1.04%	1.18%	1.25%	1.31%	1.14%	1.06%	.99%	1.10%	1.12%	.82%	.45%	.65%	Return on Total Assets	.85%
Long-Term Debt ($mill)							4757.9	4967.3	7895.4	11011	10230	15314	22127	20779	18993	22957	22000	22500	Long-Term Debt ($mill)	31000
Shr. Equity ($mill)							8178.6	7626.9	8239.2	8359.6	8769.5	9731.2	15987	16887	17814	18053	18100	18700	Shr. Equity ($mill)	25800
Return on Shr. Equity							11.8%	14.7%	15.7%	16.4%	15.2%	13.7%	9.8%	11.7%	11.5%	8.2%	4.5%	6.5%	Return on Shr. Equity	8.0%
Retained to Com Eq							7.6%	9.0%	10.3%	10.8%	9.6%	8.5%	6.1%	6.9%	6.7%	2.4%	NMF	.5%	Retained to Com Eq	2.5%
All Div'ds to Net Prof							36%	39%	34%	34%	37%	38%	38%	40%	43%	72%	NMF	93%	All Div'ds to Net Prof	68%
Sales per sh							8.8%	8.0%	8.0%	8.0%	7.5%	7.8%	10.1%	9.4%	9.8%	10.1%	10.0%	10.0%	Shr. Eq. to Total Assets	10.5%
Cash Flow per sh							68.8%	68.3%	69.0%	65.0%	61.6%	63.6%	63.2%	63.2%	66.1%	67.4%	70.5%	71.5%	Loans to Tot Assets	68.0%

CAPITAL STRUCTURE as of 6/30/08
LT Debt $21328.0 mill. LT Interest $1280.0 mill.

Pension Assets-12/07 $2287.3 mill.
Oblig. $1726.6 mill.

Pfd Stock $500.0 mill. Pfd Div'd $30.3 mill.

Common Stock 353,542,105 shs.

MARKET CAP: $15.2 billion (Large Cap)

ASSETS ($Mill.)	2006	2007	6/30/08
Loans	120410	121036	123995
Funds Sold	1050	1347	1920
Securities	27879	26783	25446
Other Earning	22	24	23
Other	32801	30384	26030
LIABILITIES ($Mill.)			
Deposits	99776	101870	102434
Funds Borrowed	13881	12201	10904
Long-Term Debt	18993	22957	21328
Shr. Equity	17814	18053	17907
Other	31698	24493	24841
Total	182162	179574	177414
Loan Loss Resrv.	1045	1283	1829

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	8.0%	6.5%	6.0%
Earnings	6.0%	2.0%	2.0%
Dividends	11.5%	9.5%	7.0%
Book Value	8.0%	10.5%	6.5%
Total Assets	7.5%	6.0%	5.0%

Calendar	LOANS ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31
2005	103737	108558	111381	113527
2006	117091	119181	120150	120410
2007	115879	117737	119655	121036
2008	122168	123995	126000	127300
2009	128600	130500	132300	134000

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.34	1.30	1.41	1.43	5.48
2006	1.48	1.51	1.28	1.41	5.68
2007	1.39	1.50	1.29	d.07	4.11
2008	.29	.51	.75	.80	2.35
2009	.86	.89	.90	.90	3.55

Calendar	QUARTERLY DIVIDENDS PAID ■ B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.50	.50	.50	.50	2.00
2005	.55	.55	.55	.55	2.20
2006	.61	.61	.61	.61	2.44
2007	.73	.73	.73	.73	2.92
2008	.77	.77	.77		

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-45.1	-12.2
3 yr.	-37.0	7.2
5 yr.	-20.3	58.6

Target Price Range 2011 | 2012 | 2013

BUSINESS: SunTrust Banks is one of the largest bank holding companies in the Southeast. It was created by the merger of Trust Corp. of Georgia and Sun Banks on 7/1/85. Acquired GB&T Bancshares, 5/08; National Commerce Financial, 10/04; Lighthouse Financial, 6/03; and others. As of 12/31/07, real estate loans were 61% of total loans; commercial, 29%; consumer loans and other, 10%. As of 12/31/07 net charge-offs to average loans, .35%; allowance to year-end loans, 1.05%; nonperforming assets to total loans, 1.35%. Officers and directors own 1.1% of common shares (3/08 proxy). Chairman and CEO: James M. Wells III. Incorporated: Georgia. Address: 25 Park Place N.E., Atlanta, Georgia 30303. Telephone: 404-588-7711. Internet: www.suntrust.com.

These are challenging times for SunTrust. Deteriorating conditions in the housing market have caused both charge-offs and nonperforming assets to climb. (Real estate loans account for roughly 60% of total loans at present.) Consequently, management has boosted the provision for loan losses to an extra high level. Unfortunately, it appears that these unfavorable trends will persist a while longer.

But we see some bright patches. For one thing, there has been a substantial decline in net valuation losses from distressed assets, including structured investment vehicles, that were purchased to bail out certain money market funds during the fourth quarter of last year. That's because management is slashing exposure to the aforesaid securities (amounting to less than $800 million at the end of the second quarter, compared to over $2.6 billion at yearend 2007) via sales and paydowns. Efforts to improve operating efficiency are also helping SunTrust, to a certain degree.

But share net may still plummet about 43%, to $2.35, in 2008. A partial bottom-line recovery seems possible next year, if business conditions improve (which should prompt management to drastically reduce the provision for loan losses).

The company sold 10 million shares of stock in The Coca-Cola Company, leading to a gain of $0.99 a share during the second quarter, excluded from our figures. Moreover, 3.6 million Coke shares were donated to the SunTrust Foundation (which should result in an income-tax deduction in this year's third quarter). The remaining 30 million Coke shares are expected to be sold in time. These deals raise sorely needed capital in these hard times.

SunTrust acquired $225 million in FDIC-insured deposits of the failed First Priority Bank in Florida. We think the current operating environment may present similar opportunities for the company to expand its client base.

Despite recent strength, the untimely stock is still trading at much-reduced levels, given the bank's weak near-term earnings prospects.

But we see good price-recovery potential here, as supported by our upbeat 2011-2013 projections. Patient investors may want to take a look.

Frederick L. Harris, III *August 22, 2008*

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	75

(A) Primary earnings through '96; Basic thereafter. Excludes nonrecurring gains: '99, 64¢; '01, 2¢; '05, 5¢; '06, 19¢; '07, 46¢; Q1 '08, 53¢; Q2, $1.02. Next egs. report due late Oct.
(B) Dividends historically paid in the middle of March, June, Sept., Dec.
■ Div'd reinvestment plan available.
(C) Incl. intangibles: '07: $6,284.5 mill. or 2¢ per share.
(D) In millions, adj. for stock split and dividend.
(E) Excludes SEC adj. to increase earnings: '84, 7¢; '85, 9¢; '86, 11¢.

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TOOTSIE ROLL NYSE-TR

RECENT PRICE 27.17 | P/E RATIO 32.7 (Trailing: 31.7 / Median: 26.0) | RELATIVE P/E RATIO 2.11 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 3 Raised 8/24/07
SAFETY 1 Raised 5/14/99
TECHNICAL 3 Lowered 6/27/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+10%)	4%
Low	25	(-10%)	Nil

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	1	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	59	52	48
to Sell	54	55	68
Hld's(000)	16991	17613	18560

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	11-13
High:	23.6	35.6	36.0	37.7	41.0	40.2	32.1	34.0	31.0	32.0	31.5	27.9							
Low:	13.1	21.0	22.5	21.9	28.5	24.4	22.8	25.8	26.1	24.7	22.8	21.8							
Sales per sh A	3.74	3.95	4.52	4.76	5.20	5.80	6.04	6.27	6.88	6.83	6.46	6.61	7.14	8.41	8.70	9.36	8.95	9.10	9.65
"Cash Flow" per sh	.58	.67	.78	.78	.90	1.13	1.25	1.28	1.44	1.33	1.28	1.29	1.29	1.39	1.43	1.28	1.15	1.20	1.45
Earnings per sh A B	.49	.54	.58	.62	.72	.93	1.05	1.12	1.21	1.06	1.08	1.09	1.13	1.12	1.15	.91	.83	.90	1.15
Div'ds Decl'd per sh C	.05	.06	.07	.08	.10	.12	.15	.18	.21	.23	.23	.24	.25	.27	.30	.31	.32	.33	.38
Cap'l Spending per sh	.19	.43	.12	.07	.15	.13	.23	.32	.26	.23	.17	.20	.31	.25	.69	.28	.35	.35	.35
Book Value per sh D	2.77	3.23	3.66	4.15	4.77	5.42	6.18	6.80	7.39	8.20	8.66	9.04	9.69	10.65	11.06	12.13	13.50	14.05	16.15
Common Shs Outst'g E	65.66	65.65	65.63	65.62	65.60	64.78	64.32	63.29	62.06	61.99	60.84	59.39	58.84	57.99	57.03	52.63	55.00	55.00	55.00
Avg Ann'l P/E Ratio	23.5	22.1	18.4	19.1	17.7	19.1	26.6	26.1	23.3	32.5	29.2	24.6	26.1	25.2	24.1	29.6	Bold figures are Value Line estimates		25.0
Relative P/E Ratio	1.43	1.31	1.21	1.28	1.11	1.10	1.38	1.49	1.51	1.67	1.60	1.40	1.38	1.34	1.30	1.56			1.70
Avg Ann'l Div'd Yield	.4%	.5%	.6%	.7%	.8%	.7%	.5%	.6%	.7%	.7%	.7%	.9%	.8%	.9%	1.1%	1.1%			1.4%
Sales ($mill) A							388.7	396.8	427.1	423.5	393.2	392.7	420.1	487.7	498.0	492.7	493	500	530
Operating Margin							29.4%	28.9%	29.0%	26.1%	27.7%	26.4%	24.2%	22.0%	20.8%	16.9%	17.5%	18.5%	21.0%
Depreciation ($mill)							12.8	10.0	13.3	16.7	12.4	11.4	11.7	14.7	15.8	15.9	16.0	16.3	17.0
Net Profit ($mill)							67.5	71.3	75.7	65.7	66.4	65.0	64.2	65.6	65.9	51.6	46.0	50.0	62.5
Income Tax Rate							36.3%	36.0%	35.7%	34.8%	34.1%	33.6%	32.2%	32.0%	30.4%	33.1%	33.0%	33.0%	33.0%
Net Profit Margin							17.4%	18.0%	17.7%	15.5%	16.9%	16.6%	15.3%	13.5%	13.3%	10.5%	9.3%	10.0%	12.0%
Working Cap'l ($mill)							175.1	168.4	145.7	188.2	161.9	180.8	110.4	132.9	128.7	141.7	245	275	380
Long-Term Debt ($mill)							7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Shr. Equity ($mill)							396.5	430.6	458.7	508.5	526.7	536.6	570.2	617.4	630.7	638.2	740	755	890
Return on Total Cap'l							16.8%	16.3%	16.3%	12.8%	12.4%	12.0%	11.2%	10.6%	10.4%	8.0%	6.0%	6.5%	7.0%
Return on Shr. Equity							17.0%	16.6%	16.5%	12.9%	12.6%	12.1%	11.3%	10.6%	10.5%	8.1%	6.0%	6.5%	7.0%
Retained to Com Eq							14.7%	13.9%	13.7%	10.1%	9.8%	9.4%	8.6%	8.2%	7.7%	5.3%	4.0%	4.0%	4.5%
All Div'ds to Net Prof							14%	16%	17%	22%	22%	22%	23%	23%	26%	34%	38%	36%	33%

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.4	-18.0
3 yr.	-2.9	11.3
5 yr.	-2.4	63.2

Target Price Range 2011 | 2012 | 2013

LEGENDS
17.5 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 7/95
2-for-1 split 7/98
Options: No
Shaded area indicates recession

Percent shares traded 9 6 3

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CAPITAL STRUCTURE as of 3/31/08
Total Debt $7.5 mill. Due in 5 Yrs Nil
LT Debt $7.5 mill. LT Interest $.2 mill.
Capitalized leases $7.5 mill. (1% of Cap'l)
Leases, Uncapitalized None
No Defined Benefit Pension Plan

Pfd Stock None
Common Stock 55,064,816 shs.
Includes 19,408,951 Class B shs. (10 votes each)

MARKET CAP: $1.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/31/08
Cash Assets	79.3	98.9	59.2
Receivables	39.0	35.3	32.2
Inventory (LIFO)	64.0	57.4	72.0
Other	8.6	8.1	6.4
Current Assets	190.9	199.7	169.8
Accts Payable	13.1	11.6	16.9
Debt Due	--	--	--
Other	49.1	46.4	43.3
Current Liab.	62.2	58.0	60.2

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	5.5%	5.5%	1.5%
"Cash Flow"	4.0%	--	1.0%
Earnings	3.5%	-1.0%	1.5%
Dividends	11.5%	5.5%	4.5%
Book Value	9.0%	7.0%	6.0%

Calendar	QUARTERLY SALES ($ mill.) A Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	97.9	103.6	173.7	112.5	487.7
2006	103.9	94.9	186.4	110.8	496.0
2007	92.9	101.9	182.9	115.0	492.7
2008	91.4	102	185	114.6	493
2009	93.0	103	188	116	500

Calendar	EARNINGS PER SHARE A B Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	.21	.23	.48	.20	1.12
2006	.22	.22	.51	.21	1.15
2007	.18	.18	.41	.14	.91
2008	.12	.18	.40	.15	.83
2009	.13	.17	.43	.17	.90

Calendar	GROSS QUARTERLY DIV'DS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.061	.061	.062	.062	.25
2005	.064	.064	.066	.066	.26
2006	.074	.074	.075	.076	.30
2007	.076	.078	.078	.078	.31
2008	.078	.078	.08		

BUSINESS: Tootsie Roll Industries, Inc. produces candy. Products include: *Tootsie Roll, Tootsie Pop, Tootsie Bubble Pop, Tootsie Pop Drops,* and *Mason Dots.* Acq'd Concord Confections *(Dubble Bubble),* 8/04; Brach's Confections' *Andes Candies,* 5/00; Warner-Lambert's former chocolate/caramel brands *(Junior Mints, Sugar Daddy, Sugar Babies, Charleston Chew,* and *Pom Poms),* 10/93; Charms Co. *(Charms, Blow Pops),* 9/88; Celia's Confections, 7/85. Int'l ops. (Mexico and Canada): 9.5% of '07 sales. Has about 1,950 employees. M.J. and E.R. Gordon control 60% of vot. power; L.R. Weiner, 14% (3/08 Proxy). Chairman & CEO: M.J. Gordon. Pres. & COO: E.R. Gordon. Inc.: VA. Addr.: 7401 S. Cicero Ave., Chicago, IL 60629. Tel.: 773-838-3400. Internet: www.tootsie.com.

Tootsie appears headed for a share-earnings decline in 2008. Despite recent product and packaging innovations, sales are probably going to be flat this year. Meanwhile, soaring ingredient costs, especially for corn syrup and sugar, should continue to take a toll. Tootsie faces a telling test with its prime season (*Halloween*) on the horizon. In all, we look for earnings to fall around 9%, to $0.83 a share.

Growth should return next year. Lethargic sales are likely to persist in 2009. That said, it will be the company's ability to incorporate higher-margined products and price increases into its lineup that determines whether it can meet our share-net estimate of $0.90. Indeed, new candies and flavors should help, as will the introduction of more bulk and variety packaging.

The stock is ranked to track the broader market in the year ahead. These shares continue to trade in a narrow range, and we do not expect a significant change anytime soon. The company is poised to generate annual earnings growth of just under 10% over the coming 3 to 5 years. Still, at its recent valuation, much of the long-term growth we anticipate is already priced into these shares.

The appeal of the issue lies in its stability. Indeed, these shares have a time-tested history and durable track record. All this is evidenced in the stock's Highest Safety rank (1) and top scores for Price Stability and Earnings Predictability. As an added incentive, shareholders can count on a 3% annual stock dividend that has been paid every year since the mid-1960s.

Of note, acquisition rumors may begin to have an impact on share-price movements in the near term. Although mere speculation at this junction, the pending Mars-Wrigley merger has reignited the consolidation rumblings of the candy industry. With that in mind, Tootsie's name again has risen to the top of the list of potential acquisition targets, given its well-known brands, yet sluggish sales growth of late. However, the Gordon family has not been very receptive to such talk in the past, and as long as they are still at the helm, it is difficult to foresee Tootsie accepting bids.

Jason A. Smith *August 1, 2008*

A) Fiscal year ends Dec. 31. First three quarters end on Saturday closest to end of month. (B) Based on average shares through 1996, diluted thereafter. Next earnings report due mid-Aug. Total may not sum due to rounding. (C) Dividends historically paid in Jan., Apr., July, and Oct. 3% stock div'd paid each year about Apr. 21, since 1966. (D) Includes intangibles. In '07: $262.3 million, $5.13/share. (E) In millions, adjusted for stock splits.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	20
Earnings Predictability	95

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THE TRAVELERS CO NYSE-TRV

RECENT PRICE 48.43 | P/E RATIO 8.0 (Trailing: 7.1 / Median: 14.0) | RELATIVE P/E RATIO 0.49 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 3 Lowered 2/8/08
SAFETY 2 Raised 9/21/07
TECHNICAL 3 Lowered 6/6/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+65%)	15%
Low	60	(+25%)	6%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	0	0	0	0	0	0	1	0
Options	8	5	0	11	10	2	0	1	0
to Sell	0	1	0	1	5	0	0	3	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	255	286	260
to Sell	317	293	343
Hld's(000)	547282	537790	519465

High:	42.8	47.2	37.1	57.0	54.4	50.6	39.7	43.6	47.0	55.0	57.0	53.7
Low:	28.8	28.1	25.4	21.3	34.0	23.0	29.0	30.2	33.7	40.2	47.3	43.0

LEGENDS
10.0 x Earnings p sh
Relative Price Strength
2-for-1 split 5/98
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

Percent shares traded: 12 / 8 / 4

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-8.0	-9.7
3 yr.	40.5	27.3
5 yr.	53.5	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005[F]	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
18.68	18.76	20.26	23.61	26.73	27.57	29.71	23.51	27.20	35.14	32.58	30.72	28.40	29.34	30.61	34.20	36.20	37.15	P/C Prem Earned p sh	45.00
3.96	3.90	4.12	4.59	4.85	5.29	6.78	6.92	7.45	5.86	5.15	4.89	3.97	4.56	5.19	5.99	6.20	6.40	Investment Inc p sh	7.15
d3.32	.84	d.85	d.91	d1.37	d1.14	d2.50	d.54	.23	d10.76	d2.80	d.86	d2.75	d.82	3.01	4.10	2.50	2.40	Underwriting Inc p sh	3.15
.66	2.46	2.49	2.84	3.05	3.83	2.26	3.37	4.32	d4.84	1.24	2.55	1.93	2.90	5.88	6.72	6.05	6.05	Earnings per sh [B]	7.00
.67	.70	.74	.79	.88	.93	.99	1.03	1.07	1.11	1.15	1.16	.95	.91	1.01	1.13	1.16	1.20	Div'ds Decl'd per sh [C]	1.35
13.09	17.74	16.23	22.11	23.97	27.53	30.48	28.66	33.10	24.35	25.05	26.84	31.35	31.94	36.87	42.40	45.00	46.25	Book Value per sh [D]	63.75
168.24	169.43	168.40	168.18	166.40	167.46	233.75	225.00	216.85	207.60	226.80	229.11	670.30	693.40	678.30	627.80	600.00	600.00	Common Shs Outst'g [E]	600.00
136%	119%	127%	115%	115%	135%	126%	111%	119%	189%	153%	131%	122%	127%	125%	125%			Price to Book Value	110%
27.7	8.6	8.3	9.0	9.0	9.7	17.4	9.4	9.1	--	31.0	13.8	19.9	14.0	7.8	7.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	10.0
1.68	.51	.54	.60	.56	.56	.90	.54	.59	--	1.69	.79	1.05	.75	.42	.41			Relative P/E Ratio	.65
3.7%	3.3%	3.6%	3.1%	3.2%	2.5%	2.5%	3.2%	2.7%	2.4%	3.0%	3.3%	2.5%	2.2%	2.2%	2.2%			Avg Ann'l Div'd Yield	1.9%
6944.6	5290.0	5898.0	7296.0	7390.0	7039.0	19038	20341	20760	21470	21715	22300	P/C Premiums Earned	27000
84.6%	77.3%	74.7%	102.5%	81.1%	73.7%	81.1%	73.4%	59.0%	56.6%	62.0%	63.0%	Loss to Prem Earned	64.0%
24.7%	25.9%	24.5%	26.4%	28.8%	29.1%	28.6%	29.4%	31.2%	31.5%	31.0%	30.5%	Expense to Prem Writ	29.0%
-9.3%	-3.2%	.8%	-28.9%	-9.9%	-2.8%	-9.7%	-2.8%	9.8%	11.9%	7.0%	6.5%	Underwriting Margin	7.0%
13.8%	23.4%	30.3%	--	15.0%	18.2%	6.0%	22.9%	26.7%	27.5%	26.0%	26.0%	Income Tax Rate	26.0%
485.8	779.0	1013.0	d1009	289.8	623.8	1195.0	2047.4	4187.4	4487.0	3630	3630	Net Profit ($mill)	4200
6.1%	6.3%	6.3%	6.1%	5.7%	5.5%	4.5%	5.0%	5.2%	5.5%	5.7%	6.0%	Inv Inc/Total Inv	7.0%
38323	38873	41075	38321	39920	39563	111815	113187	113761	108750	111500	115000	Total Assets ($mill)	128000
7139.1	6472.0	7227.0	5114.0	6635.0	6225.0	21201	22303	25135	26616	27000	27750	Shr. Equity ($mill)	38250
6.8%	12.0%	14.0%	NMF	4.4%	10.0%	5.6%	9.2%	16.7%	16.9%	13.5%	13.0%	Return on Shr. Equity	11.0%
3.6%	8.3%	10.8%	NMF	.5%	5.7%	3.2%	6.4%	13.9%	13.0%	11.0%	10.5%	Retained to Com Eq	9.0%
47%	31%	24%	NMF	90%	44%	44%	31%	17%	17%	19%	20%	All Div'ds to Net Prof	19%

CAPITAL STRUCTURE as of 3/31/08
Total Debt $5841 mill. Due in 5 Yrs $2891 mill. (19% of Cap'l)
Leases, Uncapitalized $185.0 mill.
Pension Assets 12/07-$1870 mill. Oblig. $1841 mill.
Pfd Stock None

Common Stock 604,702,688 shs.
as of 4/18/08
MARKET CAP: $29.3 billion (Large Cap)

FINANCIAL POSITION ($MILL.)	2006	2007	3/31/08
Fixed Maturities	62666	64920	64492
Stocks	473	488	479
Premiums Due	6181	6142	6170
Other	44441	43674	43003
Total Assets	113761	115224	114144
Unearned Prems	11228	11227	11242
Reserves	59288	57700	57314
Other	18110	19681	19200
Total Liabilities	88626	88608	87756

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Premium Inc	2.5%	.5%	6.0%
Invest Income	--	-7.5%	6.5%
Earnings	2.5%	30.5%	10.0%
Dividends	2.0%	-2.0%	5.0%
Book Value	5.0%	3.0%	9.5%

Calendar	NET PREMIUMS EARNED ($ mill.) [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	5119	5109	4977	5136	20341
2006	4991	5181	5260	5328	20760
2007	5295	5327	5416	5432	21470
2008	5340	5425	5450	5500	21715
2009	5500	5550	5610	5640	22300

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.23	1.38	.07	.22	2.90
2006	1.39	1.34	1.46	1.69	5.88
2007	1.55	1.73	1.81	1.63	6.72
2008	1.61	1.54	1.40	1.50	6.05
2009	1.52	1.57	1.45	1.51	6.05

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.29	.22	.22	.22	.95
2005	.22	.23	.23	.23	.91
2006	.23	.26	.26	.26	1.01
2007	.26	.29	.29	.29	1.13
2008	.29	.30			

BUSINESS: The Travelers Companies, Inc. (formerly St Paul Travelers) is a leading provider of commercial property/casualty insurance and asset management services. Following the April 1, 2004 acquisition of Travelers, the company is now a leading underwriter of homeowners insurance and automobile insurance through independent agents. USF&G was another notable acquisition which was purchased in April of 1998. Has approximately 33,300 employees. Officers and directors own approximately 1.4% of common stock outstanding (3/08 proxy). Chief Executive Officer and President: Jay S. Fishman. Incorporated: Minnesota. Address: 385 Washington St., St. Paul, Minnesota 55102. Telephone: 651-310-7911. Internet: www.travelers.com.

The Travelers Companies got off to a good start this year. The insurer posted operating earnings per share (excluding capital gains and losses) of $1.61, which bested last year's tally by roughly 4%. The share-net gains stemmed from a slight increase in net premiums written as overall retention rates remained strong. Meanwhile, the company repurchased 20.8 million shares during the March interim. However, a downturn in renewal prices and lighter volumes for new business persisted as earnings detractors.

But we look for a bottom-line decline of about 11% for the second quarter. As the year progresses, Travelers will probably find it difficult to gain new business and increase its market share. Meanwhile, the heightened competition across all types of insurance continues to depress policy prices. In an effort to write a profitable book of business from a risk/reward standpoint, TRV has been maintaining its underwriting discipline, and this practice ought to help keep the combined ratio in check. However, top-line growth will likely be about 1% this year.

New product offerings could bear fruit this year and beyond. The company continues to roll out the TravelersExpress platform. This enhanced pricing program for smaller businesses has been successful in the marketplace and ought to pick up steam moving forward. Meanwhile, QuantumAuto, TRV's computerized/sophisticated automobile insurance pricing product that is now offered in 39 states and the District of Columbia is also gaining acceptance.

Despite a decent dividend yield, the equity offers lackluster total return potential for the pull to 2011-2013. Still, our projections may prove a bit conservative depending on this year's hurricane season. Uncertainty stems from the effects this year's wind season will have on 2009 rates. In the event of large catastrophe losses, insurers would be afforded greater bargaining power during renewal season. But if this year proves as mild as the last two, the industry will likely continue to face increased competition and pricing pressure. Meanwhile, these shares are ranked to perform in line with the broader market for the year ahead.

Bryan Fong *June 20, 2008*

(A) P/C only. (B) Dil. egs. Excl. cap. gains and losses after '02. Excl. charge in '96, 59¢; '97, 37¢; '98, $2.01; '99, 28¢; 02, 18¢. Excl. losses from disc. ops.: '99, 35¢; '00, 8¢; '01, 38¢; '02, 12¢; '03, 7¢; '04, 62¢. Excl. extra. losses: '02, 3¢; '03, 9¢. Next egs. rpt. early August. (C) Div'ds. paid in late March, June, Sept., Dec. Excl. spec. div'ds of 21¢/sh. paid 5/14 and 29¢/sh paid 4/16. ■ Div'd reinv. plan avail. (D) Intang. '07: $4,180 mill., $6.66/sh. (E) In mill. adj. for splits. (F) St Paul only until '04. St Paul and Travelers henceforth.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	40
Earnings Predictability	5

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U.S. BANCORP NYSE-USB

RECENT PRICE 31.23 | P/E RATIO 12.5 (Trailing: 12.9 / Median: 13.0) | RELATIVE P/E RATIO 0.77 | DIV'D YLD 5.7% | VALUE LINE

TIMELINESS 3 Raised 4/4/08
SAFETY 2 Raised 12/22/06
TECHNICAL 3 Lowered 6/13/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	50	(+60%)	17%
Low	35	(+10%)	8%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	1	0	0	1	0	0	0	0
Options	2	1	0	2	0	0	1	2	0
to Sell	1	0	0	1	0	0	1	2	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	351	421	430
to Sell	389	361	386
Hld's(000)	1059356	1027834	1056437

High:	19.6	31.3	35.3	28.0	26.1	24.5	30.0	31.7	31.4	36.8	36.8	35.3
Low:	9.9	17.6	19.6	15.4	16.5	16.0	18.6	24.9	26.8	29.0	29.1	27.9

LEGENDS
— 13.0 x Earnings p sh
···· Relative Price Strength
3-for-1 split 1/97
3-for-1 split 4/99
Options: Yes
Shaded area indicates recession

Percent shares traded: 9, 6, 3

Target Price Range 2011 | 2012 | 2013: 120, 100, 80, 64, 48, 32, 24, 20, 16, 12, 8

% TOT. RETURN 5/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	0.9	-9.7
3 yr.	29.6	27.3
5 yr.	72.1	85.8

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
.29	.37	.43	.50	.60	.73	.91	1.25	1.52	1.32	1.84	1.92	2.18	2.42	2.61	2.43	2.50	2.70	Earnings per sh [AB]	3.30
.12	.13	.16	.18	.21	.27	.33	.46	.65	.75	.78	.86	1.02	1.23	1.39	1.63	1.73	1.83	Div'ds Decl'd per sh [Cm]	2.00
2.23	2.48	2.67	3.05	3.29	3.54	5.38	6.47	6.87	8.43	9.44	10.01	10.52	11.07	11.45	11.60	12.35	13.20	Book Value per sh [D]	16.60
262.95	266.46	268.23	268.50	260.28	255.87	656.24	975.55	950.73	1951.7	1917.0	1922.9	1857.6	1815.0	1764.7	1727.9	1725.0	1710.0	Common Shs Outst'g [E]	1700.0
12.3	10.9	9.9	10.6	13.8	20.4	23.8	22.0	14.5	16.6	11.7	12.4	13.0	12.2	12.3	13.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	13.0
.75	.64	.65	.71	.86	1.18	1.24	1.25	.94	.85	.64	.71	.69	.65	.66	.72			Relative P/E Ratio	.85
3.3%	3.2%	3.7%	3.3%	2.6%	1.8%	1.5%	1.7%	2.9%	3.4%	3.6%	3.6%	3.6%	4.2%	4.3%	4.9%			Avg Ann'l Div'd Yield	4.7%
38476	72788	77585	171390	180027	189286	195104	209465	219232	237615	255000	275000	Total Assets ($mill)	350000
25472	49911	52986	111948	113829	115866	124235	135765	141575	151769	164000	176000	Loans ($mill)	220000
1412.6	2643.1	2699.0	6408.8	6839.7	7189.3	7111.3	7055.0	6741.0	6689.0	7450	7900	Net Interest Inc ($mill)	9600
113.6	179.8	222.4	2146.6	1349.0	1254.0	669.6	666.0	544.0	792.0	1750	1600	Loan Loss Prov'n ($mill)	1600
860.1	1402.6	1506.3	5297.2	5868.6	5313.0	5519.2	6045.0	6846.0	7172.0	7800	8100	Noninterest Inc ($mill)	9400
1278.2	1975.4	1768.9	5658.8	5932.5	5596.9	5784.5	5863.0	6180.0	6862.0	7200	7600	Noninterest Exp ($mill)	9200
604.6	1253.3	1475.3	2550.8	3537.7	3710.1	4166.8	4489.0	4751.0	4324.0	4400	4700	Net Profit ($mill)	5700
31.4%	33.7%	33.4%	34.6%	34.8%	34.4%	32.5%	31.7%	30.8%	30.3%	30.5%	30.5%	Income Tax Rate	30.5%
1.57%	1.72%	1.90%	1.49%	1.97%	1.96%	2.14%	2.14%	2.17%	1.82%	1.75%	1.70%	Return on Total Assets	1.65%
1708.9	5038.4	3876.6	28542	31582	33816	34739	37069	37602	43440	40000	50000	Long-Term Debt ($mill)	75000
3529.9	6308.6	6528.3	16461	18101	19242	19539	20086	21197	21046	22325	23575	Shr. Equity ($mill)	29200
9.2%	8.7%	8.4%	9.6%	10.1%	10.2%	10.0%	9.6%	9.7%	8.9%	9.0%	8.5%	Shr. Eq. to Total Assets	8.5%
66.2%	68.6%	68.3%	65.3%	63.2%	61.2%	63.7%	64.8%	64.6%	63.9%	64.5%	64.0%	Loans to Tot Assets	63.0%
17.1%	19.9%	22.6%	15.5%	19.5%	19.3%	21.3%	22.3%	22.4%	20.5%	19.5%	20.0%	Return on Shr. Equity	19.5%
9.4%	11.7%	13.0%	6.7%	11.3%	10.7%	11.5%	11.2%	11.1%	7.2%	6.5%	6.5%	Retained to Com Eq	8.0%
45%	41%	42%	57%	42%	44%	46%	50%	53%	66%	69%	68%	All Div'ds to Net Prof	60%

CAPITAL STRUCTURE as of 3/31/08

LT Debt $36,229 mill. Due in 5 Yrs $25,774 mill.
LT Interest $1,896 mill.

Pension Assets-12/07 $2,943 mill. Oblig. $2,225 mill.

Pfd Stock $1 bill. Pfd Div'd $48 mill.
Common Stock 1,738,000,000 shs.

MARKET CAP: $54.3 billion (Large Cap)

ASSETS($mill.)	2006	2007	3/31/08
Loans	141575	151769	156049
Funds Sold	--	--	--
Securities	40117	43116	41696
Other Earning	--	--	--
Other	37540	47230	44036
LIABILITIES($mill.)			
Deposits	124882	131445	138270
Funds Borrowed	26933	32370	36392
Long-Term Debt	37602	43440	36229
Net Worth	21197	21046	21572
Other	8618	9314	9318
Total	219232	237615	241781
Loan Loss Resrv.	2022	2058	2251

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Loans	11.0%	7.0%	8.0%
Earnings	15.0%	10.0%	5.0%
Dividends	20.5%	14.5%	6.0%
Book Value	13.0%	6.5%	6.0%
Total Assets	12.5%	7.5%	8.5%

Calendar	LOANS ($mill.)[A] Mar.31	Jun.30	Sep.30	Dec.31	
2005	126823	131362	134572	135765	
2006	136747	139343	142374	141575	
2007	142818	143680	146998	151769	
2008	156049	*159500*	*161000*	*164000*	
2009	*166000*	*169000*	*172000*	*176000*	

Calendar	EARNINGS PER SHARE [AB] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.57	.60	.62	.62	2.42
2006	.63	.66	.66	.66	2.61
2007	.63	.65	.62	.53	2.43
2008	.62	.60	.63	.65	*2.50*
2009	.66	.67	.68	.69	*2.70*

Calendar	QUARTERLY DIVIDENDS PAID [Cm] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.24	.24	.24	.24	.96
2005	.30	.30	.30	.30	1.20
2006	.33	.33	.33	.33	1.32
2007	.40	.40	.40	.40	1.60
2008	.425	.425			

BUSINESS: U.S. Bancorp was formed by the merger of Firstar and U.S. Bancorp on 2/27/01. Merged with Star Banc on 11/20/98; Mercantile Bancorporation on 9/20/99. At 12/31/07, had 2,518 banking offices in 24 states. Loans breakdown: commercial, 33%; comm. real estate, 19%; resid, 15%; consumer, 33%. In '07, net loan losses: .54% of average loans. At 3/31/08: loan loss reserve, 1.42% of loans; problem assets, past-due, & restructured loans, 1.40% of loans & other real estate. Directors & officers own 0.64% of common (proxy, 3/08). At 12/31/07, over 54,000 average full-time equivalent employees. Chairman, Pres. & CEO: Richard Davis. Inc.: DE. Address: 800 Nicollet Mall, Minneapolis, MN 55402-4302. Tel.: 651-466-3000. Internet: www.usbank.com.

U.S. Bancorp used a sizable gain related to the Visa initial public offering to offset all but $0.02 a share of larger-than-usual expenses, including a provision to its loan loss reserve that exceeded its credit charge-offs by $192 million. Some of the expenses, like a charitable contribution, might be considered discretionary. The excess loan loss provision (which we don't consider discretionary) reflected the stress in the residential real estate sector and the growth in consumer loans and loan losses. U.S. Bancorp's problem loans probably will rise further in the next several quarters. Even so, on March 31st, the problem asset ratio was lower than for most other large banks (even including past-due credits and restructured loans accruing interest). Only 2.6% of its loans were subprime residential and home equity credits. Total problem assets were offset by the loan loss reserve.

The company may be benefiting from a flight to quality, with its relative financial health enabling it to attract customers from weaker competitors. We expect revenues, excluding the Visa gain, to continue growing at a healthy pace, fueled by good commercial loan generation, a fairly stable net interest margin, and strong increases in selected types of noninterest income (card, treasury management, corporate, and mortgage revenues). Core operating expenses should remain under control, and a resumption of stock repurchases in the latter half of 2008 (after USB completes an acquisition) may enhance share net. Despite the higher provision, we expect earnings to advance slightly this year and about 8% in 2009, when credit costs ought to moderate.

U.S. Bancorp stock is one of the few bank equities that have held up well despite the turmoil in the financial sector during the past year. Note the issue's relatively low Beta (0.90) and high Price Stability rating (95). The stock doesn't have as much 3- to 5-year recovery potential as most bank equities, and is ranked 3 (Average) for Timeliness. But the dividend yield is attractive and, while the moderately elevated payout ratio may limit the disbursement's growth over the next few years, the dividend should be safe if earnings come in as we expect.

Theresa Brophy *June 20, 2008*

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	90

(A) All figures for Star Banc prior to '98; Firstar in '99 & '00; U.S. Bancorp from '01. (B) Diluted EPS. Excl. merger/restruc. chgs: '99, $0.29; '00, $0.15; '01, $0.44; '02, $0.13. Quarterly earnings per share may not sum in all years due to rounding. Next earnings rep't due mid-July. (C) Dividends historically paid in mid-Jan., April, July, and Oct. ■ Div'd reinvestment plan avail. (D) Incl. intangibles. As of 12/31/07: $10,690 mill., $6.19/sh. (E) In mill., adj. for stock splits.

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UNITED PARCEL SVC NYSE-UPS

RECENT PRICE 62.80 | P/E RATIO 16.8 (Trailing: 16.3 Median: NMF) | RELATIVE P/E RATIO 1.09 | DIV'D YLD 2.8% | VALUE LINE

TIMELINESS 4 Lowered 7/4/08
SAFETY 1 Raised 12/14/01
TECHNICAL 3 Lowered 2/8/08
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+125%)	24%
Low	115	(+85%)	18%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	2	0	0	0	1	0	0	0
to Sell	4	2	0	0	0	0	0	0	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	325	358	315
to Sell	393	374	428
Hld's(000)	466453	479519	480706

	High:	76.9	69.3	62.5	67.1	74.9	89.1	85.8	84.0	79.0	75.1		
	Low:	61.0	49.5	46.2	54.3	53.0	67.5	66.1	65.5	68.7	56.1		

LEGENDS
16.0 x "Cash Flow" p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

200 160 100 80 60 50 40 30 20

Percent shares traded 36 24 12

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-14.7	-12.2
3 yr.	-7.9	7.2
5 yr.	10.0	58.6

United Parcel Service of America Inc. was founded in 1907 and is now the world's largest package delivery company. The initial public offering occurred on November 10, 1999, when 109,400,000 Class B shares were sold at $50.00 each. Morgan Stanley Dean Witter was the lead underwriter. Just prior to the IPO, UPS merged with United Parcel Service, Inc. Each share of United Parcel Service, Inc. was converted to two shares of UPS class A common stock.

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	22.17	21.15	26.24	27.35	27.85	29.66	32.40	38.82	44.44	48.04	*51.70*	*54.85*	Revenues per sh	*65.35*
	2.55	2.71	3.50	3.41	3.46	3.86	4.23	5.03	5.56	5.91	*5.45*	*5.95*	"Cash Flow" per sh	*7.85*
	1.57	2.04	2.38	2.10	2.14	2.47	2.85	3.47	3.86	4.11	*3.60*	*4.10*	Earnings per sh [A]	*5.85*
	.43	.58	.68	.76	.76	.92	1.12	1.32	1.52	1.64	*1.76*	*1.88*	Div'ds Decl'd per sh [B]	*2.25*
	1.47	1.15	1.89	2.12	1.48	1.72	1.88	1.99	2.88	2.73	*3.00*	*3.15*	Cap'l Spending per sh	*3.75*
	6.42	9.75	8.58	9.15	11.09	13.16	14.51	15.39	14.47	11.78	*12.55*	*14.45*	Book Value per sh	*23.15*
	1118.0	1279.1	1134.7	1120.5	1123.0	1128.0	1129.0	1097.0	1070.0	1034.4	*1005.0*	*1005.0*	Common Shs Outst'g [C]	*995.0*
	--	33.2	24.9	26.7	28.5	25.9	26.1	21.1	19.8	17.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	*22.0*
	--	1.89	1.62	1.37	1.56	1.48	1.38	1.12	1.07	.95			Relative P/E Ratio	*1.45*
	--	.9%	1.1%	1.4%	1.2%	1.4%	1.5%	1.8%	2.0%	2.2%			Avg Ann'l Div'd Yield	*1.7%*
	24788	27052	29771	30646	31272	33485	36582	42581	47547	49692	*51960*	*55130*	Revenues ($mill)	*65040*
	17.0%	19.0%	19.9%	17.5%	17.5%	17.8%	17.9%	18.3%	17.6%	12.7%	*14.5%*	*15.0%*	Operating Margin	*17.0%*
	1112.0	1139.0	1173.0	1396.0	1464.0	1549.0	1543.0	1644.0	1748.0	1745.0	*1800*	*1850*	Depreciation ($mill)	*2000*
	1741.0	2332.0	2795.0	2425.0	2422.0	2807.0	3238.0	3870.0	4202.0	4369.0	*3680*	*4120*	Net Profit ($mill)	*5820*
	40.0%	39.8%	39.3%	38.4%	37.8%	34.9%	34.2%	36.3%	35.5%	1.1%	*36.5%*	*36.5%*	Income Tax Rate	*36.5%*
	7.0%	8.6%	9.4%	7.9%	7.7%	8.4%	8.9%	9.1%	8.8%	8.8%	*7.1%*	*7.5%*	Net Profit Margin	*9.0%*
	1708.0	6940.0	2623.0	2968.0	3183.0	4335.0	6122.0	4210.0	2658.0	1920.0	*920*	*1100*	Working Cap'l ($mill)	*3180*
	2191.0	1912.0	2981.0	4648.0	3495.0	3149.0	3261.0	3159.0	3133.0	7506.0	*7200*	*7000*	Long-Term Debt ($mill)	*6400*
	7173.0	12474	9735.0	10248	12455	14852	16384	16884	15482	12183	*12595*	*14525*	Shr. Equity ($mill)	*22220*
	19.8%	17.0%	22.8%	16.9%	15.7%	15.9%	16.8%	19.7%	23.1%	22.8%	*18.5%*	*19.5%*	Return on Total Cap'l	*20.5%*
	24.3%	18.7%	28.7%	23.7%	19.4%	18.9%	19.8%	22.9%	27.1%	35.9%	*29.0%*	*29.0%*	Return on Shr. Equity	*26.0%*
	17.8%	13.3%	20.6%	15.3%	12.6%	12.0%	12.4%	14.7%	17.0%	21.9%	*15.0%*	*15.5%*	Retained to Com Eq	*16.0%*
	27%	29%	28%	35%	35%	37%	37%	36%	38%	39%	*48%*	*46%*	All Div'ds to Net Prof	*38%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $10854 mill. Due in 5 Yrs $3695 mill.
LT Debt $7233 mill. LT Interest $400 mill.
(Total int. coverage: 19x LT int. earned: 18x)
(39% of Cap'l)
Leases, Uncapitalized: Annual rentals $404 mill.
Pension Assets-9/07 $17.9 bill. Oblig. $15.5 bill.

Pfd Stock None
Common Stock 1,008,163,241 shs.
325,959,379 class A shares (10 votes each)
682,203,862 class B shares (1 vote each)
as of 7/31/08
MARKET CAP: $63.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	1983	2604	1689
Receivables	5794	6084	5946
Other	1600	3072	2289
Current Assets	9377	11760	9924
Accts Payable	1841	1819	2284
Debt Due	983	3512	3621
Other	3895	4509	4062
Current Liab.	6719	9840	9967

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	8.0%	10.0%	7.0%
"Cash Flow"	12.0%	9.5%	6.5%
Earnings	16.5%	11.5%	7.5%
Dividends	15.5%	15.5%	7.0%
Book Value	NMF	7.5%	9.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	9886	10191	10550	11954	42581
2006	11521	11736	11662	12628	47547
2007	11906	12189	12205	13392	49692
2008	12675	13001	*12450*	*13834*	*51960*
2009	*13450*	*13780*	*13410*	*14490*	*55130*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2005	.78	.88	.86	.95	3.47
2006	.89	.97	.96	1.04	3.86
2007	.96	1.03	1.02	1.10	4.11
2008	.87	.85	*.91*	*.97*	*3.60*
2009	*1.00*	*.96*	*1.04*	*1.10*	*4.10*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.53	.28	.28	--	1.09
2005	.61	.33	.33	--	1.17
2006	.71	.38	.38	--	1.47
2007	.80	.42	.42	--	1.64
2008	.87	.45	.45		

BUSINESS: United Parcel Service, Inc. is the world's largest integrated air and ground package delivery carrier. Also provides specialized transportation and logistics services. Service is offered throughout the U.S. and in over 200 other countries and territories. Domestic package operations accounted for 64% of '07 revenues; international (19%); supply chain & freight (17%). Fleet owned and leased (at 12/31/07): 617 planes and 100,000 ground vehicles. 2007 depreciation rate: 5.5%. Has about 425,300 employees (over 57% unionized). Officers and directors own 1.0% of common stock; Capital Research, 4.3% (3/08 Proxy). Chrmn./CEO: D. Scott Davis. Incorporated: DE. Address: 55 Glenlake Pkwy., NE, Atlanta GA 30328. Telephone: 404-828-6000. Internet: www.ups.com.

United Parcel Service has felt the brunt of rising fuel costs during 2008. In particular, the Domestic Package division continues to struggle since its price increases have been offset by customers' shift away from higher-margined Next Day Air shipping options. This has also negated the benefits of the fuel surcharges instituted at the end of 2007.

International operations continue to gain from newer markets and a weak dollar. The company has made moves to expand its presence in the Chinese market through acquisitions, an advertising campaign, and sponsorship of the Beijing Summer Olympics. In Europe, a proposed purchase of TNT Post would help to widen its footprint in the region. At this time, TNT has more than double the market share of UPS in the European market. Nevertheless, the weaker American dollar has done as much as improved operations to widen margins within the International Package division.

A proposed deal with DHL should be accretive to earnings in coming years. By the end of this year, United Parcel should have a deal finalized to take over all of DHL's U.S. cargo shipments in a cost-cutting move for the German shipper. The deal, which will bring $1 billion annually in revenues to UPS over the next 10 years, should help the company to position itself to assume DHL's current domestic business.

Earnings will likely be curbed in 2008 and 2009 by a difficult operating environment. Even with the operational improvements of late, the fact remains that fuel costs will weigh on earnings for the next couple of years at least. Thus, we have lowered our share-net estimates for 2008 and 2009 by 45 cents and 25 cents, respectively.

United Parcel Service's returns will likely lag behind the broader market. With the recent weakening of earnings results in mind, we have lowered the Timeliness rank to 4 (Below Average). With that said, though, if one is willing to weather some short-term difficulties UPS' above-average Safety (1), dividend yield, and 3- to 5-year appreciation potential may interest investors who take a more patient approach.

Christopher T. Wells *September 5, 2008*

(A) Diluted earnings. Excludes nonrecurring gain (loss): '99, ($1.30); '00, $0.11; '02, $0.73; '03, $0.08; '04, $0.08; '07, ($3.77). All data prior to November 1999 is proforma. Next earnings report due late October.
(B) Dividends historically paid late March, May, August, and September.
(C) In millions.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	30
Earnings Predictability	95

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UNITED TECH. NYSE-UTX

RECENT PRICE 60.08 | P/E RATIO 12.0 (13.4 / 17.0) | RELATIVE P/E RATIO 0.82 | DIV'D YLD 2.1% | VALUE LINE

TIMELINESS 3 Lowered 7/25/08
SAFETY 1 Raised 5/9/97
TECHNICAL 3 Lowered 2/8/08
BETA 1.00 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+115%)	23%
Low	110	(+85%)	18%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	1	0	0	0	0
Options	5	0	1	3	2	0	0	1	0
to Sell	5	0	1	3	2	0	0	1	0

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	503	577	505
to Sell	495	475	558
Hld's(000)	791541	790933	774452

	High:	22.2	28.1	38.0	39.9	43.8	38.9	48.4	53.1	58.9	67.5	82.5	77.1
	Low:	16.3	16.8	25.8	23.3	20.0	24.4	26.8	40.3	48.4	54.2	61.8	58.9

LEGENDS
12.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 12/96
2-for-1 split 5/99
2-for-1 split 6/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 6/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-11.5	-18.0
3 yr.	26.3	11.3
5 yr.	88.9	63.2

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
21.86	20.91	21.52	23.35	24.70	26.97	28.57	25.42	28.24	29.54	30.04	30.19	36.63	41.70	48.04	55.79	*62.90*	*67.60*	Revenues per sh	*81.10*
1.31	1.25	1.46	1.60	1.82	2.06	2.34	1.78	2.80	2.98	3.15	3.07	3.68	4.09	*4.79*	*5.50*	*6.25*	*7.00*	"Cash Flow" per sh	*9.25*
.45	.41	.58	.71	.86	1.05	1.26	.83	1.78	1.92	2.21	2.35	2.73	3.05	3.84	4.27	*5.00*	*5.60*	Earnings per sh A	*7.50*
.23	.23	.24	.26	.28	.31	.35	.38	.41	.45	.49	.57	.70	.88	1.02	1.17	*1.30*	*1.36*	Div'ds Decl'd per sh B■	*1.64*
.93	.84	.77	.80	.83	.92	.96	.80	1.00	.84	.62	.52	.78	.92	.96	1.17	*1.30*	*1.40*	Cap'l Spending per sh	*1.75*
2.71	2.93	3.23	3.61	4.04	3.99	4.44	7.12	7.78	8.53	8.90	11.39	13.70	16.76	17.37	21.76	*23.95*	*29.10*	Book Value per sh C	*42.70*
990.20	1008.4	985.09	976.57	951.90	916.28	900.21	949.09	941.37	944.32	939.24	1028.1	1022.2	1013.9	995.70	981.52	*970.00*	*960.00*	Common Shs Outst'g D	*925.00*
14.2	16.4	13.8	13.7	16.6	18.4	17.9	38.2	17.4	18.1	14.8	15.6	16.9	17.0	16.9	16.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.0*
.86	.97	.91	.92	1.04	1.06	.93	2.18	1.13	.93	.81	.89	.89	.91	.91	.89			Relative P/E Ratio	*1.05*
3.5%	3.3%	3.0%	2.6%	1.9%	1.6%	1.5%	1.2%	1.3%	1.3%	1.5%	1.6%	1.5%	1.7%	1.6%	1.6%			Avg Ann'l Div'd Yield	*1.4%*
25715	24127	26583	27897	28212	31034	37445	42275	47829	54759	*61000*	*64910*	Revenues ($mill)	*75000*
11.7%	9.8%	15.0%	14.8%	15.5%	15.0%	14.5%	13.5%	14.9%	15.0%	*14.7%*	*15.0%*	Operating Margin	*16.0%*
854.0	844.0	859.0	905.0	727.0	799.0	978.0	984.0	1033.0	1173.0	*1250*	*1330*	Depreciation ($mill)	*1450*
1255.0	841.0	1808.0	1938.0	2236.0	2361.0	2788.0	3164.0	3732.0	4224.0	*4850*	*5375*	Net Profit ($mill)	*6940*
31.7%	25.9%	30.9%	26.9%	27.1%	27.1%	26.4%	26.8%	27.2%	28.8%	*28.5%*	*28.5%*	Income Tax Rate	*28.0%*
4.9%	3.5%	6.8%	6.9%	7.9%	7.6%	7.4%	7.5%	7.8%	7.7%	*8.0%*	*8.3%*	Net Profit Margin	*9.3%*
1620.0	1412.0	1318.0	2892.0	3848.0	2069.0	2575.0	1861.0	3636.0	4602.0	*5500*	*7000*	Working Cap'l ($mill)	*12000*
1575.0	3086.0	3476.0	4237.0	4632.0	4257.0	4231.0	5935.0	7037.0	8015.0	*7850*	*7550*	Long-Term Debt ($mill)	*6000*
4834.0	7566.0	8094.0	8798.0	8355.0	11707	14008	16991	17297	21355	*23250*	*27950*	Shr. Equity ($mill)	*39500*
20.5%	8.5%	16.7%	15.9%	18.2%	15.5%	15.9%	14.5%	16.2%	15.4%	*16.5%*	*16.0%*	Return on Total Cap'l	*15.0%*
26.0%	11.1%	22.3%	22.0%	26.8%	20.2%	19.9%	18.6%	21.6%	19.8%	*21.0%*	*19.5%*	Return on Shr. Equity	*17.5%*
23.5%	7.2%	19.0%	18.4%	21.2%	15.6%	15.2%	13.7%	16.1%	14.7%	*15.5%*	*14.5%*	Retained to Com Eq	*13.5%*
25%	42%	23%	23%	21%	23%	24%	26%	25%	26%	*26%*	*24%*	All Div'ds to Net Prof	*22%*

CAPITAL STRUCTURE as of 6/30/08
Total Debt $10730 mill. Due in 5 Yrs $3750 mill.
LT Debt $8106 mill. LT Interest $500 mill.
(LT Interest earned: 11.9x; Total interest coverage: 10.6x) (33% of Cap'l)

Pension Assets-12/07 $22.7 bill.
Obligation $21.9 bill.

Pfd Stock None

Common Stock 971,000,000 shs.
MARKET CAP: $58 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	6/30/08
Cash Assets	2546	2904	3442
Receivables	7679	8844	10103
Inventory (Avg Cst)	6657	8101	9082
Other	1962	2222	2152
Current Assets	18844	22071	24779
Accts Payable	4263	5059	5577
Debt Due	894	1133	2624
Other	10051	11277	12304
Current Liab.	15208	17469	20505

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	7.0%	10.5%	*8.5%*
"Cash Flow"	10.0%	10.0%	*11.0%*
Earnings	15.5%	13.0%	*13.0%*
Dividends	14.0%	18.0%	*8.0%*
Book Value	17.0%	17.5%	*15.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	9309	10974	10820	11172	42275
2006	*10615*	*12264*	*12163*	*12787*	*47829*
2007	12278	13904	13863	14714	54759
2008	13701	15667	*15570*	*16062*	*61000*
2009	*14950*	*16500*	*16450*	*17010*	*64910*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.64	.86	.84	.71	3.05
2006	.76	1.02	.99	.87	3.64
2007	.82	1.16	1.21	1.08	4.27
2008	1.03	1.32	*1.39*	*1.26*	*5.00*
2009	*1.17*	*1.50*	*1.51*	*1.42*	*5.60*

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.175	.175	.175	.175	.70
2005	.22	.22	.22	.22	.88
2006	.22	.265	.265	.265	1.02
2007	.265	.265	.32	.32	1.17
2008	.32	.32			

BUSINESS: United Technologies Corp. operates in six business segments. *Pratt & Whitney* (22% of '07 revenues, 27% of operating profits) makes & services aircraft engines. *Carrier* (27%, 18%) makes heating, ventilating, and air-conditioning equipment. *Otis* (22%, 31%) manufactures and services elevators. *Sikorsky* (9%, 5%) makes helicopters. *Hamilton Sundstrand* (10%, 13%) produces electronic controls. *UTC F&S* (10%, 6%) provides security and fire protection services. Also has a power division dealing in fuel cells. International ops.: 52% of '07 revenues. Directors & officers own about 1.5% of stock (2/08 proxy). Emplys.: about 225,600. Chairman and CEO: George David. Inc.: DE. Addr.: One Financial Plaza, Hartford, CT 06101. Tel.: 860-728-7000. Internet: www.utc.com.

United Technologies' earnings may well reach the $5.00-a-share plateau this year. On the domestic side, results are not spectacular, but the company's global emerging market footprint and sizable backlog have it well positioned for a potential 17% share-net advance in 2008. It is the urbanization of these economies that has them in need of virtually all of UTX's business lines. Too, back on the home front, Carrier is likely to gain market share during the downturn due to its hedging strategies and limited need to raise prices. Also, the company has already purchased roughly $800 million of stock under its $2 billion authorization for 2008, which should support the bottom line. This may be vital if the weakened dollar becomes more of a headwind.

These shares have been beaten down of late. While much of the 17% dip in quotation since our April review can be tied to the general market malaise, some skeptics are fanning the flames. When the U.S. legacy carriers announced reductions in domestic capacity via parking older airplanes, entities that depend on aftermarket business obviously took a hit, and UTX's Pratt & Whitney and Hamilton Sundstrand were no exception. These units sell parts and services to the existing fleet and their revenues from commercial transport comprise approximately 8% of United's total sales. However, the older engines being taken out of the rotation are the types likely to be serviced by third-party providers, so we think only about 1% of revenues will be affected. Therefore, any investor fears regarding this situation are overblown. And with these neutrally ranked shares now trading at a handsome discount to our P/E ratio for 2011-2013, a buying opportunity has arisen.

We have raised our 2009 bottom-line call by $0.15, to $5.60. The aerospace business will likely continue pumping out favorable results for the foreseeable future, and higher volumes for the company's international base show no signs of slackening.

A war chest earmarked for acquisitions will not be wasted. Advances to Diebold have been met with resistance, leading management to explore other opportunities while monitoring that pursuit.

Erik M. Manning *July 25, 2008*

(A) Diluted earnings. Excludes disc. operations: '99, 68¢, '04, 15¢, '05, 6¢. Excludes nonrecurring losses: '92, $3.14; '94, 12¢. Next earnings report due late October.
(B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available.
(C) Includes intangibles. In 2007: $19,877 million, $20.25/share.
(D) In millions, adjusted for stock splits.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	100
Earnings Predictability	100

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WASHINGTON POST NYSE-WPO

RECENT PRICE 627.00 | P/E RATIO 25.8 (Trailing: 22.7 / Median: 27.0) | RELATIVE P/E RATIO 1.65 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 5 Lowered 8/15/08
SAFETY 1 New 7/27/90
TECHNICAL 4 Lowered 7/18/08
BETA .75 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	1020	(+65%)	14%
Low	835	(+35%)	9%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	1
to Sell	0	0	0	0	0	0	0	1	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	88	138	118
to Sell	105	95	122
Hld's(000)	6319	6456	6511

	High:	491.1	605.5	594.5	628.8	651.5	743.0	819.5	999.5	982.0	815.0	885.2	823.3
	Low:	325.1	462.0	490.1	487.3	470.0	516.0	650.0	790.2	716.0	690.0	726.9	551.1

LEGENDS
— 14.0 x "Cash Flow" p sh
···· Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013: 2500, 1250, 800, 600, 500, 400, 300, 250, 200, 150

Percent shares traded: 6, 4, 2

% TOT. RETURN 7/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	-20.9	-12.2
3 yr.	-28.1	7.2
5 yr.	-3.9	58.6

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
122.97	127.90	142.25	155.69	169.88	193.90	209.09	234.72	254.97	254.52	272.00	297.53	344.62	370.11	408.11	439.30	*468.40*	*489.45*	Sales per sh [A]	*552.65*
17.16	18.46	22.65	26.02	28.89	33.81	35.68	41.07	33.40	30.42	40.28	37.25	53.93	53.26	57.56	55.32	*48.00*	*58.85*	"Cash Flow" per sh	*71.95*
10.80	11.96	14.65	17.15	20.05	22.00	21.90	22.30	14.32	7.54	22.06	19.08	34.59	31.47	34.74	30.19	*24.30*	*31.50*	Earnings per sh [AB]	*40.40*
4.20	4.20	4.20	4.40	4.60	4.80	5.00	5.20	5.40	5.60	5.60	5.80	7.00	7.40	7.80	8.20	*8.70*	*9.05*	Div'ds Decl'd per sh [C]	*10.20*
4.99	6.76	6.58	11.02	7.33	21.27	24.20	13.78	18.22	23.62	16.10	13.16	21.37	24.82	29.68	30.48	*32.10*	*32.65*	Cap'l Spending per sh	*35.25*
84.17	92.84	99.32	107.22	121.24	117.36	157.34	144.90	156.55	177.30	193.38	216.15	251.93	274.74	330.20	362.48	*380.95*	*402.40*	Book Value per sh [D]	*487.10*
11.80	11.71	11.35	11.04	10.91	10.09	10.09	9.44	9.46	9.49	9.50	9.54	9.58	9.60	9.57	9.52	*9.50*	*9.50*	Common Shs Outst'g [E]	*9.50*
20.9	19.6	16.4	15.8	15.5	18.3	24.0	24.7	36.0	NMF	28.5	37.6	26.2	25.6	21.8	25.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*23.0*
1.27	1.16	1.08	1.06	.97	1.05	1.25	1.41	2.34	NMF	1.56	2.14	1.38	1.36	1.18	1.35			Relative P/E Ratio	*1.55*
1.9%	1.8%	1.7%	1.6%	1.5%	1.2%	1.0%	.9%	1.0%	1.0%	.9%	.8%	.8%	.9%	1.0%	1.1%			Avg Ann'l Div'd Yield	*1.1%*
2110.4	2215.6	2412.2	2416.7	2584.2	2838.9	3300.1	3553.9	3904.9	4180.4	*4450*	*4650*	Sales ($mill) [A]	*5250*
24.5%	24.9%	21.6%	18.1%	21.9%	17.5%	22.7%	20.1%	17.5%	17.1%	*13.5%*	*16.0%*	Operating Margin	*17.5%*
139.1	162.8	180.6	217.2	172.6	175.3	184.7	198.0	222.2	238.8	*225*	*260*	Depreciation ($mill)	*300*
221.7	225.8	136.5	72.7	211.1	181.2	332.7	314.3	329.5	288.6	*230*	*300*	Net Profit ($mill)	*385*
37.4%	38.9%	35.1%	34.1%	37.2%	36.1%	38.5%	37.0%	36.5%	40.0%	*38.0%*	*38.0%*	Income Tax Rate	*38.0%*
10.5%	10.2%	5.7%	3.0%	8.2%	6.4%	10.1%	8.8%	8.4%	6.9%	*5.2%*	*6.4%*	Net Profit Margin	*7.3%*
15.8	d346.4	d3.7	d37.2	d353.1	d216.1	66.2	123.6	131.6	d18.5	*d450*	*d435*	Working Cap'l ($mill)	*d380*
395.0	397.8	873.3	883.1	405.5	422.5	425.9	403.6	401.6	400.5	*Nil*	*Nil*	Long-Term Debt ($mill)	*Nil*
1600.0	1379.7	1494.2	1696.6	1850.2	2074.9	2424.7	2650.7	3171.6	3461.2	*3610*	*3820*	Shr. Equity ($mill)	*4625*
11.4%	13.0%	6.6%	3.7%	9.7%	7.6%	12.0%	10.7%	9.6%	7.8%	*6.5%*	*8.0%*	Return on Total Cap'l	*8.5%*
13.9%	16.4%	9.1%	4.3%	11.4%	8.7%	13.7%	11.9%	10.4%	8.3%	*6.5%*	*8.0%*	Return on Shr. Equity	*8.5%*
10.7%	12.6%	5.7%	1.1%	8.5%	6.1%	11.0%	9.2%	8.0%	6.1%	*4.0%*	*6.0%*	Retained to Com Eq	*6.0%*
23%	24%	38%	75%	26%	31%	20%	23%	23%	27%	*36%*	*29%*	All Div'ds to Net Prof	*25%*

CAPITAL STRUCTURE as of 3/30/08
Total Debt $467.1 mill. Due in 5 Yrs 467.0 mill.
LT Debt $.1 mill. LT Interest None

Leases, Uncapitalized Annual rentals $125.5 mill.
Pension Assets-12/07 $1.8 bill. Oblig. $0.8 bill.

Pfd Stock $11.8 mill. Pfd Div'd $1.0 mill.
Common Stock 9,526,831 shs.
(1,291,693 Cl. A shs. Has unlimited voting rights.)
(8,235,138 Cl. B shs. Elects 30% of the directors.)
as of 4/30/08
MARKET CAP: $6.0 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2007	3/30/08
Cash Assets	377.1	373.1	313.6
Receivables	423.4	480.7	453.3
Inventory (FIFO)	20.0	23.2	33.2
Other	114.3	118.0	124.0
Current Assets	934.8	995.0	924.1
Accts Payable	509.4	564.7	502.7
Debt Due	5.6	89.6	467.0
Other	288.2	359.2	444.7
Current Liab.	803.2	1013.5	1414.4

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Sales	9.0%	9.5%	*5.5%*
"Cash Flow"	6.5%	10.0%	*4.5%*
Earnings	5.0%	17.5%	*3.5%*
Dividends	5.5%	7.0%	*4.5%*
Book Value	11.0%	13.0%	*7.0%*

Calendar	QUARTERLY SALES ($ mill.) [A] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	833.9	897.6	873.7	948.7	3553.9
2006	948.3	969.0	946.9	1040.7	3904.9
2007	985.6	1046.8	1022.5	1125.5	4180.4
2008	1063.1	1106.2	*1100*	*1180.7*	*4450*
2009	*1100*	*1150*	*1150*	*1250*	*4650*

Calendar	EARNINGS PER SHARE [AB] Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2005	6.31	6.16	6.35	10.65	31.47
2006	8.71	8.30	7.72	10.01	34.74
2007	6.70	7.19	7.60	8.70	30.19
2008	5.68	5.70	*6.50*	*6.42*	*24.30*
2009	*7.00*	*7.25*	*8.00*	*9.25*	*31.50*

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	1.75	1.75	1.75	1.75	7.00
2005	1.85	1.85	1.85	1.85	7.40
2006	1.95	1.95	1.95	1.95	7.80
2007	2.05	2.05	2.05	2.05	8.20
2008	2.15	2.15	2.15		

BUSINESS: The Washington Post Co. publishes *The Washington Post* (daily circ.: 658,059). Also publishes *The Herald* (in Everett, Washington), and *Newsweek* magazine (weekly circ.: 3.1 mill.). Owns six network-affiliated TV stations and numerous small cable TV systems in non-urban markets in 19 states (702,700 basic cable subscribers). Kaplan, Inc. provides an extensive range of educational services for children, students and professionals. Employs roughly 19,000. Insiders control 76.5% of Class B shares, with Berkshire Hathaway holding 18.2%. Chairman Donald E. Graham, holds 92.8% of Class A shares., has voting control (3/08 proxy). Incorporated: Del. Address: 1150 15th St., N.W., Washington, D.C. 20071. Telephone: 202-334-6000. Web:www.washpostco.com.

The Washington Post Company's publishing and broadcasting business continues to struggle. The weakness here weighed on second-quarter earnings, which fell about 21%, to $5.70 a share. Note, also, that these results exclude a large severance expense related to a recent retirement program. The charge of $87.4 million (the after tax impact was $52.9 million, or $5.58 a share) was primarily to cover early retirement packages at its *Newsweek* magazine, corporate offices, and flagship newspaper.

The company will likely post a poor performance in 2008. The majority of the Washington Post's businesses are slumping. Namely, revenues declined in newspapers, magazines, and broadcasting in the most recent quarter. Moreover, the recent retirement program may well continue to disrupt operations for the duration of the year. All told, we are estimating share net will decline roughly 20% this year, to $24.30.

Demand for print publications is falling. This trend will likely continue, as readers are increasingly moving to new mediums to consume information. As a result, advertisers have been allocating more of their spending away from traditional media businesses. Accordingly, we believe this shift will continue to drive the decline of newspaper publishing for the foreseeable future.

Management has focused the business toward education. In response to the changing landscape of the media industry, many companies have looked to new opportunities to drive growth. On point, the Washington Post continues to expand its presence in the education market. In fact, about half of WPO's revenue now comes from this sector. We believe the company will continue to invest in this business in order to offset the weakness in its traditional media assets. Moreover, this division should be the driver behind the share-net growth we are forecasting over the 3- to 5-year pull.

These shares hold our Lowest rank (5) for Timeliness. Furthermore, this issue has below-average capital appreciation potential over the 2011-2013 time frame. Thus, we recommend investors avoid this stock until prospects improve.

Richard Gallagher *August 15, 2008*

(A) Fiscal years end on Sunday closest to Dec. 31st. (B) Based on diluted shares. Excludes extraordinary charge: '91, $3.50. Excl. non-recurring gains/losses: '93, $1.14; '97, $4.15; '98, $19.20; '01, $16.52; '02, $0.55; '06 ($.18); '08 ($6.01). Excl. gains (charges) for accounting adjustments: '91, ($4.04); '93, $0.98; '02, ($1.27); '03, $6.05; '05 ($0.06). Next earnings report due late October. (C) Dividends historically paid in early-Feb, May, Aug. and Nov. (D) Incl. intangibles. In 2007: $2,019.1 mill., $21.21/sh. (E) In millions.

Company's Financial Strength	A+
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	60

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WASTE MANAGEMENT NYSE-WMI

RECENT PRICE 34.84 | P/E RATIO 15.1 (Trailing: 16.0 / Median: 20.0) | RELATIVE P/E RATIO 0.98 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS 2 Raised 2/22/08
SAFETY 2 Raised 9/8/06
TECHNICAL 2 Raised 7/25/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

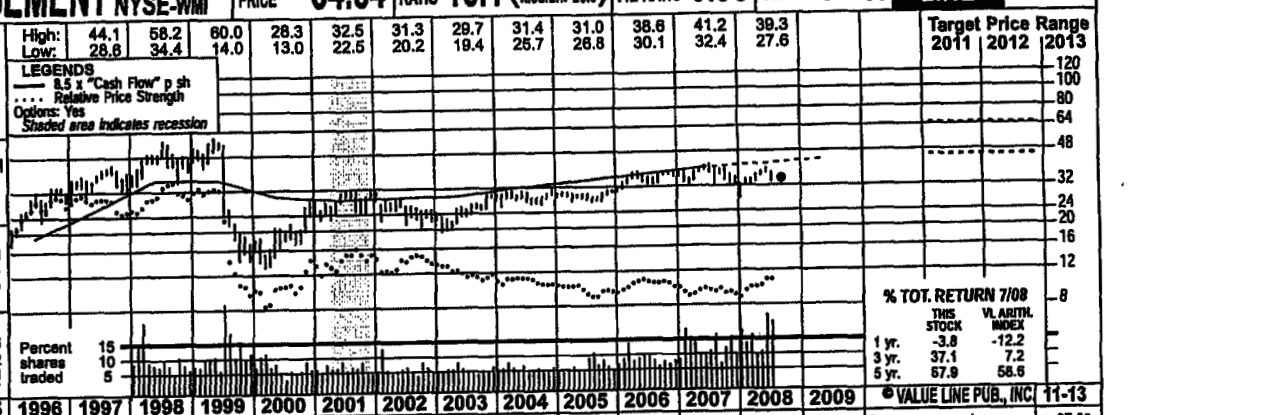
	Price	Gain	Ann'l Total Return
High	65	(+85%)	19%
Low	45	(+30%)	10%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	1	0	7	10	1	0	2	1

Institutional Decisions

	3Q2007	4Q2007	1Q2008
to Buy	239	239	232
to Sell	252	252	261
Hld's(000)	427173	420432	419507



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
4.97	6.77	7.81	6.94	9.41	12.00	20.88	21.20	20.06	18.03	18.74	20.09	21.95	23.67	25.04	26.61	28.40	30.50	Revenues per sh	37.60
1.16	1.54	1.55	1.68	2.23	3.04	4.28	4.30	3.51	3.35	3.42	3.47	3.78	4.05	4.36	4.68	4.85	5.15	"Cash Flow" per sh	6.20
.65	.80	.75	.98	1.13	1.62	1.82	1.81	1.20	1.16	1.31	1.24	1.41	1.55	1.82	2.07	2.27	2.50	Earnings per sh A	3.30
--	--	--	--	--	--	--	.01	.01	.01	.01	.01	.75	.85	.88	.96	1.08	1.15	Div'ds Decl'd per sh ■ B	1.45
.59	1.95	1.81	1.29	2.50	2.00	2.71	2.14	2.11	2.11	2.16	2.08	2.21	2.14	2.49	2.42	2.50	2.60	Cap'l Spending per sh	3.00
3.79	4.04	4.78	6.12	8.28	12.07	7.19	7.11	7.71	8.59	8.93	9.66	10.47	11.08	11.66	11.58	12.15	12.80	Book Value per sh C	15.25
10.51	11.55	22.58	65.84	139.59	217.78	608.31	619.32	622.65	628.02	594.60	576.12	570.21	552.25	533.68	500.12	485.00	468.00	Common Shs Outst'g D	420.00
21.2	15.8	17.2	16.6	24.2	23.3	25.0	20.0	15.5	23.9	19.6	19.8	20.4	18.7	19.4	17.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
1.29	.93	1.13	1.11	1.52	1.34	1.30	1.14	1.01	1.22	1.07	1.13	1.08	1.00	1.05	.93			Relative P/E Ratio	1.15
--	--	--	--	--	--	--	.0%	.1%	.0%	.0%	.0%	2.6%	2.9%	2.5%	2.6%			Avg Ann'l Div'd Yield	2.6%
						12703	13127	12492	11322	11142	11574	12516	13074	13363	13310	13775	14275	Revenues ($mill)	15800
						31.6%	29.8%	27.2%	26.9%	25.8%	24.5%	24.1%	24.2%	25.4%	26.4%	26.6%	26.8%	Operating Margin	27.2%
						1498.7	1554.5	1435.0	1371.0	1222.0	1265.0	1336.0	1361.0	1334	1259	1230	1225	Depreciation ($mill)	1200
						1105.1	1109.5	750.0	732.0	809.0	734.0	820.0	877.0	994	1080	1120	1195	Net Profit ($mill)	1410
						42.9%	32.7%	40.0%	38.2%	35.3%	35.7%	31.0%	24.2%	33.7%	36.4%	39.0%	39.0%	Income Tax Rate	39.0%
						8.7%	8.5%	6.0%	6.5%	7.3%	6.3%	6.6%	6.7%	7.4%	8.1%	8.1%	8.4%	Net Profit Margin	9.9%
						d412.3	d1269	d480.0	d597.0	d473.0	d744.0	d386.0	194.0	d86	d118	50.0	100	Working Cap'l ($mill)	200
						11114	8399.3	8372.0	7709.0	8062.0	7997.0	8182.0	8165.0	7495	8008	8100	8000	Long-Term Debt ($mill)	8000
						4372.5	4402.6	4801.0	5392.0	5308.0	5563.0	5971.0	6121.0	6222	5792	5900	6000	Shr. Equity ($mill)	6400
						9.3%	11.8%	8.5%	7.7%	7.8%	6.9%	7.2%	7.9%	9.2%	9.7%	10.0%	10.5%	Return on Total Cap'l	12.0%
						25.3%	25.2%	15.6%	13.6%	15.2%	13.2%	13.7%	14.3%	16.0%	18.6%	19.0%	20.0%	Return on Shr. Equity	22.0%
						25.3%	25.1%	15.5%	13.5%	15.1%	13.1%	6.5%	7.0%	8.3%	10.1%	10.0%	11.0%	Retained to Com Eq	12.5%
						--	1%	1%	1%	1%	1%	53%	51%	48%	46%	48%	46%	All Div'ds to Net Prof	44%

CAPITAL STRUCTURE as of 6/30/08
Total Debt $8393 mill. Due in 5 Yrs $3300 mill.
LT Debt $7958 mill. LT Interest $485 mill.
(Total interest coverage: 3.8x) (58% of Cap'l)

Leases, Uncapitalized Annual rentals $135 mill.

No Defined Benefit Pension Plan

Pfd Stock None.

Common Stock 490,462,000 shs.
as of 7/23/08
MARKET CAP: $17.1 billion (Large Cap)

CURRENT POSITION ($MILL.)	2006	2008	6/30/08
Cash Assets	614	348	210
Receivables	1858	1674	1685
Other	710	458	515
Current Assets	3182	2480	2410
Accts Payable	605	656	600
Debt Due	822	329	435
Other	1841	1613	1545
Current Liab.	3268	2598	2580

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	10.5%	6.0%	7.0%
"Cash Flow"	6.5%	5.0%	7.0%
Earnings	4.0%	8.0%	10.5%
Dividends	--	146.0%	8.5%
Book Value	2.5%	6.5%	4.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	3038	3289	3375	3372	13074
2006	3229	3410	3441	3283	13363
2007	3188	3358	3403	3361	13310
2008	3266	3489	3535	3485	13775
2009	3385	3615	3665	3610	14275

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.26	.38	.45	.46	1.55
2006	.35	.45	.55	.47	1.82
2007	.43	.56	.54	.54	2.07
2008	.47	.63	.60	.57	2.27
2009	.51	.69	.67	.63	2.50

Calendar	QUARTERLY DIVIDENDS PAID ■B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.188	.188	.188	.188	.75
2005	.20	.20	.25	.20	.85
2006	.22	.22	.22	.22	.88
2007	.24	.24	.24	.24	.96
2008	.27	.27			

BUSINESS: Waste Management is the largest solid-waste disposal company in No. America. The company and USA Waste Services merged in July, 1998. Other major acquisitions incl.: Western Waste (5/96), Sanifill (9/96), and United Waste Systems (8/97). It operates about 285 landfills, 600 collection operations and 340 transfer stations in No. Amer.; rev. mix consists of collection (56%), landfill fees (20%), and waste-to-energy, recycling, transfer stations (24%). Eastern and southern regions account for 57% of total revenues. Has about 48,000 employees. Off./dir. control less than 1.0% of stock (3/08 proxy). Chairman: John C. Pope. CEO: David P. Steiner. Inc.: DE. Address: 1001 Fannin, Suite 4000, Houston, TX 77002. Telephone: 713-512-6200. Internet: www.wm.com.

Waste Management recently made two unsolicited bids to acquire a leading competitor, Republic Services (RSG). On August 12th, WM raised its per-share cash offer by $3.00, to $37.00, equivalent to $6.7 billion for the whole company. The catalyst for these bids is Republic's offer to acquire Allied Waste, the second-largest player in the domestic waste services industry. Republic's directors have rebuffed WM's offers and taken steps to preclude a hostile buyout. Industry sources indicated that WM would have to raise its bid to about $40 a share to have a decent chance at an acquisition. Given WM's relatively high long-term debt-to-capitalization ratio of 58% and the lessened return on investment of a higher purchase price, it seems unlikely that the company will prevail in this matter.

Although still modest, near-term revenue growth prospects have improved. Price hikes have accounted for all of the top-line gains since 2005. Waste-collection volumes trended down over this period due to customer reaction to the higher fees. WM's raised criteria for accepting new municipal and commercial contracts, and lackluster economic growth. However, in this year's second quarter, the customer retention percentage rebounded somewhat. This, along with the likelihood of continued above-norm price increases, including fuel surcharges, suggests revenues may well advance 3%–4% both this year and next, compared to a decline in 2007.

Waste Management is reaping the benefit of a number of efficiency-boosting programs implemented in recent years. They include the consolidation of operating units, a reduction of administrative positions, a new fleet maintenance system, and intensified safety training. All told, we look for further expansion of the operating margin in each of the coming three years.

Despite a higher effective tax rate, earnings are on track to increase about 10% this year, and a similar gain is likely in 2009. The higher rate reflects the termination of tax credits from WM's interests in two synthetic fuel facilities.

This timely stock's risk-adjusted total return potential should appeal to most investors.

David R. Cohen *September 5, 2008*

(A) Based on diluted shares. Next earnings report due late Oct. Excludes extraord. losses: '95, $0.43; '96, $0.89; '97, $0.39; '98, $3.14; '99, $2.46; '00, $1.36; '01, $0.36; '03, $0.18. Excl. extraord. gains: '02, $0.02; '04, $0.20; '05, $0.54; '06, $0.28; '07, $0.16; '08-Q1-2, $0.03.
(B) Dividends ususally paid in late March, June, Sept., and Dec. ■ Div. reinvestment plan avail.
(C) Incl. intangs. At 12/31/07: $5535 mill., $11.06/sh. (D) In millions.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	35
Earnings Predictability	100

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HEARING EXHIBIT 00000569

2

DN 080006-WS
Recommendation filed May 8, 2008

HEARING EXHIBIT 00000570

State of Florida
Public Service Commission

INTERNAL AFFAIRS AGENDA
9:30 AM, Monday - October 27, 2008
Room 140 - Betty Easley Conference Center

1. Approve September 29, 2008, Internal Affairs Meeting Minutes. (Attachment 1)

2. Annual Briefing by Dr. Mark Jamison on the Activities of the Public Utility Research Center (PURC). (Attachment 2)

3. Staff Update on the Event Analysis Team's Review of the February 26 Outage in Peninsular Florida.

MAB/ba

OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6068.

Attachment 1

State of Florida
Public Service Commission
INTERNAL AFFAIRS MINUTES
Monday - September 29, 2008
3:00 pm – 3:15 pm
Room 140 - Betty Easley Conference Center

COMMISSIONERS PRESENT: Chairman Carter
Commissioner Edgar
Commissioner McMurrian
Commissioner Argenziano
Commissioner Skop

STAFF PARTICIPATING: Bane, Hill, Cooke, Lynn, Sharma, Evans, Graves

1. Approve September 4, 2008, Internal Affairs Meeting Minutes.

   The minutes were approved.

   Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

2. Consideration of Legislative Budget Request for FY 2009-10. Approval is sought.

   The Legislative Budget Request for FY 2009-10 was approved. The Chairman directed staff to begin working on the Commission's legislative package for the 2009 session.

   Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

3. Staff Update on the Event Analysis Team's Review of the February 26 Outage in Peninsular Florida.

   Mr. Graves briefed the Commissioners on the status of the Event Analysis Team's Review of the February 26 outage. A report is expected by December.

   Commissioners participating: Carter, Edgar, McMurrian, Argenziano, Skop

State of Florida

Attachment 2

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 20, 2008

TO: Matthew M. Carter II, Chairman
Lisa Polak Edgar, Commissioner
Katrina J. McMurrian, Commissioner
Nancy Argenziano, Commissioner
Nathan A. Skop, Commissioner

FROM: Mary Andrews Bane, Executive Director

RE: Annual Briefing by Dr. Mark Jamison on the Activities of the Public Utility Research Center (PURC). **Critical Information:** Please place on the October 27, 2008, Internal Affairs. Briefing Only.

Attached is background information for the Annual Briefing by Dr. Jamison.

MAB/ba

Attachment

Public Utility Research Center

Annual Report to the Florida Public Service Commission

October 2008

UF | Public Utility Research Center
UNIVERSITY *of* FLORIDA

Leadership in Infrastructure Policy
P.O. Box 117142
Gainesville, FL 32611-7142
Phone 352-392-6148 • Fax 352-392-7796
www.purc.ufl.edu

HEARING EXHIBIT 00000574

From the Director

This update on PURC research and outreach is intended to serve as an overview for FPSC commissioners and professional staff. Below are highlights of a very active year. At the end of this summary is a list of recent research papers, which are also available through the research papers search engine on the PURC Web site at www.purc.ufl.edu. We truly appreciate the support of the FPSC and welcome opportunities for continued collaboration.

Mark A. Jamison, Ph.D.
Director, Public Utility Research Center

Highlights

Storm Hardening

PURC is assisting Florida's electric utilities by coordinating a research effort in the area of hardening the electric infrastructure to better withstand and recover from hurricanes. Projects in this effort have included (1) research on undergrounding existing electric distribution facilities by surveying the current literature, performing case analyses of Florida underground projects, and developing a model for projecting the benefits and costs of converting overhead facilities to underground; (2) data gathering and analysis of hurricane winds in Florida and the possible expansion of a hurricane simulator that can be used to test hardening approaches; and (3) an investigation of effective approaches for vegetation management. Reports are available on the Energy Initiatives page of the PURC Web site, www.purc.ufl.edu.

Climate Change

PURC researchers have been engaged in research and outreach related to Florida's new energy and climate initiatives. Research areas include (1) emission trading, (2) distributed generation, (3) drivers for utility-scale renewable energy deployment, and (4) rate design considerations for policy implementation. Outreach activities include numerous presentations and recent annual conferences on climate change.

- Our leadership seminars at NARUC meetings this year examined how regulators can provide leadership on climate issues.
- The 36th Annual PURC Conference, Changes in Climate and Information Technologies: Who's Driving Utility Policy? February 4-5, 2009 will examine the tradeoffs and merits of carbon policies, energy conservation and efficiency, and investments in plants using nuclear power, natural gas, and renewable energy. Conference details are available online at www.purc.ufl.edu.

(When) to Build or Not to Build?: The Role of Uncertainty in Nuclear Power Expansion

Investments in nuclear power plants are irreversible and involve uncertainties during both construction and commercial operation. Uncertainties confronted by developers of merchant plants and price-regulated plants differ due to the regulatory and market paradigm in which these plants operate. This paper by Lynne Holt, Paul Sotkiewicz, and Sanford Berg concludes with several observations about strategies states may consider undertaking to mitigate investment risk.

HEARING EXHIBIT 00000575

It appeared earlier this year in an issue of the *Texas Journal of Oil, Gas, and Energy Law.* Additional research papers can be found online at www.purc.ufl.edu.

Lifeline

In Florida, low-income households can receive a discount on their monthly local phone bills through a program called Lifeline. Surveys by PURC researchers this year, and in 2005, have found evidence that low-income households are quickly cutting the chord and adopting cellular phones, especially prepaid phones. In fact, they are doing this at a faster rate than are higher-income households. These and other findings call into question the design and effectiveness of this program. PURC Director Dr. Mark Jamison presented these findings to the FPSC in May.

Broadband

State and federal policies for broadband are the subject of two PURC papers in 2008. A paper by Dr. Lynne Holt and Mary Galligan examines how the federal-state partnership has evolved since 1996 to further broadband deployment and subscription goals, particularly in matters of shared public policy concern, such as health care services, education, economic development, and public safety and security. It also suggests an approach for state broadband policy development. A paper by Drs. Holt and Jamison examines U.S. broadband development and policies that impact innovation. They critically review arguments favoring provider subsidies and conclude that stimulating demand would be more productive. Drs. Holt and Jamison also published a paper about federal policies on telecommunications provider access to multitenant dwellings.

International Outreach

One hundred sixty-nine regulatory professionals from around the world attended the PURC/World Bank International Training Program on Utility Regulation and Strategy in 2008. Since its inception in 1997, this program has educated 1,979 professionals from 135 countries. We also contributed to a water regulation course in Bulgaria and provided a customized training program for the telecommunications regulator in Portugal. In addition, we were invited to deliver presentations in Brazil, Mexico, Spain, Canada, and Australia this year.

Communicopia: Market Dynamics in Telecommunications

PURC and the Florida Communications Bar Association will present a forum to examine the dynamic changes occurring in telecommunications November 7, 2008 at the Florida Public Service Commission in Tallahassee.

Energy Policy Leadership Summit

PURC is co-sponsoring this executive dialogue with Gee Strategies December 9-10, 2008 in Orlando to bring together top utility regulators, representatives from the new administration's transition team, political analysts, industry executives, Wall Street analysts, and journalists to examine the way forward on energy and environmental policy.

HEARING EXHIBIT 00000576

Research

Body of Knowledge on Infrastructure Regulation (BoKIR) Web site

We completed a comprehensive update of content on this Web site, including new case studies and reference materials, as well as a translation of the glossary into Portuguese. An Italian translation has been completed, and PURC Director of Water Studies Dr. Sanford Berg will give a presentation in Rome on October 29 to the Italian regulators. This site, www.regulationbodyofknowledge.org, is a useful resource for practitioners, researchers, students, and those interested in utility regulation. We originally developed the site in 2006 in collaboration with the University of Toulouse, the Pontificia Universidad Católica del Perú, The World Bank, and a group of international regulatory experts.

Survey of Benchmarking Methodologies in the Water Sector

The focus of this survey (funded by The World Bank) was on *metric benchmarking* that quantifies the relative performance of organizations. The study identified the strengths and limitations of several techniques that yield performance scores based on production or cost estimates ("total" methods). Dr. Sanford Berg is revising the report as a book to be published by the International Water Association – to expand access to the framework.

Water Policy

PURC and the UF Water Institute have assisted the Florida section of the American Water Works Association in evaluating sector governance, water allocation, and conservation. Dr. Sanford Berg hosted a meeting of the Water Allocations and Transfers Task Force in May. The task force is one of several established by the AWWA and charged with creating a Florida 2030 Vision to address water issues in the state.

Emissions Trading and Renewable Energy

With growing evidence that the first generation of cap-and-trade programs have not achieved all of their potential cost savings *vis-à-vis* traditional command-and-control policies, further examination is needed. A dissertation by PURC Graduate Assistant Dr. Joshua Kneifel focused on this issue and also examined the economic, political, and regulatory factors that affect the use of renewable energy.

Universal Service High-Cost Assistance

Dr. Eric Chiang (Florida Atlantic University) and Dr. Janice Hauge (University of North Texas) are working with Dr. Jamison to study how high-cost assistance impacts telecommunications competition. PURC Graduate Assistant Liangliang Jiang is studying how high-cost support affects companies' costs.

Competition in Telecommunications

We are in the final phases of a collaborative effort with Thammasat University in Thailand to examine best practices for assessing and facilitating competition in developing countries. The project involves a team of 10 experts from the United States. PURC researchers have developed

HEARING EXHIBIT 00000577

papers analyzing case studies of competitive market assessment, metrics that developed and developing countries can use for quantitative assessment of market competition, and best practices for removing barriers to competition. Training courses are scheduled in December 2008. New PURC research examines business separation and open access issues.

Net Neutrality

PURC researchers have written three papers analyzing the net neutrality debate. The PURC research shows that providing premium transmission service benefits small Web site providers and stimulates innovation, contrary to the claims of many net neutrality proponents.

Outreach

Emerging Issues Policy Forum: Digital Pathway to U.S. Economic Recovery and Prosperity Summit

A bipartisan cross section of industry, government, academic, and consumer-interest organizations gathered to focus on the unrealized potential of broadband as an economic stimulus to address this nation's most pressing social issues. PURC was invited as the only academic center to develop program materials for the October event featuring former FCC chairmen Michael Powell and Bill Kennard. We are in the process of compiling a report with the Joint Center for Political and Economic Studies which will be sent to the new administration in Washington, D.C. Details can be found online at www.digitalpathway.org.

Telecommunications Policy Research Conference

Why does broadband matter? What are the important broadband policy issues for the U.S.? These are just two of the questions addressed in the Holt and Jamison paper, "Broadband and Contributions to Economic Growth: Lessons from the U.S. Experience," presented by Dr. Jamison in September at the Telecommunications Policy Research Conference (TPRC) in Alexandria, Virginia.

How do rapidly changing telecommunications technologies and customer demand affect universal service policies? This was the theme of a TPRC presentation by PURC Senior Research Associate Dr. Janice Hauge about the paper "More than a Lifeline: Low-Income Households' Telecommunications Preferences," by Drs. Hauge, Jamison, and Chiang. Additional papers can be found online at www.purc.ufl.edu.

World Bank Workshop

In September, Dr. Sanford Berg delivered the presentation, "Critical Issues in Utility Regulation" at a meeting in Miami of The World Bank's Economics Unit and Sustainable Development Department of Latin America and the Caribbean. The workshop provided an opportunity to examine a number of issues, including environmental regulation in the region, infrastructure expansion, affordability, benchmarking, and the role of new technologies.

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Benchmarking in Brazil

In July, PURC Research Associate Maria Corton delivered a presentation in Brazil about benchmarking at a workshop for the Agência Reguladora de Saneamento e Energia de São Paulo (ARSESP), the São Paulo regulatory agency. The agency recently expanded the sectors it regulates to include water and sanitation services, as well as energy.

Australian Competition and Consumer Commission Conference

"What Should Regulators Know?" was the topic of a keynote address by Dr. Jamison in July at the Australian Competition and Consumer Commission annual conference in Gold Coast, Australia. He emphasized that regulatory commissions today face adaptive challenges—situations where there is general disagreement over the relevant questions and how to make tradeoffs—and that regulators should be cautious about adopting technical fixes too soon in the process.

FIAR

Former Florida Public Service Commissioner Isilio Arriaga, a PURC associate, spoke in July in Mexico City, Mexico at FIAR (Foro Iberoamericano de Agencias de Regulación), a forum on infrastructure regulation. His presentation focused on the value of collaborative activities between regulatory agencies and universities. He was joined by PURC Assistant Director Araceli Castaneda who updated forum attendees on PURC research and recent programs in Latin America and other regions of the world.

Research Grant

University of Florida Ph.D. candidate Sangwon Lee was awarded a NET Institute Summer 2008 grant in June by the Networks, Electronic Commerce, and Telecommunications (NET) Institute based on a proposal he submitted with PURC Research Associate Justin Brown, a UF assistant professor of telecommunication.

International Telecommunications Society Conference

What happens if ISPs are allowed to charge Web sites for higher quality delivery of content? The amount and diversity of content grows. That is the conclusion of a recent study by Dr. Mark Jamison and Dr. Janice Hauge. Dr. Jamison presented the paper, "Getting What You Pay For: Analyzing the Net Neutrality Debate," in June at the International Telecommunications Society conference in Montreal, Canada. He also presented this paper in March 2008 at the European Communications Policy Research (EuroCPR) conference in Seville, Spain.

Telecom Environment Management (TEM) 2008

Will broadband be an engine of economic growth? That depends on whether consumers and businesses adopt new ways of using broadband and whether government policies encourage competition, according to Dr. Mark Jamison in his keynote speech at TEM 2008 in April in Orlando, Florida.

HEARING EXHIBIT 00000579

International Water Association Pi08 Conference

Managers and regulators are familiar with process benchmarking as a tool for improving utility performance. Metric benchmarking provides another approach to evaluating and rewarding improvements in cost containment and service quality. Dr. Sanford Berg presented the paper, "Water Utility Benchmarking for Managerial and Policy Decisions: Lessons from Developing Countries" in March at the International Water Association Pi08 Conference on Performance Assessment of Urban Infrastructure Services in Valencia, Spain. The paper has been published in the book, *Performance Assessment of Urban Infrastructure Services: Drinking Water, Wastewater, and Solid Waste* by IWA Publishing.

Universal Service Obligations and Regulation Regimes: The Experience of Latin America Conference

Lessons can be learned from the experiences of utilities in other nations. Experiences in developing countries offer insights into how transparency, information, and citizen participation can strengthen citizen confidence in infrastructure policies. Dr. Sanford Berg presented the paper, "Water Utility Performance in Central America: The Political Economy of Coverage, Quality, and Cost," in March at the Latin American conference in Barcelona hosted by the Center for International Relations and Development Studies (CIDOB).

Bulgarian Workshop

Economies in transition from socialized systems face significant problems in attracting investments in infrastructure. Water professionals from the Bulgarian State Energy and Water Regulatory Commission learned about building the block tariff, vulnerable customer protections, service quality indicators, international best practice, and information requirements for benchmarking during workshop sessions in Sofia in March taught by Dr. Sanford Berg. He participated as part of PURC's collaboration with the law firm Pierce Atwood.

Bandwidth-Driven Growth: Policy Essentials for Next Generation Development

This seminar in March, delivered by Dr. Jamison in Lisbon, Portugal and sponsored by the Portugal telecommunications regulator ANACOM, explored how telecommunications, and broadband in particular, affect economic growth and the regulatory policies that promote this development.

Partnership with Brazilian Regulators

PURC is pleased to announce an activities partnership with the Brazilian Regulator Agency, Associação Brasileira de Agências de Regulação (ABAR). The partnership was formed in March to facilitate activities and initiatives that strengthen regulatory capacity and support research on infrastructure performance.

35th Annual PURC Conference

More than 150 key leaders in industry and government attended the 35th Annual PURC Conference in February, The Real Climate Change: Planning and Investing Under Uncertainty. Speakers included FPL President Armando Olivera and Harvard Electricity Policy Group President Ashley Brown.

HEARING EXHIBIT 00000580

Training and Development

January

PURC/World Bank International Training Program on Utility Regulation and Strategy

Seventy infrastructure managers from 30 different nations learned from each other and from leading experts during the 23rd PURC/World Bank International Training Program on Utility Regulation and Strategy. This two-week program is designed to enhance the economic, technical, and policy skills required to design and manage sustainable regulatory systems for infrastructure sectors. The participants studied ongoing infrastructure reform programs, networked with international speakers, and offered their own insights into regulatory policies. Chairman Matthew Carter was a featured speaker at both the January and June programs.

February

Providing Leadership in Utility Policy: Federal and State Leadership Roles in Energy Policy

Leadership challenges for federal and state officials were the subject of a leadership seminar sponsored by PURC and Cambridge Leadership Associates (CLA) in Washington, D.C. Bob Gee joined Dr. Jamison in facilitating the workshop.

March

PURC Basic Course on Regulatory Economics for Telecommunications for ANACOM, Portugal

The basics of economic issues in telecommunications regulation were the focus of this course for 35 regulatory professionals at ANACOM, the telecommunications regulatory agency in Lisbon, Portugal.

June

PURC/World Bank International Training Program on Utility Regulation and Strategy

The 99 regulatory professionals who attended the 24th delivery of the PURC/World Bank International Training Program on Utility Regulation and Strategy raised the total number of participants since 1997 to 1,979. They have represented 135 nations.

Practicing Leadership in a Political Environment – A One-Day Intensive Training Workshop for Emerging Leaders in Utility Policy

International regulatory professionals examined the activities, behaviors, mindsets, and skills of a successful leader during this training workshop designed by PURC for emerging leaders in utility policy.

July

Providing Leadership in Utility Policy Seminar

Utility commissioners from the United States examined the leadership skills needed to help the nation confront its energy and environmental challenges during this leadership seminar presented by PURC and CLA.

HEARING EXHIBIT 00000581

Appendix

Public Utility Research Center
Recent Working Papers and Publications

Forthcoming Publications

Applied Publications

Holt, Lynne, and Mary Galligan. Forthcoming. "State and Federal Policies to Accelerate Broadband Deployment in Sparsely Populated Areas of the United States: Why the Old Size Shoe Might No Longer Fit." *CommLaw Conspectus: Journal of Communications Law and Policy.*

Mbilima, Chola. Forthcoming. "Water Supply and Sanitation in Zambia: Reform and Regulation." *Proceedings of the Institution of Civil Engineers, Municipal Engineer.*

Technical Publications

Chiang, Eric P., and Surendra Lal Hada. Forthcoming. "Telecommunications Competition, Rate-Rebalancing, and Consumer Welfare in Nepal." *International Journal of Business Research.*

Hauge, Janice A., and Mark A. Jamison. Forthcoming. "Effects of Using Specific versus General Data in Social Program Research." *Applied Economics.*

2008 Working Papers and Publications

Applied Publications

Berg, Sanford V., and Maria Luisa Corton. 2008. "Benchmarking Water Utilities: Central America." *Water21—Special Issue on Benchmarking in Latin America,* (February): 27-28.

Berg, Sanford V., and Maria Luisa Corton. 2008. "Water Utility Benchmarking for Managerial and Policy Decisions: Lessons from Developing Countries." In *Performance Assessment of Urban Infrastructure Services*, ed. Enrique A. Cabrera, Jr. and Miguel Angel Pardo, 307-320. London: IWA Publishing.

Corton, Maria Luisa, and Alejo Molinari. 2008. "ADERASA's Role in Regulatory Collaboration in the Americas." *Water21—Special Issue on Benchmarking in Latin America,* (February): 23-26.

Holt, Lynne, and Mark A. Jamison. 2008. "Federal Regulation and Competitive Access to Multiple-Unit Premises: More Choice in Communications Services?" *Journal on Telecommunications and High Technology Law,* 6(2): 425-454.

HEARING EXHIBIT 00000582

Holt, Lynne, Paul Sotkiewicz, and Sanford V. Berg. 2008. "(When) to Build or Not to Build?:The Role of Uncertainty in Nuclear Power Expansion." *Texas Journal of Oil, Gas, and Energy Law*, 3(2): 174-214.

Mugisha, Silver, and Sanford V. Berg. 2008. "State-Owned Enterprises: NWSC's Turnaround in Uganda." *African Development Review*, 20(2): 305-334.

Padowski, Julie. 2008. "Water Utility Regulation in Mexico: Sharing Lessons." *Water21—Special Issue on Benchmarking in Latin America,* (February): 29-30.

Sabbioni, Guillermo. 2008. "Efficiency in the Brazilian Sanitation Sector." *Utilities Policy*, 16(1): 11-20.

Technical Publications

Berg, Sanford V., and Chen Lin. 2008. "Consistency in Performance Rankings: The Peru Water Sector." *Applied Economics*, 40(6): 793-805.

Berg, Sanford V., and Jacqueline Horrall. 2008. "Networks of Regulatory Agencies as Transnational Public Goods: Improving Infrastructure Performance." *Review of International Organizations,* 3(2): 179-200.

Hauge, Janice A., Mark A. Jamison, and Richard Gentry. 2008. "Bureaucrats as Entrepreneurs: Do Municipal Telecom Providers Hinder Private Entrepreneurs?" *Information Economics and Policy,* 20(1): 89-102.

Hauge, Janice A., Mark A. Jamison, and R. Todd Jewell. 2008. "Discounting Telephone Service: An Examination of Participation in the Lifeline Assistance Program Using Panel Data." *Information Economics and Policy,* 20(2): 135-149.

Lin, Chen, and Sanford V. Berg. 2008. "Incorporating Service Quality into Yardstick Regulation: An Application to the Peru Water Sector." *Review of Industrial Organization,* 32(1): 53-75.

Quast, Troy. 2008. "Do Elected Public Utility Commissioners Behave More Politically Than Appointed Ones?" *Journal of Regulatory Economics*, 33(3): 318-337.

Working Papers

Berg, Sanford V. 2008. "Water Utility Performance in Central America: The Political Economy of Coverage, Quality and Cost." University of Florida, Department of Economics, PURC Working Paper.

Berg, Sanford V., and Claudia Vargas. 2008. "Bolivian Utility Regulation: Lessons for a Water Sector Agency." University of Florida, Department of Economics, PURC Working Paper.

HEARING EXHIBIT 00000583

Corlett, Daniel, and Michelle Phillips. 2008. "Science-based Watershed Policy for Stream Corridors: Integrating Economic and Ecological Considerations." University of Florida, Department of Economics, PURC Working Paper.

Hauge, Janice A., Eric P. Chiang, and Mark A. Jamison. 2008. "More Than a Lifeline: Low-Income Households' Telecommunications Preferences." University of Florida, Department of Economics, PURC Working Paper.

Hauge, Janice A., Eric P. Chiang, and Mark A. Jamison. 2008. "Whose Call Is It? Targeting Universal to Low-Income Households' Telecommunications Preferences." University of Florida, Department of Economics, PURC Working Paper.

Holt, Lynne, and Mark A. Jamison. 2008. "Broadband and Contributions to Economic Growth: Lessons from the U.S. Experience." University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A. 2008. "Providing Stability While Leading Change." University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A. and Janice A. Hauge. 2008. "Dumbing Down the Net: A Further Look at the Net Neutrality Debate." University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A., and Janice A. Hauge. 2008. "Will Packets Wait? The Effects of Net Neutrality on Network Performance and Consumers." University of Florida, Department of Economics, PURC Working Paper.

Jamison, Mark A., and James Sichter. 2008. "U.S. Experiences with Business Separation in Telecommunications." University of Florida, Department of Economics, PURC Working Paper.

Mugisha, Silver, and Sanford V. Berg. 2008. "Evaluating Pro-poor Water Service Technologies in Developing Countries: The Case of Uganda's Urban Poor Project." University of Florida, Department of Economics, PURC Working Paper.

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CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 8, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Springer, Maurey, Bulecza-Banks)
Office of the General Counsel (Hartman)

RE: Docket No. 080006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

AGENDA: 05/20/08 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Argenziano

CRITICAL DATES: 12/30/08 – Pursuant to Section 367.081(4)(f), Florida Statutes

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080006.RCM.DOC

Case Background

Section 367.081(4)(f), Florida Statutes, authorizes the Commission to establish, not less than once each year, a leverage formula to calculate a reasonable range of returns on equity (ROE) for water and wastewater (WAW) utilities. In Docket No. 070006-WS, the Commission established the current leverage formula by Order No. PSC-07-0472-PAA-WS, issued June 1, 2007.

DOCUMENT NUMBER-DATE
03800 MAY-8 08
FPSC-COMMISSION CLERK

HEARING EXHIBIT 00000585

This staff recommendation utilizes the current leverage formula methodology established in Order No. PSC-01-2514-FOF-WS, issued December 24, 2001, in Docket No. 010006-WS. Since then, the Commission has used this methodology in establishing the leverage formula.

This methodology uses returns on equity from financial models based upon an index of natural gas utilities. In establishing the methodology, the Commission found that relatively few WAW utilities have actively traded stocks. Furthermore, the available WAW utilities were heavily influenced by regulation in one state – California – and by merger activity. Therefore, the Commission has used natural gas utilities as the proxy companies for the leverage formula since 2001. There are many natural gas utilities that have actively traded stocks and forecasted financial data. Staff used natural gas utilities that derive at least 55% of their revenue from regulated rates. These utilities have market power and are influenced significantly by economic regulation. As explained in the body of this recommendation, the model results based on natural gas utilities are adjusted to reflect the risks faced by Florida WAW utilities.

The Commission has jurisdiction pursuant to Section 367.081, Florida Statutes.

HEARING EXHIBIT 00000586

Discussion of Issues

Issue 1: What is the appropriate range of returns on common equity for water and wastewater (WAW) utilities pursuant to Section 367.081(4)(f), Florida Statutes?

Recommendation: Staff recommends that the current leverage formula methodology be applied using updated financial data. Staff recommends the following leverage formula:

Return on Common Equity = 7.36% + 2.123/Equity Ratio

Where the Equity Ratio = Common Equity / (Common Equity + Preferred Equity + Long-Term and Short-Term Debt)

Range: 9.48% @ 100% equity to 12.67% @ 40% equity

(Springer)

Staff Analysis: Section 367.081(4)(f), Florida Statutes, authorizes the Commission to establish a leverage formula to calculate a reasonable range of returns on equity for WAW utilities. The Commission must establish this leverage formula not less than once a year.

Staff notes that the leverage formula depends on four basic assumptions:

1) Business risk is similar for all WAW utilities;

2) The cost of equity is an exponential function of the equity ratio;

3) The marginal weighted average cost of investor capital is constant over the equity ratio range of 40% to 100%; and,

4) The debt cost rate at an assumed Moody's Baa3 bond rating, plus a 50 basis point private placement premium and a 50 basis point small utility risk premium, represents the average marginal cost of debt to a Florida WAW utility over an equity ratio range of 40% to 100%.

For these reasons, the leverage formula is assumed to be appropriate for the average Florida WAW utility.

The leverage formula relies on two ROE models. Staff adjusted the results of these models to reflect differences in risk and debt cost between the index of companies used in the models and the average Florida WAW utility. Both models include a four percent adjustment for flotation costs. The models are as follows:

- A Discounted Cash Flow (DCF) model applied to an index of natural gas utilities (NG) that have publicly traded stock and are followed by the Value Line Investment Survey (Value Line). This DCF model is an annual model and uses prospective growth rates. The index consists of 10 companies that derive at least 55% of their total revenue from

HEARING EXHIBIT 00000587

gas distribution service. These companies have a median Standard and Poor's bond rating of A.

- A Capital Asset Pricing Model (CAPM) using a market return for companies followed by Value Line, the average yield on the Treasury's long-term bonds projected by the Blue Chip Financial Forecasts, and the average beta for the index of NG utilities. The market return for the 2008 leverage formula was calculated using a quarterly DCF model.

Staff averaged the indicated returns of the above models and adjusted the result as follows:

- A bond yield differential of 39 basis points is added to reflect the difference in yields between an A/A2 rated bond, which is the median bond rating for the NG utility index, and a BBB-/Baa3 rated bond. Florida WAW utilities are assumed to be comparable to companies with the lowest investment grade bond rating, which is Baa3. This adjustment compensates for the difference between the credit quality of "A" rated debt and the credit quality of the minimum investment grade rating.

- A private placement premium of 50 basis points is added to reflect the difference in yields on publicly traded debt and privately placed debt, which is illiquid. Investors require a premium for the lack of liquidity of privately placed debt.

- A small utility risk premium of 50 basis points is added because the average Florida WAW utility is too small to qualify for privately placed debt.

After the above adjustments, the resulting cost of equity estimate is included in the average capital structure for the NG utilities. The cost of equity is determined at a 40% equity ratio and the leverage formula is derived. The derivation of the recommended leverage formula using the current methodology with updated financial data is presented in Attachment 1.

Staff recommends that the Commission cap returns on common equity at 12.67% for all water and wastewater utilities with equity ratios less than 40%. Staff believes that this will discourage imprudent financial risk. This cap is consistent with the methodology in Order No. PSC-01-2514-FOF-WS.

HEARING EXHIBIT 00000588

Issue 2: Should the Commission close this docket?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant. (Hartman, Springer)

Staff Analysis: Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

HEARING EXHIBIT 00000589

SUMMARY OF RESULTS

Leverage Formula Update

	Updated Results	Currently in Effect
(A) DCF ROE for Natural Gas Index	9.68%	8.89%
(B) CAPM ROE for Natural Gas Index	11.40%	10.98%
AVERAGE	10.54%	9.93%
Bond Yield Differential	0.39%	0.42%
Private Placement Premium	0.50%	0.50%
Small-Utility Risk Premium	0.50%	0.50%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.73%	0.66%
Cost of Equity for Average Florida WAW Utility at a 40% Equity Ratio	12.67%	12.01%

2007 Leverage Formula (Currently in Effect)

Return on Common Equity =	7.10% + 1.961/ER
Range of Returns on Equity =	9.07% - 12.01%

2008 Leverage Formula (Recommended)

Return on Common Equity =	7.36% + 2.123/ER
Range of Returns on Equity =	9.48% - 12.67%

HEARING EXHIBIT 00000590

Marginal Cost of Investor Capital
Average Water and Wastewater Utility

Capital Component	Ratio	Marginal Cost Rate	Weighted Marginal Cost Rate
Common Equity	46.37%	11.94%	5.53%
Total Debt	53.63%	7.36% *	3.95%
	100.00%		9.48%

A 40% equity ratio is the floor for calculating the required return on common equity. The return on equity at a 40% equity ratio is 7.36% + 2.123/.40 = 12.67%

Marginal Cost of Investor Capital
Average Water & Wastewater Utility at 40% Equity Ratio

Capital Component	Ratio	Marginal Cost Rate	Weighted Marginal Cost Rate
Common Equity	40.00%	12.67%	5.07%
Total Debt	60.00%	7.36% *	4.42%
	100.00%		9.48%

Where: ER = Equity Ratio = Common Equity/(Common Equity + Preferred Equity + Long-Term Debt + Short-Term Debt)

* Assumed Baa3 rate for March 2008 plus a 50 basis point private placement premium and a 50 basis point small utility risk premium.

Sources: Moody's Credit Perspectives and Value Line Selection and Opinion

HEARING EXHIBIT 00000591

ANNUAL DISCOUNTED CASH FLOW MODEL

INDEX NATURAL GAS INDEX

VALUE LINE ISSUE: Ed. 3, March 14, 2008

COMPANY	DIV0	DIV1	DIV2	DIV3	DIV4	EPS4	ROE4	GR1-4	GR4+	MARCH HI-PR	MARCH LO-PR	MARCH AVER-PR
AGL RESOURCES INC.	1.68	1.72	1.76	1.80	1.84	3.20	14.50	1.0227	1.0616	35.62	33.45	34.535
ATMOS ENERGY CORPORATION	1.30	1.32	1.35	1.37	1.40	2.45	9.50	1.0198	1.0407	26.52	25.00	25.760
EQUITABLE RESOURCES, INC.	0.88	1.00	1.07	1.15	1.23	3.60	20.50	1.0714	1.1350	65.05	55.65	60.350
LACLEDE GROUP, INC.	1.49	1.53	1.57	1.61	1.65	2.70	11.00	1.0255	1.0428	36.45	33.42	34.935
NICOR INC.	1.86	1.90	1.90	1.90	1.90	3.25	13.50	1.0000	1.0561	34.29	32.35	33.320
NORTHWEST NATURAL GAS CO.	1.52	1.60	1.69	1.78	1.88	3.35	11.00	1.0552	1.0483	43.92	41.07	42.495
PIEDMONT NATURAL GAS CO., INC.	1.04	1.08	1.12	1.16	1.20	1.75	12.50	1.0357	1.0393	27.32	24.05	25.685
SOUTH JERSEY INDUSTRIES, INC.	1.10	1.16	1.20	1.24	1.28	3.00	14.50	1.0334	1.0831	35.71	31.90	33.805
SOUTHWEST GAS CORPORATION	0.90	0.94	0.98	1.02	1.06	2.65	10.00	1.0409	1.0600	28.35	25.14	26.745
WGL HOLDINGS, INC.	1.40	1.44	1.48	1.52	1.56	2.50	10.50	1.0270	1.0395	33.49	30.26	31.875
AVERAGE	1.3170	1.3690	1.4109	1.4545	1.5000	2.8450	12.7500	1.0332	1.0606			34.951

S&P STOCK GUIDE: APRIL 2008 with MARCH Stock Prices

Stock Price w/four Percent Flotation Costs	$ 33.55		Annual	9.68%	ROE
Cash Flows	1.2126	1.1467	1.0776	1.0130	0.9594	28.1431
Present Value of Cash Flows	33.5525					

NOTE: The cash flows for this multi-stage DCF Model are derived using the average forecasted dividends and the near term and long term growth rates. The discount rate, 9.68%, equates the cash flows with the average stock price less flotation cost.

$33.55 = March 2008 average stock price with a 4% flotation cost.

9.68% = Cost of equity required to match the current stock price with the expected cash flows.

Sources:
1. Stock Prices - S&P Stock Guide, April 2008 Edition.
2. DPS, EPS, ROE - Value Line Edition 3, March 14, 2008.

HEARING EXHIBIT 00000592

Capital Asset Pricing Model Cost of Equity for
Water and Wastewater Industry

CAPM analysis formula

K	=	RF + Beta(MR - RF)
K	=	Investor's required rate of return
RF	=	Risk-free rate (Blue Chip forecast for Long-term Treasury bond, April 1, 2008)
Beta	=	Measure of industry-specific risk (Average for water utilities followed by Value Line)
MR	=	Market return (Value Line Investment Survey For Windows, April 2008)
11.40%	=	4.54% + 0.87(12.20% - 4.54%) + 0.20%

Note: Staff calculated the market return using a quarterly DCF model for a large number of dividend paying stocks followed by Value Line. For March 2008, the result was 12.20%. Staff also added 20 basis points to the CAPM result to allow for a four-percent flotation cost.

HEARING EXHIBIT 00000593

BOND YIELD DIFFERENTIALS									
Public Utility Long Term Bond Yield Averages									
120 Month Average Spread		0.0987		0.0987		0.0987		0.0987	
MONTH/YEAR	A2	SPREAD	A3	SPREAD	Baa1	SPREAD	Baa2	SPREAD	Baa3
Mar-08	6.08	0.06	6.14	0.06	6.20	0.06	6.26	0.06	6.32
Sources: Moody's Credit Perspectives and Value Line Selection and Opinion									

HEARING EXHIBIT 00000594

INDEX STATISTICS AND FACTS

Natural Gas Distribution Proxy Group	S & P Bond Rating	% of Gas Revenue	V/L Market Capital ($ millions)	Equity Ratio	Value Line Beta
AGL Resources Inc.	A-	67%	2,706.88	42.43%	0.85
Atmos Energy Corporation	BBB	56%	2,437.35	43.36%	0.85
Equitable Resources, Inc.	A-	68%	8,102.96	47.10%	0.90
Laclede Group, Inc.	A	55%	804.72	40.36%	0.90
NICOR Inc.	AA	83%	1,587.91	52.15%	1.00
Northwest Natural Gas Co.	AA-	98%	1,195.22	47.40%	0.80
Piedmont Natural Gas Co., Inc.	A	82%	1,988.27	45.27%	0.85
South Jersey Industries, Inc.	A	63%	1,086.29	50.25%	0.80
Southwest Gas Corporation	BBB-	85%	1,256.19	41.04%	0.90
WGL Holdings, Inc.	AA-	57%	1,658.52	51.11%	0.85
Average:				46.37%	0.87
Sources:					

Value Line Investment Survey for Windows, April 2008
S.E.C. Forms 10Q and 10K for Companies
AUS Utility Report, March 2008

HEARING EXHIBIT 00000595

PROFESSIONAL QUALIFICATIONS
OF
PAULINE M. AHERN, CRRA
PRINCIPAL
AUS CONSULTANTS

PROFESSIONAL EXPERIENCE

1996-2006

As a Principal (Vice President – 1996-2006), I offer testimony as an expert witness on the subjects of fair rate of return and cost of capital before state public utility commissions. I provide assistance and support to clients throughout the entire ratemaking litigation process.

1994-1996

As an Assistant Vice President, I prepared fair rate of return and cost of capital exhibits which are filed along with expert testimony before various state and federal public utility regulatory bodies. These supporting exhibits include the determination of an appropriate ratemaking capital structure and the development of embedded cost rates of senior capital. The exhibits also support the determination of a recommended return on common equity through the use of various market models, such as, but not limited to, Discounted Cash Flow analysis, Capital Asset Pricing Model and Risk Premium Methodology, as well as an assessment of the risk characteristics of the client utility. I also assisted in the preparation of responses to any interrogatories received regarding such testimonies filed on behalf of client utilities. Following the filing of fair rate of return testimonies, I assisted in the evaluation of opposition testimony in order to prepare interrogatory questions, areas of cross-examination, and rebuttal testimony. I also evaluated and assisted in the preparation of briefs and exceptions following the hearing process. I have submitted testimony before state public utility commissions regarding appropriate capital structure ratios and fixed capital cost rates.

1990-1994

As a Senior Financial Analyst, I supervised two analysts in the preparation of fair rate of return and cost of capital exhibits which are filed along with expert testimony before various state and federal public utility regulatory bodies. The team also assisted in the preparation of interrogatory responses.

I evaluated the final orders and decisions of various commissions to determine whether further actions are warranted and to gain insight which may assist in the preparation of future rate of return studies.

I assisted in the preparation of an article authored by Frank J. Hanley and A. Gerald Harris entitled "Does Diversification Increase the Cost of Equity Capital?" published in the July 15, 1991 issue of Public Utilities Fortnightly.

I co-authored an article with Frank J. Hanley entitled "Comparable Earnings: New Life for an Old Precept" which was published in the American Gas Association's Financial Quarterly Review, Summer 1994.

I was awarded the professional designation "Certified Rate of Return Analyst" (CRRA) by the National Society of Rate of Return Analysts (now the Society of Utility and Regulatory Financial Analysts (SURFA)). This designation is based upon education, experience and the successful completion of a comprehensive examination.

As Administrator of Financial Analysis for AUS Utility Reports, which reports financial data for over 200 utility companies and has approximately 1,000 subscribers, I oversee the preparation of this monthly publication, as well as the annual publication, Financial Statistics - Public Utilities.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 3
COMPANY Utilities Inc. (Direct)
WITNESS Pauline M. Ahern (PMA-1)
DATE 10/23/08

1988-1990

As a Financial Analyst, I assisted in the preparation of fair rate of return studies including capital structure determination, development of senior capital cost rates, as well as the determination of an appropriate rate of return on equity. I also assisted in the preparation of interrogatory responses, interrogatory questions of the opposition, areas of cross-examination and rebuttal testimony. I also assisted in the preparation of the annual publication C. A. Turner Utility Reports - Financial Statistics - Public Utilities.

1973-1975

As a research assistant in the Research Department of the Regional Economics Division of the Federal Reserve Bank of Boston, I was involved in the development and maintenance of econometric models to simulate regional economic conditions in New England in order to study the effects of, among other things, the energy crisis of the early 1970's and property tax revaluations on the economy of New England. I was also involved in the statistical analysis and preparation of articles for the New England Economic Review. Also, I acted as assistant editor for New England Business Indicators.

1972

As a research assistant in the Office of the Assistant Secretary for International Affairs, U.S. Treasury Department, Washington, D.C., I developed and maintained econometric models which simulated the economy of the United States in order to study the results of various alternate foreign trade policies so that national trade policy could be formulated and recommended.

I am also a member of the Society of Utility and Regulatory Financial Analysts (formerly the National Society of Rate of Return Analysts).

Clients Served

I have offered expert testimony before the following commissions:

Arkansas
California
Connecticut
Delaware
Florida
Hawaii
Idaho
Illinois
Indiana
Kentucky
Louisiana
Maine
Maryland
Michigan
Missouri
Nevada
New Jersey
New York
North Carolina
Ohio
Pennsylvania
South Carolina
Virginia
Washington

I have sponsored testimony on the rate of return and capital structure effects of merger and acquisition issues for:

California-American Water Company
New Jersey-American Water Company

I have sponsored testimony on fair rate of return and related issues for:

Alpena Power Company
Aqua Illinois, Inc.
Aqua New Jersey, Inc.
Aqua Virginia, Inc.
Artesian Water Company
Audubon Water Company
The Borough of Hanover, PA
The Atlantic City Sewerage Company
Carolina Pines Utilities, Inc.
Carolina Water Service, Inc. of NC
Carolina Water Service, Inc. of SC
Consumers Illinois Water Company
Consumers Maine Water Company
Consumers New Jersey Water Company
City of DuBois, Pennsylvania
Elizabethtown Water Company
Emporium Water Company
GTE Hawaiian Telephone Inc.
Greenridge Utilities, Inc.
Illinois American Water Company
Iowa American Water Company
Land'Or Utility Company
Long Neck Water Company
Louisiana Water Service, Inc.
Massanutten Public Service Company
Middlesex Water Company
Missouri-American Water Company
Mt. Holly Water Company
Nero Utility Services, Inc.
New Jersey-American Water Company
NRG Energy Center Pittsburgh LLC
NRG Energy Center Harrisburg LLC
Ohio-American Water Company
Penn Estates Utilities
Pinelands Waste Water Company
Pittsburgh Thermal
Southland Utilities, Inc.
Spring Creek Utilities, Inc.
Sussex Shores Water Company
Tega Cay Water Service, Inc.
Total Environmental Services, Inc. –
Treasure Lake Water & Sewer Divisions
Thames Water Americas
Tidewater Utilities, Inc.
Transylvania Utilities, Inc.
Twin Lakes Utilities, Inc.
United Utility Companies
United Water Arkansas, Inc.
United Water Connecticut, Inc.
United Water Delaware, Inc.
United Water Idaho, Inc.
United Water Indiana, Inc.
United Water New Jersey, Inc.
United Water New Rochelle, Inc.
United Water New York, Inc.
United Water Owego / Nichols, Inc.
United Water Pennsylvania, Inc.
United Water Virginia, Inc.
United Water West Lafayette, Inc.
Utilities Inc. of Central Nevada
Utilities, Inc. of Florida
Utilities Services of South Carolina
Utility Center, Inc.
Valley Energy, Inc.
Water Service Corp. of Kentucky
Wellsboro Electric Company
Western Utilities, Inc.

I have sponsored testimony on capital structure and senior capital cost rates for the following clients:

Alpena Power Company
Arkansas-Western Gas Company
Associated Natural Gas Company
PG Energy Inc.
United Water Delaware, Inc.
Washington Natural Gas Company

I have assisted in the preparation of rate of return studies on behalf of the following clients:

Algonquin Gas Transmission Company
Anadarko Petroleum Corporation
Arkansas-Louisiana Gas Company
Arkansas Western Gas Company
Artesian Water Company
Associated Natural Gas Company
Atlantic City Electric Company
Bridgeport-Hydraulic Company
Cambridge Electric Light Company
Carolina Power & Light Company
Citizens Gas and Coke Utility
City of Vernon, CA
Columbia Gas/Gulf Transmission Cos.
Commonwealth Electric Company
Commonwealth Telephone Company
Conestoga Telephone & Telegraph Co.
Connecticut Natural Gas Corporation
Consolidated Gas Transmission Company
Consumers Power Company
CWS Systems, Inc.
Delmarva Power & Light Company
East Honolulu Community Services, Inc.
Equitable Gas Company
Equitrans, Inc.
Florida Power & Light Company
Gary Hobart Water Company
Gasco, Inc.
GTE Arkansas, Inc.

Rate of Return Study Clients (Continued)

GTE California, Inc.
GTE Florida, Inc.
GTE Hawaiian Telephone
GTE North, Inc.
GTE Northwest, Inc.
GTE Southwest, Inc.
Great Lakes Gas Transmission L.P.
Hawaiian Electric Company
Hawaiian Electric Light Company
IES Utilities Inc.
Illinois Power Company
Interstate Power Company
Interstate Power & Light Co.
Iowa Electric Light and Power Company
Iowa Southern Utilities Company
Kentucky-West Virginia Gas Company
Lockhart Power Company
Middlesex Water Company
Milwaukee Metropolitan Sewer District
Mountaineer Gas Company
National Fuel Gas Distribution Corp.
National Fuel Gas Supply Corp.
Newco Waste Systems of NJ, Inc.
New Jersey Natural Gas Company
New Jersey-American Water Company
New York-American Water Company
North Carolina Natural Gas Corp.
Northumbrian Water Company
Ohio-American Water Company
Oklahoma Natural Gas Company
Orange and Rockland Utilities
Paiute Pipeline Company
PECO Energy Company
Penn-York Energy Corporation
Pennsylvania-American Water Co.
PG Energy Inc.
Philadelphia Electric Company
Providence Gas Company
South Carolina Pipeline Company
Southwest Gas Corporation
Stamford Water Company
Tesoro Alaska Petroleum Company
Tesoro Refining & Marketing Co.
United Telephone of New Jersey
United Utility Companies
United Water Arkansas, Inc.
United Water Delaware, Inc.
United Water Idaho, Inc.
United Water Indiana, Inc.
United Water New Jersey, Inc.
United Water New York, Inc.
United Water Pennsylvania, Inc.
United Water Virginia, Inc.
United Water West Lafayette, Inc.
Vista-United Telecommunications Corp.
Washington Gas Light Company
Washington Natural Gas Company
Washington Water Power Corporation
Waste Management of New Jersey –
Transfer Station A
Wellsboro Electric Company
Western Reserve Telephone Company
Western Utilities, Inc.
Wisconsin Power and Light Company

EDUCATION:

1973 – Clark University – B.A. – Honors in Economics
1991 – Rutgers University – M.B.A. – High Honors

PROFESSIONAL AFFILIATIONS:

American Finance Association
Financial Management Association
Society of Utility and Regulatory Financial Analysts
President – 2008-2010
Secretary/Treasurer – 2004-2006
Energy Association of Pennsylvania
National Association of Water Companies – Member of the Finance Committee

SPEAKING ENGAGEMENT:

AWWA Pre-Conference Workshop – Water Utility Ratemaking – March 25, 2008, Atlantic City, NJ
Topic: "Water Utility Financing" Where Does All That Cash Come From?"

RESUME OF JAMES A. ROTHSCHILD

UTILITY REGULATION EXPERIENCE

- Filed expert testimony on rate of return, accounting and/or financial issues with regard to electric, telephone, gas, water, health care and insurance rate setting matters in the following jurisdictions:

Alabama	Kentucky	Oklahoma
Arizona	Maryland	Oregon
Connecticut	Maine	Pennsylvania
Delaware	Massachusetts	Rhode Island
FERC	Minnesota	South Carolina
Florida	New Jersey	Vermont
Georgia	New York	Washington, DC
Illinois	Nova Scotia	Washington

OTHER BUSINESS EXPERIENCE

- Economic Analyst - Evaluated profitability of expansion and new venture proposals and provided financial support material for contract negotiations.

- Process Engineer - Responsible for process design and invented process improvements, which included a device that reduced a major water pollution problem.

EMPLOYMENT HISTORY

February 1985-Present	Rothschild Financial Consulting
May 1979-January 1985	Georgetown Consulting Group, Inc.
August 1976-May 1979	J. Rothschild Associates
May 1972-August 1976	Touche Ross & Company
June 1967-May 1972	Olin Corporation

EDUCATION

- Case Western Reserve University, MBA, Banking& Finance, 1971
- University of Pittsburgh, BS, Chemical Engineering, 1967

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 4
COMPANY Office of Public Counsel (Direct)
WITNESS James A Rothschild (JAR-1)
DATE 10/23/08

DISCOUNTED CASH FLOW (DCF) INDICATED COST OF EQUITY

		BASED ON MONTHLY MIDPOINT MARKET PRICE FOR Year Ending 5/31/08	BASED ON MARKET PRICE AS OF 5/31/2008
1 Dividend Yield On Market Price	[B]	3.70%	3.60%
2 Retention Ratio:			
a) Market-to-book	[B]	2.37	2.45
b) Div. Yld on Book	[C]	8.78%	8.80%
c) Return on Equity	[A]	12.00%	12.00%
d) Retention Rate	[D]	26.80%	26.66%
3 Reinvestment Growth	[E]	3.22%	3.20%
4 New Financing Growth	[F]	2.41%	2.53%
5 Total Estimate of Investor Anticipated Growth	[G]	5.62%	5.73%
6 Increment to Dividend Yield for Growth to Next Year	[H]	0.10%	0.10%
7 Indicated Cost of Equity	**[I]**	9.42%	9.43%

Average 9.43%

Some of the Considerations for Determining Future Expected Return on Equity:

Sources:		Median	Mean	Source:
[A]	Value Line Expectation	12.00%	12.80%	0
	Return on Equity to Achieve Zacks' Growth	13.11%	13.41%	0
	Earned Return on Equ 2007	12.18%	12.40%	0
	Earned Return on Equ 2006	12.03%	14.60%	0
	Earned Return on Equ 2005	11.89%	13.44%	0

[B] 0
[C] Line 1 x Line 2a
[D] 1- Line 2b/Line 2c
[E] Line 2c x Line 2d
[F] S X V

[M/B X (Ext. Fin Rate+1]/(M/B + Ext. Fin. Rate-1) Ext. Fin. rate used = 1.75% [J]

[G] Line 3 + Line 4
[H] Line 1 x one-half of line 5
[I] Line 1 + Line 5 + Line 6
[J] 0

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 5
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-2)
DATE 10/23/08

GAS COMPANIES
CAPITAL ASSET PRICING MODEL
BASED ON HISTORICAL ACTUAL COMPOUND ANNUAL RETURNS

1	Historical Actual Return - beta = 1		10.40%	[A]
2	Historical Actual Return - beta =	0.88	9.72%	[B]
3	Interest Rate on 30-Year Treasury Bonds		4.70%	[C]
4	Interest Rate on Long-Term Inflation Indexed Treasury Bonds		2.05%	[C]
5	Current Market Inflation Expectation		2.65%	Line 1 minus Line 2
6	Historical Actual Inflation		3.00%	[D]
7	Difference From Historical Actual Inflation		0.35%	
8	Adjusted Returns For Current Market Inflation Expectation Beta = 1		10.05%	

CAPITAL ASSET PRICING MODEL

9	Indicated Cost of Equity for Portfolio of Companies with a beta of 0.89	9.37%	

Sources:
[A] Ibbotson Associates 2008 Yearbook, page 295
[B] Docket No. 080006-WS
[C] www.bloomberg.com/markets/rates/index.html, 5/29/08
[D] Ibbotson Associates 2008 Yearbook, page 331

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 6
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-3)
DATE 10/23/08

GAS COMPANIES

CAPITAL ASSET PRICING MODEL

HISTORIC ACTUAL COMPOUND RETURNS
and HISTORIC ACTUAL COMPOUND ANNUAL RETURNS ADJUSTED FOR
DIFFERENCE BETWEEN CURRENT AND HISTORICAL ACTUAL INFLATION RATE

[A]	Portfolio by Size Decile	1	2	3	4	5	6	7	8	9	10
[A]	Beta	0.91	1.03	1.10	1.12	1.16	1.18	1.24	1.30	1.35	1.41
[B]	Historic Actual Compounded Annual Return	9.60%	10.90%	11.30%	11.10%	11.70%	11.70%	11.60%	11.80%	11.90%	13.60%
[C]	Reduced Compounded Annual Returns	9.25%	10.55%	10.95%	10.75%	11.35%	11.35%	11.25%	11.45%	11.55%	13.25%

[D] **Least Squared Line derived from compounded annual returns per decile**

Beta	Slope	Y-Intercept	Return
0.88	5.9922	4.45	**9.72%**

See graph on Exhibit JAR- 6, page 4

Least Squared Line

	Beta	Slope	Y-Intercept	Return
[E]	0.88	5.9922	4.1	**9.37%**

See graph on Exhibit JAR- 6, page 5

[A] Ibbotson Associates 2008 Yearbook, page 142
[B] Ibbotson Associates 2008 Yearbook, page 130
[C] by 0.35% actual difference between 3.00% historical and 2.65% current expected long-term inflation rate.
[D] Least Squared Line derived from Historical Actual Compounded Annual Return
[E] Least Squared Line derived from Reduced Compouned Annual Return

RECOMMENDED OF LEVERAGE FORMULA
RESULTS OF LEVERAGE FORMULA WITH OVERALL COST OF CAPITAL
(Including Income Tax Effect)

OCC	ER	D		Grossed-up k [1]	Required Return on Equity
[1]		[2]	tax rate	38.58%	
10.610636%	40.00%	6.26%		17.14%	10.53%
10.610636%	49.12%	6.08%		15.30%	9.40%
10.610636%	60.00%	5.87%		13.77%	8.46%
10.610636%	100.00%	5.08%		10.61%	6.52%

Leverage Formul: k=(OCC-D(1-ER))/ER

where k= Cost of Equity
OCC= Overall Cost of Capital
D= Cost of Debt
ER= Equity Ratio

Source:
[1] Exhibit JAR- 1, Page 2
[2] D at 40% 6.26% per Recommended Leverage Formula
Rate of Change 0.01973684 per Recommended Leverage Formula

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 7
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-4)
DATE 10/23/08

Water & Wastewater Leverage Formula
Docket 080006-WS
YEAR 2008
Computation of Overall Cost of Capital (OCC)
Including Impact of Income Taxes

	Source	
Natural Gas Utilities Index		
DCF Model	Exhibit No. ___(JAR-2)	9.43%
CAPM*	Exhibit No. ___(JAR-3)	9.37%
AVERAGE		9.40%
Bond Yield Differential		0.00%
Private Placement Premium		0.00%
Small Utility Risk Premium		0.00%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio		1.13%
Cost of Equity for Average Florida WAW Utility at a 40% Equity Ratio		10.53%
Small Utility Risk Premium		0.00%
Private Placement Premium		0.00%
A bond yield		6.08%
Baa Rate		6.08%

CAPITAL COMPONENT

			WEIGHT	
CE	49.12%	9.40%	7.52%	[1]
TOTAL DEBT	50.88%	6.08%	3.09%	
	100.00%		10.610636%	

CE	40.00%	10.5290%	6.86%	Solved for return on equity to keep overall cost of capital constant
TOTAL DEBT	60.00%	6.26%	3.76%	
	100.00%		10.61527%	

Adds to debt cost per Recommended Leverage Formula

[1] Weighted cost of equity is cost of equity x percent common equity divided by 1- effective tax rate.

Tax gross-up is based upon the corporate federal tax rate of 35% , and
the Florida state corporate income tax rate of 5.5%.

Income	1.000
State tax	0.055
Federal taxable	0.945
Federal income tax	0.331
After tax income	0.614
Effective tax rate	0.38575

ESTIMATED CHANGE IN COST OF DEBT AS CAPITAL STRUCTURE CHANGES

	A. Equity ratio		B. Debt Cost	
Cost of debt at	49.12%	[1]	6.08%	[2]
Cost of debt at	40.00%		6.26%	[3]
DIFFERENCE	9.12%		0.18%	
			0.0197	[Line 3B/Line 3A]

EXAMPLE OF COST OF DEBT RESULTS:

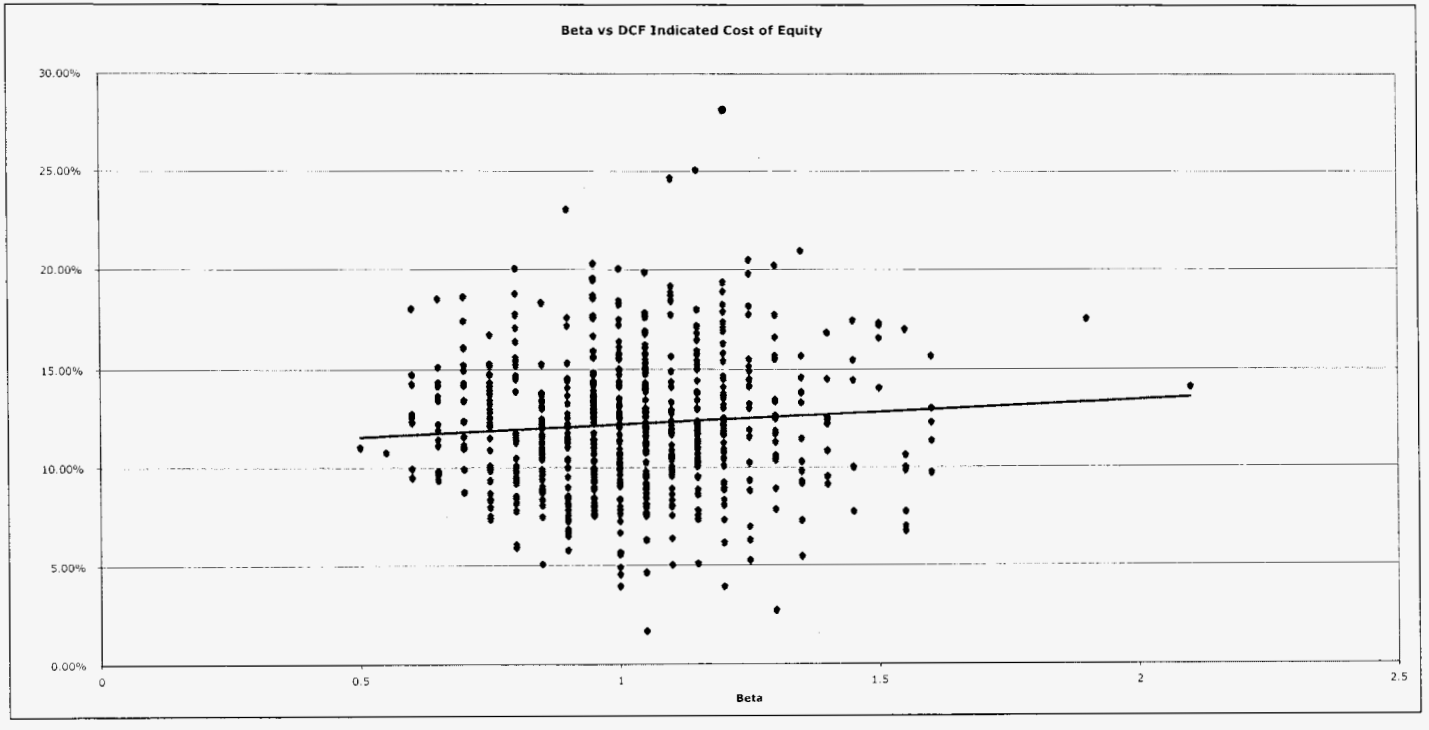
Equity Ratio	Debt Ratio	Cost of Debt
49.12%	50.88%	6.08%
40.00%	60.00%	6.26%
42.50%	57.50%	6.21%
45.00%	55.00%	6.16%
47.50%	52.50%	6.11%
50.00%	50.00%	6.06%
52.50%	47.50%	6.01%
55.00%	45.00%	5.96%
100.00%	0.00%	5.08%

Source:

[1] 0
1-percentage of debt
[2] Bond-yield schedule from Staff report
A2 rate as of March 2008
[3] Bond-yield schedule from Staff report
Baa2 rate as of March 2008
Baa2 rating estmated for 40% common equity ratio per
Exhibit JAR- 7, Page 3

Graphed of Beta for Companies Used in Staff's Analysis
Showing Correlation Between Risk and Return
For the DCF calculation Included in Staff's CAPM method

Docket No. 080006-WS
Exhibit No. ___(JAR-5)
Beta vs DCF Cost of Equity



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 8
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-5)
DATE 10/23/08

Modigliani-Miller Theorem
From Wikipedia

The Modigliani-Miller theorem (of Franco Modigliani, Merton Miller) forms the basis for modern thinking on capital structure. The basic theorem states that, in the absence of taxes, bankruptcy costs, and asymmetric information, and in an efficient market, the value of a firm is unaffected by how that firm is financed.[1] It does not matter if the firm's capital is raised by issuing stock or selling debt. It does not matter what the firm's dividend policy is. Therefore, the Modigliani-Miller theorem is also often called the capital structure irrelevance principle.

Modigliani was awarded the 1985 Nobel Prize in Economics for this and other contributions.

Miller was awarded the 1990 Nobel Prize in Economics, along with Harry Markowitz and William Sharpe, for their "work in the theory of financial economics," with Miller specifically cited for "fundamental contributions to the theory of corporate finance."
Contents
[hide]

* 1 Historical background
* 2 Propositions
  o 2.1 Without taxes
  o 2.2 With taxes
* 3 See also
* 4 Economic consequences
* 5 Footnotes
* 6 References
* 7 Links

Historical background

Miller and Modigliani derived the theorem and wrote their pathbreaking article when they were both professors at the Graduate School of Industrial Administration (GSIA) of Carnegie Mellon University. In contrast to most other business schools, GSIA put an emphasis on an academic approach to business questions. The story goes that Miller and Modigliani were set to teach corporate finance for business students despite the fact that they had no prior experience in corporate finance. When they read the material that existed they found it inconsistent so they sat down together to try to figure it out. The result of this was the article in the American Economic Review and what has later been known as the M&M theorem.

Propositions

The theorem was originally proven under the assumption of no taxes. It is made up of two propositions which can also be extended to a situation with taxes.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 9
COMPANY Office of Public Counsel
WITNESS James A. Rothschild (JAR-6)
DATE 10/23/08

Consider two firms which are identical except for their financial structures. The first (Firm U) is unlevered: that is, it is financed by equity only. The other (Firm L) is levered: it is financed partly by equity, and partly by debt. The Modigliani-Miller theorem states that the value of the two firms is the same.

Without taxes

Proposition I: V_U = V_L \, where VU is the value of an unlevered firm = price of buying a firm composed only of equity, and VL is the value of a levered firm = price of buying a firm that is composed of some mix of debt and equity.

To see why this should be true, suppose an investor is considering buying one of the two firms U or L. Instead of purchasing the shares of the levered firm L, he could purchase the shares of firm U and borrow the same amount of money B that firm L does. The eventual returns to either of these investments would be the same. Therefore the price of L must be the same as the price of U minus the money borrowed B, which is the value of L's debt.

This discussion also clarifies the role of some of the theorem's assumptions. We have implicitly assumed that the investor's cost of borrowing money is the same as that of the firm, which need not be true in the presence of asymmetric information or in the absence of efficient markets.

Proposition II:
Proposition II with risky debt. As leverage (D/E) increases, the WACC stays constant.
Proposition II with risky debt. As leverage (D/E) increases, the WACC stays constant.

k_e =k_0+ \frac{D}{E}\left({k_0 - k_d } \right)

* ke is the required rate of return on equity, or cost of equity.
* k0 is the cost of capital for an all equity firm.
* kd is the required rate of return on borrowings, or cost of debt.
* D / E is the debt-to-equity ratio.

This proposition states that the cost of equity is a linear function of the firm's debt to equity ratio. A higher debt-to-equity ratio leads to a higher required return on equity, because of the higher risk involved for equity-holders in a company with debt. The formula is derived from the theory of weighted average cost of capital.

These propositions are true assuming the following assumptions:

* no taxes exist,
* no transaction costs exist, and
* individuals and corporations borrow at the same rates.

These results might seem irrelevant (after all, none of the conditions are met in the real world), but the theorem is still taught and studied because it tells us something very important. That is, capital structure matters precisely because one or more of these assumptions are violated. It tells us where to look for determinants of optimal capital structure and how those factors might affect optimal capital structure.

[edit] With taxes

Proposition I:

$$V_L = V_U + T_C D$$

where

* VL is the value of a levered firm.
* VU is the value of an unlevered firm.
* TCD is the tax rate (TC) x the value of debt (D)

This means that there are advantages for firms to be levered, since corporations can deduct interest payments. Therefore leverage lowers tax payments. Dividend payments are non-deductible.

Proposition II:

$$r_E = r_0 + \frac{D}{E}(r_0 - r_D)(1-T_C)$$

where

* rE is the required rate of return on equity, or cost of equity.
* r0 is the cost of capital for an all equity firm.
* rD is the required rate of return on borrowings, or cost of debt.
* D / E is the debt-to-equity ratio.
* Tc is the tax rate.

The same relationship as earlier described stating that the cost of equity rises with leverage, because the risk to equity rises, still holds. The formula however has implications for the difference with the WACC. Their second attempt on capital structure included taxes and identified that as the level of gearing increases by replacing equity with cheap debt the level of the WACC drops and an optimal capital structure does indeed exist at a point where debt is 100%

The following assumptions are made in the propositions with taxes:

* corporations are taxed at the rate TC on earnings after interest,

* no transaction costs exist, and
* individuals and corporations borrow at the same rate

Miller and Modigliani published a number of follow-up papers discussing some of these issues.

The theorem was first proposed by F. Modigliani and M. Miller in 1958.

[edit] See also

* Arbitrage pricing theory
* Capital structure
* Cost of capital
* Debt to equity ratio
* Fisher separation theorem
* John Burr Williams
* Hamada's Equation
* Pecking order theory
* Weighted average cost of capital
* Tobin's Q

[edit] Economic consequences

The Modigliani-Miller theorem, which justifies near limitless financial leverage, has largely boosted economic and financial activities.[citation needed] But it also brought increased complexity, lack of transparency, higher risk and uncertainty in those activities.[citation needed]

[edit] Footnotes

1. ^ MIT Sloan Lecture Notes, Finance Theory II, Dirk Jenter, 2003

[edit] References

* Brealey, Richard A.; Myers, Stewart C. [1981] (2008). Principles of Corporate Finance, 9th edition, Boston: McGraw-Hill/Irwin. ISBN 9780073405100.
* Stewart, G. Bennett (1991). The Quest for Value: The EVA management guide. New York: HarperBusiness. ISBN 0887304184.
* Modigliani, F.; Miller, M. (1958). "The Cost of Capital, Corporation Finance and the Theory of Investment". American Economic Review 48 (3): 261–297.
* Miller, M.; Modigliani, F. (1963). "Corporate income taxes and the cost of capital: a correction". American Economic Review 53 (3): 433–443.
* Miles, J.; Ezzell, J. (1980). "The weighted average cost of capital, perfect capital markets and project life: a clarification". Journal of Financial and Quantitative Analysis 15: 719–730.

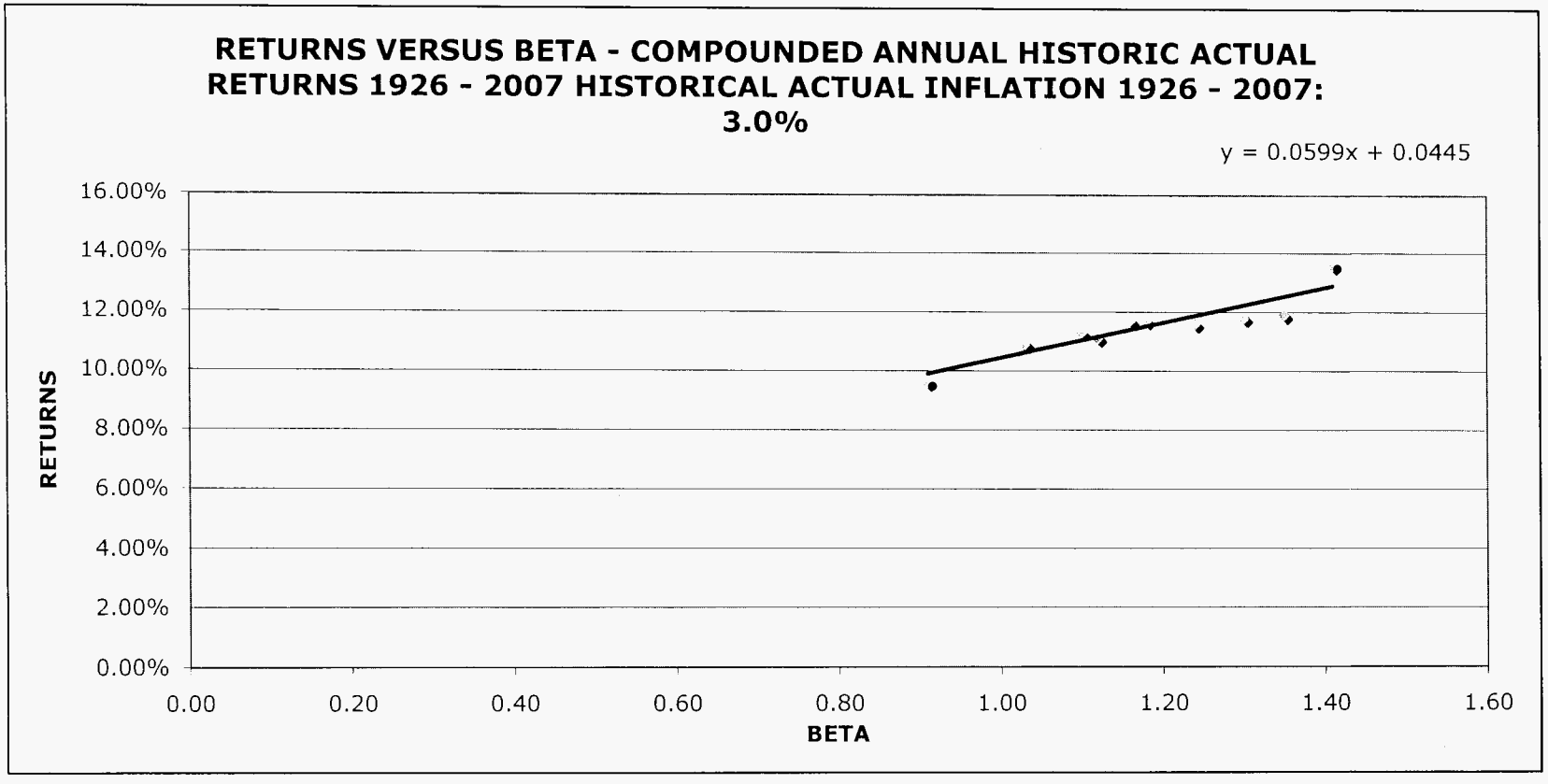
[edit] Links

* MIT Sloan Lecture Notes, Finance Theory II, Dirk Jenter, 2003
* Corporate Finance: The Modigliani-Miller Theorems
* Ruben D Cohen "An Implication of the Modigliani-Miller Capital Structuring Theorems on the Relation between Equity and Debt"

Average Betas of 10 Groups of Companies from 1926-2007
Graph 1

Docket No. 080006-WS
Rothschild Exhibit No. ___(JAR-7)
Average Betas of 10 Groups

Beta	0.91	1.03	1.10	1.12	1.16	1.18	1.24	1.30	1.35	1.41
Historic Actual Compounded Annual Return	9.60%	10.90%	11.30%	11.10%	11.70%	11.70%	11.60%	11.80%	11.90%	13.60%



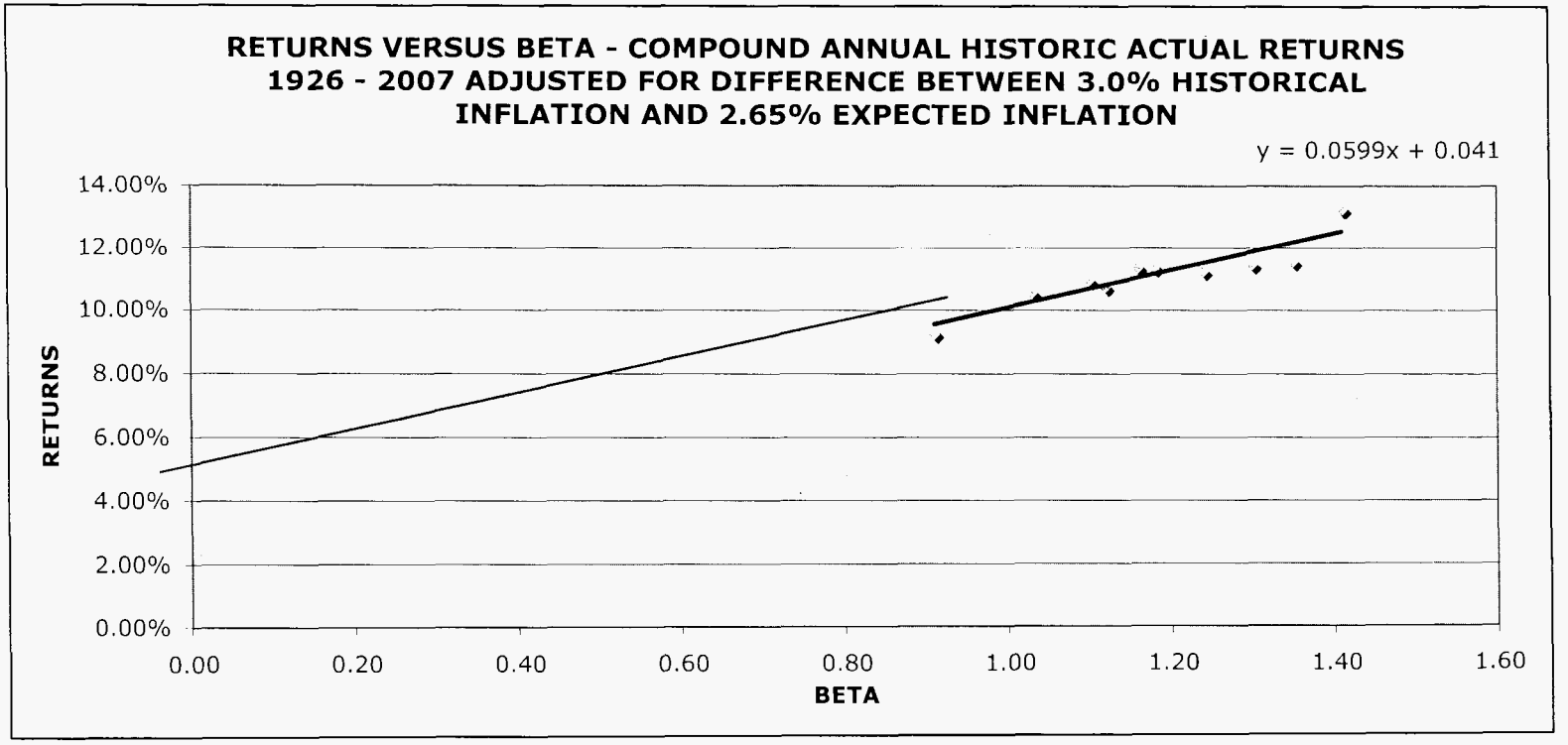
Source: Exhibit JAR- 3, page 2

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 10
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-7)
DATE 10/23/08

COMPOUNDED ANNUAL EARNED RETURN AND BETA FOR THE GROUP OF COMPANIES
Adjusted for Inflation Differences
Graph 2

Docket No. 080006-WS
Exhibit No. ___(JAR-7)
Average Betas of 10 Groups

Beta	0.91	1.03	1.10	1.12	1.16	1.18	1.24	1.30	1.35	1.41
Reduced Compounded Annual Returns	9.25%	10.55%	10.95%	10.75%	11.35%	11.35%	11.25%	11.45%	11.55%	13.25%



Source: Exhibit JAR- 3, page 2

Average Common Equity Ratio Used by the Comparative Gas Companies
Actual Capital Structure

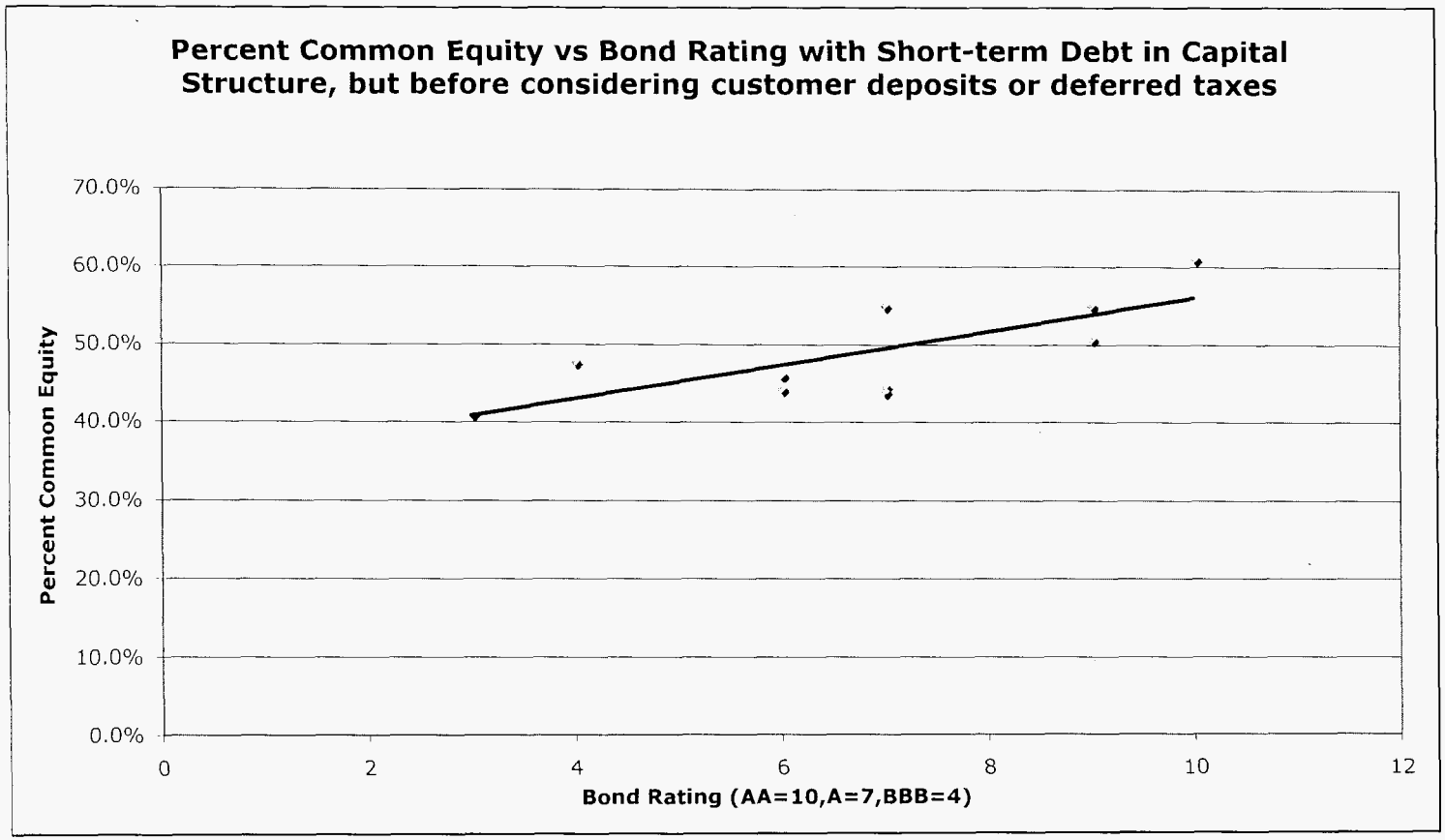
Docket No. 080006-WS
Exhibit No. ___(JAR-8)
ER of Comparative Gas Companies

	% Common Equity w/out Short Term Debt					($000,000s)	Quantity					Percentage			
Gas Companies	2003	2004	2005	2006	2007	Total Debt	LT Debt	ST Debt	Pfd Stock	Equity	Total Capital	LT Debt	ST Debt	Pfd Stock	Equity Ratio With ST Debt
AGL	49.7%	46.0%	48.1%	49.8%	49.8%	$ 1,885.0	$ 1,516.0	$ 369.0	$ -	$ 1,503.9	$ 3,388.9	44.7%	10.9%	0.0%	**44.4%**
ATMOS Energy Corp.	49.8%	56.8%	42.3%	43.0%	48.0%	$ 2,128.2	$ 2,119.7	$ 8.5	$ -	$ 1,956.6	$ 4,084.8	51.9%	0.2%	0.0%	**47.9%**
Equitable Res.*						$ 1,280.5	$ 1,253.5	$ 27.0	$ -	$ 1,100.0	$ 2,380.5	52.7%	1.1%	0.0%	**46.2%**
Laclede Group	49.4%	48.3%	51.8%	50.4%	54.6%	$ 527.4	$ 355.6	$ 171.8	$ 0.5	$ 428.3	$ 956.2	37.2%	18.0%	0.1%	**44.8%**
Nicor, Inc.	60.3%	60.1%	62.5%	63.7%	69.0%	$ 526.4	$ 373.4	$ 153.0	$ 0.6	$ 832.5	$ 1,359.5	27.5%	11.3%	0.0%	**61.2%**
N. W. Natual Gas	50.3%	54.0%	53.0%	53.7%	53.7%	$ 571.6	$ 512.0	$ 59.6	$ -	$ 593.8	$ 1,165.4	43.9%	5.1%	0.0%	**51.0%**
Piedmont National Gas	57.8%	56.4%	58.6%	51.7%	51.6%	$ 1,113.8	$ 824.8	$ 289.0	$ -	$ 879.3	$ 1,993.1	41.4%	14.5%	0.0%	**44.1%**
South Jersey Inds.	49.0%	51.0%	55.1%	55.3%	57.3%	$ 389.8	$ 357.9	$ 31.9	$ -	$ 480.3	$ 870.1	41.1%	3.7%	0.0%	**55.2%**
Southwest Gas	34.0%	35.8%	36.2%	39.4%	41.9%	$ 1,301.0	$ 1,263.6	$ 37.4	$ -	$ 911.3	$ 2,212.3	57.1%	1.7%	0.0%	**41.2%**
WGL Holdings	54.3%	57.2%	58.6%	61.5%	60.3%	$ 742.4	$ 597.4	$ 145.0	$ 28.2	$ 950.2	$ 1,720.8	34.7%	8.4%	1.6%	**55.2%**
Average	**50.5%**	**51.7%**	**51.8%**	**52.1%**	**54.0%**	**$ 10,466**	**$ 9,174**	**$ 1,292**	**$ 29**	**$ 9,636**	**$ 20,132**	**43.22%**	**7.48%**	**0.17%**	**49.12%**
											Median	**42.66%**	**6.77%**	**0.00%**	**47.05%**

Source: Most current Value Line at time of prep.

*Value Line does not provide a common equity ratio for Equitable Res
The amount of equity is directly from Value Line "Shr. Equity ($mill)"

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 11
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-8)
DATE 10/23/08



Capital Structure Compared to Bond Rating	Bond Rating	Bond Rating Number for Graphing	Percent Commmon Equity
Gas Companies			
AGL	A-	6	44.4%
ATMOS Energy Corp.	BBB	4	47.9%
Equitable Res.*	A-	6	46.2%
Laclede Group	A	7	44.8%
Nicor, Inc.	AA	10	61.2%
N. W. Natual Gas	AA-	9	51.0%
Piedmont National Gas	A	7	44.1%
South Jersey Inds.	A	7	55.2%
Southwest Gas	BBB-	3	41.2%
WGL Holdings	AA-	9	55.2%

Source: Bond Ratings from Staff Request
Capital Structure from JAR 8, page 1

COMPARATIVE COMPANIES
SELECTED FINANCIAL DATA

	VL Issue	[1] Book Per Sh. Dec. 04 [A]	[2] Book Per Sh. Dec. 05 [A]	[3] Book Per Sh. Dec. 06 [A]	[4] Book Per Sh. Dec. 07 VL Est. [A]	[5] Market Price At 05/31/08 [B]	[6] Market Price High for Year [B]	[7] Market Price Low for Year [B]	[8] Market to Book At 05/31/08 [C]	[9] Market to Book Avg. for Year [C]	[10] Div. Rate [A]	[11] Dividend Yield At 5/31/2008 [D]	[12] Dividend Yield Avg. for Year [D]
AGL		$18.06	$19.29	$20.71	$21.74	$35.70	$42.80	$33.45	1.64	1.80	$1.68	4.71%	4.41%
ATMOS Energy Corp.		$18.05	$19.90	$20.16	$22.01	$27.39	$32.60	$25.00	1.24	1.37	$1.30	4.75%	4.51%
Equitable Res.		$7.17	$2.96	$7.78	$8.98	$70.23	$76.14	$44.57	7.82	7.20	$0.88	1.25%	1.46%
Laclede Group		$16.96	$17.31	$18.85	$19.79	$40.00	$41.57	$28.84	2.02	1.82	$1.50	3.75%	4.26%
Nicor, Inc.		$16.99	$18.36	$19.43	$20.58	$40.83	$47.47	$32.35	1.98	2.00	$1.86	4.56%	4.66%
N. W. Natual Gas		$20.64	$21.28	$22.01	$22.52	$45.59	$50.89	$40.98	2.02	2.06	$1.50	3.29%	3.27%
Piedmont National Gas		$11.15	$11.53	$11.83	$11.99	$27.03	$27.98	$22.00	2.25	2.10	$1.04	3.85%	4.16%
South Jersey Inds.		$12.41	$13.50	$15.11	$16.25	$38.25	$39.28	$31.20	2.35	2.25	$1.08	2.82%	3.06%
Southwest Gas		$19.18	$19.10	$21.58	$22.98	$31.18	$38.52	$25.14	1.36	1.43	$0.90	2.89%	2.83%
WGL Holdings		$16.95	$17.80	$18.28	$19.83	$34.89	$35.91	$29.79	1.76	1.72	$1.44	4.13%	4.38%
	AVERAGE	$15.76	$16.10	$17.57	$18.67	$39.11	$43.32	$31.33	2.45	2.37	$1.32	3.60%	3.70%
	MEDIAN								2.00	1.91		3.80%	4.21%

e= Estimated by Value Line

Sources:

[A] Most current Value Line at time of prep. of schedule. Most current quarterly dividend rate X 4
Note: For South Jersey Inds. There is no dividend for Q1 2008 so used 3Q 2007 X 1.10 X 4 (Note: never pay dividend in Q1, Q3 dividend have been increasing at an increasing rate (a bout 8% btw 2006 and 2007) Q4 has been about 2 X Q3

[B] Yahoo Finance -- Historical Prices, 5/31/08

[C] Market price divided by book value

[D] Dividend rate divided by market price

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 12
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-9)
DATE 10/23/08

COMPARATIVE COMPANIES
EARNINGS PER SHARE AND RETURN ON EQUITY

	[1] EPS 2005	[2] EPS 2006	[3] EPS 2007 VL. Est.	[4] Return on Eq. 2006	[5] Return on Eq. 2007	[6] Value Line Future Exp. Return on Eq.	[7] Return on Equity 2005
	[A]	[A]	[A]	[B]	[B]	[A]	[B]
AGL	$2.48	$2.72	$2.72	13.60%	12.82%	13.00%	13.28%
ATMOS Energy Corp.	$1.72	$2.00	$1.94	9.99%	9.20%	9.50%	9.06%
Equitable Res.	$1.75	$1.86	$1.49	34.64%	17.78%	21.50%	34.55%
Laclede Group	$1.90	$2.37	$2.31	13.11%	11.96%	11.50%	11.09%
Nicor, Inc.	$2.27	$2.87	$2.99	15.19%	14.95%	14.00%	12.84%
N. W. Natual Gas	$2.11	$2.35	$2.76	10.86%	12.40%	11.00%	10.07%
Piedmont National Gas	$1.32	$1.28	$1.40	10.96%	11.75%	12.50%	11.64%
South Jersey Inds.	$1.71	$2.46	$2.09	17.20%	13.33%	14.50%	13.20%
Southwest Gas	$1.25	$1.98	$1.95	9.73%	8.75%	10.00%	6.53%
WGL Holdings	$2.11	$1.94	$2.10	10.75%	11.02%	10.50%	12.14%
	$1.86	$2.18	$2.18	14.60%	12.40%	12.80%	13.44%
				12.03%	12.18%	12.00%	11.89%

e= Estimated by Value Line

Source:

[A] Most current Value Line at time of prep. of schedule.

[B] Earnings Per Share divided by average book value. Book value shown on

0.00%

RETURN ON EQUITY IMPLIED IN
ZACKS NEXT FIVE YEAR GROWTH RATES

		Dec. 07 Y/E Book [3] [A]	Earnings 2007 [A]	Dividends [A]	Analyst 5 Year Growth Rate 10/ [B]	Y/E Book in 2011 at Zack's Growth [C]	Y/E Book in 2012 at Zack's Growth [C]	Earnings 2012 at Zack's Growth [C]	Return on Equity to achieve Analysts' Growth [C]	VALUE LINE BETA [A]
AGL	ATG	$21.74	$2.72	$1.68	4.80%	$26.42	$27.74	$3.44	12.70%	0.85
ATMOS Energy Corp.	ATO	$22.01	$1.94	$1.30	5.30%	$24.93	$25.76	$2.51	9.91%	0.85
Equitable Res.	EQT	$8.98	$1.49	$0.88	9.80%	$12.08	$13.05	$2.38	18.92%	0.95
Laclede Group	LG	$19.79	$2.31	$1.50	10.00%	$23.93	$25.23	$3.72	15.14%	0.90
Nicor, Inc.	GAS	$20.58	$2.99	$1.86	5.20%	$25.72	$27.17	$3.85	14.57%	0.95
N. W. Natual Gas	NWN	$22.52	$2.76	$1.50	6.20%	$28.39	$30.09	$3.73	12.75%	0.80
Piedmont National Gas	PNY	$11.99	$1.40	$1.04	6.00%	$13.66	$14.14	$1.87	13.48%	0.85
South Jersey Inds.	SJI	$16.25	$2.09	$1.08	7.90%	$21.16	$22.64	$3.06	13.96%	0.85
Southwest Gas	SWX	$22.98	$1.95	$0.90	8.00%	$28.09	$29.63	$2.87	9.93%	0.90
WGL Holdings	WGL	$19.83	$2.10	$1.44	7.30%	$22.99	$23.93	$2.99	12.73%	0.90
		$18.67	$2.18	$1.32	7.05%	$22.74	$23.94	$3.04	13.41%	0.88
					6.75%				13.11%	0.88

Source:
[A] Must Current Value Line at time of prep of schedule
[B] Zacks.com, 5/29/08
[C] Projected return on equity is obtained by escalating both dividends and earnings per share by the stated growth rate, and adding earnings and subtracting dividends in each year to determine the book value.

TABLE 1

DIFFERENT GROWTH RATES	**Value**	**Growth**
Earnings Per Share	$ 1.00	6%
Dividends Per Share	$ 0.60	3%
Book Value Per Share	$ 10.00	4%
Stock Price	$ 11.00	6%

Growth at 6% per share	**2007**	**2008**	**2009**	**2010**	**2011**
Earnings Per Share	$ 1.06	$ 1.12	$ 1.19	$ 1.26	$ 1.34
Dividends Per Share	$ 0.62	$ 0.64	$ 0.66	$ 0.68	$ 0.70
Book Value Per Share	$ 10.40	$ 10.82	$ 11.25	$ 11.70	$ 12.17
Stock Price	$ 11.66	$ 12.36	$ 13.10	$ 13.89	$ 14.72
Dividend Yield	**5.30%**	**5.15%**	**5.00%**	**4.86%**	**4.73%**
Market to Book Ratio	1.12	1.14	1.16	1.19	1.21
Return on Book Equity	**10.19%**	**10.39%**	**10.59%**	**10.79%**	**11.00%**
P/E Ratio	11.00	11.00	11.00	11.00	11.00

Table 2

Growth at ROE X Retention Rate	**Value**	**Growth**
Earnings Per Share	$ 1.00	4%
Book Value Per Share	$ 10.00	4%
Stock Price	$ 11.00	4%
Dividends Per Share	$ 0.60	4%

Growth at 6% per share	**2007**	**2008**	**2009**	**2010**	**2011**
Earnings Per Share	$ 1.04	$ 1.08	$ 1.12	$ 1.17	$ 1.22
Book Value Per Share	**$ 10.40**	**$ 10.82**	**$ 11.25**	**$ 11.70**	**$ 12.17**
Stock Price	$ 11.44	$ 11.90	$ 12.37	$ 12.87	$ 13.38
Dividends Per Share	$ 0.62	$ 0.65	$ 0.67	$ 0.70	$ 0.73
Dividend Yield	5.45%	5.45%	5.45%	5.45%	5.45%
Market to Book Ratio	1.10	1.10	1.10	1.10	1.10
Return on Book Equity	10.00%	10.00%	10.00%	10.00%	10.00%
P/E Ratio	11.00	11.00	11.00	11.00	11.00
Book Value Per Share Calculated	**$ 10.40**	**$ 10.82**	**$ 11.25**	**$ 11.70**	**$ 12.17**
Growth Rate					

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 13
COMPANY Office of Public Counsel (Direct)
WITNESS James A. Rothschild (JAR-10)
DATE 10/23/08

EXTERNAL FINANCING RATE
(Millions of Shares)

S&P GAS DISTRIBUTION UTILITIES COMPANY WITNESS GROUP	Common Stock Outstanding 2007	2011-13	Compound Annual
AGL	76.40	80.00	1.16%
ATMOS Energy Corp.	89.33	115.00	6.52%
Equitable Res.	122.16	119.00	-0.65%
Laclede Group	21.65	25.50	4.18%
Nicor, Inc.	45.90	46.00	0.05%
N. W. Natual Gas	26.41	28.00	1.47%
Piedmont National Gas	73.23	72.00	-0.42%
South Jersey Inds.	29.61	32.00	1.96%
Southwest Gas	42.81	48.00	2.90%
WGL Holdings	49.45	50.00	0.28%
		Average	1.74%
		Median	1.32%
		Round to	**1.75%**

External financing rate adjusted for change in common equity ratio

Source: Most current Value Line at time of prep. of schedule.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 14
COMPANY Office of Public Counsel
WITNESS James A. Rothschild (JAR-11)
DATE 10/23/08

APPENDIX A TO THE REBUTTAL TESTIMONY OF PAULINE M. AHERN, CRRA

Proxy Group

Q. Please explain how you chose the proxy group of six AUS Utility Reports water companies.

A. The basis of selection for the proxy group of six AUS Utility Reports water companies were those companies which meet the following criteria: 1) they are included in the Water Company Group of AUS Utility Reports (September 2008); 2) they have Value Line or Reuters consensus five-year EPS growth rate projections; 3) they have a Value Line adjusted beta; 4) they have not cut or omitted their common dividends during the five years ending 2007 or through the time of the preparation of this testimony; 5) they have 60% or greater of total net operating income derived from and 60% or greater of total assets devoted to regulated water operations; and 5) which, at the time of the preparation of this testimony, had not publicly announced that they were involved in any major merger or acquisition activity.

Discounted Cash Flow Model

Q. Please describe the dividend yield you used in your application of the DCF model.

A. The unadjusted dividend yields are based upon an average of a recent spot date (August 29, 2008) as well as an average of the three months ended August 29, 2008, respectively, which are derived on page 3 of Exhibit (PMA-28)__. The average unadjusted yield is 2.78% and the median unadjusted yield is 2.86% for the six AUS Utility Reports water companies and 3.62% and 3.63%, respectively, for the FL PSC Natural Gas Index.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 15
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (Append. A)
DATE 10/23/08

Q. Please explain the dividend growth component shown on page 2 of Exhibit (PMA-28)__, Column 2.

A. Because dividends are paid quarterly, or periodically, as opposed to continuously (daily), an adjustment to the dividend yield must be made. This is often referred to as the discrete, or the Gordon Periodic, version of the DCF model.

Since the various companies in the proxy groups increase their quarterly dividend at various times during the year, a reasonable assumption is to reflect one-half the annual dividend growth rate in the D_1 expression, or $D_{1/2}$. This is a conservative approach which does not overstate the dividend yield which should be representative of the next twelve-month period. Therefore, the actual average dividend yields in Column 1 on page 2 of Exhibit (PMA-28)__ have been adjusted upward to reflect one-half the growth rates shown in Column 4.

Q. Please explain the basis of the growth rates of the proxy groups which you use in your application of the DCF model.

A. In my opinion, investors are likely to place great significance on the opinions expressed by financial information services, such as Value Line and Reuters, which are easily accessible and/or available on the Internet. Forecasts by analysts, including Value Line, are typically limited to five years. In my opinion, investors in water utilities would have little interest in historical growth rates beyond the most recent five years because an historical five-year period balances the five-year period for projected growth rates. Consequently, the use of five-year historical and five-year projected growth rates in earnings per share (EPS) and dividends per share (DPS) as well as the sum of internal and external growth in per share value (BR + SV) is appropriate to consider in the

determination of a growth rate for use in this application of the DCF model. In addition, investors realize that analysts have significant insight into the dynamics of the industries and they analyze individual companies as well as companies' abilities to effectively manage the effects of changing laws and regulations. Consequently, I have reviewed analysts' projected growth in EPS, as well as historical and projected five-year compound growth rates in EPS, DPS and (BR + SV) for each company in the proxy groups. Because the gas distribution industry has been partially deregulated, it is my opinion that investors rely upon forecasted EPS growth rates when arriving at their required return on common equity for gas distribution companies. Therefore, for these companies, I will rely exclusively upon forecasted growth rates in EPS in my application of the DCF. However, for the water companies, because the industry has not experienced the deregulation experienced by the gas distribution companies, I will also rely upon historical growth rates in my application of the DCF. The historical growth rates are from Value Line or are calculated in a manner similar to Value Line, while the projected growth rates in earnings are from Value Line and Reuters forecasts. Reuters growth rate estimates are not available for DPS and internal growth, and they do not include the Value Line projections.

For the water companies, in addition to evaluating EPS and DPS growth rates, it is reasonable to assume that investors also assess (BR + SV). The concept is based on well documented financial theory that future dividend growth is a function of the portion of the overall return to investors which is reinvested in the firm plus the sales of new common stock. Consequently, the growth component as proxied by internal and external growth is defined as follows:

$$g = BR + SV$$

Where:

B = the fraction of earnings retained by the firm, i.e., retention ratio

R = the return on common equity

S = the growth in common shares outstanding

V = the premium/discount of a company's stock price relative to its book value, i.e., one minus the complement of the market/book ratio.

Consistent with the use of five-year historical and five-year projected growth rates in EPS and DPS, I have derived five-year historical and five-year projected (BR + SV) growth. Projected EPS growth rate averages and medians are shown in Column 4 on the lower half of Schedule PMA-7, while historical and projected growth rates in DPS, EPS, and BR + SV are shown in Column 4 on the upper half of page 2 of Exhibit (PMA-28)__. The bases of these growth rates are summarized for the companies in the proxy groups on page 4, Exhibit (PMA-28)__. Supporting growth rate data are detailed on pages 5 through 10 of Exhibit (PMA-28)__, while pages 31 through 46 contain all of the most current Value Line Investment Survey data for the companies in the two proxy groups.

Q. Please summarize the DCF model result.

A. As shown on page 2 of Exhibit (PMA-28)__, the result of the application of the DCF model is 11.47% using the average and 11.46% when using the median value of the six AUS Utility Reports water companies results. As also shown on page 2 of Exhibit (PMA-28)__, the results of the application of the DCF model is 9.82% using the average and 9.43% when using the median value of the FL PSC Natural Gas Index

result. In arriving at conclusions of indicated common equity cost rate for the proxy groups, I have relied upon the median of the results of the DCF. I utilize the median due to the wide range of DCF results as well as the currently extremely volatile capital market condition. In my opinion, the median is a more accurate and reliable measure of central tendency, and provides recognition to all the DCF results.

In view of the foregoing, as shown on page 2 of Exhibit (PMA-28)__, the indicated common equity cost rate based upon the application of the DCF model is 11.66% for the six AUS Utility Reports water companies and 9.43% for the FL PSC Natural Gas Index.

The Risk Premium Model (RPM)

Q. Please describe the theoretical basis of the RPM.

A. Risk Premium theory indicates that the cost of common equity capital is greater than the prospective company-specific cost rate for long-term debt capital. In other words, the cost of common equity equals the expected cost rate for long-term debt capital plus a risk premium to compensate common shareholders for the added risk of being unsecured and last-in-line for any claim on the corporation's assets and earnings.

Q. Please explain the basis of the expected bond yields of 6.58% and 6.76% applicable to the average company in each proxy group, respectively.

A. Because the cost of common equity is prospective, a prospective yield on similarly-rated long-term debt is essential. As shown on page 12 of Exhibit (PMA-28)__, although based upon only one water company, the average Moody's bond rating is A2 for the six AUS Utility Reports water companies while the average Moody's bond rating is A3 for the FL PSC Natural Gas Index. I relied upon a consensus forecast of

about 50 economists of the expected yield on Aaa rated corporate bonds for the six calendar quarters ending with the fourth calendar quarter of 2009 as derived from the September 1, 2008 Blue Chip Financial Forecasts (shown on page 2 of Exhibit (PMA-12)__. As shown on Line No. 1 of page 11 of Exhibit (PMA-28)__, the average expected yield on Moody's Aaa rated corporate bonds is 5.87%. It is necessary to adjust that average yield to be equivalent to a Moody's A2 rated public utility bond. Consequently, an adjustment to the average prospective yield on Aaa rated corporate bonds of 0.71% was required. It is shown on Line No. 2, page 12 and explained in Note 2 at the bottom of the page. After adjustment, the expected bond yield applicable to a Moody's A rated public utility bond is 6.58% as shown on Line No. 3.

Because the proxy group of six AUS Utility Reports water companies average Moody's bond rating is A2, no adjustment is necessary to make the prospective bond yield applicable to an A2 public utility bond. However, because the average Moody's bond rating of the FL PSC Natural Gas Index is A3, an adjustment of 18 basis points (0.18%) is necessary to make the prospective bond yield applicable to an A3 public utility bond. Therefore, the expected specific bond yields is 6.58% for the proxy group of water companies and 6.76% for the FL PSC Natural Gas Index.

Q. Please explain the method utilized to estimate the equity risk premium.

A. I evaluated the results of two different historical equity risk premium studies, as well as Value Line's forecasted total annual market return in excess of the prospective yield on high grade corporate bonds, as detailed on pages 15, 16 and 17 of Exhibit (PMA-28)__. As shown on Line No. 3, page 15, the mean equity risk premium is 5.58% applicable to the proxy group of six AUS Utility Reports water companies and 4.96% applicable to

the FL PSC Natural Gas Index. These estimates are the result of an average of a beta-derived historical equity risk premium exclusively as will be discussed subsequently as well as the mean historical equity risk premium applicable to public utilities with bonds rated A based upon holding period returns.

The basis of the beta-derived equity risk premium applicable to the proxy group is shown on page 16 of Exhibit (PMA-28)__. The beta-determined equity risk premium should receive substantial weight because betas are derived from the market prices of common stocks over a recent five-year period. Beta is a meaningful measure of prospective relative risk to the market as a whole and is a logical means by which to allocate a relative share of the market's total equity risk premium.

> The total market equity risk premium utilized is 6.20% and is based exclusively upon the long-term historical market risk premium after a review of both the long-term historical and forecasted market risk premia. Because it is my opinion that the current and recent substantial volatility in the stock market is extraordinary and not representative of the expected long-term, neither is the current forecasted market risk premium as shown on page 16 of Exhibit (PMA-28)__. To derive the historical market equity risk premium, I used the most recent Morningstar[1] data on holding period returns for the S&P 500 Composite Index and the average historical yield on Moody's Aaa and A rated corporate bonds for the period 1926-2007.

The long-term arithmetic mean total return rate on the market as a whole of 12.30% and the long-term arithmetic mean yield on corporate bonds of 6.10% were used, as shown at Line Nos. 1 and 2 of page 16 of Exhibit (PMA-28)__. As shown on Line No. 3 of page 16, the resultant long-term historical equity risk premium on the market as a whole is 6.20%. I used arithmetic mean return rates because they are appropriate for cost of capital purposes as discussed previously.

[1] Morningstar, Inc. acquired Ibbotson Associates in 2006.

The basis of the forecasted market equity risk premium can be found on Line Nos. 4 through 6 on page 16 of Exhibit (PMA-28)__. It is derived from an average of the most recent 3-month (using the months of June 2008 through August 2008) and a recent spot (August 29, 2008) median market price appreciation potentials by Value Line as explained in detail in Note 1 on page 21 of Exhibit (PMA-28)__.

The average expected price appreciation is 78% which translates to 15.51% per annum and, when added to the average (similarly calculated) dividend yield of 2.32% equates to a forecasted annual total return rate on the market as a whole of 17.83%. Thus, this methodology is consistent with the use of the 3-month and spot dividend yields in my application of the DCF model. To derive the forecasted total market equity risk premium of 11.96% shown on Exhibit (PMA-28)__, page 16, Line No. 6, the September 1, 2008 forecast of about 50 economists of the expected yield on Moody's Aaa rated corporate bonds for the six calendar quarters ending with the fourth calendar quarter 2009 of 5.87% from Blue Chip Financial Forecasts was deducted from the Value Line total market return of 17.83%. The calculation resulted in an expected market risk premium of 11.96%.

However, because I believe the current and recent substantial volatility in the stock market is extraordinary and not representative of the expected long-term, in this instance, I will not rely upon the forecasted market equity risk premium but rather, will rely upon this historical long-term arithmetic market equity risk premium of 6.20%.

On page 18 of Exhibit (PMA-28)__, the most current Value Line betas for the companies in the two groups are shown. Applying the median beta of the proxy group, consistent with my reliance upon the median DCF results as previously discussed, to the

market equity risk premium of 6.20% results in a beta adjusted equity risk premium of 6.51% for the proxy group of six AUS Utility Reports water companies and 5.27% for the FL PSC Natural Gas Index as shown on Line No. 9.

A mean equity risk premium of 4.65% applicable to companies with A rated public utility bonds was calculated based upon holding period returns from a study using public utilities, as shown on Line No. 2, page 15 of Exhibit (PMA-28)__, and detailed on page 17 of the same Exhibit.

The equity risk premia applicable to the proxy group of six AUS Utility Reports water companies and FL PSC Natural Gas Index are the averages of the beta-derived premia and that based upon the holding period returns of public utilities with A rated bonds, as summarized on Exhibit (PMA-28)__, page 15, i.e., 5.58% and 4.96%, respectively.

Q. What are the indicated RPM common equity cost rates?

A. They are 12.16% for the six AUS Utility Reports water companies, 11.72% for the FL PSC Natural Gas Index as shown on Exhibit (PMA-28)__, page 1.

The Capital Asset Pricing Model (CAPM)

Q. Please explain the theoretical basis of the CAPM.

A. CAPM theory defines risk as the covariability of a security's returns with the market's returns. This covariability is measured by beta ("β"), an index measure of an individual security's variability relative to the market. A beta less than 1.0 indicates lower variability while a beta greater than 1.0 indicates greater variability than the market.

The CAPM assumes that all other risk, i.e., all non-market or unsystematic risk, can be eliminated through diversification. The risk that cannot be eliminated through

diversification is called market, or systematic, risk. The CAPM presumes that investors require compensation for risks that cannot be eliminated through diversification. Systematic risks are caused by macroeconomic and other events that affect the returns on all assets. Essentially, the model is applied by adding a risk-free rate of return to a market risk premium. This market risk premium is adjusted proportionately to reflect the systematic risk of the individual security relative to the market as measured by beta. The traditional CAPM model is expressed as:

$$R_s = R_f + \beta(R_m - R_f)$$

Where:

R_s	=	Return rate on the common stock
R_f	=	Risk-free rate of return
R_m	=	Return rate on the market as a whole
β	=	Adjusted beta (volatility of the security relative to the market as a whole)

Numerous tests of the CAPM have confirmed its validity. These tests have measured the extent to which security returns and betas are related as predicted by the CAPM. However, Morin observes that while the results support the notion that beta is related to security returns, it has been determined that the empirical Security Market Line (SML) described by the CAPM formula is not as steeply sloped as the predicted SML. Morin[2] states:

> With few exceptions, the empirical studies agree that ... low-beta securities earn returns somewhat higher than the CAPM would predict, and high-beta securities earn less than predicted.

* * *

[2] Id., at p. 175.

Therefore, the empirical evidence suggests that the expected return on a security is related to its risk by the following approximation:

$$K = R_F + x\,\beta(R_M - R_F) + (1-x)\,\beta(R_M - R_F)$$

where x is a fraction to be determined empirically. The value of x that best explains the observed relationship Return = 0.0829 + 0.0520 β is between 0.25 and 0.30. If x = 0.25, the equation becomes:

$$K = R_F + 0.25(R_M - R_F) + 0.75\,\beta(R_M - R_F)^3$$

In view of theory and practical research, I have applied both the traditional CAPM and the empirical CAPM to the companies in the proxy group and averaged the results.

Q. Please describe your selection of a risk-free rate of return.

A. As shown at the top of column 3 on page 20 of Exhibit (PMA-28)__, the risk-free rate adopted for both applications of the CAPM is 4.78%. It is based upon the average consensus forecast of the reporting economists in the September 1, 2008 Blue Chip Financial Forecasts as shown in Note 2, page 21, of the expected yields on 30-year U.S. Treasury bonds for the six quarters ending with the fourth calendar quarter 2009.

Q. Please explain the estimation of the expected equity risk premium for the market.

A. After estimating investors' expected total return rate for the market, I subtract the expected risk-free rate from the expected total return rate for the market to arrive at an expected equity risk premium for the market, some proportion of which must be allocated to the companies in the proxy group through the use of beta. The total market equity risk premium utilized was 7.1% and, in this instance, is based upon the long-term historical market risk premia because, in my opinion, the current and recent substantial

[3] Id., at p. 190.

volatility in the stock market is extraordinary and not representative of the expected long-term.

The basis of the projected median market equity risk premium is explained in detail in Note 1 on page 21 of Exhibit (PMA-28)__. As previously discussed, it is derived from an average of the most recent 3-month (using the months of June 2008 through August 2008) and a recent spot (August 29, 2008) 3 - 5 year median total market price appreciation projections from Value Line, and the long-term historical average from Morningstar. The appreciation projections by Value Line plus average dividend yield equate to a forecasted annual total return rate on the market of 17.83%. The long-term historical return rate of 12.30% on the market as a whole is from SBBI. In each instance, the relevant risk-free rate was deducted from the total market return rate. For example, from the Value Line projected total market return of 17.83%, the forecasted average risk-free rate of 4.78% was deducted indicating a forecasted market risk premium of 13.05%. From the Ibbotson Associates' long-term historical total return rate of 12.30%, the long-term historical income return rate on long-term U.S. Government Securities of 5.20% was deducted indicating an historical equity risk premium of 7.10%. Thus, the average of the projected and historical total market risk premia of 13.11% and 7.10%, respectively, is 10.08%. However, as stated previously, I will rely upon the historical market equity risk premium of 7.10%.

Q. What are the results of your application of the traditional and empirical CAPM to the two groups?

A. As shown on Exhibit (PMA-28)__, Line No. 1 of page 19, the traditional CAPM cost rate is 12.24% for the proxy group of six AUS Utility Reports water companies and

10.95% for the FL PSC Natural Gas Index. And, as shown on Line No. 2 of page 20, the empirical CAPM cost rate is 12.15% for the six AUS Utility Reports water companies and 11.08% for the FL PSC Natural Gas Index. The traditional and empirical CAPM cost rates are shown individually by company on Exhibit (PMA-28)__. As with the DCF results discussed previously, and for the same reasons, namely the wide range of results and the current extremely volatile capital markets, I rely upon the median results of the traditional CAPM and ECAPM for the proxy group. As shown on Line No. 3, the CAPM cost rate applicable to the proxy group of six AUS Utility Reports water companies is 12.20%, while the CAPM cost rate applicable to the FL PSC Natural Gas Index is 11.95% based upon the traditional and empirical CAPM.

Comparable Earnings Model (CEM)

Q. Please describe your application of the comparable earnings model and how it is used to determine common equity cost rate.

A. My applications of the CEM are summarized on pages 22 through 30 of Exhibit (PMA-28)__. Pages 22 through 24 show the CEM results for the proxy group of six AUS Utility Reports water companies and page 25 shows the CEM results for the FL PSC Natural Gas Index. Supporting data are shown on pages 26 through 29 and page 30 contains notes related to pages 22 through 29.

The comparable earnings approach is derived from the "corresponding risk" standard of the landmark cases of the U.S. Supreme Court. Therefore, it is consistent with the Hope doctrine that the return to the equity investor should be commensurate with returns on investments in other firms having corresponding risks.

The CEM is based upon the fundamental economic concept of opportunity cost

which maintains that the true cost of an investment is equal to the cost of the best available alternative use of the funds to be invested. The opportunity cost principle is also consistent with one of the fundamental principles upon which regulation rests: that regulation is intended to act as a surrogate for competition and to provide a fair rate of return to investors.

The CEM is designed to measure the returns expected to be earned on the book common equity, in this case net worth, of similar risk enterprises. Thus, it provides a direct measure of return, since it translates into practice the competitive principle upon which regulation rests. In my opinion, it is inappropriate to use the achieved returns of regulated utilities of similar risk because to do so would be circular and inconsistent with the principle of equality of risk with non-price regulated firms.

The difficulty in application of the CEM is to select a proxy group of companies which are similar in risk, but are not price regulated utilities. Consequently, the first step in determining a cost of common equity using the comparable earnings model is to choose an appropriate proxy group or groups of non-price regulated firms. The proxy group(s) should be broad-based in order to obviate any company-specific aberrations. As stated previously, utilities need to be eliminated to avoid circularity since the returns on book common equity of utilities are substantially influenced by regulatory awards and are therefore not representative of the returns that could be earned in a truly competitive market.

Q. Please describe your application of the CEM.

A. My application of the CEM is market-based in that the selection of non-price regulated firms of comparable risk is based upon statistics derived from the market prices paid by

investors.

I have chosen two proxy groups of domestic, non-price regulated firms to reflect both the systematic and unsystematic risks of the proxy groups of six AUS Utility Reports water companies and the FL PSC Natural Gas Index, respectively. The proxy group of two hundred twenty-two non-utility companies similar in risk to the proxy group of six AUS Utility Reports water companies and forty-nine non-utility companies similar in risk to the FL PSC Natural Gas Index are listed on pages 22 through 25, Exhibit (PMA-28)__. The criteria used in the selection of these proxy companies were that they be domestic non-utility companies and have a meaningful rate of return on net worth, common equity or partners' capital reported in Value Line (Std. Ed.) for each of the five years ended 2007, or projected for 2011-2013. Value Line betas were used as a measure of systematic risk. The standard error of the regression was used as a measure of each firm's unsystematic or specific risk. The standard error of the regression reflects the extent to which events specific to a company's operations will affect its stock price and, therefore, is a measure of diversifiable, unsystematic, company-specific risk. *In essence, companies which have similar betas and standard errors of the regressions, have similar investment risk, i.e., the sum of systematic (market) risk as reflected by beta and unsystematic (business and financial) risk, as reflected by the standard error of the regression, respectively. Those statistics are derived from regression analyses using market prices which, under the EMH reflect all relevant risks. The application of these criteria results in proxy groups of non-price regulated firms similar in risk to the average company in each proxy group.*

Using a Value Line, Inc. proprietary database dated June 16, 2008, the proxy

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 16
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. A. Heon (PMA-2)
DATE 10/23/08

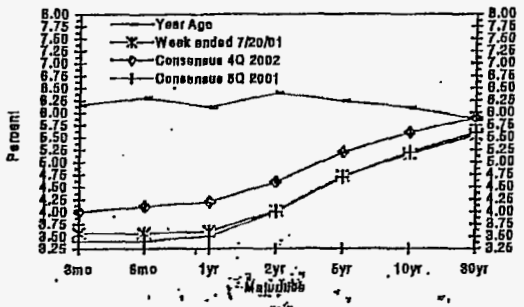
Consensus Forecasts Of U.S. Interest Rates And Key Assumptions[1]

	History							Consensus Forecasts - Quarterly Avg.					
	Avg. For Week Ending				Month			Latest Q	3Q	4Q	1Q	2Q	3Q	4Q
Interest Rates	July 20	July 13	July 6	June 29	June	May	Apr.	2Q 2001	2001	2001	2002	2002	2002	2002
Federal Funds Rate	3.76	3.67	3.89	3.91	3.97	4.21	4.80	4.33	3.6	3.5	3.5	3.6	3.9	4.1
Prime Rate	6.75	6.75	6.75	7.00	6.98	7.24	7.80	7.34	6.6	6.5	6.5	6.6	6.9	7.1
LIBOR, 3-mo.	3.74	3.77	3.82	3.75	3.84	4.10	4.63	4.19	3.7	3.6	3.7	3.8	4.1	4.3
Commercial Paper, 1-mo.	3.70	3.71	3.74	3.69	3.82	4.06	4.71	4.20	3.7	3.6	3.6	3.8	4.0	4.3
Treasury bill, 3-mo.	3.57	3.62	3.65	3.55	3.57	3.70	3.97	3.75	3.4	3.3	3.4	3.5	3.8	4.0
Treasury bill, 6-mo.	3.56	3.58	3.61	3.55	3.56	3.74	3.99	3.76	3.4	3.4	3.5	3.6	3.9	4.1
Treasury bill, 1 yr.	3.60	3.62	3.70	3.60	3.58	3.78	3.98	3.78	3.5	3.5	3.7	3.8	4.0	4.2
Treasury note, 2 yr.	4.02	4.10	4.21	4.10	4.08	4.26	4.23	4.19	4.0	4.0	4.1	4.3	4.5	4.6
Treasury note, 5 yr.	4.72	4.83	4.91	4.82	4.81	4.93	4.76	4.83	4.7	4.7	4.8	5.0	5.1	5.2
Treasury note, 10 yr.	5.17	5.31	5.41	5.29	5.28	5.39	5.14	5.27	5.2	5.2	5.3	5.4	5.5	5.6
Treasury bond, 30 yr.	5.55	5.67	5.74	5.66	5.67	5.78	5.65	5.70	5.6	5.6	5.7	5.7	5.8	5.9
Corporate Aaa bond	7.09	7.19	7.24	7.17	7.18	7.29	7.20	7.22	7.0	7.0	7.1	7.1	7.2	7.3
Corporate Baa bond	7.93	8.03	8.08	7.98	7.97	8.07	8.07	8.04	7.8	7.8	7.8	7.8	7.9	8.0
State & Local bonds	5.17	5.22	5.26	5.21	5.20	5.29	5.27	5.25	5.1	5.1	5.1	5.2	5.3	5.4
Home mortgage rate	7.06	7.21	7.19	7.11	7.16	7.15	7.08	7.13	7.1	7.1	7.1	7.2	7.3	7.3

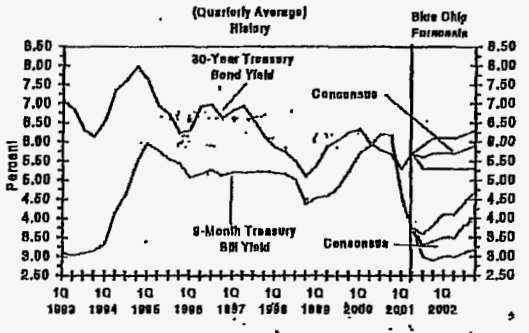
	History								Consensus Forecasts - Quarterly Avg.					
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Key Assumptions	1999	1999	2000	2000	2000	2000	2001	2001	2001	2001	2002	2002	2002	2002
Major Currency Index	94.5	92.7	94.7	97.5	99.2	102.3	101.9	105.3	105.3	104.9	104.1	103.5	102.9	102.7
Real GDP	4.7	8.3	2.3	5.7	1.3	1.9	1.3	0.7	1.8	2.8	3.2	3.3	3.4	3.4
GDP Price Index	1.4	1.8	3.8	2.1	1.9	1.8	3.3	2.3	2.0	2.0	2.1	2.1	2.0	2.0
Consumer Price Index	2.9	3.1	4.3	2.8	3.5	3.0	4.2	3.0	2.4	2.3	2.4	2.4	2.4	2.5

[1]Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from *Federal Reserve Release (FRSR) H.15*. LIBOR quotes available from *The Wall Street Journal* and *Telerate*. Definitions reported here are same as those in FRSR H.15. All Treasury yields are reported on a constant maturity basis. Historical data for the U.S. Federal Reserve Board's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).

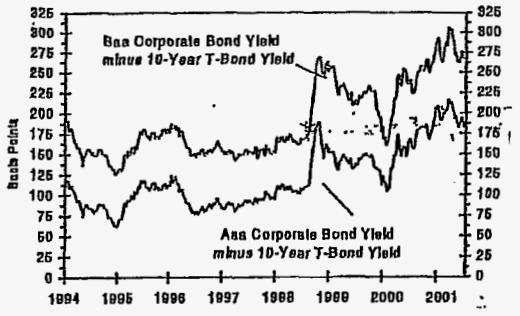
U.S. Treasury Yield Curve
Week ended July 20, 2001 and Year Ago vs. 3Q 2001 and 4Q 2002 Consensus forecasts



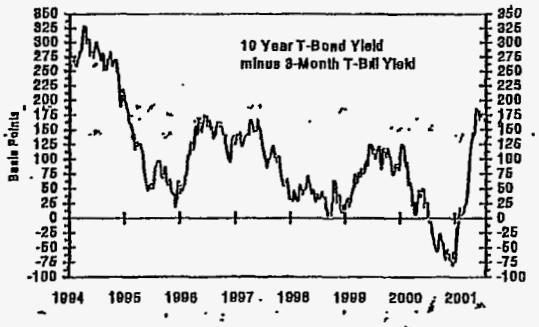
U.S. 3-Mo. T-Bills & 30-Yr. T-Bonds
(Quarterly Average) History



Corporate Bond Spreads
As of week ended July 20, 2001



U.S. Treasury Yield Curve
As of week ended July 20, 2001



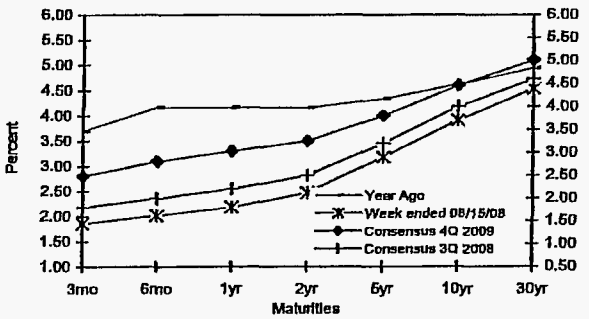
Consensus Forecasts Of U.S. Interest Rates And Key Assumptions[1]

	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week End				Average For Month			Latest Q	3Q	4Q	1Q	2Q	3Q	4Q
Interest Rates	Aug. 15	Aug. 8	Aug. 1	July 25	Jul.	Jun.	May	2Q 2008	2008	2008	2009	2009	2009	2009
Federal Funds Rate	1.99	2.02	2.08	1.99	2.01	2.00	1.98	2.09	2.0	2.0	2.0	2.2	2.6	2.9
Prime Rate	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.08	5.0	5.0	5.1	5.3	5.6	5.9
LIBOR, 3-mo.	2.80	2.80	2.79	2.79	2.79	2.77	2.69	2.75	2.8	2.8	2.8	2.9	3.1	3.4
Commercial Paper, 1-mo.	2.03	2.03	2.05	2.03	2.08	2.14	1.99	2.08	2.3	2.3	2.4	2.5	2.9	3.2
Treasury bill, 3-mo.	1.86	1.70	1.70	1.60	1.66	1.89	1.76	1.65	1.8	1.8	2.0	2.2	2.5	2.8
Treasury bill, 6-mo.	2.02	1.95	1.91	1.93	1.98	2.19	1.86	1.88	2.0	2.0	2.2	2.4	2.8	3.1
Treasury bill, 1 yr.	2.18	2.23	2.30	2.33	2.28	2.42	2.06	2.07	2.2	2.3	2.4	2.7	3.0	3.3
Treasury note, 2 yr.	2.47	2.51	2.58	2.70	2.57	2.77	2.45	2.42	2.5	2.6	2.7	2.9	3.2	3.5
Treasury note, 5 yr.	3.18	3.24	3.31	3.44	3.30	3.49	3.15	3.16	3.2	3.3	3.4	3.6	3.8	4.0
Treasury note, 10 yr.	3.91	3.99	4.04	4.11	4.01	4.10	3.88	3.89	4.0	4.0	4.1	4.3	4.4	4.6
Treasury note, 30 yr.	4.54	4.60	4.61	4.66	4.57	4.69	4.60	4.58	4.6	4.6	4.7	4.8	4.9	5.1
Corporate Aaa bond	5.68	5.74	5.73	5.78	5.67	5.68	5.57	5.60	5.7	5.7	5.8	5.9	6.0	6.1
Corporate Baa bond	7.17	7.22	7.21	7.27	7.16	7.07	6.93	6.99	7.1	7.1	7.1	7.2	7.3	7.4
State & Local bonds	4.67	4.75	4.74	4.77	4.68	4.69	4.58	4.66	4.7	4.7	4.7	4.8	4.9	5.0
Home mortgage rate	6.52	6.52	6.52	6.63	6.43	6.32	6.04	6.09	6.4	6.4	6.4	6.4	6.5	6.6
	History								Consensus Forecasts-Quarterly Avg.					
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Key Assumptions	2006	2006	2007	2007	2007	2007	2008	2008	2008	2008	2009	2009	2009	2009
Major Currency Index	81.7	81.6	81.9	79.3	77.0	73.3	72.0	70.9	72.4	73.3	74.2	74.9	75.5	76.2
Real GDP	0.8	1.5	0.1	4.8	4.8	-0.2	0.9	1.9	1.0	0.2	0.9	1.9	2.3	2.6
GDP Price Index	2.8	2.2	4.1	2.0	1.5	2.8	2.6	1.1	3.1	2.7	2.5	2.0	2.2	2.2
Consumer Price Index	3.8	-1.6	3.8	4.6	2.7	5.1	4.2	5.0	5.7	2.8	2.6	2.2	2.4	2.4

Individual panel members' forecasts are on pages 4 through 9. Historical data for interest rates except LIBOR is from Federal Reserve Release (FRSR) H.15. LIBOR quotes available from *The Wall Street Journal*. Definitions reported here are same as those in FRSR H.15. Treasury yields are reported on a constant maturity basis. Historical data for the U.S. Federal Reserve Board's Major Currency Index is from FRSR H.10 and G.5. Historical data for Real GDP and GDP Chained Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index (CPI) history is from the Department of Labor's Bureau of Labor Statistics (BLS).

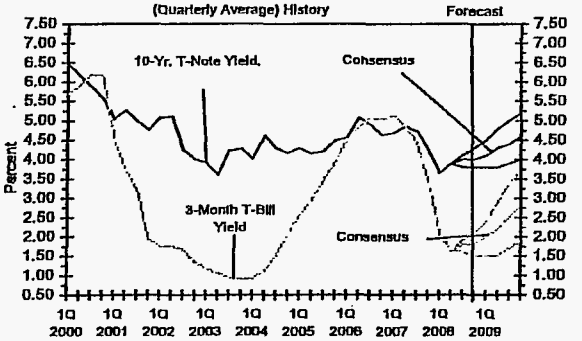
U.S. Treasury Yield Curve

Week ended August 15th, 2008 and Year Ago vs.
3Q 2008 and 4Q 2009 Consensus forecasts



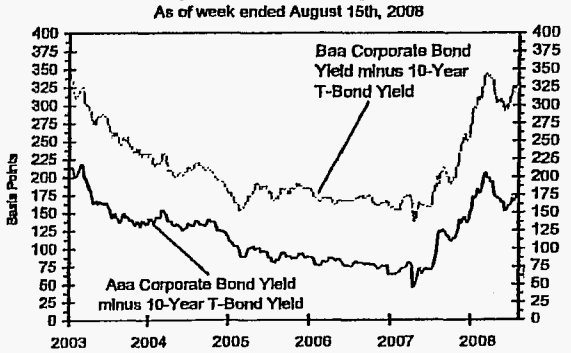
U.S. 3-Mo. T-Bills & 10-Yr. T-Note Yield

(Quarterly Average) History — Forecast



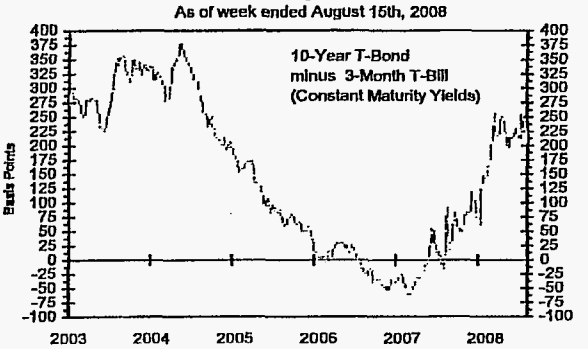
Corporate Bond Spreads

As of week ended August 15th, 2008



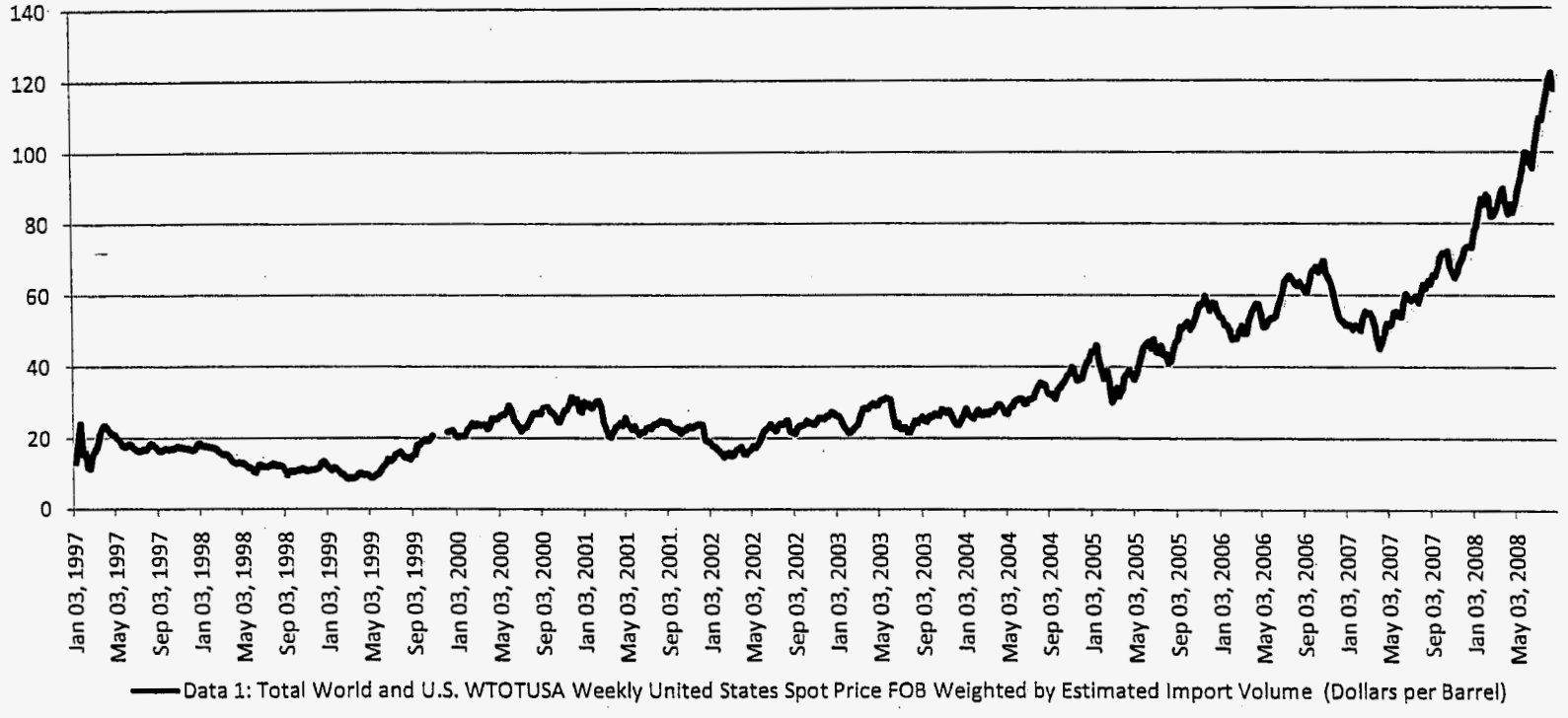
U.S. Treasury Yield Curve

As of week ended August 15th, 2008



Utilities, Inc.

Weekly U. S. Spot Price of Oil Weighted by Estimated Import Volume (Dollars per Barrel)



Source of Information: U.S. Energy Information Administration

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 17
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-3)
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Exhibit (PMA-3)

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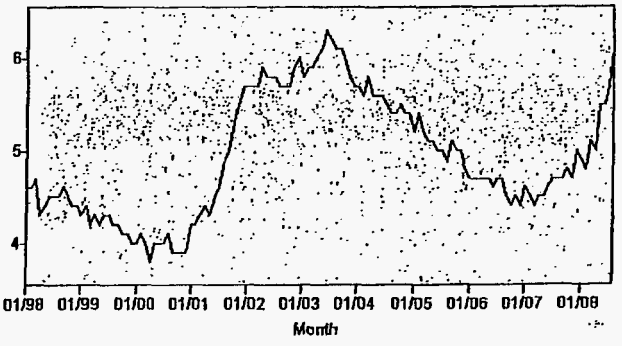
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Labor Force Statistics from the Current Population Survey

Series Id: LNS14000000
Seasonal Adjusted
Series title: (Seas) Unemployment Rate
Labor force status: Unemployment rate
Type of data: Percent
Age: 16 years and over



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
1998	4.6	4.6	4.7	4.3	4.44	.5	4.5	4.5	4.6	4.5	4.4	4.4	
1999	4.3	4.4	4.2	4.3	4.24	.3	4.3	4.2	4.2	4.1	4.1	4.0	
2000	4.0	4.1	4.0	3.8	4.04	.0	4.0	4.1	3.9	3.9	3.9	3.9	
2001	4.2	4.2	4.3	4.4	4.34	.5	4.6	4.9	5.0	5.3	5.5	5.7	
2002	5.7	5.7	5.7	5.9	5.85	.8	5.8	5.7	5.7	5.7	5.9	6.0	
2003	5.8	5.9	5.9	6.0	6.16	.3	6.2	6.1	6.1	6.0	5.8	5.7	
2004	5.7	5.6	5.8	5.6	5.65	.6	5.5	5.4	5.4	5.5	5.4	5.4	
2005	5.2	5.4	5.2	5.1	5.15	.0	5.0	4.9	5.1	5.0	5.0	4.8	
2006	4.7	4.7	4.7	4.7	4.74	.6	4.7	4.7	4.5	4.4	4.5	4.4	
2007	4.6	4.5	4.4	4.5	4.54	.6	4.7	4.7	4.7	4.8	4.7	5.0	
2008	4.9	4.8	5.1	5.0	5.55	.5	5.7	6.1					

FLORIDA PUBLIC SERVICE COMMISSION
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COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-4)
DATE 10/23/08

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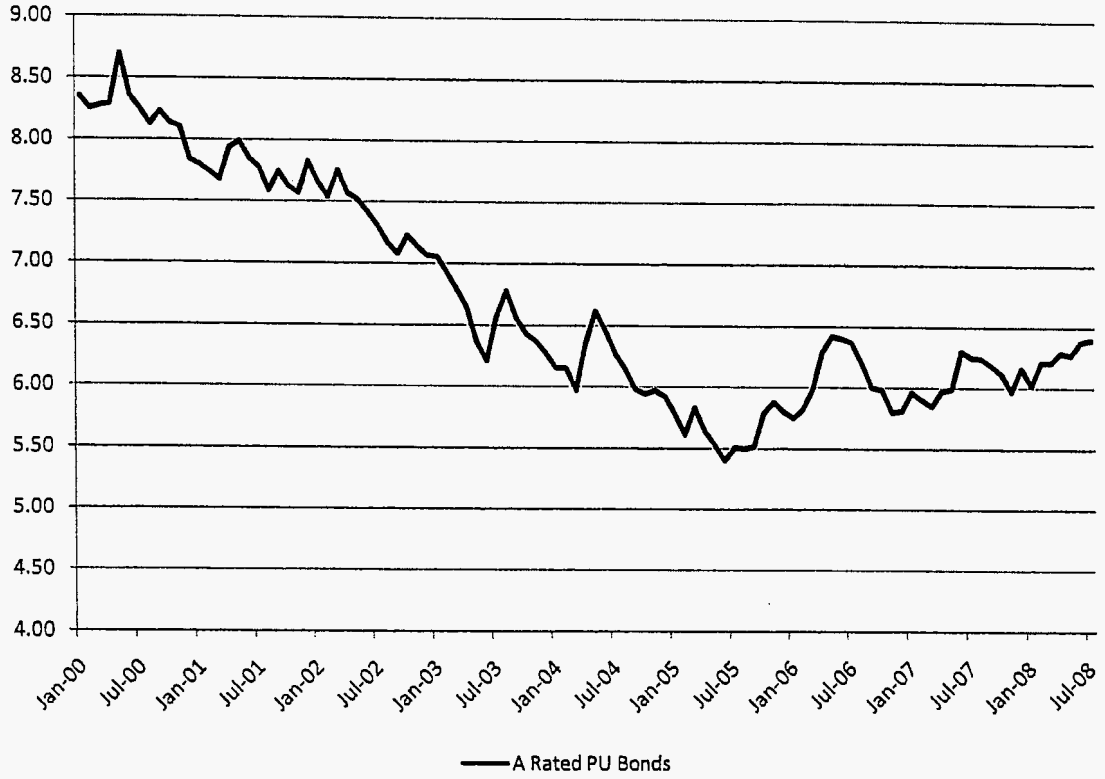
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Utilities, Inc.
Moody's A-Rated Public Utility Bonds Yields
January 2000 - July 2008



Source of Information:
Mergent Bond Record

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 19
COMPANY Utilities Inc. (Rebuttal)
WITNESS (Pauline M. Ahern (PMA-5)
DATE 10/23/08

Exhibit (PMA-5)_
Page 1 of 2

Corporate Bond Yield Averages

	AV. CORP.	CORPORATE BY RATINGS				CORPORATE BY GROUPS			PUBLIC UTILITY BONDS					INDUSTRIAL BONDS					RAILROAD BONDS				
		Aaa	Aa	A	Baa	P.U.	IND.	R.R.		Aaa	Aa	A	Baa		Aaa	Aa	A	Baa		Aaa	Aa	A	Baa
2003																							
Jan.	6.84	6.17	6.59	6.76	7.35	7.13	6.54	—	Jan.	—	6.87	7.06	7.47	Jan.	6.17	6.30	6.46	7.23	Jan.	—	—	—	—
Feb.	6.62	5.95	6.34	6.63	7.06	6.92	6.31	—	Feb.	—	6.66	6.93	7.17	Feb.	5.95	6.02	6.33	6.94	Feb.	—	—	—	—
Mar.	6.53	5.89	6.28	6.54	6.95	6.80	6.26	—	Mar.	—	6.56	6.79	7.05	Mar.	5.89	6.04	6.30	6.84	Mar.	—	—	—	—
Apr.	6.44	5.74	6.22	6.45	6.85	6.68	6.18	—	Apr.	—	6.47	6.64	6.94	Apr.	5.74	5.97	6.26	6.76	Apr.	—	—	—	—
May	6.02	5.22	5.85	6.08	6.38	6.35	5.70	—	May	—	6.20	6.36	6.47	May	5.22	5.48	5.79	6.29	May	—	—	—	—
June	5.85	4.97	5.72	5.92	6.19	6.21	5.49	—	June	—	6.12	6.21	6.30	June	4.97	5.31	5.62	6.07	June	—	—	—	—
July	6.26	5.49	6.07	6.34	6.62	6.54	5.98	—	July	—	6.37	6.57	6.67	July	5.49	5.77	6.11	6.56	July	—	—	—	—
Aug.	6.57	5.87	6.31	6.63	7.01	6.78	6.35	—	Aug.	—	6.48	6.78	7.08	Aug.	5.87	6.13	6.48	6.92	Aug.	—	—	—	—
Sep.	6.37	5.72	6.13	6.42	6.79	6.58	6.16	—	Sep.	—	6.30	6.56	6.87	Sep.	5.72	5.95	6.27	6.71	Sep.	—	—	—	—
Oct.	6.32	5.70	6.11	6.33	6.73	6.50	6.14	—	Oct.	—	6.28	6.43	6.79	Oct.	5.70	5.94	6.23	6.67	Oct.	—	—	—	—
Nov.	6.27	5.65	6.08	6.28	6.66	6.44	6.09	—	Nov.	—	6.26	6.37	6.69	Nov.	5.65	5.91	6.18	6.63	Nov.	—	—	—	—
Dec.	6.20	5.65	6.02	6.19	6.60	6.36	6.04	—	Dec.	—	6.18	6.27	6.61	Dec.	5.62	5.85	6.11	6.58	Dec.	—	—	—	—
2004																							
Jan.	6.08	5.54	5.91	6.08	6.44	6.23	5.92	—	Jan.	—	6.06	6.15	6.47	Jan.	5.54	5.74	6.02	6.40	Jan.	—	—	—	—
Feb.	6.00	5.50	5.87	6.04	6.27	6.17	5.83	—	Feb.	—	6.10	6.15	6.28	Feb.	5.50	5.65	5.93	6.24	Feb.	—	—	—	—
Mar.	5.84	5.33	5.70	5.86	6.11	6.01	5.67	—	Mar.	—	5.93	5.97	6.12	Mar.	5.33	5.48	5.75	6.10	Mar.	—	—	—	—
Apr.	6.22	5.73	6.10	6.25	6.46	6.38	6.05	—	Apr.	—	6.33	6.35	6.46	Apr.	5.73	5.85	6.15	6.45	Apr.	—	—	—	—
May.	6.51	6.04	6.40	6.54	6.75	6.68	6.34	—	May.	—	6.66	6.62	6.75	May.	6.04	6.13	6.45	6.73	May.	—	—	—	—
June	6.42	6.01	6.21	6.42	6.78	6.53	6.31	—	June	—	6.30	6.46	6.84	June	6.01	6.12	6.37	6.72	June	—	—	—	—
July	6.24	5.82	6.02	6.23	6.62	6.34	6.13	—	July	—	6.09	6.27	6.67	July	5.82	5.94	6.18	6.57	July	—	—	—	—
Aug.	6.08	5.65	5.87	6.08	6.48	6.18	5.98	—	Aug.	—	5.95	6.14	6.45	Aug.	5.65	5.79	6.02	6.47	Aug.	—	—	—	—
Sep.	5.91	5.46	5.73	5.91	6.27	6.01	5.81	—	Sep.	—	5.79	5.98	6.27	Sep.	5.46	5.67	5.84	6.27	Sep.	—	—	—	—
Oct.	5.87	5.47	5.69	5.86	6.21	5.95	5.78	—	Oct.	—	5.74	5.94	6.17	Oct.	5.47	5.63	5.78	6.24	Oct.	—	—	—	—
Nov.	5.89	5.52	5.72	5.88	6.21	5.97	5.80	—	Nov.	—	5.79	5.97	6.16	Nov.	5.52	5.65	5.78	6.25	Nov.	—	—	—	—
Dec.	5.84	5.47	5.69	5.82	6.15	5.93	5.75	—	Dec.	—	5.78	5.92	6.10	Dec.	5.47	5.60	5.72	6.20	Dec.	—	—	—	—
2005																							
Jan.	5.72	5.36	5.58	5.68	6.02	5.80	5.63	—	Jan.	—	5.68	5.78	5.95	Jan.	5.36	5.48	5.58	6.08	Jan.	—	—	—	—
Feb.	5.55	5.20	5.44	5.51	5.82	5.64	5.45	—	Feb.	—	5.55	5.61	5.76	Feb.	5.20	5.32	5.40	5.87	Feb.	—	—	—	—
Mar.	5.77	5.40	5.64	5.73	6.06	5.86	5.67	—	Mar.	—	5.76	5.83	6.01	Mar.	5.40	5.53	5.63	6.11	Mar.	—	—	—	—
Apr.	5.65	5.33	5.44	5.58	6.05	5.72	5.58	—	Apr.	—	5.56	5.64	5.95	Apr.	5.33	5.31	5.52	6.15	Apr.	—	—	—	—
May	5.54	5.15	5.29	5.49	6.01	5.60	5.48	—	May	—	5.39	5.53	5.88	May	5.15	5.18	5.45	6.13	May	—	—	—	—
June	5.35	4.96	5.02	5.33	5.86	5.39	5.31	—	June	—	5.05	5.40	5.70	June	4.96	4.99	5.26	6.01	June	—	—	—	—
July	5.46	5.06	5.14	5.44	5.95	5.50	5.41	—	July	—	5.18	5.51	5.81	July	5.06	5.10	5.37	6.10	July	—	—	—	—
Aug.	5.49	5.09	5.20	5.48	5.96	5.51	5.46	—	Aug.	—	5.23	5.50	5.80	Aug.	5.09	5.16	5.45	6.12	Aug.	—	—	—	—
Sept.	5.53	5.13	5.24	5.50	6.03	5.54	5.51	—	Sept.	—	5.27	5.52	5.83	Sept.	5.13	5.21	5.47	6.22	Sept.	—	—	—	—
Oct.	5.77	5.34	5.46	5.75	6.29	5.79	5.74	—	Oct.	—	5.50	5.79	6.08	Oct.	5.34	5.42	5.70	6.49	Oct.	—	—	—	—
Nov.	5.86	5.42	5.55	5.83	6.39	5.88	5.83	—	Nov.	—	5.59	5.88	6.19	Nov.	5.42	5.52	5.78	6.59	Nov.	—	—	—	—
Dec.	5.81	5.38	5.51	5.84	6.33	5.83	5.80	—	Dec.	—	5.55	5.80	6.14	Dec.	5.38	5.45	5.88	6.51	Dec.	—	—	—	—
2006																							
Jan.	5.75	5.29	5.45	5.79	6.24	5.77	5.73	—	Jan.	—	5.50	5.75	6.06	Jan.	5.29	5.39	5.83	6.41	Jan.	—	—	—	—
Feb.	5.80	5.35	5.51	5.85	6.27	5.83	5.78	—	Feb.	—	5.55	5.82	6.11	Feb.	5.35	5.46	5.87	6.43	Feb.	—	—	—	—
Mar.	5.95	5.52	5.67	5.98	6.41	5.98	5.92	—	Mar.	—	5.71	5.98	6.26	Mar.	5.52	5.64	5.96	6.55	Mar.	—	—	—	—
Apr.	6.26	5.84	6.00	6.27	6.68	6.28	6.23	—	Apr.	—	6.02	6.29	6.54	Apr.	5.84	5.98	6.26	6.82	Apr.	—	—	—	—
May	6.36	5.95	6.13	6.40	6.75	6.39	6.33	—	May	—	6.16	6.42	6.59	May	5.95	6.10	6.37	6.90	May	—	—	—	—
June	6.35	5.89	6.11	6.39	6.78	6.39	6.31	—	June	—	6.16	6.40	6.61	June	5.89	6.05	6.36	6.94	June	—	—	—	—
July	6.33	5.85	6.08	6.36	6.76	6.37	6.28	—	July	—	6.13	6.37	6.61	July	5.85	6.02	6.35	6.91	July	—	—	—	—
Aug.	6.16	5.68	5.91	6.19	6.59	6.20	6.11	—	Aug.	—	5.97	6.20	6.43	Aug.	5.68	5.85	6.18	6.74	Aug.	—	—	—	—
Sep.	5.98	5.51	5.75	5.98	6.43	6.03	5.94	—	Sep.	—	5.81	6.00	6.26	Sep.	5.51	5.68	5.95	6.59	Sep.	—	—	—	—
Oct.	5.97	5.51	5.74	5.94	6.42	6.01	5.93	—	Oct.	—	5.80	5.98	6.24	Oct.	5.51	5.68	5.90	6.60	Oct.	—	—	—	—
Nov.	5.78	5.33	5.57	5.76	6.20	5.82	5.73	—	Nov.	—	5.61	5.80	6.04	Nov.	5.33	5.52	5.72	6.36	Nov.	—	—	—	—
Dec.	5.79	5.29	5.58	5.78	6.22	5.83	5.74	—	Dec.	—	5.62	5.81	6.05	Dec.	5.29	5.53	5.75	6.38	Dec.	—	—	—	—
2007																							
Jan.	5.92	5.40	5.75	5.93	6.34	5.96	5.88	—	Jan.	—	5.78	5.96	6.16	Jan.	5.40	5.71	5.91	6.52	Jan.	—	—	—	—
Feb.	5.88	5.39	5.72	5.88	6.28	5.91	5.85	—	Feb.	—	5.73	5.90	6.10	Feb.	5.39	5.70	5.86	6.44	Feb.	—	—	—	—
Mar.	5.84	5.30	5.66	5.84	6.27	5.87	5.80	—	Mar.	—	5.66	5.85	6.10	Mar.	5.30	5.66	5.83	6.43	Mar.	—	—	—	—
Apr.	5.99	5.47	5.83	5.99	6.39	6.01	5.96	—	Apr.	—	5.83	5.97	6.24	Apr.	5.47	5.82	6.00	6.54	Apr.	—	—	—	—
May	6.00	5.47	5.85	6.01	6.39	6.03	5.97	—	May	—	5.86	5.99	6.23	May	5.47	5.84	6.04	6.54	May	—	—	—	—
June	6.32	5.79	6.17	6.33	6.70	6.34	6.29	—	June	—	6.18	6.30	6.54	June	5.79	6.15	6.36	6.84	June	—	—	—	—
July	6.26	5.73	6.09	6.30	6.65	6.28	6.24	—	July	—	6.11	6.25	6.49	July	5.73	6.07	6.34	6.81	July	—	—	—	—
Aug.	6.26	5.79	6.06	6.29	6.65	6.28	6.23	—	Aug.	—	6.11	6.24	6.51	Aug.	5.79	6.01	6.35	6.79	Aug.	—	—	—	—
Sept.	6.21	5.74	6.02	6.23	6.59	6.24	6.17	—	Sept.	—	6.10	6.18	6.45	Sept.	5.74	5.93	6.28	6.73	Sept.	—	—	—	—
Oct.	6.12	5.66	5.94	6.13	6.48	6.17	6.06	—	Oct.	—	6.04	6.11	6.36	Oct.	5.66	5.84	6.14	6.60	Oct.	—	—	—	—
Nov.	5.97	5.44	5.78	5.97	6.40	6.04	5.90	—	Nov.	—	5.87	5.97	6.27	Nov.	5.44	5.67	5.97	6.51	Nov.	—	—	—	—
Dec.	6.15	5.49	5.91	6.19	6.65	6.23	6.07	—	Dec.	—	6.03	6.16	6.51	Dec.	5.49	5.78	6.22	6.78	Dec.	—	—	—	—
2008																							
Jan.	6.02	5.33	5.78	6.06	6.54	6.08	5.96	—	Jan.	—	5.87	6.02	6.35	Jan.	5.33	5.68	6.10	6.73	Jan.	—	—	—	—
Feb.	6.24	5.53	5.97	6.26	6.82	6.28	6.19	—	Feb.	—	6.04	6.21	6.60	Feb.	5.53	5.90	6.30	7.04	Feb.	—	—	—	—
Mar.	6.24	5.51	5.90	6.24	6.89	6.29	6.17	—	Mar.	—	5.99	6.21	6.68	Mar.	5.51	5.80	6.27	7.10	Mar.	—	—	—	—
Apr.	6.29	5.55	5.93	6.30	6.97	6.36	6.21	—	Apr.	—	5.99	6.29	6.81	Apr.	5.55	5.86	6.31	7.12	Apr.	—	—	—	—
May	6.30	5.57	6.00	6.30	6.92	6.38	6.22	—	May	—	6.07	6.27	6.79	May	5.57	5.93	6.33	7.05	May	—	—	—	—
June	6.42	5.68	6.11	6.43	7.07	6.50	6.35	—	June	—	6.19	6.38	6.93	June	5.68	6.02	6.48	7.22	June	—	—	—	—
July	6.44	5.67	6.05	6.47	7.16	6.50	6.38	—	July	—	6.13	6.40	6.97	July	5.67	5.97	6.54	7.35	July	—	—	—	—

Notes: Moody's®Long-Term Corporate Bond Yield Averages have been published daily since 1929. They are derived from pricing data on a regularly-replenished population of nearly 75 seasoned corporate bonds in the US market, each with current outstandings over $100 million. The bonds have maturities as close as possible to 30 years; they are dropped from the list if their remaining life falls below 20 years, if their ratings change. Bonds with deep discounts or steep premiums to par are generally excluded. All yields are yield-to-maturity calculated on a semi-annual basis. Each observation is an unweighted average, with Average Corporate Yields representing the unweighted average of the corresponding Average Industrial and Average Public Utility observations. Because of the dearth of Aaa -rated railroad term bond issues, Moody's® Aaa railroad bond yield average was discontinued as of December 15, 1967. Moody's® Aaa public utility average suspended from Jan. 1984 thru Sept. 1984. Oct. 1984 figure for last 14 business days only. The Railroad Bond Averages were discontinued as of July 17, 1989 because of insufficient frequently tradable bonds. The July figures were based on 8 business days.
Because of the dearth of Aaa rated public utility bond issues, Moody's Aaa public utility bond yield average was discontinued as of December 10, 2001.
Note: October 2002 figures have been adjusted.
Note: January 2003 figures have been adjusted.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 20
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-6)
DATE 10/23/08

THE VALUE LINE Investment Survey®

Part 1 Summary & Index

File at the front of the *Ratings & Reports* binder. Last week's *Summary & Index* should be removed.

August 3, 2001

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The Median of Estimated **PRICE-EARNINGS RATIOS** of all stocks with earnings

17.9

26 Weeks Ago	Market Low 10-28-87	Market High 4-22-98
15.8	10.6	19.7

The Median of Estimated **DIVIDEND YIELDS** (next 12 months) of all dividend paying stocks under review

1.9%

26 Weeks Ago	Market Low 10-28-87	Market High 4-22-98
2.0%	3.7%	1.6%

The Estimated Median Price **APPRECIATION POTENTIAL** of all 1700 stocks in the hypothesized economic environment 3 to 5 years hence

70%

26 Weeks Ago	Market Low 10-28-87	Market High 4-22-98
70%	120%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

	PAGE		PAGE		PAGE		PAGE
Advertising (57)	1925	*Educational Services (1)*	1595	*Insurance (Life) (42)*	1200	Railroad (21)	290
Aerospace/Defense (18)	551	Electrical Equipment (86)	1001	Insurance(Prop/Casualty) (72)	590	R.E.I.T. (56)	1178
Air Transport (90)	253	Electric Util. (Central) (70)	695	Internet (44)	2219	Recreation (41)	1841
Apparel (9)	1651	Electric Utility (East) (66)	159	Investment Co. (53)	965	Restaurant (24)	299
Auto & Truck (78)	101	Electric Utility (West) (71)	1780	Investment Co.(Foreign) (80)	366	Retail Building Supply (29)	883
Auto Parts (64)	805	Electronics (85)	1022	*Machinery (79)	1331	Retail (Special Lines) (23)	1711
Auto Parts (Replacement) (-)	111	Entertainment (81)	1861	Manuf. Housing/Rec Veh (27)	1561	Retail Store (34)	1678
Bank (47)	2101	Entertainment Tech (22)	1606	Maritime (8)	284	*Securities Brokerage (94)	1424
Bank (Canadian) (75)	1581	Environmental (5)	357	Medical Services (4)	631	Semiconductor (51)	1049
Bank (Midwest) (48)	616	Financial Svcs. (Div.) (30)	2132	Medical Supplies (14)	187	Semiconductor Cap Equip (40)	1086
Beverage (Alcoholic) (52)	1544	Food Processing (55)	1481	Metal Fabricating (62)	568	Shoe (13)	1699
Beverage (Soft Drink) (54)	1552	Food Wholesalers (3)	1538	Metals & Mining (Div.) (61)	1222	Steel (General) (74)	580
Biotechnology (32)	671	Foreign Electron/Entertn (93)	1568	Natural Gas (Distrib.) (83)	467	*Steel (Integrated) (58)	1414
Building Materials (16)	851	Foreign Telecom. (97)	780	Natural Gas(Diversified) (17)	448	Telecom. Equipment (63)	751
Cable TV (91)	832	Furn./Home Furnishings (92)	897	Newspaper (96)	1919	Telecom. Services (87)	720
Canadian Energy (33)	436	Gold/Silver Mining (37)	1214	Office Equip & Supplies (35)	1133	Textile (46)	1666
Cement & Aggregates (68)	890	Grocery (38)	1522	Oilfield Services/Equip. (45)	1945	Thrift (12)	1161
Chemical (Basic) (69)	1233	Healthcare Information (20)	660	Packaging & Container (43)	929	Tire & Rubber (84)	116
Chemical (Diversified) (89)	1966	Home Appliance (82)	122	Paper & Forest Products (67)	908	Tobacco (11)	1588
Chemical (Specialty) (76)	487	Homebuilding (2)	867	Petroleum (Integrated) (26)	409	Toiletries/Cosmetics (25)	823
Computer & Peripherals (65)	1096	Hotel/Gaming (15)	1878	Petroleum (Producing) (28)	1933	Trucking/Transp. Leasing (77)	267
Computer Software & Svcs (19)	2169	Household Products (60)	945	*Pharmacy Services (7)*	795	*Water Utility (95)	1419
*Diversified Co. (59)	1379	Human Resources (86)	1282	Power (39)	980	Wireless Networking (50)	521
Drug (6)	1241	Industrial Services (35)		Precision Instrument (49)	129		
*E-Commerce (31)	1434	Information Services (10)	382	Publishing (73)	1895		

*Reviewed in this week's edition.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LVI, No. 48.
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THE VALUE LINE Investment Survey®

Part 1
Summary & Index

File at the front of the *Ratings & Reports* binder. *Last week's Summary & Index* should be removed.

August 29, 2008

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The Median of Estimated
PRICE-EARNINGS RATIOS
of all stocks with earnings

15.4

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
15.7	14.1	19.7

The Median of Estimated
DIVIDEND YIELDS
(next 12 months) of all dividend paying stocks under review

2.3%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
2.1%	2.4%	1.6%

The Estimated Median Price
APPRECIATION POTENTIAL
of all 1700 stocks in the hypothesized economic environment 3 to 5 years hence

75%

26 Weeks Ago	Market Low 10-9-02	Market High 7-13-07
70%	115%	35%

ANALYSES OF INDUSTRIES IN ALPHABETICAL ORDER WITH PAGE NUMBER

Numeral in parenthesis after the industry is rank for probable performance (next 12 months).

	PAGE		PAGE		PAGE		PAGE
Advertising (70)	2370	Electric Util. (Central) (52)	687	Investment Co. (51)	948	Publishing (91)	2351
Aerospace/Defense (19)	543	*Electric Utility (East) (53)	150	Investment Co.(Foreign) (49)	354	Railroad (2)	274
Air Transport (94)	245	Electric Utility (West) (61)	1781	Machinery (13)	1323	R.E.I.T. (59)	1172
Apparel (60)	1651	Electronics (65)	1020	Manuf. Housing/RV (99)	1549	Recreation (74)	2301
*Auto & Truck (92)	101	Entertainment (71)	2320	Maritime (16)	266	Reinsurance (62)	1606
Auto Parts (77)	774	Entertainment Tech (88)	1589	Medical Services (40)	625	Restaurant (57)	283
Bank (97)	2501	Environmental (3)	341	*Medical Supplies (22)	172	Retail Automotive (69)	1668
Bank (Canadian) (85)	1565	Financial Svcs. (Div.) (81)	2527	Metal Fabricating (25)	566	Retail Building Supply (48)	877
Bank (Midwest) (96)	608	Food Processing (44)	1481	Metals & Mining (Div.) (46)	1222	Retail (Special Lines) (76)	1710
Beverage (63)	1532	Food Wholesalers (36)	1525	Natural Gas Utility (55)	445	Retail Store (58)	1680
Biotechnology (29)	660	Foreign Electronics (38)	1557	Natural Gas (Div.) (7)	427	Securities Brokerage (87)	1421
Building Materials (84)	845	Funeral Services (24)	1455	Newspaper (98)	2360	Semiconductor (39)	1048
Cable TV (20)	809	Furn/Home Furnishings (90)	884	Office Equip/Supplies (75)	1127	Semiconductor Equip (78)	1085
Canadian Energy (6)	415	Grocery (45)	1516	Oil/Gas Distribution (47)	519	Shoe (56)	1698
Chemical (Basic) (4)	1232	Healthcare Information (26)	652	Oilfield Svcs/Equip. (5)	2390	Steel (General) (10)	576
Chemical (Diversified) (35)	2414	Heavy Construction (15)	978	Packaging & Container (54)	913	Steel (Integrated) (9)	1410
Chemical (Specialty) (32)	457	Homebuilding (89)	863	Paper/Forest Products (73)	901	Telecom. Equipment (50)	740
Coal (1)	509	Hotel/Gaming (95)	2335	Petroleum (Integrated) (28)	397	Telecom. Services (68)	710
Computers/Peripherals (66)	1101	Household Products (79)	931	Petroleum (Producing) (8)	2380	Thrift (82)	1161
Computer Software/Svcs (30)	2569	Human Resources (37)	1293	Pharmacy Services (14)	765	Tobacco (31)	1572
Diversified Co. (34)	1376	Industrial Services (18)	316	Power (64)	961	Toiletries/Cosmetics (17)	798
Drug (33)	1245	Information Services (23)	368	Precious Metals (42)	1212	Trucking (12)	257
E-Commerce (21)	1438	Insurance (Life) (72)	1197	*Precision Instrument (27)	113	Water Utility (86)	1415
Educational Services (11)	1579	Insurance (Prop/Cas.) (83)	585	Property Management (80)	819	Wireless Networking (67)	488
Electrical Equipment (43)	1001	Internet (41)	2619	Public/Private Equity (93)	2637		

*Reviewed in this week's issue.

In three parts: This is Part 1, the Summary & Index. Part 2 is Selection & Opinion. Part 3 is Ratings & Reports. Volume LXIV, No. 1.
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Exhibit (PMA-7)__

Utilities, Inc.
Calculation of Mean, Standard Deviation,
and Coefficient of Variaton for the Russell 2000
for the 12 months ending June 2001 and June 2008

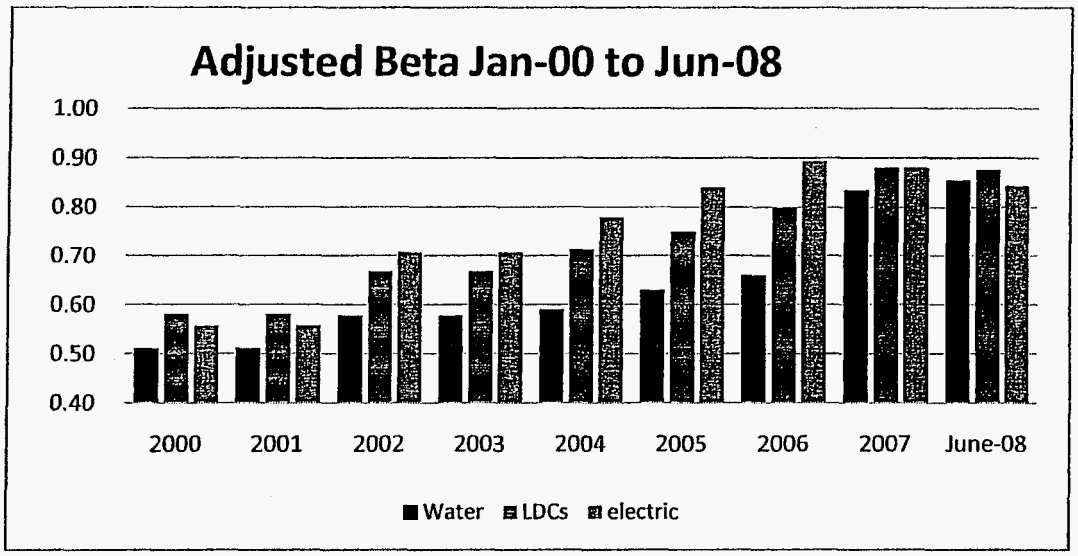
Date	Close	Date	Close
30-Jun-00	517.23	2-Jul-07	852.31
3-Jul-00	528.22	9-Jul-07	855.77
10-Jul-00	542.63	16-Jul-07	836.44
17-Jul-00	522.7	23-Jul-07	777.83
24-Jul-00	490.22	30-Jul-07	755.42
31-Jul-00	503.63	6-Aug-07	788.78
7-Aug-00	510.27	13-Aug-07	786.03
14-Aug-00	515.51	20-Aug-07	798.93
21-Aug-00	525.11	27-Aug-07	792.86
28-Aug-00	541.91	4-Sep-07	775.79
5-Sep-00	535.7	10-Sep-07	783.49
11-Sep-00	530.88	17-Sep-07	813.11
18-Sep-00	518.82	24-Sep-07	805.45
25-Sep-00	521.37	1-Oct-07	844.86
2-Oct-00	491.02	8-Oct-07	841.17
9-Oct-00	480.39	15-Oct-07	798.79
16-Oct-00	487.45	22-Oct-07	821.39
23-Oct-00	479.85	29-Oct-07	797.78
30-Oct-00	507.75	5-Nov-07	772.38
6-Nov-00	480.9	12-Nov-07	769.5
13-Nov-00	482.61	19-Nov-07	755.03
20-Nov-00	471.87	26-Nov-07	767.77
27-Nov-00	456.84	3-Dec-07	785.52
4-Dec-00	479.07	10-Dec-07	753.93
11-Dec-00	458.03	17-Dec-07	785.6
18-Dec-00	462.99	24-Dec-07	771.76
26-Dec-00	483.53	31-Dec-07	721.6
2-Jan-01	463.14	7-Jan-08	704.65
8-Jan-01	485.75	14-Jan-08	673.18
16-Jan-01	486.09	22-Jan-08	688.6
22-Jan-01	498.68	28-Jan-08	730.5
29-Jan-01	501.5	4-Feb-08	698.9
5-Feb-01	497.05	11-Feb-08	701.52
12-Feb-01	499.28	19-Feb-08	695.43
20-Feb-01	477.45	25-Feb-08	686.18
26-Feb-01	476.88	3-Mar-08	660.11
5-Mar-01	473.65	10-Mar-08	662.9
12-Mar-01	441.8	17-Mar-08	681.42
19-Mar-01	443.27	24-Mar-08	683.18
26-Mar-01	450.53	31-Mar-08	713.73
2-Apr-01	434.66	7-Apr-08	688.16
9-Apr-01	455.02	14-Apr-08	721.07
16-Apr-01	466.71	21-Apr-08	721.88
23-Apr-01	483.97	28-Apr-08	725.74
30-Apr-01	492.89	5-May-08	720.05
7-May-01	487.36	12-May-08	741.17
14-May-01	506.28	19-May-08	724.1
21-May-01	508.62	27-May-08	748.28
29-May-01	501.72	2-Jun-08	740.37
4-Jun-01	511.64	9-Jun-08	733.61
11-Jun-01	495.13	16-Jun-08	725.73
18-Jun-01	488.65	23-Jun-08	698.14
25-Jun-01	512.64	30-Jun-08	689.66
Mean	491.87		750.33
Std. Dev	25.94		52.47
Coefficient of Variation	5.27%		6.99%

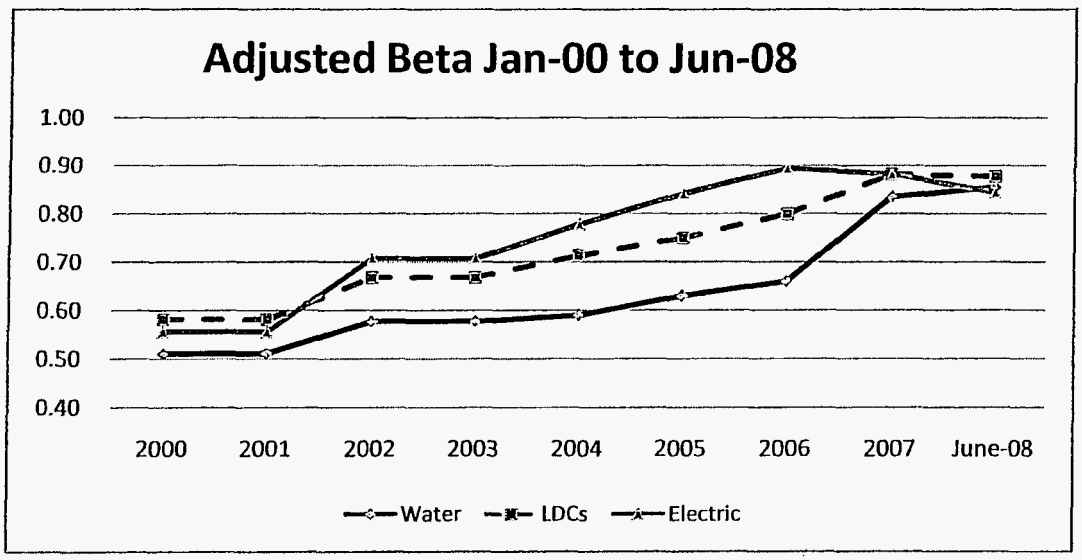
Source of Information:
Yahoo! Finance

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DOCKET NO. 080006-WS EXHIBIT 21
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-7)
DATE 10/23/08

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 22
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-8)
DATE 10/23/08

Utilities, Inc.
Comparison of Adjusted Betas of the AUS Utility Reports Water, Gas Distribution, and Electric Companies from December 2000 through June 2008

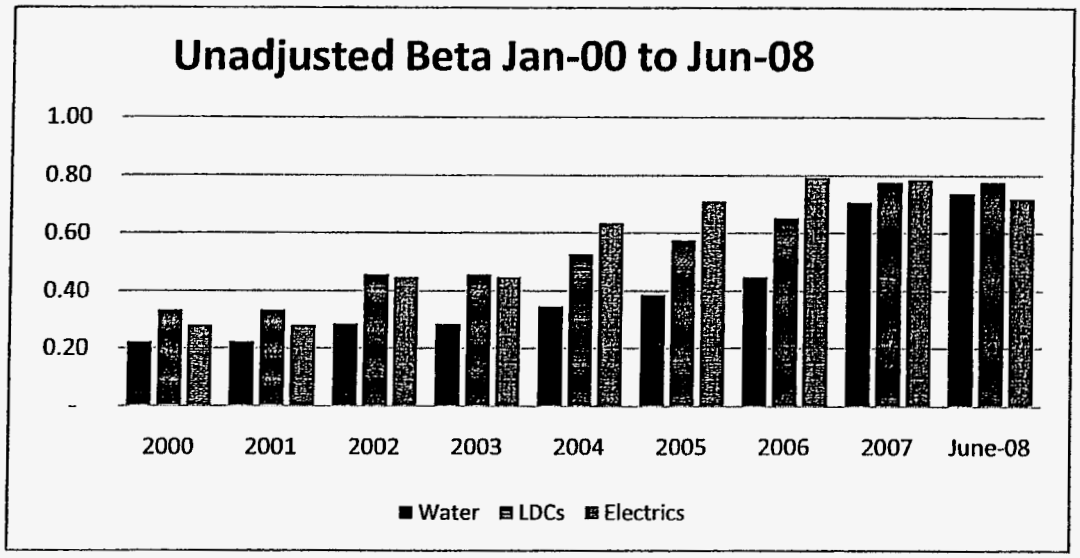


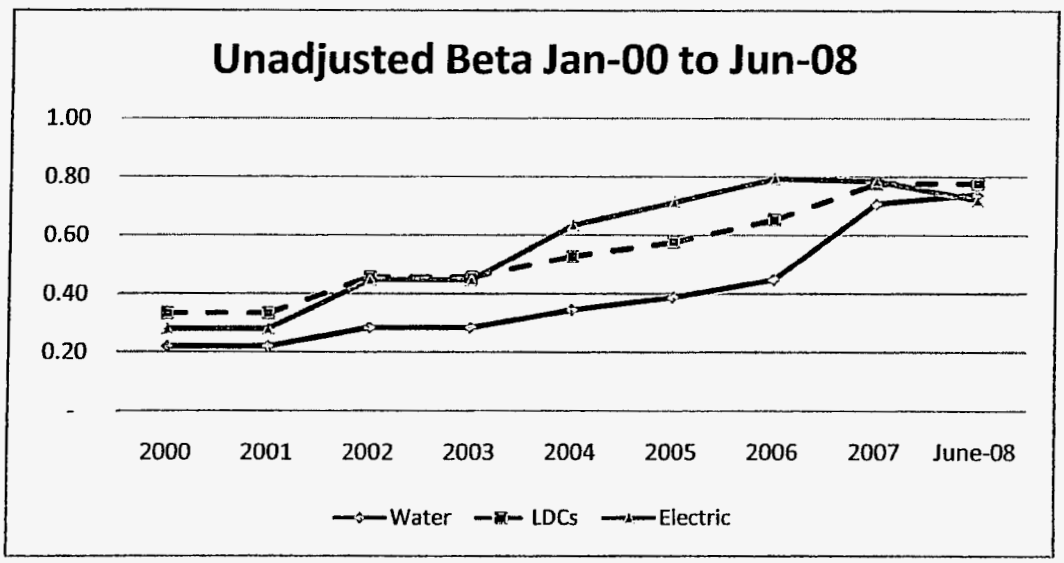


Source of Information:

Value Line Proprietary Data Base December 2000-December 2007 and June 2008

Utilities, Inc.
Comparison of Adjusted Betas of the AUS Utility Reports Water, Gas Distribution, and Electric Companies from December 2000 through June 2008





Source of Information:

Value Line Proprietary Data Base December 2000-December 2007 and June 2008

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Dear Reader,

This volume updates the 1994 edition of *Corporate Finance Criteria*. There are several new chapters, covering our recently introduced Bank Loan Ratings, criteria for "notching" junior obligations, and the role of cyclicality in ratings. Naturally, the ratio medians have been brought up to date.

Standard & Poor's criteria publications represent our endeavor to convey the thought processes and methodologies employed in determining Standard & Poor's ratings. They describe both the quantitative and qualitative aspects of the analysis. We believe that our rating product has the most value if users appreciate all that has gone into producing the letter symbols.

Bear in mind, though, that a rating is, in the end, an opinion. The rating experience is as much an art as it is a science.



Solomon B. Samson
Chairman, Corporate Ratings Criteria Committee

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Utilities

The utilities rating methodology encompasses two basic components: business risk analysis and financial analysis. Evaluation of industry characteristics, the utility's position within that industry, its regulation, and its management provides the context for assessing a firm's financial condition.

Historical analysis is a tool for identifying strengths and weaknesses, and provides a starting point for evaluating financial condition. Business position assessment is the qualitative measure of a utility's fundamental creditworthiness. It focuses on the forces that will shape the utilities' future.

Utilities credit analysis factors

Business risk	Financial risk
• Markets and service area economy	• Earnings protection
• Competitive position	• Capital structure
• Operations	• Cash flow adequacy
• Regulation	• Financial flexibility/capital attraction
• Management	
• Fuel, power, and water supply	
• Asset concentration	

The credit analysis of utilities is quickly evolving, as utilities are treated less as regulated monopolies and more as entities faced with a host of challengers in a competitive environment. Marketplace dynamics are supplanting the power of regulation, making it critically important to reduce costs and/or market new services in order to thwart competitors' inroads.

Markets and service area economy

Assessing service territory begins with the economic and demographic evaluation of the area in which the utility has its franchise. Strength of long-term demand for the product is examined from a macroeconomic perspective. This enables Standard & Poor's to evaluate the affordability of rates and the staying power of demand.

Standard & Poor's tries to discern any secular consumption trends and, more importantly, the reasons for them. Specific items examined include the size and growth rate of the market, strength of the franchise, historical and projected sales growth, income levels and trends in population, employment, and per capita income. A utility with a healthy economy and customer base—as illustrated by diverse employment opportunities, average or above-average wealth and income statistics, and low unemployment—will have a greater capacity to support its operations.

For electric and gas utilities, distribution by customer class is scrutinized to assess the depth and diversity of the utility's customer mix. For example, heavy industrial concentration is viewed cautiously, since a utility may have significant exposure to cyclical volatility. Alternatively, a large residential component yields a stable and more predictable revenue stream. The largest utility customers are identified to determine their importance to the bottom line and assess the risk of their loss and potential adverse effect on the utility's financial position. Credit concerns arise when individual customers represent more than 5% of revenues. The company or industry may play a significant role in the overall economic base of the service area. Moreover, large customers may turn to cogeneration or alternative power supplies to meet their energy needs, potentially leading to reduced cash flow for the utility (even in cases where a large customer pays discounted rates and is not a profitable account for the utility). Customer concentration is less significant for water and telecommunication utilities.

Competitive position

As competitive pressures have intensified in the utilities industry, Standard & Poor's analysis has deepened to include a more thorough review of competitive position.

Electric utility competition

For electric utilities, competitive factors examined include: percentage of firm wholesale revenues that are most vulnerable to competition; industrial load concentration; exposure of key customers to alternative suppliers; commercial concentrations; rates for various customer classes; rate design and flexibility; production costs, both marginal and fixed; the regional capacity situation; and transmission constraints. A regional focus is evident, but high costs and rates relative to national averages are also of significant concern because of the potential for electricity substitutes over time.

Mounting competition in the electric utility industry derives from excess generating capacity, lower barriers to entering the electric generating business, and marginal costs that are below embedded costs. Standard & Poor's has already witnessed declining prices in wholesale markets, as *de facto* retail competition is already being seen in several parts of the country. Standard & Poor's believes that over the coming years more and more customers will want and demand lower prices. Initial concerns focus on the largest industrial loads, but other customer classes will be increasingly vulnerable. Competition will not necessar-

fly be driven by legislation. Other pressures will arise from global competition and improving technologies, whether it be the declining cost of incremental generation or advances in transmission capacity or substitute energy sources like the fuel cell. It is impossible to say precisely when wide-open retail competition will occur; this will be evolutionary. However, significantly greater competition in retail markets is inevitable.

Gas utility competition

Similarly, gas utilities are analyzed with regard to their competitive standing in the three major areas of demand: residential, commercial, and industrial. Although regulated as holders of monopoly power, natural gas utilities have for some time been actively competing for energy market share with fuel oil, electricity, coal, solar, wood, etc. The long-term staying power of market demand for natural gas cannot be taken for granted. In fact, as the electric utility industry restructures and reduces costs, electric power will become more cost competitive and threaten certain gas markets. In addition, independent gas marketers have made greater inroads behind the city gate and are competing for large gas users. Moreover, the recent trend by state regulators to unbundle utility services is creating opportunities for outsiders to market niche products. Distributors still have the upper hand, but those who do not reduce and control costs, and thus rates, could find competition even more difficult.

Natural gas pipelines are judged to carry a somewhat higher business risk than distribution companies because they face competition in every one of their markets. To the extent a pipeline serves utilities versus industrial end users, its stability is greater. Over the next five years, pipeline competition will heat up since many service contracts with customers are expiring. Most distributor or end-use customers are looking to reduce pipeline costs and are working to improve their load factor to do so. Thus, pipelines will likely find it difficult to recontract all capacity in coming years. Being the pipeline of choice is a function of attractive transportation rates, diversity and quality of services provided, and capacity available in each particular market. In all cases though, periodic discounting of rates to retain customers will occur and put pressure on profitability.

Water utility competition

As the last true utility monopoly, water utilities face very little competition and there is currently no challenge to the continuation of franchise areas. The only exceptions have been cases where investor-owned water companies have been subject to condemnation and municipalization because of poor service or political motivations. In that regard, Standard & Poor's pays close attention to costs and rates in relation to neighboring utilities and national averages. (In contrast, the privatization of public water facilities has begun, albeit at a slower pace than anticipated. This is occurring mostly in the form of operating contracts and public/private partnerships, and not in asset transfers. This trend should continue as cities look for ways to balance their tight budgets.) Also, water utilities are not fully immune to the forces of competition; in a few instances wholesale customers can access more than one supplier.

Telephone competition

The Telecommunications Act of 1996 accelerates the continuing challenge to the local exchange companies' (LECs) century-old monopoly in the local loop. Competitive access providers (CAPs), both facilities-based and resellers, are aggressively pursuing customers, generally targeting metropolitan areas, and promising lower rates and better service.

Most long-distance calls are still originated and terminated on the local telephone company network. To complete such a call, the long-distance provider (including AT&T, MCI, Sprint and a host of smaller interexchange carriers or "IXCs") must pay the local telephone company a steep "access" fee to compensate the local phone company for the use of its local network. CAPs, in contrast, build or lease facilities that directly connect customers to their long-distance carrier, bypassing the local telephone company and avoiding access fees, and thereby can offer lower long-distance rates. But the LECs are not standing still; they are combating the loss of business to CAPs by lowering access fees, thereby reducing the economic incentive for a high usage long-distance customer to use a CAP. LECs are attempting to make up for the loss of revenues from lower access fees by increasing basic local service rates (or at least not lowering them), since basic service is far less subject to competition. LECs are improving operating efficiency and marketing high margin, value-added new services. Additionally, in the wake of the Telecommunications Act, LECs will capture at least some of the inter-LATA long-distance market. As a result of these initiatives, LECs continue to rebuild themselves—from the traditional utility monopoly to leaner, more marketing oriented organizations.

While LECs, and indeed all segments of the telecommunications sector, face increasing competition, there are favorable industry factors that tend to offset heightened business risk and auger for overall ratings stability for most LECs. Importantly, telecommunications is a declining-cost business. With increased deployment of fiber optics, the cost of transport has fallen dramatically and digital switching hardware and software have yielded more capable, trouble-free and cost-efficient networks. As a result, the cost of network maintenance has dropped sharply, as illustrated by the ratio of employees per 10,000 access lines, an oft cited measurement of efficiency. Ratios as low as 25 employees per 10,000 lines are being seen, down from the typical 40 or more employees per 10,000 ratio of only a few years ago.

In addition, networks are far more capable. They are increasingly digitally switched and able to accommodate high-speed communications. The infrastructure needed to accommodate switched broadband services will be built into telephone networks over the next few years. These advanced networks will enable telephone companies to look to a greater variety of high-margin, value-added serv-

ices. In addition to those current services such as call waiting or caller ID, the delivery of hundreds of broadcast and interactive video channels will be possible. While these services offer the potential of new revenue streams, they will simultaneously present a formidable challenge. LECs will be entering the new (to them) arena of multimedia entertainment and will have to develop expertise in marketing and entertainment programming acumen; such skills stand in sharp contrast to LECs' traditional strengths in engineering and customer service.

Operations

Standard & Poor's focuses on the nature of operations from the perspective of cost, reliability, and quality of service. Here, emphasis is placed on those areas that require management attention in terms of time or money and which, if unresolved, may lead to political, regulatory, or competitive problems.

Operations of electric utilities

For electrics, the status of utility plant investment is reviewed with regard to generating plant availability and utilization, and also for compliance with existing and contemplated environmental and other regulatory standards. The record of plant outages, equivalent availability, load factors, heat rates, and capacity factors are examined. Also important is efficiency, as defined by total megawatt hour per employee and customers per employee. Transmission interconnections are evaluated in terms of the number of utilities to which the utility in question has access, the cost structures and available generating capacity of these other utilities, and the price paid for wholesale power.

Because of mounting competition and the substantial escalation in decommissioning estimates, significant weight is given to the operation of nuclear facilities. Nuclear plants are becoming more vulnerable to high production costs that make their rates uneconomic. Significant asset concentration may expose the utility to poor performance, unscheduled outages or premature shutdowns, and large deferrals or regulatory assets that may need to be written off for the utility to remain competitive. Also, nuclear facilities tend to represent significant portions of their operators' generating capability and assets. The loss of a productive nuclear unit from both power supply and rate base can interrupt the revenue stream and create substantial additional costs for repairs and improvements and replacement power. The ability to keep these stations running smoothly and economically directly influences the ability to meet electric demand, the stability of revenues and costs, and, by extension, the ability to maintain adequate creditworthiness. Thus, economic operation, safe operation, and long-term operation are examined in depth. Specifically, emphasis is placed on operation and maintenance costs, busbar costs, fuel costs, refueling outages, forced outages, plant statistics, NRC evaluations, the potential need for repairs, operating licenses, decommissioning estimates and amounts held in external trusts, spent fuel storage capacity, and management's nuclear experience. In essence, favorable nuclear operations offer significant opportunities but, if a nuclear unit runs poorly or not at all, the attendant risks can be great.

Operations of gas utilities

For gas pipeline and distribution companies, the degree of plant utilization, the physical condition of the mains and lines, adequacy of storage to meet seasonal needs, "lost and unaccounted for" gas levels, and per-unit nongas operating and construction costs are important factors. Efficiency statistics such as load factor, operating costs per customer, and operating income per employee are also evaluated in comparison to other utilities and the industry as a whole.

Operations of water utilities

As a group, water utilities are continually upgrading their physical plant to satisfy regulations and to develop additional supply. Over the next decade, water systems will increasingly face the task of maintaining compliance, as drinking water regulations change and infrastructure ages. Given that the Safe Drinking Water Act was authorized in 1974, the first generation of treatment plants built to conform with these rules are almost 20 years old. Additionally, because the focus during this period was on satisfying environmental standards, deferred maintenance of distribution systems has been common, especially in older urban areas. The increasing cost of supplying treated water argues against the high level of unaccounted for water witnessed in the industry. Consequently, Standard & Poor's anticipates capital plans for rebuilding distribution lines and major renewal and replacement efforts aimed at treatment plants.

Operations of telephone companies

For telephone companies, cost-of-service analysis focuses on plant capability and measures of efficiency and quality of service. Plant capability is ascertained by looking at such parameters as percentage of digitally switched lines; fiber optic deployment, in particular in those portions of the plant key to network survival; and the degree of broadband capacity fiber and coaxial deployment and broadband switching capacity. Efficiency measures include operating margins, the ratio of employees per 10,000 access lines, and the extent of network and operations consolidation. Quality of service encompasses examination of quantitative measures, such as trouble reports and repeat service calls, as well as an assessment of qualitative factors, that may include service quality goals mandated by regulators.

Regulation

Regulatory rate-setting actions are reviewed on a case-by-case basis with regard to the potential effect on creditworthiness. Regulators' authorizing high rates of return is of little value unless the returns are earnable. Furthermore, allowing high returns based on noncash items does not benefit bondholders. Also, to be viewed positively, regulatory treatment should allow consistent performance from

period to period, given the importance of financial stability as a rating consideration.

The utility group meets frequently with commission and staff members, both at Standard & Poor's offices and at commission headquarters, demonstrating the importance Standard & Poor's places on the regulatory arena for credit quality evaluation. Input from these meetings and from review of rate orders and their impact weigh heavily in Standard & Poor's analysis.

Standard & Poor's does not "rate" regulatory commissions. State commissions typically regulate a number of diverse industries, and regulatory approaches to different types of companies often differ within a single regulatory jurisdiction. This makes it all but impossible to develop inclusive "ratings" for regulators.

Standard & Poor's evaluation of regulation also encompasses the administrative, judicial, and legislative processes involved in state and federal regulation. These can affect rate-setting activities and other aspects of the business, such as competitive entry, environmental and safety rules, facility siting, and securities sales.

As the utility industry faces an increasingly deregulated environment, alternatives to traditional rate-making are becoming more critical to the ability of utilities to effectively compete, maintain earnings power, and sustain creditor protection. Thus, Standard & Poor's focuses on whether regulators, both state and federal, will help or hinder utilities as they are exposed to greater competition. There is much that regulators can do, from allocating costs to more captive customers to allowing pricing flexibility—and sometimes just stepping out of the way.

Under traditional rate-making, rates and earnings are tied to the amount of invested capital and the cost of capital. This can sometimes reward companies more for justifying costs than for containing them. Moreover, most current regulatory policies do not permit utilities to be flexible when responding to competitive pressures of a deregulated market. Lack of flexible tariffs for electric utilities may lure large customers to wheel cheaper power from other sources.

In general, a regulatory jurisdiction is viewed favorably if it permits earning a return based on the ability to sustain rates at competitive levels. In addition to performance-based rewards or penalties, flexible plans could include market-based rates, price caps, index-based prices, and rates premised on the value of customer service. Such rates more closely mirror the competitive environment that utilities are confronting.

Electric industry regulation

The ability to enter into long-term arrangements at negotiated rates without having to seek regulatory approval for each contract is also important in the electric industry. (While contracting at reduced rates constrains financial performance, it lessens the potential adverse impact in the event of retail wheeling. Since revenue losses associated with this strategy are not likely to be recovered from ratepayers, utilities must control costs well enough to remain competitive if they are to sustain current levels of bondholder protection.)

Natural gas industry regulation

In the gas industry, too, several state commission policies weigh heavily in the evaluation of regulatory support. Examples include stabilization mechanisms to adjust revenues for changes in weather or the economy, rate and service unbundling decisions, revenue and cost allocation between sales and transportation customers, flexible industrial rates, and the general supportiveness of construction costs and gas purchases.

Water industry regulation

In all water utility activities, federal and state environmental regulations continue to play a critical role. The legislative timetable to effect the 1986 amendments to the Safe Drinking Water Act of 1974 was quite aggressive. But environmental standards-setting has actually slowed over the past couple of years due largely to increasing sentiment that the stringent, costly standards have not been justified on the basis of public health. A moratorium on the promulgation of significant new environmental rules is anticipated.

Telecommunications industry regulation

Despite the advances in telecommunications deregulation, analysis of regulation of telephone operators will continue to be a key rating determinant for the foreseeable future. The method of regulation may be either classic rate-based rate of return or some form of price cap mechanism. The most important factor is to assess whether the regulatory framework—no matter which type—provides sufficient financial incentive to encourage the rated company to maintain its quality of service and to upgrade its plant to accommodate new services while facing increasing competition from wireless operators and cable television companies.

Where regulators do still set tariffs based on an authorized return, Standard & Poor's strives to explore with regulators their view of the rate-of-return components that can materially impact reported versus regulatory earnings. Specifically these include the allowable base upon which the authorized return can be earned, allowable expenses, and the authorized return. Since regulatory oversight runs the gamut from strict, adversarial relationships with the regulated operating companies to highly supportive postures, Standard & Poor's probes beyond the apparent regulatory environment to ascertain the actual impact of regulation on the rated company.

Management

Evaluating the management of a utility is of paramount importance to the analytical process since management's abilities and decisions affect all areas of a company's operations. While regulation, the economy, and other outside factors can influence results, it is ultimately the quality of management that determines the success of a company.

With emerging competition, utility management will be more closely scrutinized by Standard & Poor's and will become an increasingly critical component of the credit evaluation. Management strategies can be the key determinant in differentiating utilities and in establishing where companies lie on the business position spectrum. It is imperative that managements be adaptable, aggressive, and proactive if their utilities are to be viable in the future; this is especially important for utilities that are currently uncompetitive.

The assessment of management is accomplished through meetings, conversations, and reviews of company plans. It is based on such factors as tenure, industry experience, grasp of industry issues, knowledge of customers and their needs, knowledge of competitors, accounting and financing practices, and commitment to credit quality. Management's ability and willingness to develop workable strategies to address their systems' needs, to deal with the competitive pressures of free market, to execute reasonable and effective long-term plans, and to be proactive in leading their utilities into the future are assessed. Management quality is also indicated by thoughtful balancing of public and private priorities, a record of credibility, and effective communication with the public, regulatory bodies, and the financial community. Boards of directors will receive ever more attention with respect to their role in setting appropriate management incentives.

With competition the watchword, Standard & Poor's also focuses on management's efforts to enhance financial condition. Management can bolster bondholder protection by taking any number of discretionary actions, such as selling common equity, lowering the common dividend payout, and paying down debt. Also important for the electric industry will be creativity in entering into strategic alliances and working partnerships that improve efficiency, such as central dispatching for a number of utilities or locking up at-risk customers through long-term contracts or expanded flexible pricing agreements. Proactive management teams will also seek alternatives to traditional rate-base, rate-of-return rate-making, move to adopt higher depreciation rates for generating facilities, segment customers by individual market preferences, and attempt to create superior service organizations.

In general, management's ability to respond to mounting competition and changes in the utility industry in a swift and appropriate manner will be necessary to maintain credit health.

Fuel, power, and water supply

Assessment of present and prospective fuel and power supply is critical to every electric utility analysis, while gauging the long-term natural gas supply position for gas pipeline and distribution companies and the water resources of a water utility is equally important. There is no similar analytical category for telephone utilities.

Electric utilities

For electric utilities emphasis is placed on generating reserve margins, fuel mix, fuel contract terms, demand-side management techniques, and purchased power arrangements. The adequacy of generating margins is examined nationally, regionally, and for each individual company. However, the reserve margin picture is muddied by the imprecise nature of peak-load growth forecasting, and also supply uncertainty relating to such things as Canadian capacity availability and potential plant shutdowns due to age, new NRC rules, acid rain remedies, fuel shortages, problems associated with nontraditional technologies, and so forth. Even apparently ample reserves may not be what they seem. Moreover, the quality of capacity is just as important as the size of reserves. Companies' reserve requirements differ, depending upon individual operating characteristics.

Fuel diversity provides flexibility in a changing environment. Supply disruptions and price hikes can raise rates and ignite political and regulatory pressures that ultimately lead to erosion in financial performance. Thus, the ability to alter generating sources and take advantage of lower cost fuels is viewed favorably.

Dependence on any single fuel means exposure to that fuel's problems: electric utilities that rely on oil or gas face the potential for shortages and rapid price increases; utilities that own nuclear generating facilities face escalating costs for decommissioning; and coal-fired capacity entails environmental problems stemming from concerns over acid rain and the "greenhouse effect."

Buying power from neighboring utilities, qualifying facility projects, or independent power producers may be the best choice for a utility that faces increasing electricity demand. There has been a growing reliance on purchased power arrangements as an alternative to new plant construction. This can be an important advantage, since the purchasing utility avoids potential construction cost overruns as well as risking substantial capital. Also, utilities can avoid the financial risks typical of a multiyear construction program that are caused by regulatory lag and prudence reviews. Furthermore, purchased power may enhance supply flexibility, fuel resource diversity, and maximize load factors. Utilities that plan to meet demand projections with a portfolio of supply-side options also may be better able to adapt to future growth uncertainties. Notwithstanding the benefits of purchasing, such a strategy has risks associated with it. By entering into a firm long-term purchased power contract that contains a fixed-cost component, utilities can incur substantial market, operating, regulatory, and financial risks. Moreover, regulatory treatment of purchased power removes any upside potential that might help offset the risks. Utilities are not compensated through incentive rate-making; rather, purchased power is recovered dollar-for-dollar as an operating expense.

To analyze the financial impact of purchased power, Standard & Poor's first calculates the net present value of future annual capacity payments (discounted at 10%). This represents a potential debt equivalent—the off-balance-sheet obligation that a utility incurs when it enters into a long-term purchased power contract. However, Standard

& Poor's adds to the utility's balance sheet only a portion of this amount, recognizing that such a contractual arrangement is not entirely the equivalent of debt. What percentage is added is a function of Standard & Poor's qualitative analysis of the specific contract and the extent to which market, operating, and regulatory risks are borne by the utility (the risk factor). For unconditional, take-or-pay contracts, the risk factor range is from 40%-80%, with the average hovering around 60%. A lower risk factor is typically assigned for system purchases from coal-fired utilities and a higher risk factor is usually designated for unit-specific nuclear purchases. The range for take-and-pay performance obligations is between 10%-50%.

Gas utilities

For gas distribution utilities, long-term supply adequacy obviously is critical, but the supply role has become even more important in credit analysis since the Federal Energy Regulatory Commission's Order 636 eliminated the interstate pipeline merchant business. This thrust gas supply responsibilities squarely on local gas distributors. Standard & Poor's has always believed distributor management has the expertise and wherewithal to perform the job well, but the risks are significant since gas costs are such a large percentage of total utility costs. In that regard, it is important for utilities to get preapprovals of supply plans by state regulators or at least keep the staff and commissioners well informed. To minimize risks, a well-run program would diversify gas sources among different producers or marketers, different gas basins in the U.S. and Canada, and different pipeline routes. Also, purchase contracts should be firm, with minimal take-or-pay provisions, and have prices tied to an industry index. A modest percentage of fixed-price gas is not unreasonable. Contracts, whether of gas purchases or pipeline capacity, should be intermediate term. Staggering contract expirations (preferably annually) provides an opportunity to be an active market player. A modest degree of reliance on spot purchases provides flexibility, as does the use of market-based storage. Gas storage and on-property gas resources such as liquefied natural gas or propane air are effective peak-day and peak-season supply management tools.

Since pipeline companies no longer buy and sell natural gas and are just common carriers, connections with varied reserve basins and many wells within those basins are of great importance. Diversity of sources helps offset the risks arising from the natural production declines eventually experienced by all reserve basins and individual wells. Moreover, such diversity can enhance a pipeline's attractiveness as a transporter of natural gas to distributors and end users seeking to buy the most economical gas available for their needs.

Water utilities

Nearly all water systems throughout the U.S. have ample long-term water supplies. Yet to gain comfort, Standard & Poor's assesses the production capability of treatment plants and the ability to pump water from underground aquifers in relation to the usage demands from consumers. Having adequate treated water storage facilities has become important in recent years and has helped many systems meet demands during peak summer periods. Of interest is whether the resources are owned by the utility or purchased from other utilities or local authorities. Owning properties with water rights provides more supply security. This is especially so in states like California where water allocations are being reduced, particularly since recent droughts and environmental issues have created alarm. Since the primary cost for water companies is treatment, it makes little difference whether raw water is owned or bought. In fact, compliance with federal and state water regulations is very high, and the overall cost to deliver treated water to consumers remains relatively affordable.

Asset concentration in the electric utility industry

In the electric industry, Standard & Poor's follows the operations of major generating facilities to assess if they are well managed or troubled. Significant dependence on one generating facility or a large financial investment in a single asset suggests high risk. The size or magnitude of a particular asset relative to total generation, net plant in service, and common equity is evaluated. Where substantial asset concentration exists, the financial profile of a company may experience wide swings depending on the asset's performance. Heavy asset concentration is most prevalent among utilities with costly nuclear units.

Earnings protection

In this category, pretax cash income coverage of all interest charges is the primary ratio. For this calculation, allowance for funds used during construction (AFUDC) is removed from income and interest expense. AFUDC and other such noncash items do not provide any protection for bondholders. To identify total interest expense, the analyst reclassifies certain operating expenses. The interest component of various off-balance-sheet obligations, such as leases and some purchased-power contracts, is included in interest expense. This provides the most direct indication of a utility's ability to service its debt burden.

While considerable emphasis in assessing credit protection is placed on coverage ratios, this measure does not provide the entire earnings protection picture. Also important are a company's earned returns on both equity and capital, measures that highlight a firm's earnings performance. Consideration is given to the interaction of embedded costs, financial leverage, and pretax return on capital.

Capital structure

Analyzing debt leverage goes beyond the balance sheet and covers quasi-debt items and elements of hidden financial leverage. Noncapitalized leases (including sale/leaseback obligations), debt guarantees, receivables financing, and purchased-power contracts are all considered debt equivalents and are reflected as debt in calculating capital

structure ratios. By making debt level adjustments, the analyst can compare the degree of leverage used by each utility company.

Furthermore, assets are examined to identify undervalued or overvalued items. Assets of questionable value are discounted to more accurately evaluate asset protection.

Some firms use short-term debt as a permanent piece of their capital structure. Short-term debt also is considered part of permanent capital when it is used as a bridge to permanent financing. Seasonal, self-liquidating debt is excluded from the permanent debt amount, but this situation is rare—with the exception of certain gas utilities. Given the long life of almost all utility assets, short-term debt may expose these companies to interest-rate volatility, remarketing risk, bank line backup risk, and regulatory exposure that cannot be readily offset. The lower cost of shorter-term obligations (assuming a positively sloped yield curve) is a positive factor that partially mitigates the risk of interest-rate variability. As a rule of thumb, a level of short-term debt that exceeds 10% of total capital is cause for concern.

Similarly, if floating-rate debt and preferred stock constitute over one-third of total debt plus preferred stock, this level is viewed as unusually high and may be cause for concern. It might also indicate that management is aggressive in its financial policies.

A layer of preferred stock in the capital structure is usually viewed as equity—since dividends are discretionary and the subordinated claim on assets provides a cushion for providers of debt capital. A preferred component of up to 10% is typically viewed as a permanent wedge in the capital structure of utilities. However, as rate-of-return regulation is phased out, preferred stock may be viewed by utilities—as many industrial firms would—as a temporary option for companies that are not current taxpayers that do not benefit from the tax deductibility of interest. Even now, floating-rate preferred and money market perpetual preferred are problematic; a rise in the rate due to deteriorating credit quality tends to induce a company to take out such preferred stock with debt. Structures that convey tax deductibility to preferred stock have become very popular and do generally afford such financings with equity treatment.

Cash flow adequacy

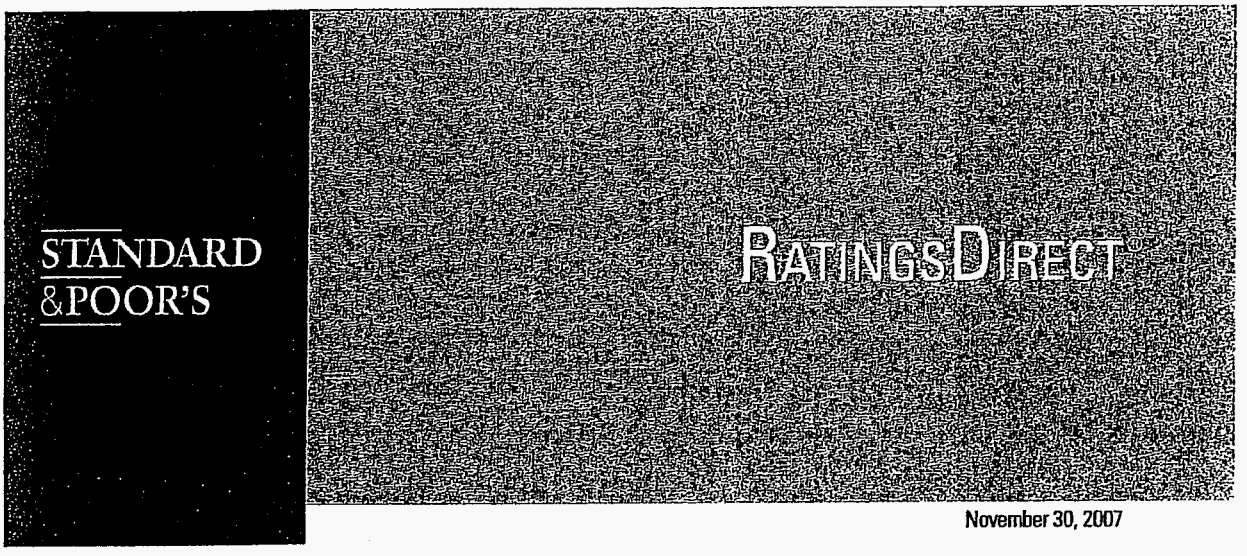
Cash flow adequacy relates to a company's ability to generate funds internally relative to its needs. It is a basic component of credit analysis because it takes cash to pay expenses, fund capital spending, pay dividends, and make interest and principal payments. Since both common and preferred dividend payments are important to maintain capital market access, Standard & Poor's looks at cash flow measures both before and after dividends are paid.

To determine cash flow adequacy, several quantitative relationships are examined. Emphasis is placed on cash flow relative to debt, debt service requirements, and capital spending. Cash flow adequacy is evaluated with respect to a firm's ability to meet all fixed charges, including capacity payments under purchased-power contracts. Despite the conditional nature of some contracts, the purchaser is obligated to pay a minimum capacity charge. The ratio used is funds from operations plus interest and capacity payments divided by interest plus capacity payments.

Financial flexibility/capital attraction

Financing flexibility incorporates a utility's financing needs, plans, and alternatives, as well as its flexibility to accomplish its financing program under stress without damaging creditworthiness. External funding capability complements internal cash flow. Especially since utilities are so capital intensive, a firm's ability to tap capital markets on an ongoing basis must be considered. Debt capacity reflects all the earlier elements: earnings protection, debt leverage, and cash flow adequacy. Market access at reasonable rates is restricted if a reasonable capital structure is not maintained and the company's financial prospects dim. The analyst also reviews indenture restrictions and the impact of additional debt on covenant tests.

Standard & Poor's assesses a company's capacity and willingness to issue common equity. This is affected by various factors, including the market-to-book ratio, dividend policy, and any regulatory restrictions regarding the composition of the capital structure.



November 30, 2007

U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

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U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix

The electric, gas, and water utility ratings ranking lists published today by Standard & Poor's U.S. Utilities & Infrastructure Ratings practice are categorized under the business risk/financial risk matrix used by the Corporate Ratings group. This is designed to present our rating conclusions in a clear and standardized manner across all corporate sectors. Incorporating utility ratings into a shared framework to communicate the fundamental credit analysis of a company furthers the goals of transparency and comparability in the ratings process. Table 1 shows the matrix.

Table 1

Business Risk/Financial Risk

	Financial Risk Profile				
Business Risk Profile	**Minimal**	**Modest**	**Intermediate**	**Aggressive**	**Highly leveraged**
Excellent	AAA	AA	A	BBB	BB
Strong	AA	A	A-	BBB-	BB-
Satisfactory	A	BBB+	BBB	BB+	B+
Weak	BBB	BBB-	BB+	BB-	B
Vulnerable	BB	B+	B+	B	B-

The utilities rating methodology remains unchanged, and the use of the corporate risk matrix has not resulted in any changes to ratings or outlooks. The same five factors that we analyzed to produce a business risk score in the familiar 10-point scale are used in determining whether a utility possesses an "Excellent," "Strong," "Satisfactory," "Weak," or "Vulnerable" business risk profile:

- Regulation,
- Markets,
- Operations,
- Competitiveness, and
- Management.

Regulated utilities and holding companies that are utility-focused virtually always fall in the upper range ("Excellent" or "Strong") of business risk profiles. The defining characteristics of most utilities--a legally defined service territory generally free of significant competition, the provision of an essential or near-essential service, and the presence of regulators that have an abiding interest in supporting a healthy utility financial profile--underpin the business risk profiles of the electric, gas, and water utilities.

As the matrix concisely illustrates, the business risk profile loosely determines the level of financial risk appropriate for any given rating. Financial risk is analyzed both qualitatively and quantitatively, mainly with financial ratios and other metrics that are calculated after various analytical adjustments are performed on financial statements prepared under GAAP. Financial risk is assessed for utilities using, in part, the indicative ratio ranges in table 2.

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Table 2

Financial Risk Indicative Ratios - U.S. Utilities

(Fully adjusted, historically demonstrated, and expected to consistently continue)

	Cash flow		Debt leverage
	(FFO/debt) (%)	(FFO/interest) (x)	(Total debt/capital) (%)
Modest	40 - 60	4.0 - 6.0	25 - 40
Intermediate	25 - 45	3.0 - 4.5	35 - 50
Aggressive	10 - 30	2.0 - 3.5	45 - 60
Highly leveraged	Below 15	2.5 or less	Over 50

The indicative ranges for utilities differ somewhat from the guidelines used for their unregulated counterparts because of several factors that distinguish the financial policy and profile of regulated entities. Utilities tend to finance with long-maturity capital and fixed rates. Financial performance is typically more uniform over time, avoiding the volatility of unregulated industrial entities. Also, utilities fare comparatively well in many of the less-quantitative aspects of financial risk. Financial flexibility is generally quite robust, given good access to capital, ample short-term liquidity, and the like. Utilities that exhibit such favorable credit characteristics will often see ratings based on the more accommodative end of the indicative ratio ranges, especially when the company's business risk profile is solidly within its category. Conversely, a utility that follows an atypical financial policy or manages its balance sheet less conservatively, or falls along the lower end of its business risk designation, would have to demonstrate an ability to achieve financial metrics along the more stringent end of the ratio ranges to reach a given rating.

Note that even after we assign a company a business risk and financial risk, the committee does not arrive by rote at a rating based on the matrix. The matrix is a guide--it is not intended to convey precision in the ratings process or reduce the decision to plotting intersections on a graph. Many small positives and negatives that affect credit quality can lead a committee to a different conclusion than what is indicated in the matrix. Most outcomes will fall within one notch on either side of the indicated rating. Larger exceptions for utilities would typically involve the influence of related unregulated entities or extraordinary disruptions in the regulatory environment.

We will use the matrix, the ranking list, and individual company reports to communicate the relative position of a company within its business risk peer group and the other factors that produce the ratings.

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Exhibit (PMA-10)_

Utilities, Inc.
Comparison of the Impact on Revenue Cost of Capital of
Holding Before Income Tax Overall Cost of Capital Constant
and Holding After Incom Tax Overall Cost of Capital Constant

	Holding Before Income Tax Overall Cost of Capital Constant				Holding After Income Tax Overall Cost of Capital Constant			
			Weighted Cost Rate				Weighted Cost Rate	
Type of Capital	Ratios	Cost Rate	After Income Taxes	Before Income Taxes	Ratios	Cost Rate	After Income Taxes	Before Income Taxes
Debt	50.88%	6.08%	3.09%	3.09%	50.88%	6.08%	3.09%	3.09%
Common Equity	49.12%	9.40%	4.62%	7.52%	49.12%	9.40%	4.62%	7.52%
Overall Cost of Capital			7.71%	10.61%			7.71%	10.61%
Debt	60.00%	6.26%	3.76%	3.76%	60.00%	6.26%	3.76%	3.76%
Common Equity	40.00%	10.53%	4.21%	6.85%	40.00%	9.89%	3.95%	6.44%
Overall Cost of Capital			7.97%	10.61%			7.71%	10.19%
Debt	57.50%	6.21%	3.57%	3.57%	57.50%	6.21%	3.57%	3.57%
Common Equity	42.50%	10.17%	4.32%	7.04%	42.50%	9.74%	4.14%	6.74%
Overall Cost of Capital			7.89%	10.61%			7.71%	10.31%
Debt	55.00%	6.16%	3.39%	3.39%	55.00%	6.16%	3.39%	3.39%
Common Equity	45.00%	9.86%	4.44%	7.22%	45.00%	9.60%	4.32%	7.04%
Overall Cost of Capital			7.82%	10.61%			7.71%	10.43%
Debt	52.50%	6.11%	3.21%	3.21%	52.50%	6.11%	3.21%	3.21%
Common Equity	47.50%	9.57%	4.55%	7.40%	47.50%	9.48%	4.50%	7.33%
Overall Cost of Capital			7.76%	10.61%			7.71%	10.54%
Debt	50.00%	6.06%	3.03%	3.03%	50.00%	6.06%	3.03%	3.03%
Common Equity	50.00%	9.31%	4.66%	7.58%	50.00%	9.36%	4.68%	7.62%
Overall Cost of Capital			7.69%	10.61%			7.71%	10.65%
Debt	47.50%	6.01%	2.86%	2.86%	47.50%	6.01%	2.86%	2.86%
Common Equity	52.50%	9.07%	4.76%	7.75%	52.50%	9.25%	4.85%	7.90%
Overall Cost of Capital			7.62%	10.61%			7.71%	10.76%
Debt	45.00%	5.96%	2.68%	2.68%	45.00%	5.96%	2.68%	2.68%
Common Equity	55.00%	8.85%	4.87%	7.93%	55.00%	9.14%	5.03%	8.18%
Overall Cost of Capital			7.55%	10.61%			7.71%	10.87%
Debt	0.00%	5.08%	0.00%	0.00%	0.00%	5.08%	0.00%	0.00%
Common Equity	100.00%	6.52%	6.52%	10.61%	100.00%	7.71%	7.71%	12.55%
Overall Cost of Capital			6.52%	10.61%			7.71%	12.55%

Source of Information: Based upon the information shown on Exhibit No. ___(JAR-4), pages 2 and 3.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006WS EXHIBIT 24
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-10)
DATE 10/23/08

Exhibit (PMA-11)_

Utilities, Inc.
Correct Derivation of the Cost Rate of Common Equity Applicable to
a 46.37% Common Equity Ratio and the Correction of OPC Witness
Rothschild's Example of the Application of the Leverage Formula to a Water Utility

Type of Capital	Ratios	Cost Rate	After Income Tax Weighted Cost Rate
Debt	50.88%	6.08%	3.09%
Common Equity	49.12%	9.40%	4.62%
Overall Cost of Capital	100.00%		7.71%
Debt	53.63%	6.08%	3.26%
Common Equity	46.37%	9.60%	4.45%
Overall Cost of Capital	100.00%		7.71%
Debt	53.63%	7.36%	3.95%
Common Equity	46.37%	9.60%	4.45%
Overall Cost of Capital	100.00%		8.40%
Debt	35.00%	7.36%	2.58%
Common Equity	65.00%	8.96%	5.82%
Overall Cost of Capital	100.00%		8.40%

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 25
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-11)
DATE 10/23/08

Utilities, Inc.
Indicated Common Equity Cost Rate Through Use of the
Single Stage Discounted Cash Flow Model for
the Florida PSC Natural Gas Index

Based upon Projected Growth in DPS and EPS

	1	2	3	4	5	6
Florida PSC Natural Gas Index	Average Dividend Yield (1)	Dividend Growth Component (2)	Adjusted Dividend Yield (3)	Growth Rate (4)	Indicated Common Equity Cost Rate (5)	Quarterly DCF Common Equity Cost Rate (6)
AGL Resources, Inc.	4.87 %	0.10 %	4.97 %	4.17 %	9.14 %	9.26 %
Atmos Energy Corporation	5.05	0.08	5.13	3.31	8.44	8.60
Equitable Resources, Inc.	1.46	0.06	1.52	8.50	10.02	10.14
Laclede Group, Inc.	4.29	0.06	4.35	3.00	7.35	7.42
NICOR Inc.	5.58	0.07	5.65	2.34	7.99	8.27
Northwest Natural Gas Company	3.53	0.10	3.63	5.73	9.35	9.50
Piedmont Natural Gas Co., Inc.	4.05	0.09	4.14	4.54	8.67	8.70
South Jersey Industries, Inc.	3.19	0.09	3.28	5.84	9.12	9.05
Southwest Gas Corporation	3.37	0.09	3.46	5.08	8.53	8.56
WGL Holdings, Inc.	4.45	0.07	4.52	3.13	7.65	6.32
Average	3.98 %	0.08 %	4.06 %	4.56 %	8.63 %	8.58 %
Median	4.17 %	0.09 %	4.25 %	4.35 %	8.60 %	8.65 %
Conclusion Florida PSC Natural Gas Index						
Average					8.63 %	8.58 %
Median					8.60 %	8.65 %

Notes:

(1) Based upon the indicated dividend for March 2008 from the April 2008 Standard and Poor's Stock Guide and the average March market prices from Attachment 1, Page 3 of the FL PSC Staff's May 8, 2008 memo to the Office of Commission Clerk.

(2) This reflects a growth rate component equal to one-half the growth rate (from column 5 on page 2 of this Exhibit) x Column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for AGL Resources, Inc., 4.87% x (1/2 x 4.17%) = 0.10%.

(3) Column 1 + Column 2.

(4) From page 2 of this Exhibit.

(5) Column 3 + Column 4.

(6) Calculated using a quarterly version of the DCF, the average March 2008 market prices, and the indicated March 2008 DPS

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 26
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-12)
DATE 10/23/08

Utilities, Inc.
Projected Growth in DPS and EPS

	1	2	3		4	5
	Value Line Projected 2005-07 to 2011-'13 Growth Rate (1)		Reuters Mean Consensus Projected Five Year Growth Rate		Average Projected Five Year Growth Rate in EPS (3)	Average Projected Five Year Growth Rates in DPS and EPS (4)
	DPS	EPS	EPS	No. of Est.		
Florida PSC Natural Gas Index						
AGL Resources, Inc.	4.00	3.50 %	5.18 %	[5]	4.34 %	4.17 %
Atmos Energy Corporation	2.00	4.50	4.73	[7]	4.62	3.31
Equitable Resources, Inc.	6.50	10.50	NA	[NA]	10.50	8.50
Laclede Group, Inc.	2.50	3.50	3.50	[1]	3.50	3.00
NICOR Inc.	0.50	4.00	4.33	[3]	4.17	2.34
Northwest Natural Gas Company	5.50	7.00	4.90	[5]	5.95	5.73
Piedmont Natural Gas Co., Inc.	4.00	5.00	5.13	[6]	5.07	4.54
South Jersey Industries, Inc.	5.50	NMF	6.17	[3]	6.17	5.84
Southwest Gas Corporation	4.00	7.50	4.80	[5]	6.15	5.08
WGL Holdings, Inc.	2.50	3.50	4.00	[3]	3.75	3.13
Average	3.70 %	5.44 %	4.75 %		5.42 %	4.56 %
Median	4.00 %	4.50 %	4.80 %		4.85 %	4.35 %

Notes:

NA= Not Applicable

(1) From pages 37 - 46 of Exhibit (PMA-28)_.
(2) Average of Columns 2 and 3.
(3) Average of Columns 1 and 4.

Source of Information:

Value Line Investment Survey March 14, 2008 (Standard Edition)
Reuters Company Research

NEW
REGULATORY
FINANCE

Roger A. Morin, PhD

2006
PUBLIC UTILITIES REPORTS, INC.
Vienna, Virginia

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 27
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-13)
DATE 10/23/08

Any forward-looking cost of capital calculation already embodies tax effects since investors price securities on the basis of after-tax returns. Besides, a very large proportion of trading is conducted by tax-exempt financial institutions (pension funds, mutual funds, 401K, etc.) for whom tax issues are largely immaterial.

The existence of a negative risk premium is highly unlikely, as it is at serious odds with the basic tenets of finance, economics, and law. Using proper definitions for expected rates of return of equity and debt, the preponderance of the evidence indicates that the negative risk premium does not exist. Several risk premium studies cited in this chapter have found positive risk premiums well in excess of 5% over the last decade. Risk premiums do narrow during unusually turbulent and volatile interest rate environments, but then return to normal levels. They are most unlikely to ever become negative.

4.7 Risk Premium Determinants

Fundamentally, the primary determinant of expected returns is risk. To wit, the various paradigms of financial theory, including the Capital Asset Pricing Model and the Arbitrage Pricing Model covered in subsequent chapters, posit fundamental relationships between return and risk. There are also secondary influences on the relative magnitude of the risk premium, however, including the level of interest rates, default risk, and taxes.

Interest Rates

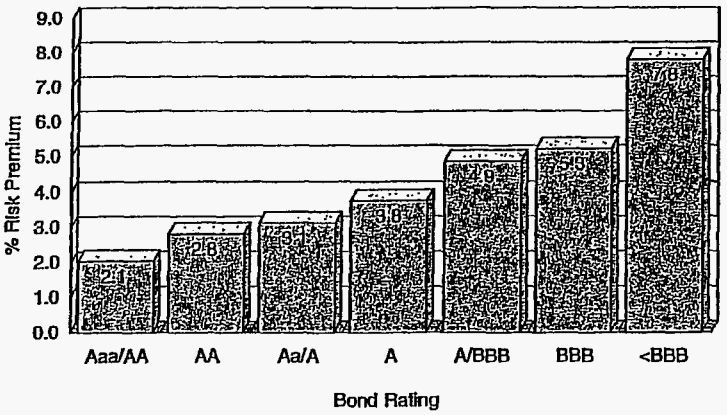
Published studies by Brigham, Shome, and Vinson (1985), Harris (1986), Harris and Marston (1992, 1993), Carleton, Chambers, and Lakonishok (1983), Morin, (2005), and McShane (2005), and others demonstrate that, beginning in 1980, risk premiums varied inversely with the level of interest rates—rising when rates fell and declining when interest rates rose. The reason for this relationship is that when interest rates rise, bondholders suffer a capital loss. This is referred to as interest rate risk. Stockholders, on the other hand, are more concerned with the firm's earning power. So, if bondholders' fear of interest rate risk exceeds shareholders' fear of loss of earning power, the risk differential will narrow and hence the risk premium will shrink. This is particularly true in high inflation environments. Interest rates rise as a result of accelerating inflation, and the interest rate risk of bonds intensifies more than the earnings risk of common stocks, which are partially hedged from the ravages of inflation. This phenomenon has been termed as a "lock-in" premium. Conversely in low interest rate environments, when bondholders' interest rate fears subside and shareholders' fears of loss of earning power dominate, the risk differential will widen and hence the risk premium will increase.

Harris (1986) showed that for every 100 basis point change in government bond yields, the equity risk premium for utilities changes 51 basis points in the opposite direction, for a net change in the cost of equity of 49 basis points. For example, a 100 basis point decline in government bond yields would lead to a 51 basis point increase in the equity risk premium and therefore an overall decrease in the cost of equity of 49 basis points, a result almost identical to the estimate reported in Morin (2005). As discussed earlier, similar results were uncovered by McShane (2005), who examined the statistical relationship between DCF-derived risk premiums and interest rates using a sample of natural gas distribution utilities.

The gist of the empirical research on this subject is that the cost of equity has changed only half as much as interest rates have changed in the past. The knowledge that risk premiums vary inversely to the level of interest rates can be used to adjust historical risk premiums to better reflect current market conditions. Thus, when interest rates are unusually high (low), the appropriate current risk premium is somewhat below (above) that long-run average. The empirical research cited above provides guidance as to the magnitude of the adjustment.

Risk premiums also tend to fluctuate with changes in investor risk aversion. Such changes can be tracked by observing the yield spreads between different bond rating categories over time. Brigham, Shome, and Vinson (1985) examined the relationship between risk premium and bond rating and found, unsurprisingly, that the risk premiums are higher for lower rated firms than for higher rated firms. Figure 4-5 shows the results graphically.

FIGURE 4-5
RISK PREMIUMS VS BOND RATINGS
ELECTRIC UTILITIES



Source: Brigham, Shome, and Vinson (1985).

Utilities Inc. Florida
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.		1 Market Capitalization on August 29, 2008 (1) (millions)	(times larger)	2 Applicable Decile of the NYSE/ AMEX/ NASDAQ	3 Applicable Size Premium		4 Spread from Applicable Size Premium for (2)
1.	Utilities Inc.	$ 356.392	6.0 x	9 - 10 (3)	4.19%	(4)	2.65%
2.	Florida Water and Wastewater Utilities	$ 5.662	380.1 x	10 (5)	5.82%	(6)	4.28%
3.	Florida Operating Subsidiaries of Utilities, Inc.	$ 6.518	330.2 x	10 (7)	5.82%	(8)	4.28%
4.	Florida PSC Natural Gas Index	$ 2,152.391		5-6 (9)	1.54%	(10)	

Decile	Number of Companies	Recent Total Market Capitalization (10) (millions)	Recent Average Market Capitalization (millions)	Size Premium (Return in Excess of CAPM) (2)
1 - Largest	167	$ 10,357,817.750	$ 62,022.861	-0.34%
2	174	2,327,351.920	$ 13,375.586	0.68%
3	192	1,111,672.200	$ 5,789.959	0.76%
4	184	709,696.610	$ 3,857.047	0.93%
5	203	541,399.790	$ 2,666.994	1.47%
6	251	411,039.680	$ 1,637.608	1.60%
7	275	379,465.160	$ 1,379.873	1.50%
8	380	291,182.590	$ 766.270	2.20%
9	641	284,538.240	$ 443.897	2.56%
10 - Smallest	1775	201,705.150	$ 113.637	5.82%

See page 2 for notes.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 28
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-14)
DATE 10/23/08

Utilities Inc.
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE

Notes:

(1) From page 3 of this Exhibit.

(2) Line No. 1 Column 3 – Line No. 4 Column 3. For example, the 2.66% in Column 4, Line No. 1 is derived as follows 2.65% = 4.19% - 1.54%.

(3) With an estimated market capitalization of $356.392 million based upon the Florida PSC Natural Gas Index, Utilities Inc. falls in between the 9th and 10th deciles of the NYSE/AMEX/NASDAQ which has an average market capitalization of $278.767 as shown in the table on the bottom half of page 1 of this Exhibit.

(4) Average size premium applicable to midpoint of the 9th and 10th deciles of the NYSE/AMEX/NASDAQ as shown in the table on the bottom half of page 1 of this Exhibit.

(5) With an estimated market capitalization of $5.662 million based upon the Florida PSC Natural Gas Index, the average Florida operating subsidiary of Utilities, Inc. falls in the 10th decile of the NYSE/AMEX/NASDAQ which has an average capitalization of $113.637 as shown in the table on the bottom half of page 1 of this Exhibit.

(6) Size premium applicable to the 10th decile of the NYSE/AMEX/NASDAQ as shown in the table on the bottom half of page 1 of this Exhibit.

(7) With an estimated market capitalization of $6.518 million based upon the Florida PSC Natural Gas Index, the average Florida water and waste water utility falls in the 10th decile of the NYSE/AMEX/NASDAQ which has a capitalization of $113.637 as shown in the table on the bottom half of page 1 of this Exhibit.

(8) Size premium applicable to the 10th decile of the NYSE/AMEX/NASDAQ as shown in the table on the bottom half of page 1 of this Exhibit.

(9) With an estimated market capitalization of $2,119.571 million, the Florida PSC Natural Gas Index, falls between the 5th and 6th deciles of the NYSE/AMEX/NASDAQ which has an average capitalization of $2,152.256 million as can be gleaned from the information shown in the table on the bottom half of page 1 of this Exhibit.

(10) Average size premium applicable to the midpoint of the 5th and 6th deciles of the NYSE/AMEX/NASDAQ as can be gleaned from the information shown in the table on the bottom half of page 1 of this Exhibit.

Source of Information: 2008 Ibbotson Risk Premia Over Time Report – Estimates for 1926-2007, Morningstar, Inc., Chicago, IL, 2008

Utilities Inc. Florida
Market Capitalization of Utilities Inc.
and the Florida PSC Natural Gas Index

Company	1 Common Stock Shares Outstanding at December 31, 2007 (millions)	2 Book Value per Share at December 31, 2007 (1)	3 Total Common Equity at December 31, 2007 (millions)	4 Closing Stock Market Price on August 29,2008	5 Market-to-Book Ratio on August 29,2008 (2)	6 Market Capitalization on August 29,2008 (3) (millions)
Utilities Inc.	1,000.000	0.158	$ 158.372 (4)	NA		
Based Upon the Florida PSC Natural Gas Index					225.0 % (5)	$ 356.392 (6)
Florida PSC Natural Gas Index						
AGL Resources, Inc.	76.400	21.741	$ 1,661.000	$ 33.060	152.1	$ 2,525.784
Atmos Energy Corporation	89.907	22.607	2,032.483	27.540	121.8	2,476.039
Equitable Resources, Inc.	122.155	8.984	1,097.472	49.910	555.5	6,096.756
Laclede Group, Inc.	21.646	19.788	428.325	44.930	227.1	972.555
NICOR Inc.	45.130	20.944	945.200	46.130	220.3	2,081.847
Northwest Natural Gas Company	26.407	22.522	594.751	48.730	216.4	1,286.813
Piedmont Natural Gas Co., Inc.	74.208	11.837	878.374	28.850	243.7	2,140.901
South Jersey Industries, Inc.	29.607	16.249	481.080	35.670	219.5	1,056.082
Southwest Gas Corporation	42.806	22.980	983.673	30.350	132.1	1,299.162
WGL Holdings, Inc.	49.316	19.887	980.767	32.200	161.9	1,587.975
Average	57.758	$ 18.754	$ 1,008.313	$ 37.737	225.0 %	$ 2,152.391

NA = Not Available

Notes:
(1) Column 3 / Column 1.
(2) Column 4 / Column 2.
(3) Column 5 * Column 3.
(4) Company provided
(5) The market-to-book ratio of Utilities Inc.. on August 29,2008 is assumed to be equal to the average market-to-book ratio at August 29,2008 of the proxy group of six AUS Utility Reports water companies.
(6) Utilities Inc.'s common stock, if traded, would trade at a market-to-book ratio equal to the average market-to-book ratio at August 29,2008 of the barometer group of ten LDCs, 225.0%, and Utilities Inc.'s market capitalization on August 29,2008 would therefore have been $356.392 million. ($356.392 = $158.372 * 225.0%).

Source of Information: 2007 Annual Forms 10K
yahoo.finance.com

Utilities, Inc.
Revenues, Total Capital, Common Equity,
and Estimated Market Capitalization
for the Year 2007 for Florida Water and Waste Water Utilities (1)

Utility Name	Water Revenues	Wastewater Revenues	Other Revenues	Total Revenues	Total Capital	Total Common Equity	Estimated Market Capitalization (2)
Alafaya Utilities Inc.	$ 0	$ 3,790,238	$ 0	$ 3,790,238	$ 12,357,686	$ 9,810,807	$ 22,074,316
Aloha Utilities, Inc.	3,352,825	6,756,597	0	10,109,422	43,763,848	(6,227)	(14,011)
Anglers Cove West Ltd.	32,373	32,372	0	64,745	5,868,432	(431,735)	(971,404)
Aqua Utilities Florida, Inc.	5,774,607	2,977,351	7,777,151	16,529,109	54,843,247	34,342,247	77,270,056
Aqua Utilities Florida, Inc.	330,478	374,084	15,702,700	16,407,262	61,970,395	35,834,272	80,627,112
B&C Water Resources, L.L.C.	3,478	0	0	3,478	223,913	223,913	503,804
Bayshore Utilities, Inc.	36,026	0	0	36,026	15,849	14,849	33,410
BE Utility Systems LLC dba Buccaneer Water Service	181,211	0	0	181,211	136,718	136,718	307,616
BFF Corp.	0	65,301	0	65,301	196,352	(7,804)	(17,559)
Brendenwood Water System, Inc.	30,008	0	0	30,008	8,807	5,907	13,291
C&H Utilities, Inc.	8,243	12,427	0	20,670	(50,745)	(50,745)	(114,176)
Coral Cay Water & Sewer Company	154,141	171,096	0	325,237	(1,169,655)	(1,169,655)	(2,631,724)
CHC VII, Ltd.	85,239	85,238	0	170,477	22,272,038	(1,280,473)	(2,881,064)
Central Sumter Utility Company, L.L.C.	0	0	0	0	1,000	1,000	2,250
Century Estates Utilities, Inc.	30,890	0	0	30,890	89,109	(77,575)	(174,544)
C.F.A.T. H20, Inc.	38,800	99,049	0	137,849	377,318	26,979	60,703
Colina Bay Water Company, LLC	0	0	0	0	0	0	-
Colonial Manor Utility Company	162,243	0	0	162,243	282,766	70,523	158,677
Colony Park Utility Inc.	0	32,756	0	32,756	3,995,549	(4,451)	(10,015)
Commercial Utilities, Division of Grace and Company, Inc.	0	270,948	0	270,948	(89,494)	(89,494)	(201,362)
Continental Utility, Inc.	272,953	216,657	0	489,610	1,661,395	330,494	743,612
Country Club Utilities, Inc.	132,958	95,549	0	228,507	336,572	(193,217)	(434,738)
Country-Wide Utility Co., Inc.	146,288	0	0	146,288	409,654	(900,032)	(2,025,072)
Crestridge Utility Corporation	94,073	0	0	94,073	547,346	547,346	1,231,529
Crooked Lane Park Sewerage Company	0	128,833	0	128,833	100,740	(62,103)	(139,732)
C.S. Water Company, Inc.	70,317	0	0	70,317	4,893	(18,118)	(40,766)
CWS Communities LP (Lake County)	21,655	0	0	21,655	13,326	13,326	29,984
CWS Communities LP dba Palm Valley	174,686	216,580	0	391,266	(405,692)	(405,692)	(912,807)
D&E Water Resources, L.L.C.	0	0	0	0	237,968	237,968	535,428
Damon Utilities, Inc.	47,898	36,021	0	83,919	67,526	(22,318)	(50,216)
Dixie Groves Utility Company	85,840	0	0	85,840	93,740	53,947	121,381
East Central Florida Services, Inc.	204,994	0	0	204,994	664,789	91,788	206,523
East Marion Sanitary Systems, Inc.	26,117	39,436	0	65,553	199,365	199,365	448,571
Environmental Protection Systems of Pine Island, Inc.	0	183,308	0	183,308	745,885	17,606	39,614
Fairmount Utilities, the 2nd, Inc.	0	113,961	0	113,961	(346,803)	(386,799)	(870,298)
Farmton Water Resources LLC	1,015	0	0	1,015	827,495	827,495	1,861,864
FIMC Hideaway, Inc. (Combined)	37,367	47,593	0	84,960	94,177	94,177	211,898
Forest Utilities, Inc.	0	969,207	0	969,207	183,990	183,990	413,978
Fountain Lakes Sewer Corp.	0	456,044	0	456,044	712,964	(876,106)	(1,971,239)
Four Lakes Golf Club, Ltd.	213,600	141,591	0	355,191	17,391,831	(7,370,732)	(16,584,147)
Four Points Utility Corporation	65,031	91,515	0	156,546	13,186	13,186	29,669
Gold Coast Utility Corp.	169,486	296,759	0	466,245	282,180	(489,528)	(1,101,438)
Grenelefe Resort Utility, Inc.	312,899	191,074	0	503,973	662,034	662,034	1,489,577
Grove Utilites, Inc.	0	0	0	0	0	0	-
Harbor Hills Utilities, LP	397,960	0	0	397,960	1,305,024	1,286,637	2,894,934
Hidden Cove, Ltd.	11,500	11,499	0	22,999	2,420,825	943,416	2,122,686
Hidden Valley SPE LLC dba Orange Lake (Lake County)	44,722	43,336	0	88,058	(62,674)	(62,674)	(141,017)
Highlands Utilities Corporation	0	658,197	0	658,197	88,791	(1,070,249)	(2,408,060)
Highlands Ridge Utilities, LLC	202,385	180,420	0	382,805	477,445	(32,205)	(72,461)
Holiday Gardens Utilities, Inc.	74,713	0	0	74,713	450,972	450,972	1,014,687
Holiday Utility Company, Inc.	129,029	0	0	129,029	628,430	221,668	498,753
Holmes Utilities, Inc.	27,761	0	0	27,761	20,273	(169,876)	(382,221)
Hunters Ridge Utility Co. of Lee County	0	370,026	0	370,026	578,864	578,864	1,302,444
HV Utility Systems, LLC	0	78,482	0	78,482	84,315	84,315	189,709
Indiantown Company, Inc.	785,676	1,171,193	0	1,956,869	4,705,712	4,028,110	9,063,248
Innerarity Island Development Corporation	50,284	37,300	0	87,584	500,039	500,039	1,125,089
Joyland Water System	16,722	0	0	16,722	10,271	10,271	23,110
Keen Sales, Rentals, and Utilities, Inc.	40,842	0	0	40,842	50,932	4,634	10,427
Kemple Water Company	14,864	0	0	14,864	13,608	13,608	30,617
Key Haven Utility Corporation	0	360,140	0	360,140	1,532,106	(386,513)	(869,654)
Kincaid Hills Water Company	51,628	0	0	51,628	92,994	92,994	209,237
KW Resort Utilities Corp.	0	1,248,101	0	1,248,101	1,643,963	223,071	501,910
Labrador Utilities Inc.	145,697	362,405	0	508,102	943,913	943,913	2,123,804
Allen Lafortune and Otis Fonder (Tropical Pk Water Systems)	15,113	0	0	15,113	21,917	21,917	49,312
Lake Placid Utilities, Inc.	47,599	74,188	0	121,787	465,344	465,344	1,047,024
Lake Utility Services, Inc.	2,885,297	843,576	0	3,728,873	20,793,204	20,793,204	46,784,709
Lake Yale Treatment Associates, Inc.	54,600	53,584	0	108,184	233,947	(20,406)	(45,914)
Lighthouse Utilities Company, Inc.	478,178	0	0	478,178	1,250,091	310,091	697,705
Lindrick Service Corporation	938,347	1,709,086	0	2,647,433	3,098,859	(830,163)	(1,867,867)
LWV Utilities, Inc.	91,511	0	0	91,511	11,952	(114,178)	(256,901)
Marion Utilities, Inc.	1,620,934	30,927	0	1,651,861	609,661	555,889	1,250,750
Mid County Services Inc	0	1,624,065	0	1,624,065	2,911,302	2,434,063	5,476,642
Miles Grant Water & Sewer Company	270,682	335,802	0	606,484	2,168,065	2,168,065	4,878,146
Mink Associates II, LLC dba Crystal Lake Club Utilities	86,010	71,861	0	157,871	(9,254)	(273,058)	(614,381)
Town & Country Utilities Company	60,865	0	0	60,865	42,226,451	(452,511)	(1,018,150)
Mobile Manor Water Company, Inc.	49,223	0	0	49,223	6,241	2,951	6,640
Mountain Lake Corporation	114,846	0	0	114,846	(236,751)	(236,751)	(532,690)
North Fort Myers Utility, Inc.	398,468	4,303,496	0	4,701,964	(4,642,689)	(4,642,689)	(10,446,050)
North Fort Myers Utility, Inc.	398,468	4,303,496	0	4,701,964	(4,642,689)	(4,642,689)	(10,446,050)
North Peninsula Utilities Corp.	0	196,397	0	196,397	(387,459)	(430,459)	(968,533)
North Sumter Utility Company, LLC	1,997,712	3,357,032	0	5,354,744	(6,352,988)	(6,352,988)	(14,294,223)
Northgate Properties, Inc.	25,719	18,930	0	44,649	0	0	-
O&S Water Company, Inc.	1,276,968	0	0	1,276,968	(416,485)	(2,109,436)	(4,746,231)
Oak Springs, LLC	58,473	0	0	58,473	135,853	135,853	305,669

Utilities, Inc.
Revenues, Total Capital, Common Equity,
and Estimated Market Capitalization
for the Year 2007 for Florida Water and Waste Water Utilities (1)

Orange Blossom Utilities, Inc.	0	0	0	0	0	0	-
Orangeland Water Supply	5,219	0	0	5,219	0	0	-
Orchid Springs Development Corp.	86,733	105,105	0	191,838	193,160	(203,780)	(458,505)
Par Utilities, Inc.	18,159	0	0	18,159	6,427	6,427	14,461
Paradise Lake Utility, LLC	55,335	136,306	0	191,641	426,084	426,084	958,689
Park Water Company	294,945	0	0	294,945	(126,925)	(299,843)	(674,647)
Parkland Utilities, Inc.	292,140	499,884	0	792,024	(562,983)	(562,983)	(1,266,712)
Pasco Utilities, Inc.	142,125	0	0	142,125	18,185	(180,815)	(406,834)
Peoples Water Service Company of Florida, Inc.	3,172,656	0	0	3,172,656	3,100,143	3,100,143	6,975,322
Pine Harbour Water Utilities	18,757	0	0	18,757	34,003	34,003	76,507
Pine Island Cove Homeowners Association, Inc.	0	49,718	0	49,718	276,435	276,435	621,979
Pine Ridge Management Corp	22,694	59,869	83,430	165,994	292,420	292,420	657,945
Pinecrest Ranches, Inc.	50,278	0	0	50,278	(127,467)	(127,467)	(286,801)
Placid Lakes Utilities, Inc.	534,068	0	0	534,068	(330,059)	(330,059)	(742,633)
Plantation Bay Utility Company	404,126	491,948	0	896,074	(3,668,417)	(3,668,417)	(8,253,938)
Plantation Landings, Ltd.	36,593	36,592	0	73,185	(5,314,675)	(5,314,675)	(11,958,019)
Rainbow Springs Utilities, LC	531,155	526,261	0	1,057,416	674,152	654,245	1,472,051
Raintree Utilities, Inc.	44,837	0	0	44,837	(40,852)	(60,759)	(136,708)
Residential Water Systems, Inc.	251,644	0	0	251,644	(55,549)	(68,834)	(154,877)
River Ranch Water Management, LLC	129,132	156,010	0	285,142	920,332	920,332	2,070,747
Royal Utility Company	597,535	495,399	0	1,092,934	617,695	491,695	1,106,314
S & L Utilities, Inc.	0	37,266	0	37,266	8,062	(29,651)	(66,715)
S. V. Utilities, Ltd.	70,026	70,025	0	140,051	(945,221)	(1,015,721)	(2,285,372)
San Sabastian Water, LLC	6,116	0	0	6,116	0	0	-
Sanlando Utilities Corp	2,726,018	3,452,898	0	6,178,916	13,386,983	13,386,983	30,120,712
Sebring Ridge Utilities, Inc.	0	161,880	0	161,880	1,018,976	1,018,976	2,292,696
Shangri-La by the Lake Utilities, Inc.	42,509	30,623	0	73,132	(347,574)	(347,574)	(782,042)
Silver Fox Utility Company, LLC	36,534	40,025	0	76,559	(109,901)	(109,901)	(247,277)
Silver Lakes Utilities, Inc.	2,983	0	0	2,983	375,822	(27,546)	(61,979)
Southlake Utilities, Inc.	(945,518)	(698,113)	0	(1,643,631)	(6,176,385)	(6,176,385)	(13,896,866)
St. James Island Utility Company	20,861	3,289	0	24,150	(283,929)	(283,929)	(638,840)
St. Johns Landing Utility Services	0	0	0	0	0	0	-
St. Johns River Club Utility Company, LLC	20,449	19,584	0	40,033	91,920	91,920	206,820
Heather Hills Estates	44,969	69,134	0	114,103	(25,311)	(25,311)	(56,950)
Sun Communities Acquisitions, LLC	79,887	66,016	0	145,903	(482,814)	(482,814)	(1,086,332)
Sun Communities Finance, LLC	151,854	234,120	0	385,974	36,546	36,546	82,229
Sun Communities Operating, LP	50,984	36,964	0	87,948	192,083	192,083	432,187
Sunny Shores Water Co., Inc.	68,560	0	0	68,560	32,690	32,690	73,553
Sunshine Utilities of Central Florida, Inc.	1,006,610	0	30,127	1,036,737	476,417	472,569	1,063,280
Service Management Systems, Inc.	248,300	136,880	0	385,180	(168,785)	(168,785)	(379,766)
Tamiami Village Water Company, Inc.	208,744	0	0	208,744	(43,693)	(120,897)	(272,018)
McLeod Gardens Water Company	28,495	0	0	28,495	361,965	361,965	814,421
Tierra Verde Utilities, Inc.	0	690,922	0	690,922	1,447,871	1,447,871	3,257,710
Tradewinds Utilities, Inc.	126,406	213,167	0	339,573	264,207	205,068	461,403
Tymber Creek Utilities, Inc.	112,700	205,354	0	318,054	268,935	129,586	291,569
Utilities Inc. of Florida	2,030,252	1,289,976	0	3,320,228	8,490,636	8,490,636	19,103,931
Utilities Inc. of Hutchinson Island	342,132	275,095	0	617,227	2,014,079	2,014,079	4,531,678
Utilities of Longwood	0	791,151	0	791,151	1,733,472	1,733,472	3,900,312
Utilities Inc. of Pennbrooke	399,694	427,556	0	827,250	2,346,047	2,346,047	5,278,606
Utilities Inc. of Eagle Ridge	0	787,117	0	787,117	2,481,391	2,481,391	5,583,130
Useppa Island Utility, Inc.	180,251	137,413	0	317,664	(311,386)	(311,386)	(700,619)
Virginia City Utility Company a Division of Community Utilities	104,062	0	0	104,062	126,818	126,818	285,341
The Vantage Development Corporation	0	52,430	0	52,430	335,782	335,782	755,510
Venture Associates Utilities Corp.	541,352	0	0	541,352	671,166	671,166	1,510,124
W.B.B. Utilities, Inc.	42,496	0	0	42,496	28,372	28,372	63,837
W.P. Utilities, Inc.	33,737	55,020	0	88,757	(134,083)	(134,083)	(301,687)
Wedgefield Utilities, Inc.	742,865	818,907	0	1,561,772	3,657,684	3,657,684	8,229,789
Windstream Utilities Company	561,339	0	0	561,339	16,803	16,803	37,807
Water Management Services, Inc.	1,501,205	0	0	1,501,205	(869,695)	(1,405,520)	(3,162,420)
Zachary Taylor Camping and Lodge, Inc.	0	48,674	0	48,674	(29,773)	(29,773)	(66,989)
Average						$ 752,316	$ 1,692,712
Average (Excluding Negatives and Zero Values)						$ 2,516,555	$ 5,662,248
Average Utilities, Inc. Company (3)						$ 2,896,751	$ 6,517,690

Notes:

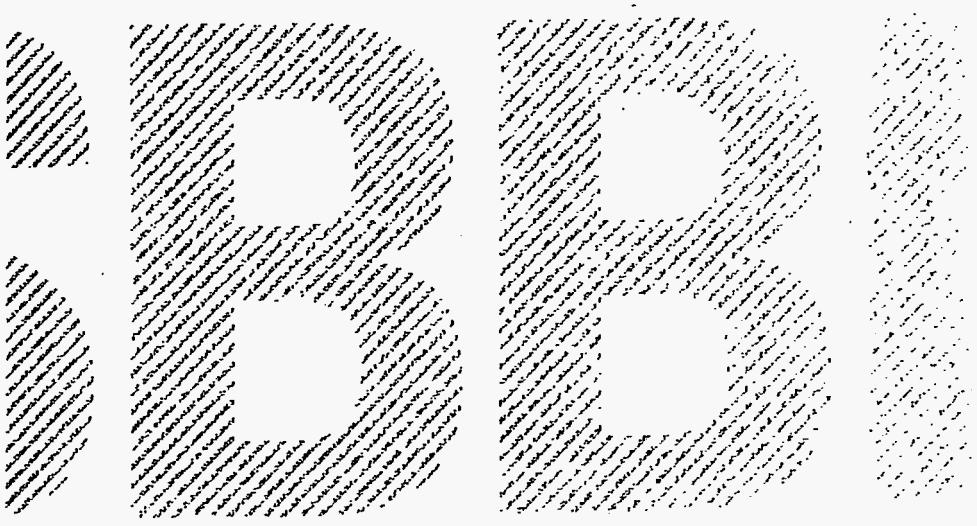
(1) For those companies who have filed a 2007 Annual Report with the Florida PSC.

(2) Based on the average market-to-book ratio of 225.0% of the Florida PSC Natural Gas Index

(3) *Utilities, Inc. Companies in Florida include:* Alafaya Utilities, Labrador Utilities, Lake Placid Utilities, Mid-County Services, Miles Grant Water & Sewer Co., Sanlando Utilities, South Gate Utilities, Tierre Verde Utilities, Utilities, Inc. of Eagle Ridge, Utilities, Inc. of Hutchison Island, Utilities, Inc. of Longwood, Utilities, Inc of Pennbrooke, Wedgefield Utilities, and Utilities, Inc. of Florida.

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Chapter 7
Firm Size and Return

The Firm Size Phenomenon

One of the most remarkable discoveries of modern finance is that of a relationship between firm size and return. The relationship cuts across the entire size spectrum but is most evident among smaller companies, which have higher returns on average than larger ones. Many studies have looked at the effect of firm size on return.[1] In this chapter, the returns across the entire range of firm size are examined.

Construction of the Decile Portfolios

The portfolios used in this chapter are those created by the Center for Research in Security Prices (CRSP) at the University of Chicago's Graduate School of Business. CRSP has refined the methodology of creating size-based portfolios and has applied this methodology to the entire universe of NYSE/AMEX/NASDAQ-listed securities going back to 1926.

The New York Stock Exchange universe excludes closed-end mutual funds, preferred stocks, real estate investment trusts, foreign stocks, American Depository Receipts, unit investment trusts, and Americus Trusts. All companies on the NYSE are ranked by the combined market capitalization of their eligible equity securities. The companies are then split into 10 equally populated groups, or deciles. Eligible companies traded on the American Stock Exchange (AMEX) and the Nasdaq National Market (NASDAQ) are then assigned to the appropriate deciles according to their capitalization in relation to the NYSE breakpoints. The portfolios are rebalanced, using closing prices for the last trading day of March, June, September, and December. Securities added during the quarter are assigned to the appropriate portfolio when two consecutive month-end prices are available. If the final NYSE price of a security that becomes delisted is a month-end price, then that month's return is included in the quarterly return of the security's portfolio. When a month-end NYSE price is missing, the month-end value of the security is derived from merger terms, quotations on regional exchanges, and other sources. If a month-end value still is not determined, the last available daily price is used.

Base security returns are monthly holding period returns. All distributions are added to the month-end prices, and appropriate price adjustments are made to account for stock splits and dividends. The return on a portfolio for one month is calculated as the weighted average of the returns for its individual stocks. Annual portfolio returns are calculated by compounding the monthly portfolio returns.

Size of the Deciles

Table 7-1 reveals that the top three deciles of the NYSE/AMEX/NASDAQ account for most of the total market value of its stocks. Nearly two-thirds of the market value is represented by the first decile, which currently consists of 167 stocks, while the smallest decile accounts for just over one percent of the

1 Rolf W. Banz was the first to document this phenomenon. See Banz, Rolf W. "The Relationship Between Returns and Market Value of Common Stocks," *Journal of Financial Economics*, Vol. 9, 1981, pp. 3–18.

market value. The data in the second column of Table 7-1 are averages across all 82 years. Of course, the proportion of market value represented by the various deciles varies from year to year.

Columns three and four give recent figures on the number of companies and their market capitalization, presenting a snapshot of the structure of the deciles near the end of 2007.

Table 7-1‡
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ Size and Composition
1926 through September 30, 2007

Decile	Historical Average Percentage of Total Capitalization	Recent Number of Companies	Recent Decile Market Capitalization (in thousands)	Recent Percentage of Total Capitalization
1-largest	63.22%	167	$10,357,817,750	62.34%
2	13.97%	174	2,327,351,920	14.01%
3	7.56%	192	1,111,672,200	6.69%
4	4.73%	184	709,696,610	4.27%
5	3.24%	203	541,399,790	3.26%
6	2.38%	251	411,039,680	2.47%
7	1.75%	275	379,465,160	2.28%
8	1.30%	380	291,182,590	1.75%
9	1.02%	641	284,538,240	1.71%
10-Smallest	0.83%	1775	201,705,150	1.21%
Mid-Cap 3-5	15.53%	579	2,362,768,280	14.22%
Low-Cap 6-8	5.43%	806	1,081,687,170	6.51%
Micro-Cap 9-10	1.85%	2,416	486,243,740	2.93%

Historical average percentage of total capitalization shows the average, over the last 82 years, of the decile market values as a percentage of the total NYSE/AMEX/NASDAQ calculated each month. Number of companies in deciles, recent market capitalization of deciles, and recent percentage of total capitalization are as of September 30, 2007.

Table 7-2 gives the current breakpoints that define the composition of the NYSE/AMEX/NASDAQ size deciles. The largest company and its market capitalization are presented for each decile. Table 7-3 shows the historical breakpoints for each of the three size groupings presented throughout this chapter. Mid-cap stocks are defined here as the aggregate of deciles 3–5. Based on the most recent data (Table 7-2), companies within this mid-cap range have market capitalizations at or below $9,206,713,000 but greater than $2,411,794,000. Low-cap stocks include deciles 6–8 and currently include all companies in the NYSE/AMEX/NASDAQ with market capitalizations at or below $2,411,794,000 but greater than $723,258,000. Micro-cap stocks include deciles 9–10 and include companies with market capitalizations at or below $723,258,000. The market capitalization of the smallest company included in the micro-capitalization group is currently $1,922,000.

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Table 7-2[1]
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ, Largest Company and Its Market Capitalization by Decile
September 30, 2007

Decile	Market Capitalization of Largest Company (in thousands)	Company Name
1-Largest	$472,518,672	Exxon Mobil Corp.
2	20,234,526	General Mills Inc
3	9,206,713	Reliant Energy Inc.
4	5,012,577	Manitowoc Co. Inc.
5	3,422,743	FMC Corp.
6	2,411,794	Webster Financial Corp.
7	1,633,320	Simpson Manufacturing Co. Inc.
8	1,128,765	Metal Management Inc.
9	723,258	Citadel Broadcasting Corp.
10-Smallest	363,479	Emergency Medical Services Corp.

Presentation of the Decile Data

Summary statistics of annual returns of the 10 deciles over 1926–2007 are presented in Table 7-4. Note from this exhibit that both the average return and the total risk, or standard deviation of annual returns, tend to increase as one moves from the largest decile to the smallest. Furthermore, the serial correlations of returns are near zero for all but the smallest deciles. Serial correlations and their significance will be discussed in detail later in this chapter.

Graph 7-1 depicts the growth of one dollar invested in each of three NYSE/AMEX/NASDAQ groups broken down into mid-cap, low-cap, and micro-cap stocks. The index value of the entire NYSE/AMEX/NASDAQ is also included. All returns presented are value-weighted based on the market capitalizations of the deciles contained in each subgroup. The sheer magnitude of the size effect in some years is noteworthy. While the largest stocks actually declined 9 percent in 1977, the smallest stocks rose more than 20 percent. A more extreme case occurred in the depression-recovery year of 1933, when the difference between the first and tenth decile returns was far more substantial, with the largest stocks rising 46 percent, and the smallest stocks rising 218 percent. This divergence in the performance of small and large company stocks is a common occurrence.

Table 7-3
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ
Largest and Smallest Company by Size Group

from 1926 to1965

	Capitalization of Largest Company (in thousands)			Capitalization of Smallest Company (in thousands)		
Date (Sept 30)	Mid-Cap 3-5	Low-Cap 6-8	Micro-Cap 9-10	Mid-Cap 3-5	Low-Cap 6-8	Micro-Cap 9-10
1926	$60,103	$13,795	$4,213	$13,800	$4,263	$43
1927	$64,820	$14,491	$4,415	$14,522	$4,450	$65
1928	$80,910	$18,761	$5,074	$18,788	$5,119	$135
1929	$103,054	$24,328	$5,862	$24,480	$5,873	$118
1930	$66,750	$12,918	$3,359	$13,050	$3,369	$30
1931	$42,607	$8,142	$1,927	$8,222	$1,944	$15
1932	$12,212	$2,208	$468	$2,223	$469	$19
1933	$40,298	$7,210	$1,830	$7,280	$1,875	$120
1934	$38,019	$6,638	$1,673	$6,669	$1,691	$69
1935	$37,631	$6,549	$1,350	$6,605	$1,383	$38
1936	$46,963	$11,505	$2,754	$11,526	$2,800	$98
1937	$51,750	$13,635	$3,539	$13,793	$3,563	$68
1938	$35,019	$8,372	$2,195	$8,400	$2,200	$60
1939	$35,409	$7,478	$1,819	$7,500	$1,854	$75
1940	$29,903	$7,990	$1,861	$8,007	$1,872	$51
1941	$30,362	$8,316	$2,086	$8,336	$2,087	$72
1942	$26,037	$6,868	$1,770	$6,870	$1,779	$82
1943	$42,721	$11,403	$3,847	$11,475	$3,903	$395
1944	$46,221	$13,066	$4,812	$13,068	$4,820	$309
1945	$55,125	$17,325	$6,413	$17,575	$6,428	$225
1946	$77,784	$24,192	$10,149	$24,199	$10,168	$829
1947	$57,830	$17,719	$6,373	$17,735	$6,380	$508
1948	$67,238	$19,632	$7,329	$19,651	$7,348	$683
1949	$56,082	$14,549	$5,037	$14,577	$5,108	$379
1950	$66,143	$18,675	$6,225	$18,700	$6,243	$303
1951	$82,517	$22,750	$7,598	$22,860	$7,600	$668
1952	$95,636	$25,405	$8,428	$25,452	$8,480	$480
1953	$98,218	$25,340	$8,156	$25,374	$8,168	$459
1954	$125,834	$29,707	$8,486	$29,791	$8,502	$463
1955	$170,829	$41,445	$12,366	$41,681	$12,444	$553
1956	$183,792	$46,805	$13,524	$46,886	$13,623	$1,122
1957	$194,300	$47,658	$13,644	$48,509	$13,848	$925
1958	$195,536	$46,774	$13,789	$46,871	$13,816	$550
1959	$256,283	$64,110	$19,548	$64,221	$19,701	$1,804
1960	$252,292	$61,485	$19,293	$61,529	$19,344	$831
1961	$296,261	$77,983	$23,562	$77,996	$23,613	$2,455
1962	$250,786	$58,785	$18,952	$58,866	$18,968	$1,018
1963	$308,903	$71,846	$23,927	$71,971	$24,056	$296
1964	$349,675	$79,508	$25,595	$79,937	$25,607	$223
1965	$365,675	$84,600	$28,483	$85,065	$28,543	$250

Table 7-3 (continued)
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ
Largest and Smallest Company by Size Group

from 1966 to 2007

	Capitalization of Largest Company (in thousands)			Capitalization of Smallest Company (in thousands)		
Date (Sept 30)	Mid-Cap 3-5	Low-Cap 6-8	Micro-Cap 9-10	Mid-Cap 3-5	Low-Cap 6-8	Micro-Cap 9-10
1966	$403,137	$99,960	$34,884	$100,107	$34,966	$381
1967	$459,438	$118,988	$42,188	$119,635	$42,237	$381
1968	$531,306	$150,893	$60,543	$151,260	$60,719	$592
1969	$518,485	$146,792	$54,353	$147,311	$54,503	$2,119
1970	$382,884	$94,754	$29,916	$94,845	$29,932	$822
1971	$551,690	$147,426	$45,570	$147,810	$45,571	$865
1972	$557,181	$143,835	$46,728	$144,263	$46,757	$1,031
1973	$431,354	$96,699	$29,352	$96,710	$29,430	$561
1974	$356,876	$79,878	$23,355	$80,280	$23,400	$444
1975	$477,054	$102,313	$30,353	$103,263	$30,394	$540
1976	$566,296	$121,717	$34,864	$121,992	$34,901	$564
1977	$584,577	$139,196	$40,700	$139,620	$40,765	$513
1978	$580,881	$164,093	$47,927	$164,455	$48,038	$830
1979	$665,019	$177,378	$51,197	$177,769	$51,274	$948
1980	$762,195	$199,312	$50,496	$199,315	$50,544	$549
1981	$962,397	$264,690	$72,104	$264,783	$72,450	$1,446
1982	$770,517	$210,301	$55,336	$210,630	$55,423	$1,060
1983	$1,209,911	$353,889	$104,382	$356,238	$104,588	$2,025
1984	$1,075,436	$315,965	$91,004	$316,103	$91,195	$2,093
1985	$1,440,436	$370,224	$94,875	$370,729	$94,887	$760
1986	$1,857,621	$449,015	$110,617	$449,462	$110,953	$706
1987	$2,059,143	$468,948	$113,419	$470,662	$113,430	$1,277
1988	$1,957,926	$421,340	$94,449	$421,675	$94,573	$696
1989	$2,145,947	$480,975	$100,285	$483,623	$100,384	$96
1990	$2,171,217	$474,065	$93,750	$474,477	$93,790	$132
1991	$2,129,863	$457,958	$87,586	$458,853	$87,733	$278
1992	$2,428,671	$500,327	$103,352	$500,346	$103,500	$510
1993	$2,705,192	$603,588	$137,105	$607,449	$137,137	$602
1994	$2,470,244	$596,059	$148,104	$597,975	$148,216	$598
1995	$2,789,938	$647,210	$155,386	$647,253	$155,532	$89
1996	$3,142,657	$751,316	$193,001	$751,680	$193,016	$1,043
1997	$3,484,440	$813,923	$228,900	$814,355	$229,058	$585
1998	$4,216,707	$925,688	$252,553	$926,215	$253,031	$1,671
1999	$4,251,741	$875,309	$220,397	$875,582	$220,456	$1,502
2000	$4,143,902	$840,000	$192,083	$840,730	$192,439	$1,393
2001	$5,156,315	$1,108,224	$265,734	$1,108,969	$265,736	$443
2002	$4,930,326	$1,116,525	$308,980	$1,124,331	$309,245	$501
2003	$4,744,580	$1,163,369	$329,060	$1,163,423	$329,529	$332
2004	$6,241,953	$1,607,854	$505,437	$1,607,931	$506,410	$1,393
2005	$7,187,244	$1,728,888	$586,393	$1,729,364	$587,243	$1,079
2006	$7,777,183	$1,946,588	$626,955	$1,947,240	$627,017	$2,247
2007	$9,206,713	$2,411,794	$723,258	$2,413,583	$725,267	$1,922

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Table 7-4‡
Size-Decile Portfolios of the NYSE/AMEX/NASDAQ, Summary Statistics of Annual Returns 1926–2007

Decile	Geometric Mean	Arithmetic Mean	Standard Deviation	Serial Correlation
1-Largest	9.6	11.3	18.91	0.08
2	10.9	13.2	21.62	0.04
3	11.3	13.7	23.31	-0.03
4	11.1	14.1	25.68	-0.01
5	11.7	14.8	26.49	-0.02
6	11.7	15.1	27.10	0.03
7	11.6	15.5	29.47	0.01
8	11.8	16.6	34.18	0.05
9	11.9	17.3	36.45	0.04
10-Smallest	13.6	21.0	44.58	0.16
Mid-Cap, 3–5	11.3	14.0	24.42	-0.02
Low-Cap, 6–8	11.7	15.5	29.03	0.03
Micro-Cap, 9–10	12.5	18.5	38.84	0.08
NYSE/AMEX/NASDAQ Total Value-Weighted Index	10.1	12.0	19.94	0.03

Aspects of the Firm Size Effect

The firm size phenomenon is remarkable in several ways. First, the greater risk of small stocks does not, in the context of the capital asset pricing model (CAPM), fully account for their higher returns over the long term. In the CAPM only systematic, or beta risk, is rewarded; small company stocks have had returns in excess of those implied by their betas.

Second, the calendar annual return differences between small and large companies are serially correlated. This suggests that past annual returns may be of some value in predicting future annual returns. Such serial correlation, or autocorrelation, is practically unknown in the market for large stocks and in most other equity markets but is evident in the size premia.

Third, the firm size effect is seasonal. For example, small company stocks outperformed large company stocks in the month of January in a large majority of the years. Such predictability is surprising and suspicious in light of modern capital market theory. These three aspects of the firm size effect—long-term returns in excess of systematic risk, serial correlation, and seasonality—will be analyzed thoroughly in the following sections.

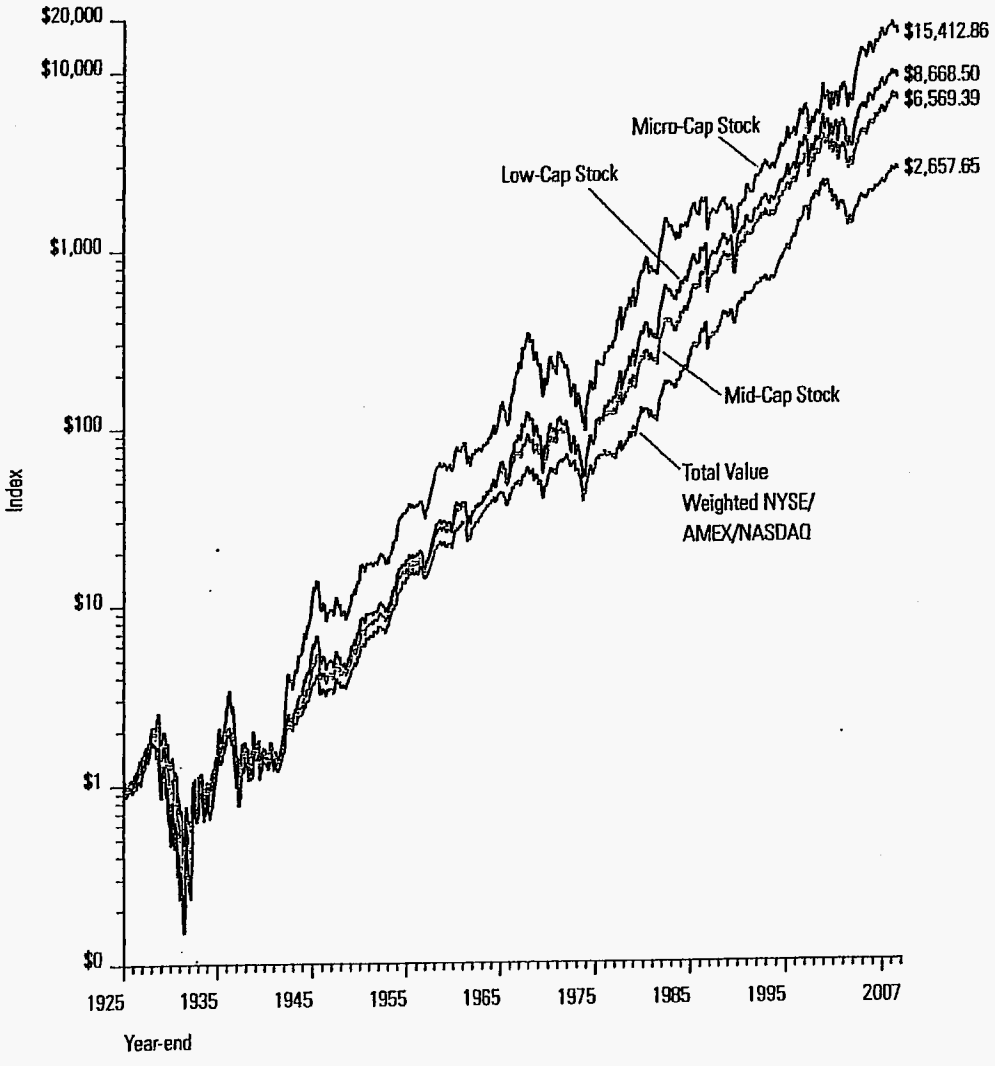
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Graph 7-1[1]

Size-Decile Portfolios of the NYSE/AMEX/NASDAQ: Wealth Indices of Investments in Mid-, Low-, Micro- and Total Capitalization Stocks

Year-end 1925 = $1.00

1925–2007



Long-Term Returns in Excess of Systematic Risk

The capital asset pricing model (CAPM) does not fully account for the higher returns of small company stocks. Table 7-5 shows the returns in excess of systematic risk over the past 82 years for each decile of the NYSE/AMEX/NASDAQ. Recall that the CAPM is expressed as follows:

$$k_s = r_f + (\beta_s \times ERP)$$

Table 7-5 uses the CAPM to estimate the return in excess of the riskless rate and compares this estimate to historical performance. According to the CAPM, the expected return on a security should consist of the riskless rate plus an additional return to compensate for the systematic risk of the security. The return in excess of the riskless rate is estimated in the context of the CAPM by multiplying the equity risk premium by β (beta). The equity risk premium is the return that compensates investors for taking on risk equal to the risk of the market as a whole (systematic risk).[2] Beta measures the extent to which a security or portfolio is exposed to systematic risk.[3] The beta of each decile indicates the degree to which the decile's return moves with that of the overall market.

A beta greater than one indicates that the security or portfolio has greater systematic risk than the market; according to the CAPM equation, investors are compensated for taking on this additional risk. Yet, Table 7-5 illustrates that the smaller deciles have had returns that are not fully explained by their higher betas. This return in excess of that predicted by CAPM increases as one moves from the largest companies in decile 1 to the smallest in decile 10. The excess return is especially pronounced for micro-cap stocks (deciles 9–10). This size-related phenomenon has prompted a revision to the CAPM, which includes a size premium. Chapter 4 presents this modified CAPM theory and its application in more detail.

This phenomenon can also be viewed graphically, as depicted in the Graph 7-2. The security market line is based on the pure CAPM without adjustment for the size premium. Based on the risk (or beta) of a security, the expected return lies on the security market line. However, the actual historic returns for the smaller deciles of the NYSE/AMEX/NASDAQ lie above the line, indicating that these deciles have had returns in excess of that which is appropriate for their systematic risk.

2 The equity risk premium is estimated by the 82-year arithmetic mean return on large company stocks, 12.26 percent, less the 82-year arithmetic mean income-return component of 20-year government bonds as the historical riskless rate, in this case 5.21 percent. (It is appropriate, however, to match the maturity, or duration, of the riskless asset with the investment horizon.) See Chapter 5 for more detail on equity risk premium estimation.

3 Historical betas were calculated using a simple regression of the monthly portfolio (decile) total returns in excess of the 30-day U.S. Treasury bill total returns versus the S&P 500 total returns in excess of the 30-day U.S. Treasury bill, January 1926–December 2007. See Chapter 6 for more detail on beta estimation.

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Table 7-5*
Long-Term Returns in Excess of CAPM Estimation for Decile Portfolios of the NYSE/AMEX/NASDAQ
1926–2007

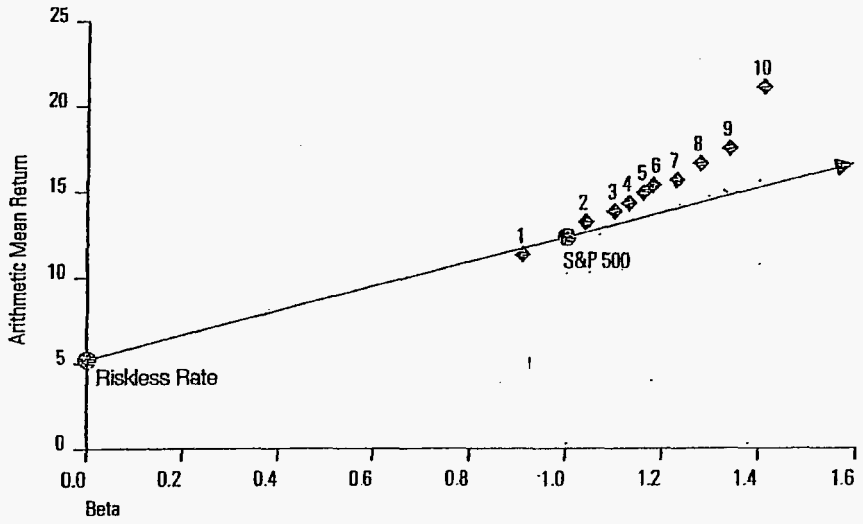
Decile	Beta*	Arithmetic Mean Return	Realized Return in Excess of Riskless Rate**	Estimated Return in Excess of Riskless Rate†	Size Premium (Return in Excess of CAPM)
1-Largest	0.91	11.31%	6.10%	6.45%	–0.34%
2	1.03	13.16%	7.95%	7.27%	0.68%
3	1.10	13.72%	8.51%	7.75%	0.76%
4	1.12	14.07%	8.86%	7.93%	0.93%
5	1.16	14.85%	9.64%	8.17%	1.47%
6	1.18	15.14%	9.93%	8.33%	1.60%
7	1.24	15.46%	10.26%	8.76%	1.50%
8	1.30	16.58%	11.38%	9.18%	2.20%
9	1.35	17.28%	12.07%	9.51%	2.56%
10-Smallest	1.41	20.98%	15.77%	9.95%	5.82%
Mid-Cap, 3–5	1.12	14.01%	8.81%	7.88%	0.92%
Low-Cap, 6–8	1.22	15.49%	10.29%	8.64%	1.65%
Micro-Cap, 9–10	1.36	18.46%	13.25%	9.59%	3.65%

*Betas are estimated from monthly portfolio total returns in excess of the 30-day U.S Treasury bill total return versus the S&P 500 total returns in excess of the 30-day U.S. Treasury bill, January 1926–December 2007.

**Historical riskless rate is measured by the 82-year arithmetic mean income return component of 20-year government bonds (5.21 percent)

†Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (12.26 percent) minus the arithmetic mean income return component of 20-year government bonds (5.21 percent) from 1926–2007

Graph 7-2*
Security Market Line versus Size-Decile Portfolios of the NYSE/AMEX/NASDAQ
1926–2007



Further Analysis of the 10th Decile

The size premia presented thus far do a great deal to explain the return due solely to size in publicly traded companies. However, by splitting the 10th decile into two size groupings we can get a closer look at the smallest companies. This magnification of the smallest companies will demonstrate whether the company size to size premia relationship continues to hold true.

As previously discussed, the method for determining the size groupings for size premia analysis was to take the stocks traded on the NYSE and break them up into 10 deciles, after which stocks traded on the AMEX and NASDAQ were allocated into the same size groupings. This same methodology was used to split the 10th decile into two parts: 10a and 10b, with 10b being the smaller of the two. This is equivalent to breaking the stocks down into 20 size groupings, with portfolios 19 and 20 representing 10a and 10b.

Table 7-7 shows that the pattern continues; as companies get smaller their size premium increases. There is a noticeable increase in size premium from 10a to 10b, which can also be demonstrated visually in Graph 7-3. This can be useful in valuing companies that are extremely small. Table 7-6 presents the size, composition, and breakpoints of deciles 10a and 10b. First, the recent number of companies and total decile market capitalization are presented. Then the largest company and its market capitalization are presented.

Breaking the smallest decile down lowers the significance of the results compared to results for the 10th decile taken as a whole, however. The same holds true for comparing the 10th decile with the Micro-Cap aggregation of the 9th and 10th deciles. The more stocks included in a sample the more significance can be placed on the results. While this is not as much of a factor with the recent years of data, these size premia are constructed with data back to 1926. By breaking the 10th decile down into smaller components we have cut the number of stocks included in each grouping. The change over time of the number of stocks included in the 10th decile for the NYSE/AMEX/NASDAQ is presented in Table 7-8. With fewer stocks included in the analysis early on, there is a strong possibility that just a few stocks can dominate the returns for those early years.

While the number of companies included in the 10th decile for the early years of our analysis is low, it is not too low to still draw meaningful results even when broken down into subdivisions 10a and 10b. All things considered, size premia developed for deciles 10a and 10b are significant and can be used in cost of capital analysis. These size premia should greatly enhance the development of cost of capital analysis for very small companies.

Table 7-6‡
Size-Decile Portfolios 10a and 10b of the NYSE/AMEX/NASDAQ, Largest Company and Its Market Capitalization
September 30, 2007

Decile	Recent Number of Companies	Recent Decile Market Capitalization (in thousands)	Market Capitalization of Largest Company (in thousands)	Company Name
10a	386	108,458,780	363,479	Emergency Medical Services Corp.
10b	1,405	143,681,297	211,590	Miller Industries Inc., Tenn.

Note: These numbers may not aggregate to equal decile 10 figures.

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Table 7-7[1]
Long-Term Returns in Excess of CAPM Estimation for Decile Portfolios of the NYSE/AMEX/NASDAQ, with 10th Decile Split
1926–2007

	Beta*	Arithmetic Mean Return	Realized Return in Excess of Riskless Rate**	Estimated Return in Excess of Riskless Rate†	Size Premium (Return in Excess of CAPM)
1-Largest	0.91	11.31%	6.10%	6.45%	–0.34%
2	1.03	13.16%	7.95%	7.27%	0.68%
3	1.10	13.72%	8.51%	7.75%	0.76%
4	1.12	14.07%	8.86%	7.93%	0.93%
5	1.16	14.85%	9.64%	8.17%	1.47%
6	1.18	15.14%	9.93%	8.33%	1.60%
7	1.24	15.46%	10.26%	8.76%	1.50%
8	1.30	16.58%	11.38%	9.18%	2.20%
9	1.35	17.28%	12.07%	9.51%	2.56%
10a	1.42	19.22%	14.01%	10.02%	3.99%
10b-Smallest	1.39	24.71%	19.50%	9.77%	9.73%
Mid-Cap, 3–5	1.12	14.01%	8.81%	7.88%	0.92%
Low-Cap, 6–8	1.22	15.49%	10.29%	8.64%	1.65%
Micro-Cap, 9–10	1.36	18.46%	13.25%	9.59%	3.65%

*Betas are estimated from monthly portfolio total returns in excess of the 30-day U.S. Treasury bill total return versus the S&P 500 total returns in excess of the 30-day U.S. Treasury bill, January 1926–December 2007.

**Historical riskless rate is measured by the 82-year arithmetic mean income return component of 20-year government bonds (5.21 percent).

†Calculated in the context of the CAPM by multiplying the equity risk premium by beta. The equity risk premium is estimated by the arithmetic mean total return of the S&P 500 (12.26 percent) minus the arithmetic mean income return component of 20-year government bonds (5.21 percent) from 1926–2007.

Graph 7-3[1]
Security Market Line versus Size-Decile Portfolios of the NYSE/AMEX/NASDAQ, with 10th Decile Split
1926-2007

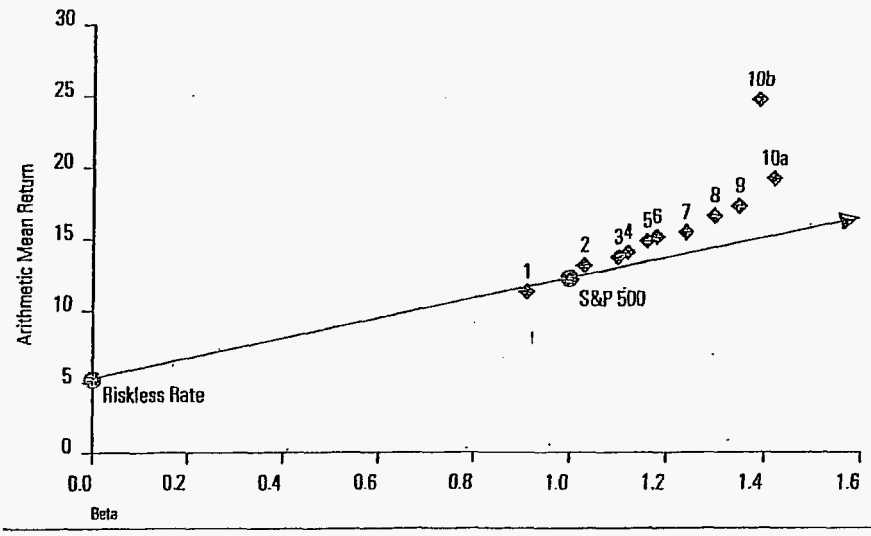


Table 7-8‡
Historical Number of Companies for NYSE/AMEX/NASDAQ Decile 10

Sept.	Number of Companies
1926	52*
1930	72
1940	78
1950	100
1960	109
1970	865
1980	685
1990	1,814
2000	1,927
2005	1,746
2006	1,744
2007	1,775

*The fewest number of companies was 49 in March, 1926

Alternative Methods of Calculating the Size Premia

The size premia estimation method presented above makes several assumptions with respect to the market benchmark and the measurement of beta. The impact of these assumptions can best be examined by looking at some alternatives. In this section we will examine the impact on the size premia of using a different market benchmark for estimating the equity risk premia and beta. We will also examine the effect on the size premia study of using sum beta or an annual beta.[4]

Changing the Market Benchmark

In the original size premia study, the S&P 500 is used as the market benchmark in the calculation of the realized historical equity risk premium and of each size group's beta. The NYSE total value-weighted index is a common alternative market benchmark used to calculate beta. Table 7-9 uses this market benchmark in the calculation of beta. In order to isolate the size effect, we require an equity risk premium based on a large company stock benchmark. The NYSE deciles 1–2 large company index offers a mutually exclusive set of portfolios for the analysis of the smaller company groups: mid-cap deciles 3–5, low-cap deciles 6–8, and micro-cap deciles 9–10. The size premia analyses using these benchmarks are summarized in Table 7-9 and depicted graphically in Graph 7-4.

For the entire period analyzed, 1926–2007, the betas obtained using the NYSE total value-weighted index are higher than those obtained using the S&P 500. Since smaller companies had higher betas using the NYSE benchmark, one would expect the size premia to shrink. However, as was illustrated in Chapter 5, the equity risk premium calculated using the NYSE deciles 1–2 benchmark results in a value of 6.35, as opposed to 7.05 when using the S&P 500. The effect of the higher betas and lower equity risk premium cancel each other out, and the resulting size premia in Table 7-9 are slightly higher than those resulting from the original study.

4 Sum beta is the method of beta estimation described in Chapter 6 that was developed to better account for the lagged reaction of small stocks to market movements. The sum beta methodology was developed for the same reason that the size premia were developed; small company betas were too small to account for all of their excess returns.

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Costs of Capital for Projects of Differing Riskiness. As noted in Chapter 11, care must be taken to assign different risk-adjusted discount rates to capital budgeting projects of differing degrees of riskiness.

Capital Structure Weights. In this chapter we have simply taken as given the target capital structure and used this target to obtain the weights used to calculate k. As we shall see in Chapter 17, establishing the target capital structure is a major task in itself.

Dynamic Considerations. Capital budgeting and cost of capital estimates are a part of the *planning process*—they deal with ex ante, or estimated, data rather than ex post, or historical data. Hence, we can be wrong about the location of the IOS and the MCC. For example, we can underestimate the MCC and hence accept projects that, with 20-20 hindsight, we should have rejected. In a dynamic, changing world this is a real problem. Interest rates and money costs could be low at the time plans are being laid and contracts to build plants are being let, but six or eight months later these capital costs could have risen substantially. Thus, a project that formerly looked good could turn out to be a bad one because we improperly forecasted the MCC schedule.

Although this listing of problem areas may appear formidable, the state of the art in cost of capital estimation is really not in bad shape. The procedures outlined in this chapter can be used to obtain cost of capital estimates that are sufficiently accurate for practical purposes, and the problems listed here merely indicate the desirability of certain refinements. The refinements are not unimportant, but the problems we have identified do not invalidate the usefulness of the procedures outlined in the chapter.

Small Business

COST OF EQUITY CAPITAL FOR SMALL FIRMS

The three equity cost estimating techniques that were discussed in this chapter have serious limitations when applied to small firms, thus increasing the need for the small-business manager to use judgment. Consider first the constant growth model, $k_s = D_1/P_0 + g$. Imagine a small, rapidly growing firm, such as Bio-Technology General (BTG), which does not now and will not in the foreseeable future pay dividends. For firms like this, the constant growth model is simply not applicable. In fact, it is difficult to imagine any dividend model that would be of practical benefit for such a firm because of the difficulty of estimating growth rates.

The method which calls for adding a risk premium of about 3 percent to the firm's cost of debt can be used for some small firms, but problems arise if the firm does not have a fixed rate issue outstanding. BTG, for example, has no such debt issue outstanding, so we could not use the bond-yield-plus-risk-premium approach for BTG.

The third approach, the CAPM, is also often unusable because if the firm's stock is not publicly

traded, then we cannot calculate the firm's beta. For the privately owned firm, we might use the so-called "pure play" CAPM technique. This involves finding a firm in the same line of business that does have public equity, estimating its beta, and then using this beta as a proxy for that of the small business in question.

To illustrate the pure play approach, again consider BTG. The firm is not publicly traded, so we cannot estimate its beta. However, data are available on more established firms, such as Genentech and Genetic Industries, so we could use their betas as representative of the biological and genetic engineering industry. Of course, these firms' betas would have to be subjectively modified to reflect their larger sizes and more established positions, as well as to take account of the differences in the nature of their products and their capital structures as compared to those of BTG. Still, as long as there are public companies in similar lines of business available for comparison, the estimates of their betas can be used to help estimate the cost of capital of a firm whose equity is not publicly traded. Note that a "liquidity premium" as discussed in Chapter 3 would also have to be added to reflect the illiquidity of the small, nonpublic firm's stock.

Flotation Costs for Small Issues

When external equity capital is raised, flotation costs increase the cost of equity capital beyond what it would be for internal funds. These external flotation costs are especially significant for smaller firms, and they can substantially affect capital budgeting decisions involving external equity funds. To illustrate this point, consider a firm that is expected to pay constant dividends forever, and hence whose growth rate is zero. In this case, if F is the percentage flotation cost, then the cost of equity capital is $k_e = D_1/[P_0(1 - F)]$. The higher the flotation cost, the higher the cost of external equity.

How big is F? According to the latest Securities and Exchange Commission data, the average flotation cost of large common stock offerings (more than $50 million) is only about 4 percent. For a firm that is expected to provide a 15 percent dividend yield (that is, $D_1/P_0 = 15\%$), the cost of equity is 15%/(1 − 0.04), or 15.6 percent. However, the SEC's data on small stock offerings (less than $1 million) show that flotation costs for such issues average about 21 percent. Thus, the cost of equity capital in the preceding example would be 15%/(1 − 0.21), or about 19 percent. When we compare this to the 15.6 percent for large offerings, it is clear that a small firm would have to earn considerably more on the same project than a large firm. Small firms are therefore at a substantial disadvantage because of the effects of flotation costs.

The Small-Firm Effect

A number of researchers have observed that portfolios of small-firm stocks have earned consistently higher average returns than those of large-firm stocks; this is called the "small-firm effect." On the surface, it would seem to be advantageous to the small firm to provide average returns in the stock market that are higher than those of large firms. In reality, it is bad news for the small firm; what the small-firm effect means is that the capital market demands higher returns on stocks of small firms than on otherwise similar stocks of large firms. Therefore, the cost of equity capital is higher for small firms. This compounds the high flotation cost problem noted above.

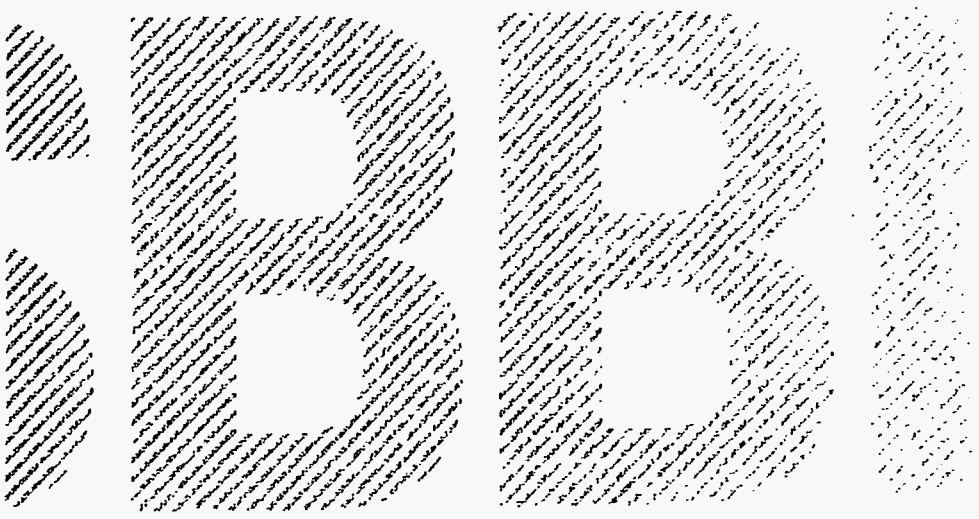
It may be argued that stocks of small firms are riskier than those of large ones and that this accounts for the differences in returns. It is true that academic research usually finds that betas are higher on average for small firms than for large ones. However, the larger returns for small firms remain larger even after adjusting for the effects of their higher risks as reflected in their beta coefficients.

The small-firm effect is an anomaly in the sense that it is not consistent with the CAPM theory. Still, higher returns reflect a higher cost of capital, so we must conclude that smaller firms do have higher capital costs than otherwise similar larger firms. The manager of a small firm should take this factor into account when estimating his or her firm's cost of equity capital. In general, the cost of equity capital appears to be about four percentage points higher for small firms (those with market values of less than $20 million) than for large, New York Stock Exchange firms with similar risk characteristics.

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Table 6-7
Ordinary Least Squares Betas for the NYSE Size Portfolios
1926–2007

	January 2003–December 2007	1926–2007
Decile 1	0.89	0.90
Decile 2	0.97	1.02
Decile 3	1.17	1.08
Decile 4	1.20	1.11
Decile 5	1.23	1.13
Decile 6	1.33	1.16
Decile 7	1.37	1.21
Decile 8	1.53	1.27
Decile 9	1.61	1.32
Decile 10	1.42	1.40

By looking at the same analysis over a number of 60-month periods, the relationship between the betas of large and small companies becomes clearer. Graph 6-9 shows rolling 60-month betas for selected NYSE deciles. The beta of each decile is calculated over the 60-month period January 1, 1926 through December 31, 1930, then the calculation is carried forward for each consecutive 60-month period through December 31, 2007. While the portfolio containing the largest companies has a very stable beta, the portfolio containing the smallest companies has periods where the beta is high and periods where it is low. Referring back to Table 6-7, the most recent 60-month period is one in which small company betas are low. There does not appear to be the consistency in the beta measure of smaller companies as there is with larger companies.

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9 Capital Budgeting and Risk

Long before the development of modern theories linking risk and expected return, smart financial managers adjusted for risk in capital budgeting. They realized intuitively that, other things being equal, risky projects are less desirable than safe ones. Therefore financial managers demanded a higher rate of return from risky projects, or they based their decisions on conservative estimates of the cash flows.

Various rules of thumb are often used to make these risk adjustments. For example, many companies estimate the rate of return required by investors in their securities and use the **company cost of capital** to discount the cash flows on all new projects. Since investors require a higher rate of return from a very risky company, such a firm will have a higher company cost of capital and will set a higher discount rate for its new investment opportunities. For example, in Table 8-1 we estimated that investors expected a rate of return of .163 or about 16.5 percent from Microsoft common stock. Therefore, according to the company cost of capital rule, Microsoft should have been using a 16.5 percent discount rate to compute project net present values.[1]

This is a step in the right direction. Even though we can't measure risk or the expected return on risky securities with absolute precision, it is still reasonable to assert that Microsoft faced more risk than the average firm and, therefore, should have demanded a higher rate of return from its capital investments.

But the company cost of capital rule can also get a firm into trouble if the new projects are more or less risky than its existing business. Each project should be evaluated at its *own* opportunity cost of capital. This is a clear implication of the value-additivity principle introduced in Chapter 7. For a firm composed of assets A and B, the firm value is

$$\text{Firm value} = PV(AB) = PV(A) + PV(B) = \text{sum of separate asset values}$$

Here PV(A) and PV(B) are valued just as if they were mini-firms in which stockholders could invest directly. Investors would value A by discounting its forecasted cash flows at a rate reflecting the risk of A. They would value B by discounting at a rate reflecting the risk of B. The two discount rates will, in general, be different.

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[1]Microsoft did not use any significant amount of debt financing. Thus its cost of capital is the rate of return investors expect on its common stock. The complications caused by debt are discussed later in this chapter.

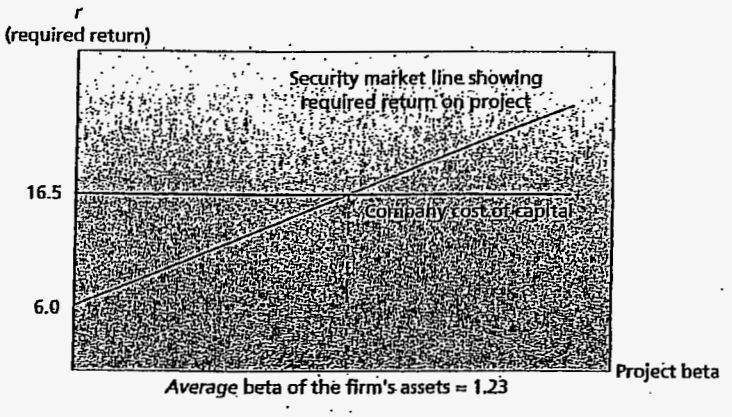


Figure 9-1 A comparison between the company cost of capital rule and the required return under the capital asset pricing model. Microsoft's company cost of capital is about 16.5 percent. This is the correct discount rate only if the project beta is 1.23. In general, the correct discount rate increases as project beta increases. Microsoft should accept projects with rates of return above the security market line relating required return to beta.

If the firm considers investing in a third project C, it should also value C as if C were a mini-firm. That is, the firm should discount the cash flows of C at the expected rate of return that investors would demand to make a separate investment in C. *The true cost of capital depends on the use to which the capital is put.*

This means that Microsoft should accept any project that more than compensates for the *project's beta*. In other words, Microsoft should accept any project lying above the upward-sloping line that links expected return to risk in Figure 9-1. If the project has a high risk, Microsoft needs a higher prospective return than if the project has a low risk. Now contrast this with the company cost of capital rule, which is to accept any project *regardless of its risk* as long as it offers a higher return than the *company's* cost of capital. In terms of Figure 9-1, the rule tells Microsoft to accept any project above the horizontal cost-of-capital line, i.e., any project offering a return of more than 16.5 percent.

It is clearly silly to suggest that Microsoft should demand the same rate of return from a very safe project as from a very risky one. If Microsoft used the company cost of capital rule, it would reject many good low-risk projects and accept many poor high-risk projects. It is also silly to suggest that just because Duke Power has a low company cost of capital, it is justified in accepting projects that Microsoft would reject. If you followed such a rule to its seemingly logical conclusion, you would think it possible to enlarge the company's investment opportunities by investing a large sum in Treasury bills. That would make the common stock safe and create a low company cost of capital.[2]

The notion that each company has some individual discount rate or cost of capital is widespread, but far from universal. Many firms require different returns from different categories of investment. For example, discount rates might be set as follows:

[2]If the present value of an asset depended on the identity of the company that bought it, present values would not add up. Remember, a good project is a good project is a good project.

Category	Discount Rate
Speculative ventures	30%
New products	20%
Expansion of existing business	15% (company cost of capital)
Cost improvement, known technology	10%

The capital asset pricing model is widely used by large corporations to estimate the discount rate. It states

$$\text{Expected project return} = r = r_f + (\text{project beta})(r_m - r_f)$$

To calculate this, you have to figure out the project beta. Before thinking about the betas of individual projects, we will look at some problems you would encounter in using beta to estimate a company's cost of capital. It turns out that beta is difficult to measure accurately for an individual firm: Much greater accuracy can be achieved by looking at an average of similar companies. But then we have to define *similar*. Among other things, we will find that a firm's borrowing policy affects its stock beta. It would be misleading, e.g., to average the betas of Chrysler, which has been a heavy borrower, and General Motors, which has generally borrowed less.

The company cost of capital is the correct discount rate for projects that have the same risk as the company's existing business but *not* for those projects that are safer or riskier than the company's average. The problem is to judge the relative risks of the projects available to the firm. To handle that problem, we will need to dig a little deeper and look at what features make some investments riskier than others. After you know *why* AT&T stock has less market risk than, say, Ford Motor, you will be in a better position to judge the relative risks of capital investment opportunities.

There is still another complication: Project betas can shift over time. Some projects are safer in youth than in old age; others are riskier. In this case, what do we mean by *the* project beta? There may be a separate beta for each year of the project's life. To put it another way, can we jump from the capital asset pricing model, which looks out one period into the future, to the discounted-cash-flow formula that we developed in Chapters 2 and 6 for valuing long-lived assets? Most of the time it is safe to do so, but you should be able to recognize and deal with the exceptions.

We will use the capital asset pricing model, or CAPM, throughout this chapter. But don't infer that the CAPM is the last word on risk and return. The principles and procedures covered in this chapter work just as well with other models such as arbitrage pricing theory (APT). For example, we could have started with an APT estimate of the expected rate of return on Microsoft stock; the discussion of company and project costs of capital would have followed exactly.

9-1 MEASURING BETAS

Suppose that you were considering an across-the-board expansion by your firm. Such an investment would have about the same degree of risk as the existing business. Therefore you should discount the projected flows at the company cost of capital. To estimate that, you could begin by estimating the beta of the company's stock.

An obvious way to measure the beta of the stock is to look at how its price has responded in the past to market movements. For example, in Figure 9-2*a* and *b* we have plotted monthly rates of return from AT&T and Hewlett-Packard against mar-

Thus we could view the project as offering an expected payoff of .5(1500) + .5(0) = 750, or $750,000, at $t = 1$ on a $125,000 investment at $t = 0$. Of course, the certainty equivalent of the payoff is less than $750,000, but the difference would have to be very large to justify rejecting the project. For example, if the certainty equivalent is half the forecasted cash flow and the risk-free rate is 7 percent, the project is worth $225,500:

$$\text{NPV} = C_0 + \frac{\text{CEQ}_1}{1 + r_f}$$

$$= -125 + \frac{.5(750)}{1.07} = 225.5, \text{ or } \$225{,}500$$

This is not bad for a $125,000 investment—and quite a change from the negative NPV that management got by discounting all future cash flows at 25 percent.

A Common Mistake

You sometimes hear people say that because distant cash flows are "riskier," they should be discounted at a higher rate than earlier cash flows. That is quite wrong: Using the same risk-adjusted discount rate for each year's cash flow implies a larger deduction for risk from the later cash flows. The reason is that the discount rate compensates for the risk borne *per period*. The more distant the cash flows, the greater the number of periods and the larger the *total* risk adjustment.

It makes sense to use a single risk-adjusted discount rate as long as the project has the same market risk at each point in its life. But look out for exceptions like the electric mop project, where market risk changes as time passes.

9-6 SUMMARY

In Chapter 8 we set out some basic principles for valuing risky assets. In this chapter we have shown you how to apply these principles to practical situations.

The problem is easiest when you believe that the project has the same market risk as the company's existing assets. In this case, the required return equals the required return on a portfolio of the company's securities. This is called the *company cost of capital*.

Capital asset pricing theory states that the required return on any asset depends on its risk. In this chapter we have defined risk as beta and used the capital asset pricing model to calculate expected returns.

The most common way to estimate the beta of a stock is to figure out how the stock price has responded to market changes in the past. Of course, this will give you only an estimate of the stock's true beta. You may get a more reliable figure if you calculate an industry beta for a group of similar companies.

Suppose that you now have an estimate of the stock's beta. Can you plug that into the capital asset pricing model to find the company's cost of capital? No, the stock beta may reflect both business and financial risk. Whenever a company borrows money, it increases the beta (and the expected return) of its stock. Remember, the company cost of capital is the expected return on a portfolio of all the firm's securities, not just the common stock. You can calculate it by estimating the expected return on each of the securities and then taking a weighted average of these separate returns. Or you can calculate the beta of the portfolio of securities and then plug this *asset beta* into the capital asset pricing model.

The company cost of capital is the correct discount rate for projects that have the same risk as the company's existing business. Many firms, however, use the company cost of capital to discount the forecasted cash flows on all new projects. This is a dangerous procedure. In principle, each project should be evaluated at its own opportunity cost of capital; the true cost of capital depends on the use to which the capital is put. If we wish to estimate the cost of capital for a particular project, it is *project risk* that counts. Of course the company cost of capital is fine as a discount rate for average-risk projects. It is also a useful starting point for estimating discount rates for safer or riskier projects.

We cannot give you a neat formula that will allow you to estimate project betas, but we can give you some clues. First, avoid adding fudge factors to discount rates to offset worries about bad project outcomes. Adjust cash-flow forecasts to give due weight to bad outcomes as well as good; *then* ask whether the chance of bad outcomes adds to the project's market risk. Second, you can often identify the characteristics of a high- or low-beta project even when the project beta cannot be calculated directly. For example, you can try to figure out how much the cash flows are affected by the overall performance of the economy: Cyclical investments are generally high-beta investments. You can also look at the project's operating leverage: Fixed production charges work like fixed debt charges; i.e., they increase beta.

There is one more fence to jump. Most projects produce cash flows for several years. Firms generally use the same risk-adjusted rate r to discount each of these cash flows. When they do this, they are implicitly assuming that cumulative risk increases at a constant rate as you look further into the future. That assumption is usually reasonable. It is precisely true when the project's future beta will be constant, i.e., when risk *per period* is constant.

But exceptions sometimes prove the rule. Be on the alert for projects where risk clearly does *not* increase steadily. In these cases, you should break the project into segments within which the same discount rate can be reasonably used. Or you should use the certainty-equivalent version of the DCF model, which allows separate risk adjustments to each period's cash flow.

APPENDIX: USING THE CAPITAL ASSET PRICING MODEL TO CALCULATE CERTAINTY EQUIVALENTS

When calculating present value, you can take account of risk in either of two ways. You can discount the expected cash flow C_1 by the risk-adjusted discount rate r:

$$PV = \frac{C_1}{1 + r}$$

Alternatively, you can discount the certainty-equivalent cash flow CEQ_1 by the risk-free rate of interest r_f:

$$PV = \frac{CEQ_1}{1 + r_f}$$

In this appendix we show how you can derive CEQ_1 from the capital asset pricing model.

We know from our present value formula that $1 + r$ equals the expected dollar payoff on the asset divided by its present value:

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expectations. The sheer volume of earnings forecasts available from the investment community relative to the scarcity of dividend forecasts attests to their importance. The fact that these investment information providers focus on growth in earnings rather than growth in dividends indicates that the investment community regards earnings growth as a superior indicator of future long-term growth. Surveys of analytical techniques actually used by analysts reveal the dominance of earnings and conclude that earnings are considered far more important than dividends. Finally, Value Line's principal investment rating assigned to individual stocks, Timeliness Rank, is based primarily on earnings, accounting for 65% of the ranking.

Historical Growth Rates Versus Analysts' Forecasts

Obviously, historical growth rates as well as analysts' forecasts provide relevant information to the investor with regard to growth expectations. Each proxy for expected growth brings information to the judgment process from a different light. Neither proxy is without blemish; each has advantages and shortcomings. Historical growth rates are available and easily verifiable, but may no longer be applicable if structural shifts have occurred. Analysts' growth forecasts may be more relevant since they encompass both history and current changes, but are nevertheless imperfect proxies.

9.5 Growth Estimates: Sustainable Growth Method

The third method of estimating the growth component in the DCF model, alternately referred to as the "sustainable growth" or "retention ratio" method, can be used by investment analysts to predict future growth in earnings and dividends. In this method, the fraction of earnings expected to be retained by the company, b, is multiplied by the expected return on book equity, r, to produce the growth forecast. That is,

$$g = b \times r$$

The conceptual premise of the method, enunciated in Chapter 8, Section 8.4, is that future growth in dividends for existing equity can only occur if a portion of the overall return to investors is reinvested into the firm instead of being distributed as dividends.

For example, if a company earns 12% on equity, and pays all the earnings out in dividends, the retention factor, b, is zero and earnings per share will not grow for the simple reason that there are no increments to the asset base (rate base). Conversely, if the company retains all its earnings and pays no dividends, it would grow at an annual rate of 12%. Or again, if the company earns 12% on equity and pays out 60% of the earnings in dividends, the

retention factor is 40%, and earnings growth will be 40% × 12% = 4.8% per year.

In implementing the method, both 'b' and 'r' should be the rate that the market expects to prevail in the future. If no explicit forecast of 'b' is available, it is reasonable to assume that the utility's future retention ratio will, on average, remain unchanged from its present level. Or, it can be estimated by taking a weighted average of past retention ratios as a proxy for the future on the grounds that utilities' target retention ratios are usually, although not always, stable.[14]

Both historical and forecast values of 'r' can be used to estimate g, although forecast values are superior. The use of historical realized book returns on equity rather than the expected return on equity is questionable since reliance on achieved results involves circular reasoning. Realized returns are the results of the regulatory process itself, and are also subject to tests of fairness and reasonableness. As a gauge of the expected return on book equity, either direct published analysts' forecasts of the long-run expected return on equity, or authorized rates of return in recent regulatory cases can be used as a guide. As a floor estimate, it seems reasonable for investors to expect allowed equity returns by state regulatory commissions to be in excess of the current cost of debt to the utility in question.

Another way of obtaining the expected 'r' is to examine its fundamental determinants. Since earnings per share, E, can be stated as dividends per share, D, divided by the payout ratio (1 − b), the earnings per share capitalized by investors can be inferred by dividing the current dividend by an expected payout ratio. Provided that a utility company follows a fairly stable dividend policy, the possibility of error is less when estimating the payout than when estimating the expected return on equity or the expected growth rate. Using this approach, and denoting book value per share by B, the expected return on equity is:

$$r = E/B = (D/(1 - b)) / B \qquad (9\text{-}9)$$

Estimates of the expected payout ratio can be inferred from historical 10-year average payout ratio data for utilities, assuming a stable dividend policy has been pursued. Since individual averages frequently tend to regress toward the grand mean, the historical payout ratio needs to be adjusted for this tendency, using statistical techniques for predicting future values based on this tendency of individual values to regress toward the grand mean over time.

An application of the sustainable growth method is shown in example 9-1.

[14] Statistically superior predictions of future averages are made by weighting individual past averages with the grand mean, with the variance within the individual averages and the variance across individual averages serving as weights.

EXAMPLE 9-1

Southeastern Electric's sustainable growth rate is required for upcoming rate case testimony. As a gauge of the expected return on equity, authorized rates of return in recent decisions for eastern U.S. electric utilities as reported by Value Line for 2005 and 2006 averaged 11%, with a standard deviation of 1%. In other words, the majority of utilities were authorized to earn 11%, with the allowed return on equity ranging from 10% to 12%. As a gauge of the expected retention ratio, the average 2006 payout ratio of 34 eastern electric utilities as compiled by Value Line was 60%, which indicates an average retention ratio of 40%, with a standard deviation of 5%. This was consistent with the long-run target retention ratio indicated by the management of Southeastern Electric. It is therefore reasonable to postulate that investors expect a retention ratio ranging from 35% to 45% for the company with a likely value of 40%. In Table 9-4 below, expected retention ratios of 35% to 45% and assumed returns on equity from 10% to 12% are multiplied to produce sustainable growth rates ranging from 3.8% to 5.4% with a likely value of 4.6%.

TABLE 9-4
SUSTAINABLE GROWTH METHOD ILLUSTRATION

Expected Retention Ratio (b)	Expected Return on Book Equity (r)		
	10%	11%	12%
35%	3.5%	3.9%	4.2%
40%	4.0%	4.4%	4.8%
45%	4.5%	5.0%	5.4%

It should be pointed out that published forecasts of the expected return on equity by analysts such as Value Line are sometimes based on end-of-period book equity rather than on average book equity. The following formula[15]

[15] The return on year-end common equity, r, is defined as $r = E/B_t$, where E is earnings per share, and B_t is the year-end book value per share. The return on average common equity, r_a, is defined as: $r_a = E/B_a$ where B_a = average book value per share. The latter is by definition: $B_a = (B_t + B_{t-1})/2$ where B_t is the year-end book equity per share and B_{t-1} is the beginning-of-year book equity per share. Dividing r by r_a and substituting:

$$\frac{r}{r_a} = \frac{E/B_t}{E/B_a} = \frac{B_a}{B_t} + \frac{B_t + B_{t-1}}{2B_t}$$

Solving for r_a, a formula for translating the return on year-end equity into the return on average equity is obtained, using reported beginning-of-the year and end-of-year common equity figures:

$$r_a = r\frac{2B_t}{B_t + B_{t-1}}$$

adjusts the reported end-of-year values so that they are based on average common equity, which is the common regulatory practice:

$$r_a = r_t \frac{2B_t}{B_t + B_{t-1}} \tag{9-10}$$

The sustainable growth method can also be extended to include external financing. From Chapter 8, the expanded growth estimate is given by:

$$g = br + sv$$

where b and r are defined as previously, s is the expected percent growth in number of shares to finance investment, and v is the profitability of the equity investment. The variable s measures the long-run expected stock financing that the utility will undertake. If the utility's investments are growing at a stable rate and if the earnings retention rate is also stable, then s will grow at a stable rate. The variable s can be estimated by taking a weighted average of past percentage increases in the number of shares. This measurement is difficult, however, owing to the sporadic and episodic nature of stock financing, and smoothing techniques must be employed. The variable v is the profitability of the equity investment and can be measured as the difference of market price and book value per share divided by the latter, as discussed in Chapter 8.

There are three problems in the practical application of the sustainable growth method. The first is that it may be even more difficult to estimate what b, r, s, and v investors have in mind than it is to estimate what g they envisage. It would appear far more economical and expeditious to use available growth forecasts and obtain g directly instead of relying on four individual forecasts of the determinants of such growth. It seems only logical that the measurement and forecasting errors inherent in using four different variables to predict growth far exceed the forecasting error inherent in a direct forecast of growth itself.

Second, there is a potential element of circularity in estimating g by a forecast of b and ROE for the utility being regulated, since ROE is determined in large part by regulation. To estimate what ROE resides in the minds of investors is equivalent to estimating the market's assessment of the outcome of regulatory hearings. Expected ROE is exactly what regulatory commissions set in determining an allowed rate of return. In other words, the method requires an estimate of return on equity before it can even be implemented. Common sense would dictate the inconsistency of a return on equity recom-

mendation that is different than the expected ROE that the method assumes the utility will earn forever. For example, using an expected return on equity of 11% to determine the growth rate and using the growth rate to recommend a return on equity of 9% is inconsistent. It is not reasonable to assume that this regulated utility company is expected to earn 11% forever, but recommend a 9% return on equity. The only way this utility can earn 11% is that rates be set by the regulator so that the utility will in fact earn 11%. One is assuming, in effect, that the company will earn a return rate exceeding the recommended cost of equity forever, but then one is recommending that a different rate be granted by the regulator. In essence, using an ROE in the sustainable growth formula that differs from the final estimated cost of equity is asking the regulator to adopt two different returns.

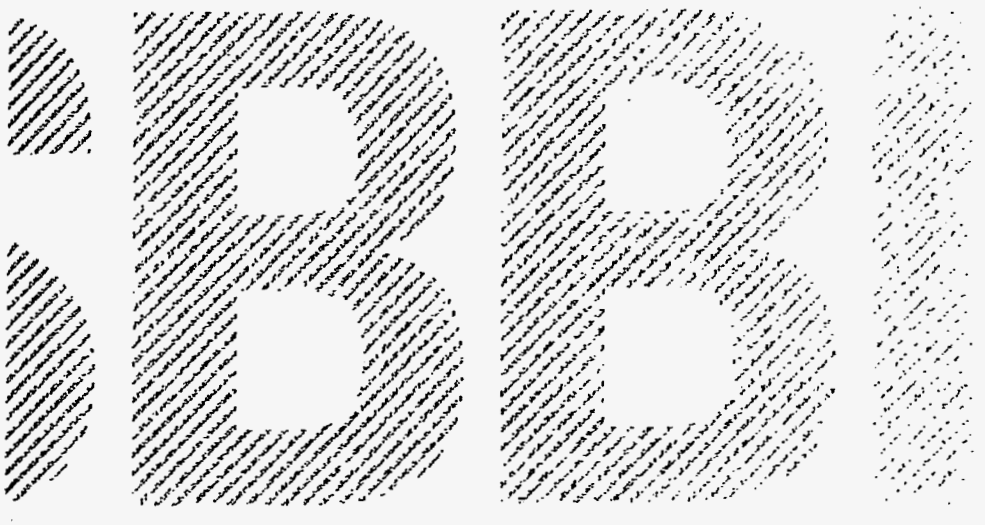
The circularity problem is somewhat dampened by the self-correcting nature of the DCF model. If a high equity return is granted, the stock price will increase in response to the unanticipated favorable return allowance, lowering the dividend yield component of market return in compensation for the high g induced by the high allowed return. At the next regulatory hearing, more conservative forecasts of r would prevail. The impact on the dual components of the DCF formula, yield and growth, are at least partially offsetting.

Third, the empirical finance literature discussed earlier demonstrates that the sustainable growth method of determining growth is not as significantly correlated to measures of value, such as stock price and price/earnings ratios, as other historical growth measures or analysts' growth forecasts. Other proxies for growth, such as historical growth rates and analysts' growth forecasts, outperform retention growth estimates. See for example Timme and Eiseman (1989).

In summary, there are three proxies for the expected growth component of the DCF model: historical growth rates, analysts' forecasts, and the sustainable growth method. Criteria in choosing among the three proxies should include ease of use, ease of understanding, theoretical and mathematical correctness, and empirical validation. The latter two are crucial. The method should be logically valid and consistent, and should possess an adequate track record in predicting and explaining security value. The retention growth method is the weakest of the three proxies on both conceptual and empirical grounds. The research in this area has shown that the first two growth proxies do a better job of explaining variations in market valuation (M/B and P/E ratios) and are more highly correlated to measures of value than is the retention growth proxy.

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Market Results for
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For example, if bond yields rise unexpectedly, investors can receive a higher coupon payment from a newly issued bond than from the purchase of an outstanding bond with the former lower-coupon payment. The outstanding lower-coupon bond will thus fail to attract buyers, and its price will decrease, causing its yield to increase correspondingly, as its coupon payment remains the same. The newly priced outstanding bond will subsequently attract purchasers who will benefit from the shift in price and yield; however, those investors who already held the bond will suffer a capital loss due to the fall in price.

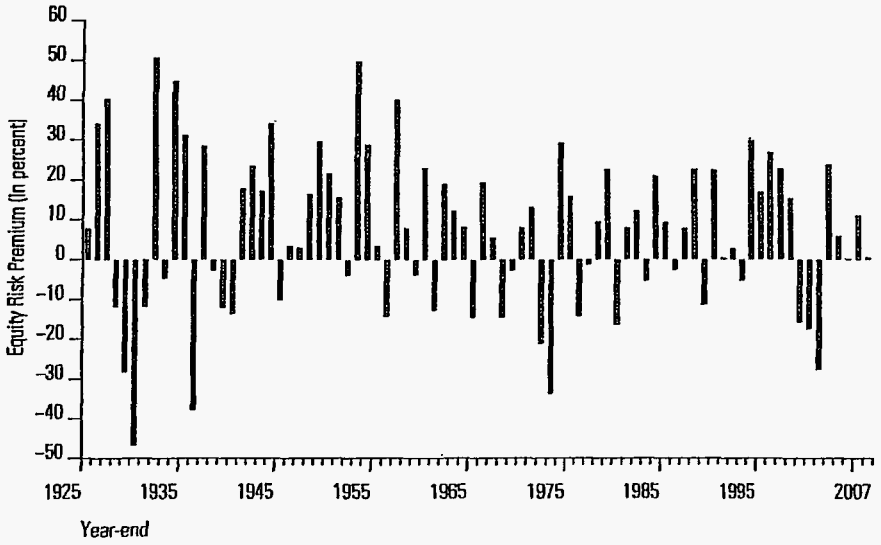
Anticipated changes in yields are assessed by the market and figured into the price of a bond. Future changes in yields that are not anticipated will cause the price of the bond to adjust accordingly. Price changes in bonds due to unanticipated changes in yields introduce price risk into the total return. Therefore, the total return on the bond series does not represent the riskless rate of return.The income return better represents the unbiased estimate of the purely riskless rate of return, since an investor can hold a bond to maturity and be entitled to the income return with no capital loss.

Arithmetic versus Geometric Means

The equity risk premium data presented in this book are arithmetic average risk premia as opposed to geometric average risk premia. The arithmetic average equity risk premium can be demonstrated to be most appropriate when discounting future cash flows. For use as the expected equity risk premium in either the CAPM or the building block approach, the arithmetic mean or the simple difference of the arithmetic means of stock market returns and riskless rates is the relevant number. This is because both the CAPM and the building block approach are additive models, in which the cost of capital is the sum of its parts. The geometric average is more appropriate for reporting past performance, since it represents the compound average return.

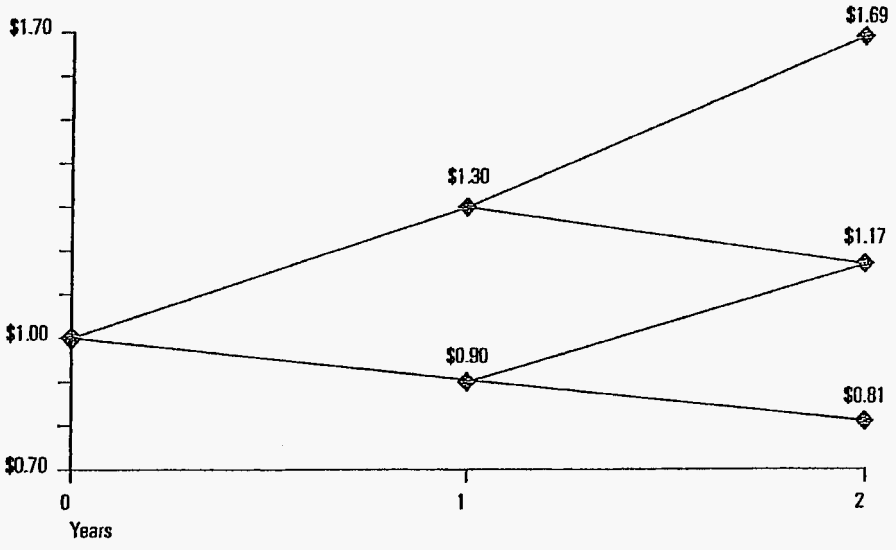
The argument for using the arithmetic average is quite straightforward. In looking at projected cash flows, the equity risk premium that should be employed is the equity risk premium that is expected to actually be incurred over the future time periods. Graph 5-3 shows the realized equity risk premium for each year based on the returns of the S&P 500 and the income return on long-term government bonds. (The actual, observed difference between the return on the stock market and the riskless rate is known as the realized equity risk premium.) There is considerable volatility in the year-by-year statistics. At times the realized equity risk premium is even negative.

Graph 5-3
Realized Equity Risk Premium Per Year
1926–2007



To illustrate how the arithmetic mean is more appropriate than the geometric mean in discounting cash flows, suppose the expected return on a stock is 10 percent per year with a standard deviation of 20 percent. Also assume that only two outcomes are possible each year: +30 percent and –10 percent (i.e., the mean plus or minus one standard deviation). The probability of occurrence for each outcome is equal. The growth of wealth over a two-year period is illustrated in Graph 5-4.

Graph 5-4



The most common outcome of $1.17 is given by the geometric mean of 8.2 percent. Compounding the possible outcomes as follows derives the geometric mean:

$$[(1+0.30)\times(1-0.10)]^{\frac{1}{2}}-1=0.082$$

However, the expected value is predicted by compounding the arithmetic, not the geometric, mean. To illustrate this, we need to look at the probability-weighted average of all possible outcomes:

(0.25 × $1.69)	= $0.4225
+ (0.50 × $1.17)	= $0.5850
+ (0.25 × $0.81)	= $0.2025
Total	$1.2100

Therefore, $1.21 is the probability-weighted expected value. The rate that must be compounded to achieve the terminal value of $1.21 after 2 years is 10 percent, the arithmetic mean:

$$\$1\times(1+0.10)^2=\$1.21$$

The geometric mean, when compounded, results in the median of the distribution:

$$\$1\times(1+0.082)^2=\$1.17$$

The arithmetic mean equates the expected future value with the present value; it is therefore the appropriate discount rate.

Appropriate Historical Time Period

The equity risk premium can be estimated using any historical time period. For the U.S., market data exists at least as far back as the late 1800s. Therefore, it is possible to estimate the equity risk premium using data that covers roughly the past 100 years.

Our equity risk premium covers the time period from 1926 to the present. The original data source for the time series comprising the equity risk premium is the Center for Research in Security Prices. CRSP chose to begin their analysis of market returns with 1926 for two main reasons. CRSP determined that the time period around 1926 was approximately when quality financial data became available. They also made a conscious effort to include the period of extreme market volatility from the late twenties and early thirties; 1926 was chosen because it includes one full business cycle of data before the market crash of 1929. These are the most basic reasons why our equity risk premium calculation window starts in 1926.

Implicit in using history to forecast the future is the assumption that investors' expectations for future outcomes conform to past results. This method assumes that the price of taking on risk changes only slowly, if at all, over time. This "future equals the past" assumption is most applicable to a random time-series variable. A time-series variable is random if its value in one period is independent of its value in other periods.

Does the Equity Risk Premium Revert to Its Mean over Time?

Some have argued that the estimate of the equity risk premium is upwardly biased since the stock market is currently priced high. In other words, since there have been several years with extraordinarily high market returns and realized equity risk premia, the expectation is that returns and realized equity risk premia will be lower in the future, bringing the average back to a normalized level. This argument relies on several studies that have tried to determine whether reversion to the mean exists in stock market prices and the equity risk premium.[3] Several academics contradict each other on this topic; moreover, the evidence supporting this argument is neither conclusive nor compelling enough to make such a strong assumption.

Our own empirical evidence suggests that the yearly difference between the stock market total return and the U.S. Treasury bond income return in any particular year is random. Graph 5-3, presented earlier, illustrates the randomness of the realized equity risk premium.

3 Fama, Eugene F., and Kenneth R. French. "Permanent and Temporary Components of Stock Prices," *Journal of Political Economy*, April 1988, pp. 246–273. Poterba, James M., and Lawrence H. Summers. "Mean Reversion in Stock Prices," *Journal of Financial Economics*, October 1988, pp. 27–59. Lo, Andrew W., and A. Craig MacKinlay. "Stock Market Prices Do Not Follow Random Walks: Evidence from a Simple Specification Test," *The Review of Financial Studies*, Spring 1988, pp. 41–66. Finnerty, John D., and Dean Leistikow. "The Behavior of Equity and Debt Risk Premiums: Are They Mean Reverting and Downward-Trending?" *The Journal of Portfolio Management*, Summer 1993, pp. 73–84. Ibbotson, Roger G., and Scott L. Lummer. "The Behavior of Equity and Debt Risk Premiums: Comment," *The Journal of Portfolio Management*, Summer 1994, pp. 98–100. Finnerty, John D., and Dean Leistikow. "The Behavior of Equity and Debt Risk Premiums: Reply to Comment," *The Journal of Portfolio Management*, Summer 1994, pp. 101–102.

A statistical measure of the randomness of a return series is its serial correlation. Serial correlation (or autocorrelation) is defined as the degree to which the return of a given series is related from period to period. A serial correlation near positive one indicates that returns are predictable from one period to the next period and are positively related. That is, the returns of one period are a good predictor of the returns in the next period. Conversely, a serial correlation near negative one indicates that the returns in one period are inversely related to those of the next period. A serial correlation near zero indicates that the returns are random or unpredictable from one period to the next. Table 5-3 contains the serial correlation of the market total returns, the realized long-horizon equity risk premium, and inflation.

Table 5-3
Interpretation of Annual Serial Correlations
1926–2007

Series	Serial Correlation	Interpretation
Large Company Stock Total Returns	0.03	Random
Equity Risk Premium	0.03	Random
Inflation Rates	0.65	Trend

The significance of this evidence is that the realized equity risk premium next year will not be dependent on the realized equity risk premium from this year. That is, there is no discernable pattern in the realized equity risk premium—it is virtually impossible to forecast next year's realized risk premium based on the premium of the previous year. For example, if this year's difference between the riskless rate and the return on the stock market is higher than last year's, that does not imply that next year's will be higher than this year's. It is as likely to be higher as it is lower. The best estimate of the expected value of a variable that has behaved randomly in the past is the average (or arithmetic mean) of its past values.

Table 5-4 also indicates that the equity risk premium varies considerably by decade. The complete decades ranged from a high of 17.9 percent in the 1950s to a low of 0.3 percent in the 1970s, however, thus far the 2000s have shown a –2.4 percent equity risk premium. This look at historical equity risk premium reveals no observable pattern.

Table 5-4
Long-Horizon Equity Risk Premium by Decade
1926–2007

1920s*	1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000s**	1997-2007
17.6%	2.3%	8.0%	17.9%	4.2%	0.3%	7.9%	12.1%	–2.4%	4.2%

*Based on the period 1926–1929.

**Based on the period 2000–2007.

Finnerty and Leistikow perform more econometrically sophisticated tests of mean reversion in the equity risk premium. Their tests demonstrate that—as we suspected from our simpler tests—the equity risk premium that was realized over 1926 to the present was almost perfectly free of mean reversion and had no statistically identifiable time trends.[4] Lo and MacKinlay conclude, "the rejection of the random walk for weekly returns does not support a mean-reverting model of asset prices."

Choosing an Appropriate Historical Period

The estimate of the equity risk premium depends on the length of the data series studied. A proper estimate of the equity risk premium requires a data series long enough to give a reliable average without being unduly influenced by very good and very poor short-term returns. When calculated using a long data series, the historical equity risk premium is relatively stable.[5] Furthermore, because an average of the realized equity risk premium is quite volatile when calculated using a short history, using a long series makes it less likely that the analyst can justify any number he or she wants. The magnitude of how shorter periods can affect the result will be explored later in this chapter.

Some analysts estimate the expected equity risk premium using a shorter, more recent time period on the basis that recent events are more likely to be repeated in the near future; furthermore, they believe that the 1920s, 1930s, and 1940s contain too many unusual events. This view is suspect because all periods contain "unusual" events. Some of the most unusual events of the last hundred years took place quite recently, including the inflation of the late 1970s and early 1980s, the October 1987 stock market crash, the collapse of the high-yield bond market, the major contraction and consolidation of the thrift industry, the collapse of the Soviet Union, the development of the European Economic Community, and the attacks of September 11, 2001.

It is even difficult for economists to predict the economic environment of the future. For example, if one were analyzing the stock market in 1987 before the crash, it would be statistically improbable to predict the impending short-term volatility without considering the stock market crash and market volatility of the 1929–1931 period.

Without an appreciation of the 1920s and 1930s, no one would believe that such events could happen. The 82-year period starting with 1926 is representative of what can happen: it includes high and low returns, volatile and quiet markets, war and peace, inflation and deflation, and prosperity and depression. Restricting attention to a shorter historical period underestimates the amount of change that could occur in a long future period. Finally, because historical event-types (not specific events) tend to

4 Though the study performed by Finnerty and Leistikow demonstrates that the traditional equity risk premium exhibits no mean reversion or drift, they conclude that, "the processes generating these risk premiums are generally mean-reverting." This conclusion is completely unrelated to their statistical findings and has received some criticism. In addition to examining the traditional equity risk premia, Finnerty and Leistikow include analyses on "real" risk premia as well as separate risk premia for income and capital gains. In their comments on the study, Ibbotson and Lummer show that these "real" risk premia adjust for inflation twice, "creating variables with no economic content." In addition, separating income and capital gains does not shed light on the behavior of the risk premia as a whole.

5 This assertion is further corroborated by data presented in *Global Investing: The Professional's Guide to the World of Capital Markets* (by Roger G. Ibbotson and Gary P. Brinson and published by McGraw-Hill, New York). Ibbotson and Brinson constructed a stock market total return series back to 1790. Even with some uncertainty about the accuracy of the data before the mid-nineteenth century, the results are remarkable. The real (adjusted for inflation) returns that investors received during the three 50-year periods and one 51-year period between 1790 and 1990 did not differ greatly from one another (that is, in a statistically significant amount). Nor did the real returns differ greatly from the overall 201-year average. This finding implies that because real stock-market returns have been reasonably consistent over time, investors can use these past returns as reasonable bases for forming their expectations of future returns.

repeat themselves, long-run capital market return studies can reveal a great deal about the future. Investors probably expect "unusual" events to occur from time to time, and their return expectations reflect this.

A Look at the Historical Results

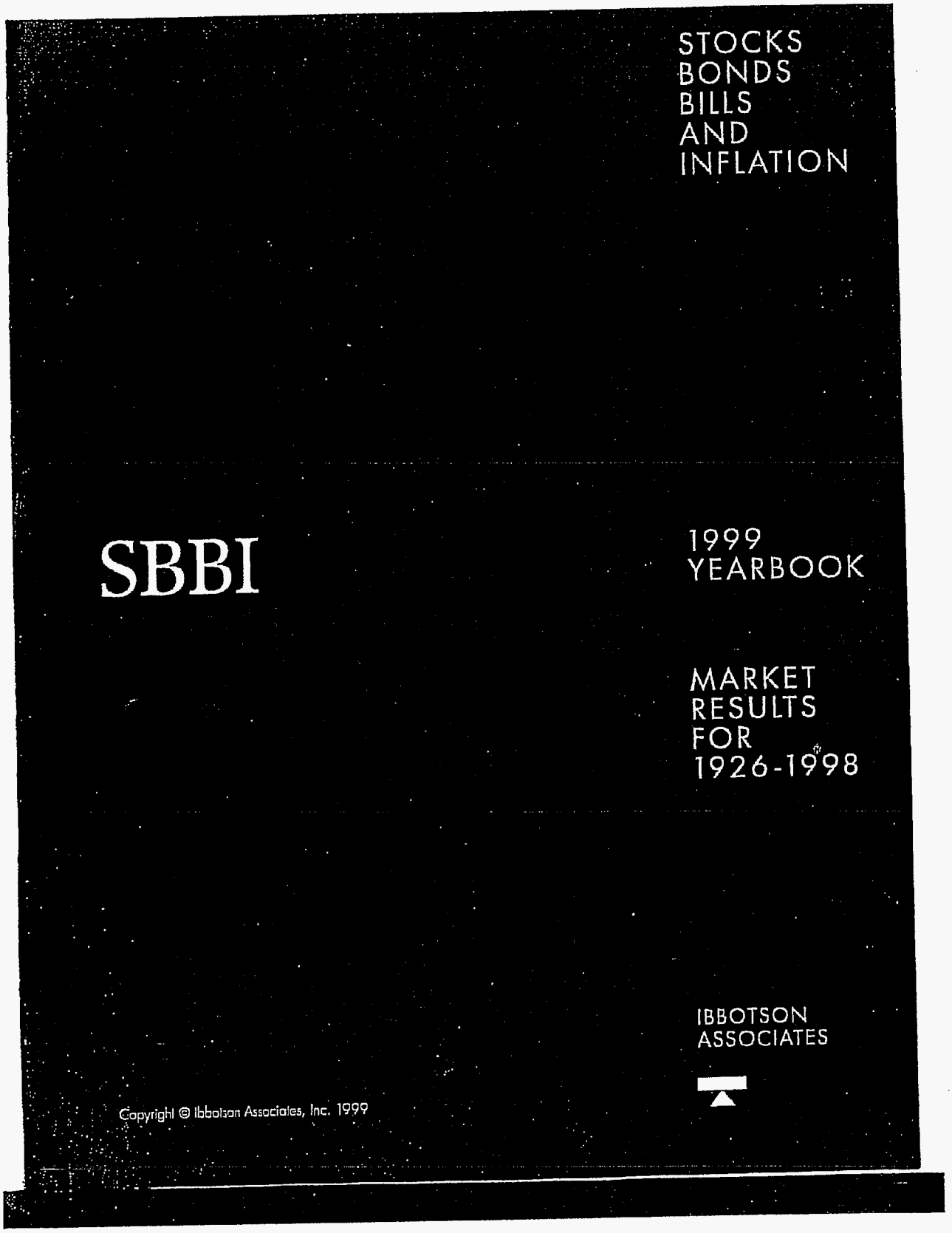
It is interesting to take a look at the realized returns and realized equity risk premium in the context of the above discussion. Table 5-5 shows the average stock market return and the average (arithmetic mean) realized long-horizon equity risk premium over various historical time periods. Similarly, Graph 5-5 shows the average (arithmetic mean) realized equity risk premium calculated through 2007 for different starting dates. The table and the graph both show that using a longer historical period provides a more stable estimate of the equity risk premium. The reason is that any unique period will not be weighted heavily in an average covering a longer historical period. It better represents the probability of these unique events occurring over a long period of time.

Table 5-5
Stock Market Return and Equity Risk Premium Over Time
1926–2007

Period Length	Period Dates	Large Company Stock Arithmetic Mean Total Return	Long-Horizon Equity Risk Premium
82 Years	1926–2007	12.3%	7.1%
70 Years	1938–2007	12.8%	7.3%
60 Years	1948–2007	13.1%	7.1%
50 Years	1958–2007	12.2%	5.5%
40 Years	1968–2007	11.8%	4.4%
30 Years	1978–2007	14.0%	6.3%
20 Years	1988–2007	13.0%	6.6%
15 Years	1993–2007	11.8%	6.0%
10 Years	1998–2007	7.2%	1.9%
5 Years	2003–2007	13.2%	8.3%

Looking carefully at Graph 5-5 will clarify this point. The graph shows the realized equity risk premium for a series of time periods through 2007, starting with 1926. In other words, the first value on the graph represents the average realized equity risk premium over the period 1926–2007. The next value on the graph represents the average realized equity risk premium over the period 1927–2007, and so on, with the last value representing the average over the most recent five years, 2003–2007. Concentrating on the left side of Graph 5-5, one notices that the realized equity risk premium, when measured over long periods of time, is relatively stable. In viewing the graph from left to right, moving from longer to shorter historical periods, one sees that the value of the realized equity risk premium begins to decline significantly. Why does this occur? The reason is that the severe bear market of 1973–1974 is receiving proportionately more weight in the shorter, more recent average. If you continue to follow the line to the right, however, you will also notice that when 1973 and 1974 fall out of the recent average, the realized equity risk premium jumps up by nearly 1.2 percent.

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STOCKS
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BILLS
AND
INFLATION
SBBI
1999
YEARBOOK
MARKET
RESULTS
FOR
1926-1998
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Calculating the Expected Equity Risk Premium

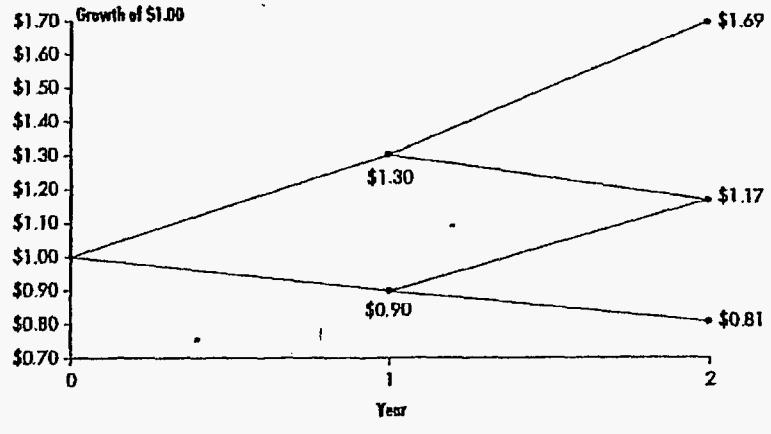
Arithmetic Versus Geometric Differences

For use as the expected equity risk premium in the CAPM, the *arithmetic* or *simple difference* of the *arithmetic means* of stock market returns and riskless rates is the relevant number. This is because the CAPM is an additive model where the cost of capital is the sum of its parts. Therefore, the CAPM expected equity risk premium must be derived by arithmetic, *not geometric*, subtraction.

Arithmetic Versus Geometric Means

The expected equity risk premium should always be calculated using the arithmetic mean. The arithmetic mean is the rate of return which, when compounded over multiple periods, gives the mean of the probability distribution of ending wealth values. (A simple example given below shows that this is true.) This makes the arithmetic mean return appropriate for computing the cost of capital. The discount rate that equates expected (mean) future values with the present value of an investment is that investment's cost of capital. The logic of using the discount rate as the cost of capital is reinforced by noting that investors will discount their expected (mean) ending wealth values from an investment back to the present using the arithmetic mean, for the reason given above. They will, therefore, require such an expected (mean) return prospectively (that is, in the present looking toward the future) to commit their capital to the investment.

For example, assume a stock has an expected return of +10 percent in each year and a standard deviation of 20 percent. Assume further that only two outcomes are possible each year— +30 percent and -10 percent (that is, the mean plus or minus one standard deviation), and that these outcomes are equally likely. (The arithmetic mean of these returns is 10 percent, and the geometric mean is 8.2 percent.) Then the growth of wealth over a two-year period occurs as shown below:



Note that the median (middle outcome) and mode (most common outcome) are given by the geometric mean, 8.2 percent, which compounds up to 17 percent over a 2-year period (hence a terminal wealth of $1.17). However, the *expected value*, or probability-weighted average of all possible outcomes, is equal to:

	(.25	x	1.69)	=	0.4225
+	(.50	x	1.17)	=	0.5850
+	(.25	x	0.81)	=	0.2025
TOTAL					1.2100

Now, the rate that must be compounded up to achieve a terminal wealth of $1.21 after 2 years is 10 percent; that is, the expected value of the terminal wealth is given by compounding up the *arithmetic*, not the geometric mean. Since the arithmetic mean equates the expected future value with the present value, it is the discount rate.

Stated another way, the arithmetic mean is correct because an investment with uncertain returns will have a higher expected ending wealth value than an investment that earns, with certainty, its compound or geometric rate of return every year. In the above example, compounding at the rate of 8.2 percent for two years yields a terminal wealth of $1.17, based on $1.00 invested. But holding the uncertain investment, with a possibility of high returns (two +30 percent years in a row) as well as low returns (two -10 percent years in a row), yields a higher expected terminal wealth, $1.21. In other words, more money is gained by higher-than-expected returns than is lost by lower-than-expected returns. Therefore, in the investment markets, where returns are described by a probability distribution, the arithmetic mean is the measure that accounts for uncertainty, and is the appropriate one for estimating discount rates and the cost of capital.

Arbitrage Pricing Theory

APT is a model of the expected return on a security. It was originated by Stephen A. Ross, and elaborated by Richard Roll. APT treats the expected return on a security (*i.e.*, its cost of capital) as the sum of the payoffs for an indeterminate number of risk factors, where the amount of each risk factor inherent in a given security is estimated. Like the CAPM, APT is a model that is consistent with equilibrium and does not attempt to outguess the market. APT may be viewed as an extended CAPM with multiple "betas" and multiple risk premia.

Essentials of Managerial Finance

third edition

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RISK IN FINANCIAL ANALYSIS

The riskiness of an asset is defined in terms of the likely variability of future returns from the asset. For example, if one buys a $1 million short-term government bond expected to yield 5 percent, then the return on the investment, 5 percent, can be estimated quite precisely, and the investment is defined to be relatively risk free. However, if the $1 million is invested in the stock of a company just being organized to prospect for uranium in Central Africa, then the probable return cannot be estimated precisely. The rate of return on the $1 million investment could range from minus 100 percent to some extremely large figure; because of this high variability, the project is defined to be relatively risky. Similarly, sales forecasts for different products of a single firm might exhibit differing degrees of riskiness. For example, the Union Carbide Company might be quite sure that sales of its Eveready batteries will range between 50 and 60 million for the coming year, but be highly uncertain about how many units of a new laser measuring device will be sold during the year.

Risk, then, is associated with project variability—the more variable the expected future returns, the riskier the investment. However, we can define risk more precisely, and it is useful to do so. This more precise definition requires a step-by-step development, which constitutes the remainder of this section.

Probability Distributions

Any investment decision—or, for that matter, almost *any* kind of business decision—implies a forecast of future events, with the forecast being either explicit or implicit. Ordinarily, the forecast of annual cash flow is a single figure, or point estimate, frequently called the "most likely" or "best" estimate. For example, one might forecast that the cash flows from a particular project will be $500 a year for three years.

How good is this point estimate; that is, how confident is the forecaster of his predicted return? Is he very certain, very uncertain, or somewhere in between? This degree of uncertainty can be defined and measured in terms of the forecaster's "probability distribution"—the probability estimates associated with each possible outcome. In its simplest form, a probability distribution could consist of just a few potential outcomes. For example, in forecasting cash flows, we could make an optimistic estimate, a pessimistic estimate, and a most likely estimate; or, alternatively, we could make high, low, and "best guess" estimates. We might expect our high, or optimistic,

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Appendix 4-A
Arithmetic versus Geometric Means in Estimating the Cost of Capital

The use of the arithmetic mean appears counter-intuitive at first glance, because we commonly use the geometric mean return to measure the average annual achieved return over some time period. For example, the long-term performance of a portfolio is frequently assessed using the geometric mean return.

But performance appraisal is one thing, and cost of capital estimation is another matter entirely. In estimating the cost of capital, the goal is to obtain the rate of return that investors expect, that is, a target rate of return. On average, investors expect to achieve their target return. This target expected return is in effect an arithmetic average. The achieved or retrospective return is the geometric average. In statistical parlance, the arithmetic average is the unbiased measure of the expected value of repeated observations of a random variable, not the geometric mean. This appendix formally illustrates that only arithmetic averages can be used as estimates of cost of capital, and that the geometric mean is not an appropriate measure of cost of capital.

The geometric mean answers the question of what constant return you would have had to achieve in each year to have your investment growth match the return achieved by the stock market. The arithmetic mean answers the question of what growth rate is the best estimate of the future amount of money that will be produced by continually reinvesting in the stock market. It is the rate of return which, compounded over multiple periods, gives the mean of the probability distribution of ending wealth.

While the geometric mean is the best estimate of performance over a long period of time, this does not contradict the statement that the arithmetic mean compounded over the number of years that an investment is held provides the best estimate of the ending wealth value of the investment. The reason is that an investment with uncertain returns will have a higher ending wealth value than an investment which simply earns (with certainty) its compound or geometric rate of return every year. In other words, more money, or terminal wealth, is gained by the occurrence of higher than expected returns than is lost by lower than expected returns.

In capital markets, where returns are a probability distribution, the answer that takes account of uncertainty, the arithmetic mean, is the correct one for estimating discount rates and the cost of capital.

While the geometric mean is appropriate when measuring performance over a long time period, it is incorrect when estimating a risk premium to compute the cost of capital.

TABLE 4A-1
GEOMETRIC VS. ARITHMETIC RETURNS

	Stock A	Stock B
1996	50.0%	11.61%
1997	−54.7%	11.61%
1998	98.5%	11.61%
1999	42.2%	11.61%
2000	−32.3%	11.61%
2001	−39.2%	11.61%
2002	153.2%	11.61%
2003	−10.0%	11.61%
2004	38.9%	11.61%
2005	20.0%	11.61%
Standard Deviation	64.9%	0.0%
Arithmetic Mean	26.7%	11.6%
Geometric Mean	11.6%	11.6%

Theory

The geometric mean measures the magnitude of the returns, as the investor starts with one portfolio and ends with another. It does not measure the variability of the journey, as does the arithmetic mean. The geometric mean is backward looking. There is no difference in the geometric mean of two stocks or portfolios, one of which is highly volatile and the other of which is absolutely stable. The arithmetic mean, on the other hand, is forward-looking in that it does impound the volatility of the stocks.

To illustrate, Table 4A-1 shows the historical returns of two stocks, the first one is highly volatile with a standard deviation of returns of 65% while the second one has a zero standard deviation. It makes no sense intuitively that the geometric mean is the correct measure of return, one that implies that both stocks are equally risky since they have the same geometric mean. No rational investor would consider the first stock equally as risky as the second stock. Every financial model to calculate the cost of capital recognizes that investors are risk-averse and avoid risk unless they are adequately compensated for undertaking it. It is more consistent to use the mean that fully impounds risk (arithmetic mean) than the one from which risk has been removed (geometric mean). In short, the arithmetic mean recognizes the uncertainty in the stock market while the geometric mean removes the uncertainty by smoothing over annual differences.

Empirical Evidence

If both the geometric and arithmetic mean returns over the 1926–2004 data are regressed against the standard deviation of returns for the firms in the

deciles, the arithmetic mean outperforms the geometric mean in this statistical regression. Moreover, the constant of arithmetic mean regression matches the average Treasury bond rate and therefore makes economic sense while the constant for the geometric mean matches nothing in particular. This is simply because the geometric mean is stripped of volatility information and, as a result, does a poor job of forecasting returns based on volatility.

The following illustration is frequently invoked in defense of the geometric mean. Suppose that a stock's performance over a two-year period is representative of the probability distribution, doubling in one year ($r_1 = 100\%$) and halving in the next ($r_2 = -50\%$). The stock's price ends up exactly where it started, and the geometric average annual return over the two-year period, r_g, is zero:

$$\begin{aligned} 1 + r_g &= [(1 + r_1)(1 + r_2)]^{1/2} \\ &= [(1 + 1)(1 - .50)]^{1/2} = 1 \\ r_g &= 0 \end{aligned}$$

confirming that a zero year-by-year return would have replicated the total return earned on the stock. The expected annual future rate of return on the stock is not zero, however. It is the arithmetic average of 100% and −50%, $(100 - 50)/2 = 25\%$. There are two equally likely outcomes per dollar invested: either a gain of \$1 when $r = 100\%$ or a loss of \$0.50 when $r = -50\%$. The expected profit is $\$1 - \$.50)/2 = \$.25$ for a 25% expected rate of return. The profit in the good year more than offsets the loss in the bad year, despite the fact that the geometric return is zero. The arithmetic average return thus provides the best guide to expected future returns.

What Academics Have to Say

Bodie, Kane, and Marcus (2005) cite:

> Which is the superior measure of investment performance, the arithmetic average or the geometric average? The geometric average has considerable appeal because it represents the constant rate of return we would have needed to earn in each year to match actual performance over some past investment period. It is an excellent measure of *past* performance. However, if our focus is on future performance, then the arithmetic average is the statistic of interest because it is an unbiased estimate of the portfolio's expected future return (assuming, of course, that the expected return does not change over time). In contrast, because the geometric return over a sample period is always less than the arithmetic mean,

> it constitutes a downward-biased estimator of the stock's expected return in any future year.
>
> Again, the arithmetic average is the better guide to future performance.

Another way of stating the Bodie, Kane, Marcus argument in favor of the arithmetic mean is that it is the best estimate of the future value of the return distribution because it represents the expected value of the distribution. It is most useful for determining the central tendency of a distribution at a particular time, that is, for cross-sectional analysis. The geometric mean, on the other hand, is best suited for measuring an investment's compound rate of return over time, that is, for time-series analysis. This is the same argument made by Ibbotson Associates (2005) where it is shown, using probability theory, that future terminal wealth is given by compounding the arithmetic mean, and not the geometric mean. In other words, if we accept the past as prologue, the best estimate of a future year's return based on a random distribution of the prior years' returns is the arithmetic average. Statistically, it is our best guess for the holding-period return in a given year.

Brigham and Ehrhardt (2005) in their widely used corporate finance text point out that the arithmetic average is more consistent with CAPM theory, as one of its key underpinning assumptions is that investors are supposed to focus, in their portfolio decisions, upon returns in the next period and the standard deviation of this return. To the extent that this next period is one year, the preference for the arithmetic mean, which derives from a set of single one year period returns, follows. It is also noteworthy that one of the crucial assumptions inherent in the CAPM is that investors are single-period expected utility of terminal wealth maximizers who choose among alternative portfolios on the basis of each portfolio's expected return and standard deviation.

Brealey, Myers, and Allen (2006) in their leading graduate textbook in corporate finance opt strongly for the arithmetic mean. The authors illustrate the distinction between arithmetic and geometric averages and conclude that arithmetic averages are appropriate when estimating the cost of capital:

> The proper uses of arithmetic and compound rates of return from past investments are often misunderstood. Therefore, we call a brief time-out for a clarifying example.
>
> Suppose that the price of Big Oil's common stock is $100. There is an equal chance that at the end of the year the stock will be worth $90, $110, or $130. Therefore, the return could be −10 percent, +10 percent or +30 percent (we assume that Big Oil does not pay a dividend). The expected return is 1/3(−10+10+30) = +10 percent.

If we run the process in reverse and discount the expected cash flow by the expected rate of return, we obtain the value of Big Oil's stock:

$$PV = \frac{110}{1.10} = \$100$$

The expected return of 10 percent is therefore the correct rate at which to discount the expected cash flow from Big Oil's stock. It is also the opportunity cost of capital for investments which have the same degree of risk as Big Oil.

Now suppose that we observe the returns on Big Oil stock over a large number of years. If the odds are unchanged, the return will be −10 percent in a third of the years, +10 percent in a further third, and +30 percent in the remaining years. The arithmetic average of these yearly returns is

$$\frac{-10 + 10 + 30}{3} = +10\%$$

Thus the arithmetic average of the returns correctly measures the opportunity cost of capital for investments of similar risk to Big Oil stock.

The average compound annual return on Big Oil stock would be

$$(.9 \times 1.1 \times 1.3)^{1/3} - 1 = .088, \text{ or } 8.8\%$$

less than the opportunity cost of capital. Investors would not be willing to invest in a project that offered an 8.8 percent expected return if they could get an expected return of 10 percent in the capital markets. The net present value of such a project would be

$$NPV = -100 + \frac{108.8}{1.1} = -1.1$$

Moral: If the cost of capital is estimated from historical returns or risk premiums, use arithmetic averages, not compound annual rates of return (geometric averages).

(Richard A. Brealey, Stewart C. Myers, and Paul Allen, *Principles of Corporate Finance*, 8th Edition, Irwin McGraw-Hill, 2006, page 156-7.)

The widely cited Ibbotson Associates publication also contains a detailed and rigorous discussion of the impropriety of using geometric averages in estimating the cost of capital.[12]

[12] Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, 2005 Yearbook, Valuation Edition*, page 75.

> The arithmetic average equity risk premium can be demonstrated to be most appropriate when discounting future cash flows. For use as the expected equity risk premium in either the CAPM or the building block approach, the arithmetic mean or the simple difference of the arithmetic means of stock market returns and riskless rates is the relevant number. This is because both the CAPM and the building block approach are additive models, in which the cost of capital is the sum of its parts. The geometric average is more appropriate for reporting past performance, since it represents the compound average return.
>
> The argument for using the arithmetic average is quite straightforward. In looking at projected cash flows, the equity risk premium that should be employed is the equity risk premium that is expected to actually be incurred over the future time periods.
>
> The best estimate of the expected value of a variable that has behaved randomly in the past is the average (or arithmetic mean) of its past values.

In their widely publicized research on the market risk premium, Dimson, Marsh and Staunton (2002) state

> The arithmetic mean of a sequence of different returns is always larger than the geometric mean. To see this, consider equally likely returns of +25 and −20 percent. Their arithmetic mean is 2½ percent, since (25 − 20)/2 = 2½. Their geometric mean is zero, since (1 + 25/100) × (1 − 20/100) − 1 = 0. But which mean is the right one for discounting risky expected future cash flows? For forward-looking decisions, the arithmetic mean is the appropriate measure.
>
> To verify that the arithmetic mean is the correct choice, we can use the 2½ percent required return to value the investment we just described. A $1 stake would offer equal probabilities of receiving back $1.25 or $0.80. To value this, we discount the cash flows at the arithmetic mean rate of 2½ percent. The present values are respectively $1.25/1.015 = $1.22 and $0.80/1.025 = $0.78, each with equal probability, so the value is $1.22 × ½ + $0.80 × ½ = $1.00. If there were a sequence of equally likely returns of +25 and −20 percent, the geometric mean return will eventually converge on zero. The 2½ percent forward-looking arithmetic mean is required to compensate for the year-to-year volatility of returns.

Lastly, on the practical side, Bruner, Eades, Harris, and Higgins (1998) found that 71% of the texts and tradebooks in their extensive survey of practice supported use of an arithmetic mean for estimation of the cost of equity.

Mean Reversion Argument

Some academics have argued that if stock returns were expected to revert to a trend, this would suggest the use of a geometric mean since the geometric mean is, by definition, an estimate of a smoothed long-run trend increment. These same academics have argued that the historical estimate of the market risk premium ("MRP") is upward-biased by the buoyant performance of the stock market prior to 2002, and because of the extraordinary and unusually high realized MRPs in those years, investors expect a return to lower MRPs in the future, bringing the average MPR to a more "normal" level.

The presence or absence of mean reversion is an empirical issue. The empirical findings are weak and highly contradictory; the empirical evidence is inconclusive and unconvincing, certainly not enough to support the "mean reversion" hypothesis. The weight of the empirical evidence on this issue is that the more sophisticated tests of mean reversion in the MRP demonstrate that the realized MRP over the last 75 years or so was almost perfectly free of mean reversion, and had no statistically identifiable time trend. It is also noteworthy that most of these studies were performed prior to the stock market's debacle in 2000–2002, years of extraordinary and unusually low realized MRPs. The stock market's dismal performance of 2000–2002 has certainly taken the wind out of the mean reversion school's sails.

An examination of historical MRPs reveals that the MRP is random with no observable pattern. To the extent that the estimated historical equity risk premium follows what is known in statistics as a random walk, one should expect the equity risk premium to remain at its historical mean. Therefore, the best estimate of the future risk premium is the historical mean.

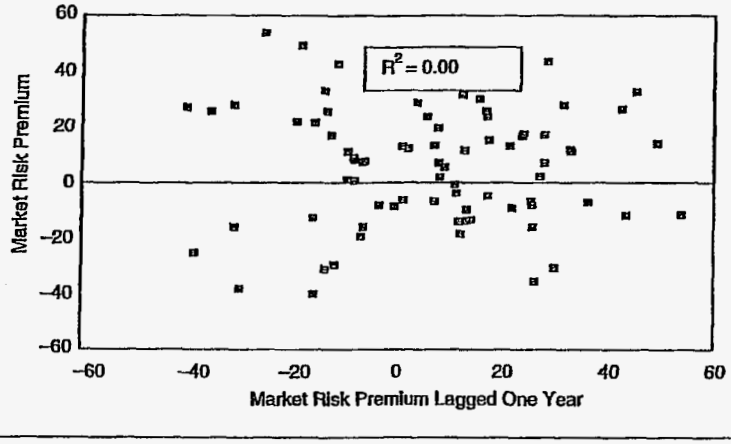
Ibbotson Associates (2005) find no evidence that the market price of risk or the amount of risk in common stocks has changed over time:

> Our own empirical evidence suggests that the yearly difference between the stock market total return and the U.S. Treasury bond income return in any particular year is random ... there is no discernable pattern in the realized equity risk premium. (Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, 2005 Yearbook, Valuation Edition*, pages 74–75)

In statistical parlance, there is no significant serial correlation in successive annual market risk premiums, that is, no trend. Ibbotson Associates go on to state that it is reasonable to assume that these quantities will remain stable in the future (*Id.*):

> The best estimate of the expected value of a variable that has behaved randomly in the past is the average (or arithmetic mean)

FIGURE 4A-1
MARKET RISK PREMIUM 1926–2004
Year-to-Year Correlation



of its past values. (Ibbotson Associates, *Stocks, Bonds, Bills, and Inflation, 2004 Yearbook, Valuation Edition*, page 75)

Nowhere is it suggested by Ibbotson Associates that the market risk premium has declined over time.

Because there is little evidence that the MRP has changed over time, it is reasonable to assume that these quantities will remain stable in the future. Figure 4A-1 shows the relationship, or the lack of relationship, between year-to-year MRPs reported in the Ibbotson Associates Valuation Yearbook, 2005 edition, for the 1926–2004 period. The relationship is virtually absent, as indicated by the low R^2 of zero between successive MRPs. In other words, there is no history in successive MRPs as indicated by the zero serial correlation coefficient.

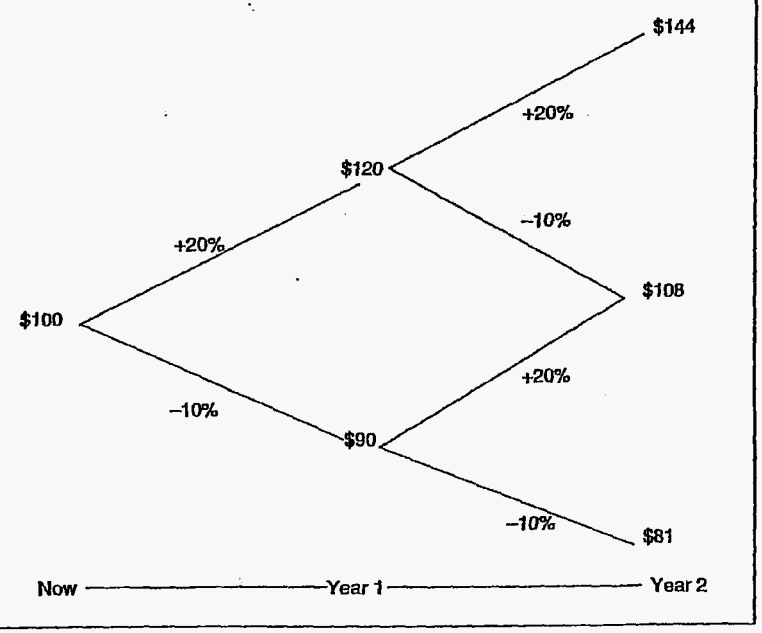
In short, the determination of the cost of capital with the CAPM requires an unbiased estimate of the expected annual return. The expected arithmetic return provides the appropriate measure for this purpose.

Formal Demonstration

This section shows why arithmetic rather than geometric means should be used for forecasting, discounting, and estimating the cost of capital.[13] By

[13] This section is adapted from a similar treatments and demonstration in Brealey, Myers, and Allen (2006) and Ibbotson Associates (2005).

FIGURE 4A-2
POSSIBLE STOCK PRICES



definition, the cost of equity capital is the annual discount rate that equates the discounted value of expected future cash flows (from dividends and the sale of the stock at the end of the investor's investment horizon) to the current market price of a share in the firm. The discount rate that equates the discounted value of future expected dividends and the end of period expected stock price to the current stock price is a prospective arithmetic, rather than a prospective geometric, mean rate of return. Since future dividends and stock prices cannot be predicted with certainty, the "expected" annual rate of return that investors require is an average "target" percentage rate around which the actual, year-by-year returns will vary. This target rate is, in effect, an arithmetic average.

A numerical illustration will clarify this important point. Consider a non-dividend paying stock trading for $100 which has, in every year, an equal chance of appreciating by 20% or declining by 10%. Thus, after one year, there is an equal chance that the stock's price will be $120 and an equal chance the price will be $90. Figure 4A-2 presents all possible eventualities after two periods have elapsed (the rates of return are presented at the end of the lines in the diagram).

The possible stock prices are shown in the following table.

TABLE 4A-2 STOCK PRICES AFTER TWO PERIODS	
Price	Chance
$144	1 chance in 4
$108	2 chances in 4
$ 81	1 chance in 4

The expected future stock price after two periods is then:

$$1/4\ (\$144) + 2/4\ (\$108) + 1/4\ (\$81) = \$110.25$$

The cost of equity capital is calculated as the discount rate that equates the present value of the future expected cash flows to the current stock price. In the present simple example, the only cash flow is the gain from selling the stock after two periods have elapsed. Thus, using the expected stock price of $110.25 calculated above, the expected rate of return is that r, which solves the following equation:

$$\text{Current Stock Price} = \frac{\text{Expected Stock Price}}{(1 + r)^2}$$

The factor $(1 + r)^2$ discounts the expected stock price to the present. Substituting the numerical values, we have:

$$\$100 = \frac{\$110.25}{(1+r)^2}$$

$$r = 5\%$$

Thus, the cost of equity capital is 5%. This 5% cost of equity capital is equal to the prospective arithmetic mean rate of return, which is the probability-weighted average single period rate of return on equity. Since in every period there is an equal chance that the stock's return will be 20% or −10%, the probability-weighted average is:

$$1/2\ (20\%) + 1/2\ (-10\%) = 5\%$$

However, the 5% cost of equity capital is not equal to the prospective geometric mean rate of return, which is a probability-weighted average of the possible compounded rates of return over the two periods. Now consider the prospective geometric mean rate of return. Table 4A-3 shows the possible compounded rates of return over two periods, and the probability of each.

Thus, the prospective geometric mean rate of return is:

$$1/4\ (20\%) + 2/4\ (3.92\%) + 1/4\ (-10\%) = 4.46\%$$

TABLE 4A-3
STOCK PRICES AND RETURNS AFTER TWO PERIODS

Price	Chance	Compounded Return
$144	1 chance in 4	20.00%
$108	2 chances in 4	3.92%
$ 81	1 chance in 4	−10.00%

This return is not equal to the 5% cost of equity capital.

The example can easily be extended to include the case of a dividend-paying company and will reach the same conclusion: the implied discount rate calculated in the DCF model is an expected arithmetic rather than an expected geometric mean rate of return.

The foregoing analysis shows that it is erroneous to use a prospective multi-year geometric mean rate of return as a "target" rate of return for each year of the period. If, for example, investors currently require an expected future rate of return on an investment of 13% each year, then 13% is the appropriate annual rate of return on equity for ratemaking purposes. Consequently, in using a risk premium approach for the purposes of rate of return regulation, the single-year annual required rate of return should be estimated using arithmetic mean risk premiums.

It should be pointed out that the use of the arithmetic mean does not imply an investment holding period of one year. Rather, it is premised on the uncertainty with respect to each year's return during the holding period, however many years that may be. When computing the arithmetic average of historic annual returns in order to calculate the average return (expected value of the return), every achieved return outcome is one possible future outcome for each year the security will be held. Each historic return has an equal probability of occurring during each year of the holding period. The resulting expected value of the risk premium is the arithmetic average of all of the past premiums considered, regardless of the length of the expected holding period.

FIFTH EDITION

PRINCIPLES OF CORPORATE FINANCE

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TABLE 7-1

Average rates of return on Treasury bills, government bonds, corporate bonds, and common stocks, 1926–1994 (figures in percent per year)

Portfolio	Average Annual Rate of Return: Nominal	Average Annual Rate of Return: Real	Average Risk Premium (Extra Return versus Treasury Bills)
Treasury bills	3.7	.6	0
Government bonds	5.2	2.1	1.4
Corporate bonds	5.7	2.7	2.0
Common stocks (S&P 500)	12.2	8.9	8.4
Small-firm common stocks	17.4	13.9	13.7

Source: Ibbotson Associates, Inc., *1995 Yearbook.*

You may ask why we look back over such a long period to measure average rates of return. The reason is that annual rates of return for common stocks fluctuate so much that averages taken over short periods are meaningless. Our only hope of gaining insights from historical rates of return is to look at a very long period.[3]

Arithmetic Averages and Compound Annual Returns

Notice that the average returns shown in Table 7-1 are arithmetic averages. In other words, Ibbotson Associates simply added the 69 annual returns and divided by 69. The arithmetic average is higher than the compound annual return over the period. The 69-year compound annual return for the S&P index was 10.2 percent.[4]

The proper uses of arithmetic and compound rates of return from past investments are often misunderstood. Therefore, we call a brief time-out for a clarifying example.

Example: Suppose that the price of Big Oil's common stock is $100. There is an equal chance that at the end of the year the stock will be worth $90, $110, or $130. Therefore, the return could be −10 percent, +10 percent, or +30 percent (we assume that Big Oil does not pay a dividend). The *expected* return is ½(−10 + 10 + 30) = +10 percent.

If we run the process in reverse and discount the expected cash flow by the expected rate of return, we obtain the value of Big Oil's stock:

[3]Even with 69 years of data we cannot be sure that this period is truly representative and that the average is not distorted by a few unusually high or low returns. The reliability of an estimate of the average is usually measured by its *standard error.* For example, the standard error of our estimate of the average risk premium on common stocks is 2.5 percent. There is a 95 percent chance that the *true* average is within plus or minus 2 standard errors of the 8.4 percent estimate. In other words, if you said that the true average was between 3.5 and 13.4 percent, you would have a 95 percent chance of being right. (*Technical note:* The standard error of the mean is equal to the standard deviation divided by the square root of the number of observations. In our case the standard deviation is 20.6 percent, and therefore the standard error is $20.6/\sqrt{69} = 2.5$.)

[4]This was calculated from $(1 + r)^{69} = 811$, which implies $r = .102$. (*Technical note:* For lognormally distributed returns the annual compound return is equal to the arithmetic average return minus half the variance. For example, the annual standard deviation of returns on the U.S. market was about .20, or 20 percent. Variance was therefore $.20^2$, or .04. The compound annual return is .04/2 = .02, or 2 percentage points less than the arithmetic average.)

$$PV = \frac{110}{1.10} = \$100$$

The expected return of 10 percent is therefore the correct rate at which to discount the expected cash flow from Big Oil's stock. It is also the opportunity cost of capital for investments which have the same degree of risk as Big Oil.

Now suppose that we observe the returns on Big Oil stock over a large number of years. If the odds are unchanged, the return will be −10 percent in a third of the years, +10 percent in a further third, and +30 percent in the remaining years. The arithmetic average of these yearly returns is

$$\frac{-10 + 10 + 30}{3} = +10\%$$

Thus the arithmetic average of the returns correctly measures the opportunity cost of capital for investments of similar risk to Big Oil stock.

The compound annual return on Big Oil stock is

$$(.9 \times 1.1 \times 1.3)^{1/3} - 1 = .088, \text{ or } 8.8\%,$$

less than the opportunity cost of capital. Investors would not be willing to invest in a project that offered an 8.8 percent expected return if they could get an expected return of 10 percent in the capital markets. The net present value of such a project would be

$$NPV = 100 + \frac{108.8}{1.1} = -1.1$$

Moral: If the cost of capital is estimated from historical returns or risk premiums, use arithmetic averages, not compound annual rates of return.

Using Historical Evidence to Evaluate Today's Cost of Capital

Suppose there is an investment project which you *know*—don't ask how—has the same risk as Standard and Poor's Composite Index. We will say that it has the same degree of risk as the *market portfolio*, although this is speaking somewhat loosely, because the index does not include all risky securities. What rate should you use to discount this project's forecasted cash flows?

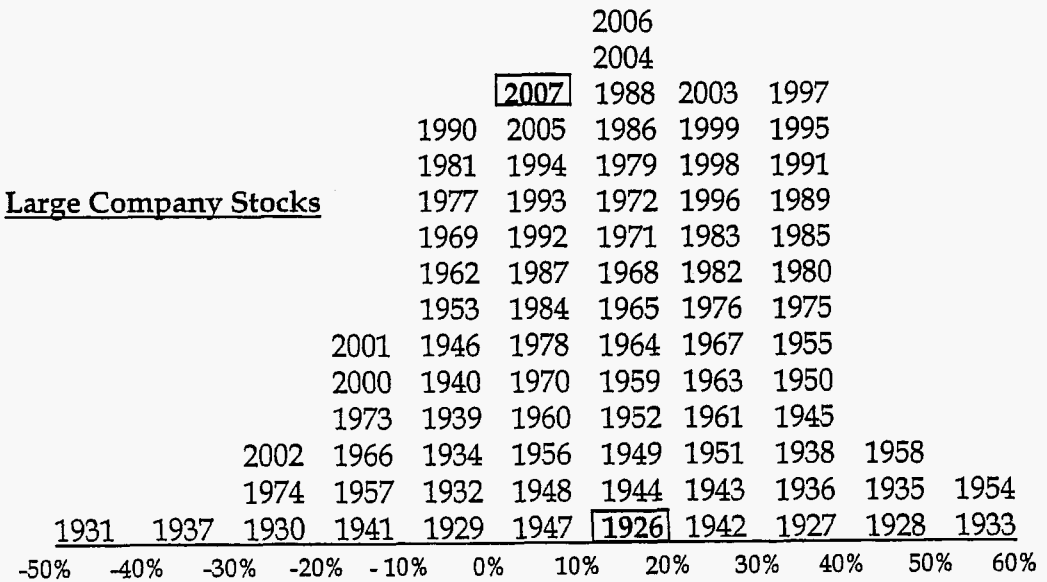
Clearly you should use the currently expected rate of return on the market portfolio; that is the return investors would forgo by investing in the proposed project. Let us call this market return r_m. One way to estimate r_m is to assume that the future will be like the past and that today's investors expect to receive the same "normal" rates of return revealed by the averages shown in Table 7-1. In this case, you would set r_m at 12.2 percent, the average of past market returns.

Unfortunately, this is *not* the way to do it: r_m is not likely to be stable over time. Remember that it is the sum of the risk-free interest rate r_f and a premium for risk. We know that r_f varies. For example, as we finish this chapter in early 1995, Treasury bills yield about 6 percent, more than 2 percentage points above the 3.7 percent average return of Treasury bills.

What if you were called upon to estimate r_m in 1995? Would you have said 12.2 percent? That would have squeezed the risk premium by 2.2 percentage points. A more sensible procedure takes the current interest rate on Treasury bills plus 8.4 percent, the average *risk premium* shown in Table 7-1. With a rate of 6 percent for Treasury bills, that gives

$$\begin{aligned} r_m\,(1995) &= r_f\,(1995) + \text{normal risk premium} \\ &= .06 + .084 = .144, \text{ or } 14.4\% \end{aligned}$$

Utilities, Inc.
Total Returns on Large Company Stocks
1926 to 2007



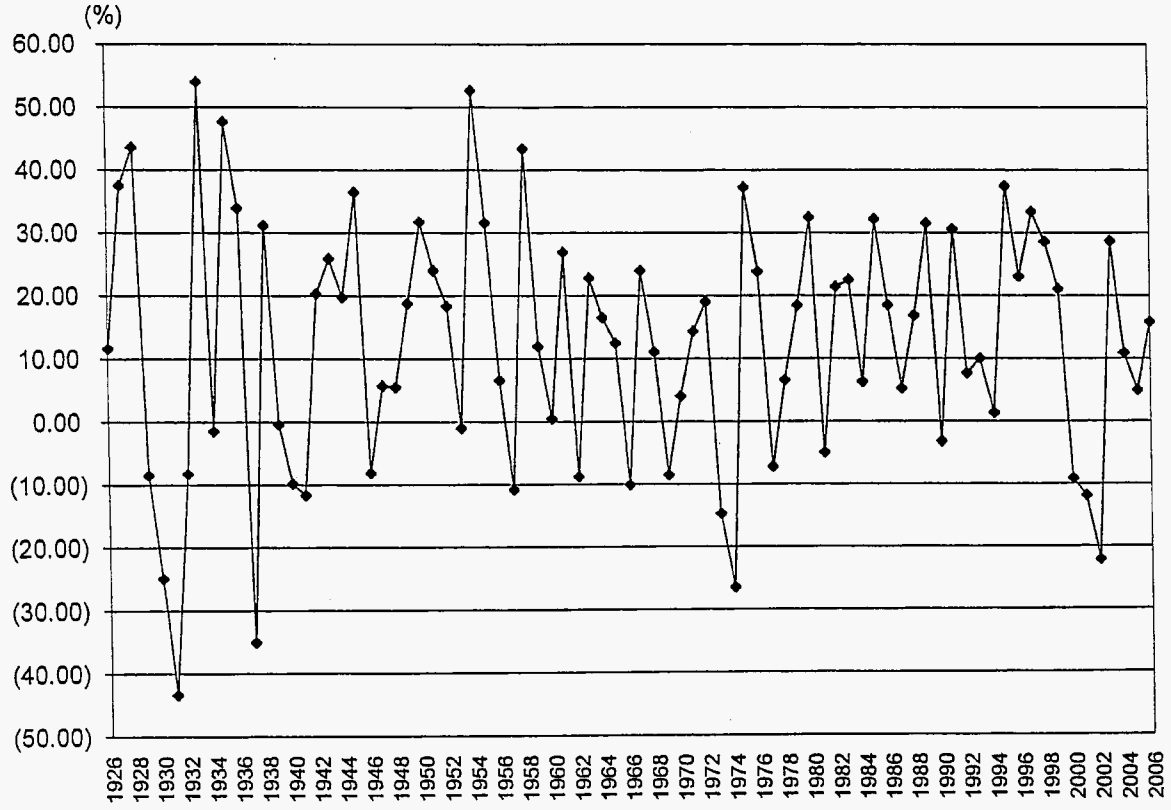
Arithmetic Mean: $r_A = \sum_{t=1}^{n} r_t / n$

Source : Stocks, Bonds, Bills, and Inflation – Market Results for 1926-2007 - 2008 Yearbook Valuation Edition, pp. 30-31, Morningstar, Inc., Chicago, IL

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Exhibit (PMA-24)
Page 1 of 3

Utilities, Inc.
Large Company Stock Returns
From 1926 to 2007

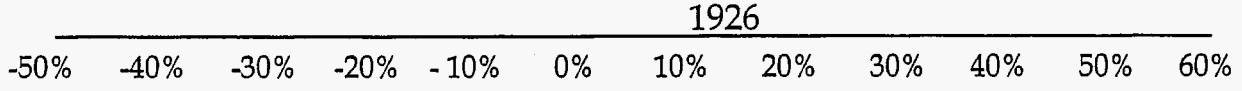


Source of Information:
Stocks Bonds Bills and Inflation - Market Results for 1926-2007 - 2008 Yearbook Valuation Edition, Morningstar, Inc., 2008 Chicago, IL.

Utilities, Inc.
Total Returns on Large Company Stocks
1926 to 2007

Large Company Stocks

2007



Geometric Mean: $r_G = \left[V_n / V_0 \right]^{1/n} - 1$

Source : Stocks, Bonds, Bills, and Inflation – Market Results for 1926-2007 - 2008 Yearbook Valuation Edition, pp. 30-31, Morningstar, Inc., Chicago, IL

Utilities, Inc.
Coefficients of Determination (R-Squared)
For the Proxy Group of Six AUS Utility Companies and the
Florida PSC Natural Gas Index

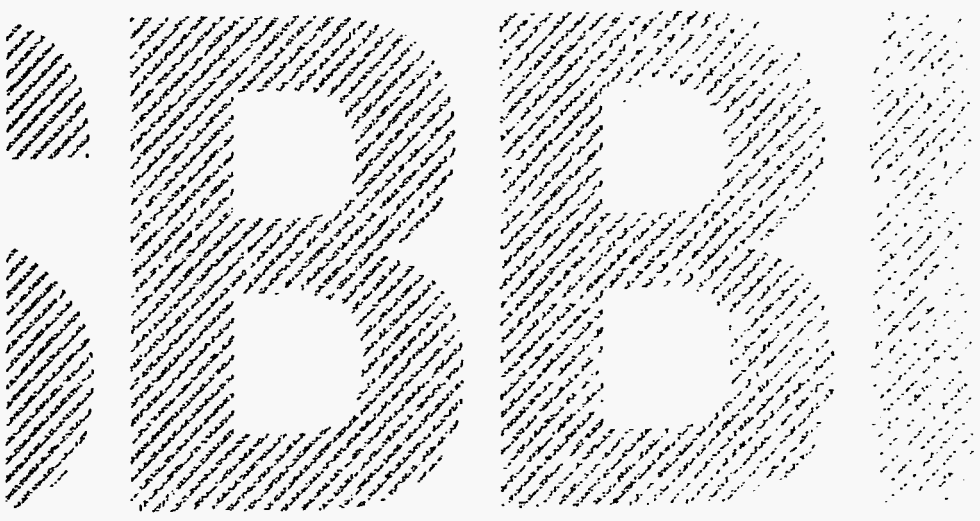
Company		Adjusted Beta	R-Factor	R-Squared
Proxy Group of Six AUS Utility Reports Water Companies				
American States Water Co.		1.05	0.4906	0.2407
Aqua America, Inc.		0.95	0.5348	0.2860
California Water Service Group		1.15	0.4988	0.2488
SJW Corp.		1.15	0.4497	0.2022
Southwest Water Company		1.05	0.4066	0.1653
York Water Company		0.50	0.1167	0.0136
	Average	0.98	0.4162	0.1928
Florida PSC Natural Gas Index				
AGL Resources, Inc.		0.85	0.5822	0.3390
Atmos Energy Corporation		0.85	0.6304	0.3974
Equitable Resources, Inc.		0.95	0.5283	0.2791
Laclede Group, Inc.		0.90	0.5425	0.2943
NICOR Inc.		0.95	0.5857	0.3430
Northwest Natural Gas Company		0.80	0.469	0.2200
Piedmont Natural Gas Co., Inc.		0.85	0.5309	0.2819
South Jersey Industries, Inc.		0.85	0.5135	0.2637
Southwest Gas Corporation		0.90	0.5676	0.3222
WGL Holdings, Inc.		0.90	0.6052	0.3663
	Average	0.88	0.5555	0.3107

Source of Information:
Value Line Inc., Proprietary Data Base, June 16, 2008

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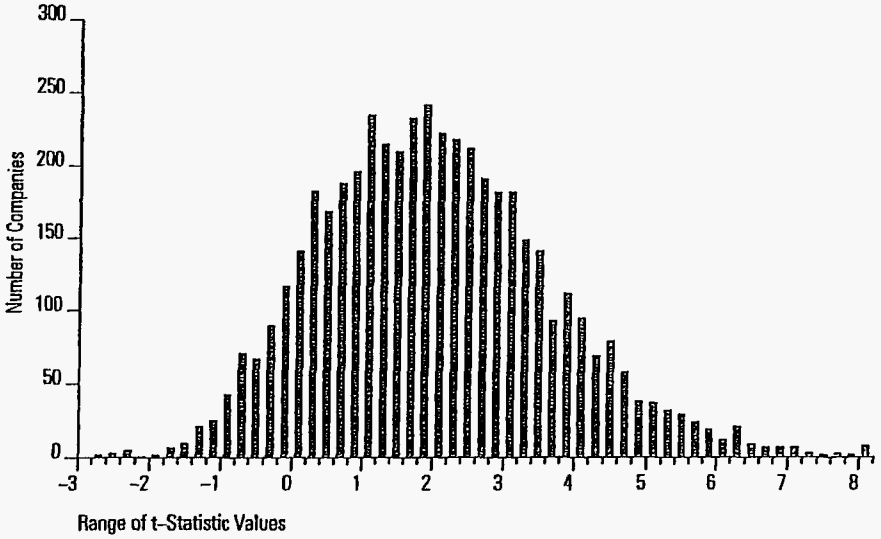


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than 1.67; thus, the beta of Company B is not statistically different from zero at that confidence level. If the regression provides a beta of 0.90 but is not statistically different from zero, then other measures of beta may need to be consulted (such as the company's peer betas or industry average betas).

To better illustrate the typical range of a beta's t-statistic, Graph 6-3 depicts the distribution of all t-statistics calculated with respect to the betas of the approximately 5,000 companies included in the *Ibbotson® Beta Book*. Since these beta calculations use 60 months of data, the critical value for the t-statistic is again 1.67 at the 90 percent confidence level. Recall that the absolute value is what is compared to the critical value; t-statistics above 1.67 or below –1.67 would therefore be considered statistically significant.

Graph 6-3
t-Statistic Distribution
October 2002 through September 2007

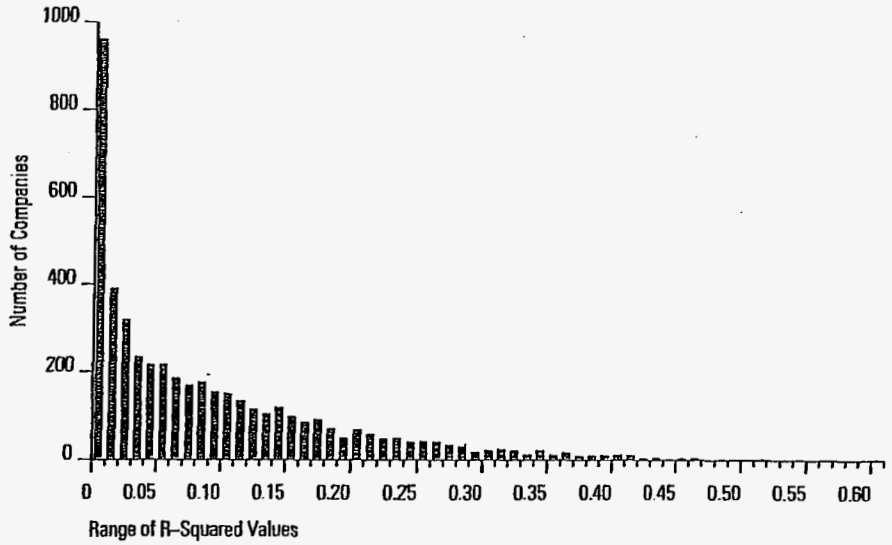


R-Squared

Another valuable regression statistic is the coefficient of determination, or R-squared. The R-squared is a statistic that measures the "goodness of fit" of the regression line and describes the percentage of variation in the dependent variable that is explained by the independent variable. The R-squared measure may vary from zero to one. An R-squared of 1.00 means that the independent variable explains 100 percent of the variation of the dependent variable. An R-squared of 0 indicates that the independent variable does not explain any of the variation of the dependent variable.

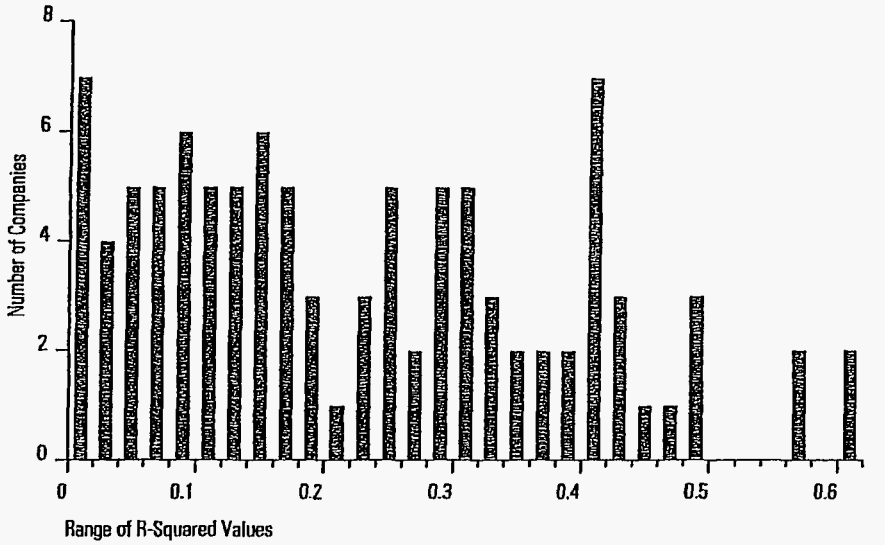
In terms of measuring beta via regression, a high R-squared means that the movements of the returns of the security are explained largely by the movements of the returns of the market. The R-squared for security betas are usually quite low. Graphs 6-4 and 6-5 show a distribution of R-squared statistics from the *Ibbotson® Beta Book*. The first graph shows the distribution of R-squared for the approximately 5,000 companies included in the publication. The second graph shows the distribution of R-squared for the largest 100 companies, in terms of equity capitalization, that are included in the book.

Graph 6-4
R-Squared Distribution for Entire Population
October 2002 through September 2007



Note that most betas have an R-squared less than 0.3. What can we infer from this data? There may be other company- or industry-specific factors that drive security prices. While the CAPM includes only one factor in determining expected returns, it does not disallow the existence of others.

Graph 6-5
R-Squared Distribution for Largest 100 Companies
October 2002 through September 2007



Standard Error

A third common regression statistic is the standard error of the regression coefficient. The standard error measures the extent to which each individual observation in a sample differs from the value predicted by the regression. In other words, the standard error attempts to measure sampling error. The standard error can be interpreted in a fashion similar to the standard deviation of a return. For example, suppose a beta regression results in a standard error of 0.2. There is therefore a 68 percent likelihood that the true measure of this company's beta lies within 0.2 of the estimated beta coefficient. Likewise, there is a 96 percent likelihood that the true beta measure lies within two standard errors of the estimate, or plus or minus 0.4.

Stability of beta is a key issue under the CAPM. While we expect betas to change over time as companies increase or decrease their systematic risk, we do not expect a huge fluctuation in beta from one period to the next. One would expect the beta of a company with a low standard error to be more stable over time than the beta of a company with a high standard error. An example of two companies is presented in Graph 6-6. The current beta of 1.10 for Valspar Corp. has a low standard error of 0.19. On the other hand, Technical Ventures Inc. has a current beta of 1.80 with a high standard error of 1.86. The chart shows the beta of each company on a rolling 60-month basis, meaning that the beta is calculated over the 60-month period October 31, 1997 through September 30, 2002, then the calculation is carried

Investments: Analysis and Management

Fifth Edition

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Beta Measurements The beta coefficient is an *index of systematic risk.* Beta coefficients may be used for ranking the systematic risk of different assets. If the beta is larger than 1, $b > 1.0$, then the asset is more volatile than the market and is called an **aggressive asset.** If the beta is less than 1, $b < 1.0$, the asset is a **defensive asset;** its price fluctuations are less volatile than the market's. Figure 10-1 illustrates the characteristic lines for three different assets that have low, medium, and high levels of beta (or undiversifiable risk).

Figure 10-2 shows that IBM is a stock with an average amount of systematic risk. IBM's beta of 1.02 indicates that its return tends to increase 2 percent more than the return on the market average when the market is rising. When the market falls, IBM's return tends to fall 2 percent more than the market's. The characteristic line for IBM has an above average correlation coefficient of $\rho = .7495$, indicating that the returns on this security follow its particular characteristic line slightly more closely than those of the average stock.

Partitioning Risk Total risk can be measured by the variance of returns, denoted Var(r). This measure of *total risk is partitioned into its systematic and unsystematic components in Equation (10-8).*[7]

$$\begin{aligned}\text{Var}(r_i) &= \text{total risk of } i\text{th asset} \\ &= \text{Var}(a_i + b_i r_{m,t} + e_{i,t}) \\ &\quad \text{by substituting } (a_i + b_i r_{m,t} + e_{i,t}) \text{ for } r_{i,t} \\ &= 0 + \text{Var}(b_i r_{m,t}) + \text{Var}(e_{i,t}) \\ &\quad \text{since Var}(a_i) = 0 \end{aligned} \tag{10-8}$$

$$\begin{aligned}\text{Var}(r_i) &= b_i^2\,\text{Var}(r_m) + \text{Var}(e) \qquad \text{since Var}(b_i r_m) = b_i^2\,\text{Var}(r_m) \\ &= \text{systematic} + \text{unsystematic risk}\end{aligned} \tag{10-8a}$$

$$.01389 = .00780 + .00609 \qquad \text{for IBM}$$

The unsystematic risk measure Var(e) is called in regression language the *residual variance* or, synonymously, the *standard error squared.*

Undiversifiable Proportion The percentage of total risk that is systematic can be measured by the coefficient of determination ρ^2 (that is, the characteristic line's squared correlation coefficient).

[7]In this context, **partition** is a technical statistical term that means to divide the total variance into *mutually exclusive* and *exhaustive* pieces. This partition is only possible if the returns from the market are statistically independent from the residual error terms that occur simultaneously, $\text{Cov}(r_{m,t}, e_{i,t}) = 0$. The mathematics of regression analysis will orthogonalize the residuals and thus ensure that the needed statistical independence exists.

$$\frac{\text{Systematic risk}}{\text{Total risk}} = \frac{b_i^2 \operatorname{Var}(r_m)}{\operatorname{Var}(r_m)} = \rho^2 \tag{10-9}$$

$$\frac{.007802}{.01389} = \frac{(1.021)^2\,(.00749)}{.00749} = .5617 \times 100 = 56.17\% \quad \text{for IBM}$$

Diversifiable Proportion The percentage of unsystematic risk equals $(1.0 - \rho^2)$.

$$\frac{\text{Unsystematic risk}}{\text{Total risk}} = \frac{\operatorname{Var}(e)}{\operatorname{Var}(r_i)} = (1.0 - \rho^2)$$

$$\frac{.00609}{.01389} = (1.0 - .5617) = .438 \times 100 \tag{10-10}$$

$$= 43.8\% \text{ unsystematic} \quad \text{for IBM}$$

Studies of the characteristic lines of hundreds of stocks listed on the NYSE indicate that the average correlation coefficient is approximately $\rho = .5$.[8] This means that about $\rho^2 = 25$ percent of the total variability of return in most NYSE securities is explained by movements in the market.

	NYSE average	IBM
Systematic risk: ρ^2	.25	.5617
Unsystematic risk: $(1.0 - \rho^2)$	.75	.4383
Total risk: 100%	1.00	1.0000

As explained above, systematic changes are common to all stocks and are therefore undiversifiable.

A primary use of the characteristic line (or *market model*, or the *single-index model*, as it is also called) is to assess the risk characteristics of one asset.[9] The statistics in Table 10-2, for instance, indicate that IBM's common stock is slightly more risky than the average common stock in terms of total risk and

[8]The average ρ was found to be about .5, as reported in Marshall Blume, "On the Assessment of Risk," *Journal of Finance*, March 1971, p. 4. For similar estimates, see J. C. Francis, "Statistical Analysis of Risk Surrogates for NYSE Stocks," *Journal of Financial and Quantitative Analysis*, Dec. 1979.

[9]Professor Jensen reformulated the characteristic line in a risk-premium form. See M. C. Jensen, "The Performance of Mutual Funds in the Period 1945 through 1964," *Journal of Finance*, May 1968, pp. 389–416. See also M. C. Jensen, "Risk, the Pricing of Capital Assets, and the Evaluation of Investment Portfolios," *Journal of Business*, vol. XLII, 1969. Jensen interprets the alpha intercept term of the characteristic line, as he formulates it, as an investment performance measure. It has been suggested that Jensen's performance measure is biased. See Keith V. Smith and Dennis A. Tito, "Risk-Return Measures of Ex-Post Portfolio Performance," *Journal of Financial and Quantitative Analysis*, Dec. 1969, vol. IV, no. 4, p. 466.

systematic risk.[10] New risk measurements must be made periodically, however, because the risk and return of an asset may change with the passage of time.[11]

10-3 CAPITAL ASSET PRICING MODEL (CAPM)

An old axiom states "there is no such thing as a free lunch." This means that you cannot expect to get something for nothing—a rule that certainly applies to investment returns. Investors who want to earn high average rates of return must take high risks and endure the associated loss of sleep, the possibility of ulcers, and the chance of bankruptcy. The question to which we now turn is: Should investors worry about total risk, undiversifiable risk, diversifiable risk, or all three?

In Chapter 1 it was suggested that *investors should seek investments that have the maximum expected return in their risk class.* Their happiness from investing is presumed to be derived as indicated in the expected utility $E(U)$ function below.

$$E(U) = f[E(r), \sigma]$$

The investment preferences of wealth-seeking risk-averse investors represented by the function above cause them to maximize their expected utility (or, equivalently, happiness) by (1) maximizing their expected return in any given risk class, $\partial E(U)/\partial E(r) > 0$, or, conversely, (2) minimizing their total risk at any given rate of expected return, $\partial E(U)/\partial \sigma < 0$. However, in selecting individual assets, investors will not be particularly concerned with the asset's total risk σ. Figure 9-1 showed that the unsystematic portion of total risk can be easily diversified by holding a portfolio of different securities. But, systematic risk affects all stocks in the market because it is undiversifiable. Portfolio theory therefore suggests that only the undiversifiable (or systematic) risk is worth avoiding.[12]

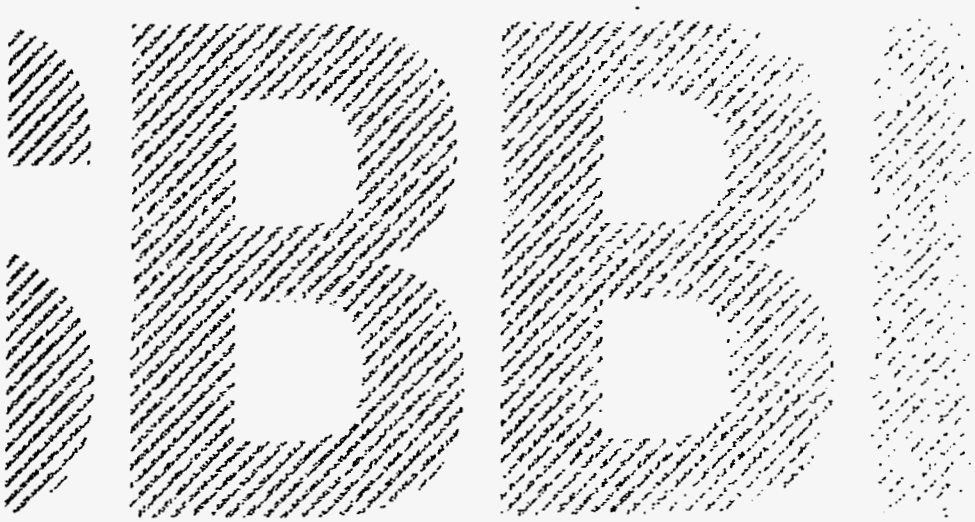
[10]Statements about the relative degree of total risk are made in the context of a long-run horizon—that is, over at least one *complete business cycle*. Obviously, an accurate short-run forecast which says that some particular company will go bankrupt next quarter makes it more risky than IBM, although IBM may have had more historical variability of return.

[11]Empirical studies documenting the intertemporal instability of betas have been published. Marshall Blume, "Betas and Their Regression Tendencies," *Journal of Finance*, June 1975, pp. 785–795. See also J. C. Francis, "Statistical Analysis of Risk Coefficients for NYSE Stocks," *Journal of Financial and Quantitative Analysis*, Dec. 1979, vol. XIV, no. 5, pp. 981–997. An appendix at the end of this chapter reviews some evidence about shifting betas, standard deviations, and correlations.

[12]Both the systematic and unsystematic portions of total risk must be considered by **undiversified investors.** Entrepreneurs who have their entire net worth invested in one business, for example, can be bankrupted by a piece of bad luck that could be easily averaged away to zero in a diversified portfolio. Poorly diversified investors should not treat diversifiable risk lightly. Only well-diversified investors can afford to ignore diversifiable risk.

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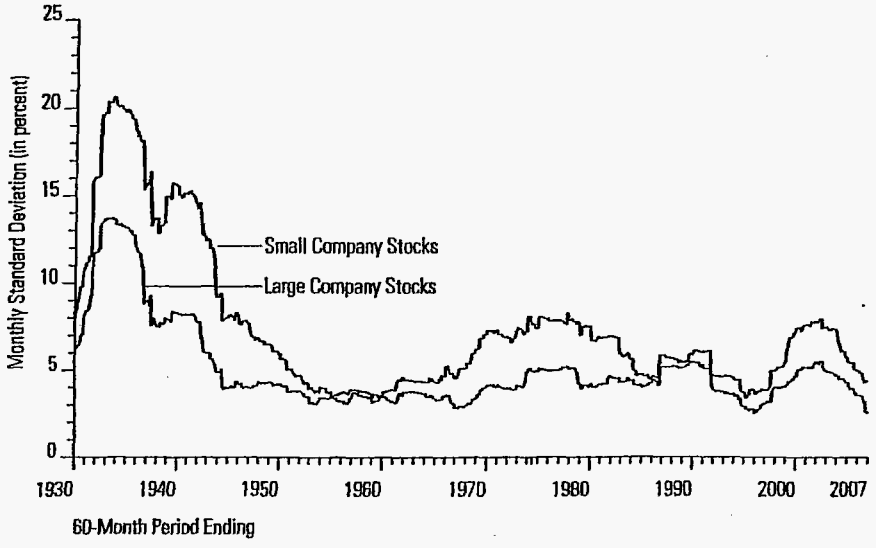
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Graph 5-11
Rolling 60-Month Standard Deviation for Large and Small Stocks
January 1926–December 2007



There are two arguments against this rationale. First, it could easily be argued that we have moved through a series of market regimes during the 82-year history of the equity risk premium calculation window used in this book. Given that markets and investor attitudes have changed over time and the equity risk premium has remained relatively constant, there is no reason to believe that a new market regime will have any greater or lesser impact than any other time period.

A second argument relates to the demand for investments. If investors are more comfortable with the market and with stock investing, they will probably place more money into the market. This influx of funds will increase the demand for stocks, which will ultimately increase, not decrease, the equity risk premium.

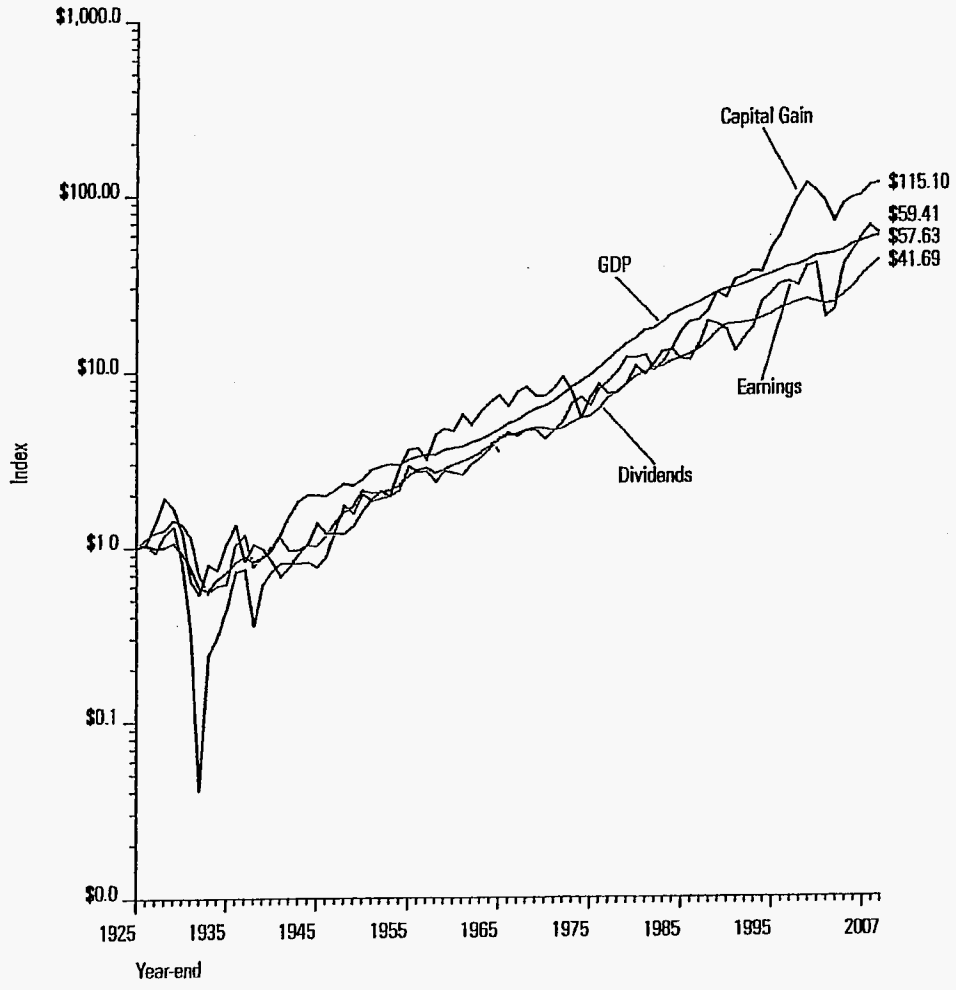
Supply Model

Long-term expected equity returns can be forecasted by the use of supply side models. The supply of stock market returns is generated by the productivity of the corporations in the real economy. Investors should not expect a much higher or lower return than that produced by the companies in the real economy. Thus, over the long run, equity returns should be close to the long-run supply estimate.

Graph 5-12 shows the growth of the stock market, GDP per capita, dividends, and earnings from the end of 1925 to the end of 2007. The graph illustrates that earnings and dividends have historically grown in tandem with the overall economy (GDP per capita). However, although GDP per capita kept pace with earnings and dividends, the overall stock market price grew faster than GDP per capita. This is primarily because the price-to-earnings ratio increased 1.94 times during the same period.

Graph 5-12
Capital Gains, GDP Per Capita, Earnings, and Dividends
Year-End 1925 = $1.00

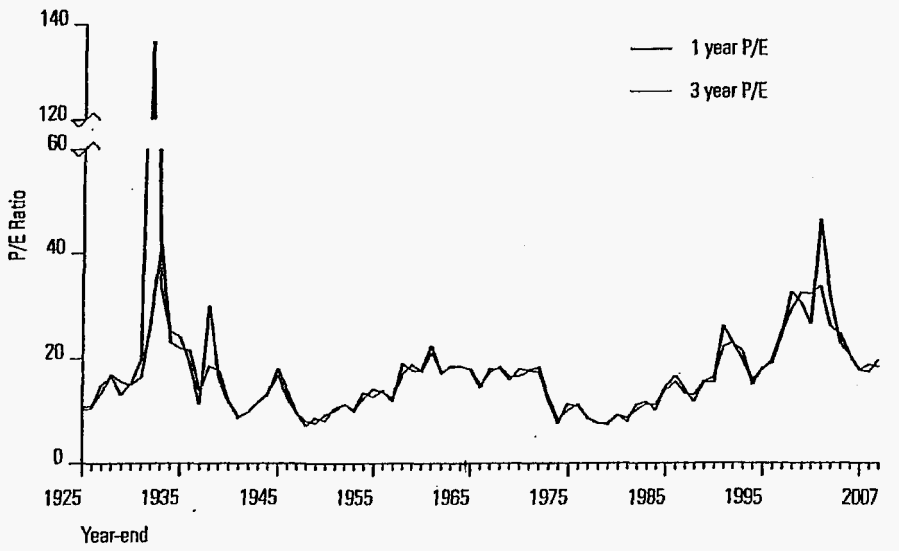
from 1925 to 2007



Roger G. Ibbotson and Peng Chen forecast the equity risk premium through a supply side model using historical data.[10] They utilized an earnings model as the basis for their supply side estimate. As seen from Graph 5-12, the growth in corporate earnings is in line with the growth of overall economic productivity. The earnings model breaks historical returns into four pieces, with only three historically being supplied by companies: inflation, income return, and growth in real earnings per share. The growth in the P/E ratio, the fourth piece, is a reflection of investors' changing prediction of future earnings growth. The past supply of corporate growth is forecasted to continue; however, a change in investors' predictions is not. P/E rose dramatically from 1980 through 2001 because people believed that corporate earnings were going to grow faster in the future. This growth of P/E drove a small portion of the rise in equity returns over the same period.

Graph 5-13 illustrates the price to earnings ratio calculated using one-year and three-year average earnings from 1926 to 2007. The P/E ratio, using one-year average earnings, was 10.22 at the beginning of 1926 and ended the year 2007 at 19.80—an average increase of 0.81 percent per year. The highest P/E was 136.52 recorded in 1932, while the lowest was 7.07 recorded in 1948. Ibbotson Associates revised the calculation of the P/E ratio from a one-year to a three-year average earnings for use in equity forecasting. This is because reported earnings are affected not only by the long-term productivity, but also by "one-time" items that do not necessarily have the same consistent impact year after year. The three-year average is more reflective of the long-term trend than the year-by-year numbers. The P/E ratio calculated using the three-year average of earnings had an increase of 0.67 percent per year.

Graph 5-13
Large Company Stocks
P/E Ratio



10 Ibbotson, Roger G., and Peng Chen, "Long-Run Stock Returns: Participating in the Real Economy." *Financial Analysts Journal*, January/February, vol. 59, no.1, 2003, pp. 88-98.

The historical P/E growth factor using three-year earnings of 0.67 percent per year is subtracted from the forecast because it is not believed that P/E will continue to increase in the future. The market serves as the cue. The current P/E ratio is the market's best guess for the future of corporate earnings and there is no reason to believe, at this time, that the market will change its mind.

Thus, the supply of equity returns only includes inflation, the growth in real earnings per share, and income return:

$$SR = [(1 + CPI) \times (1 + g_{REPS}) - 1] + Inc + Rinv$$

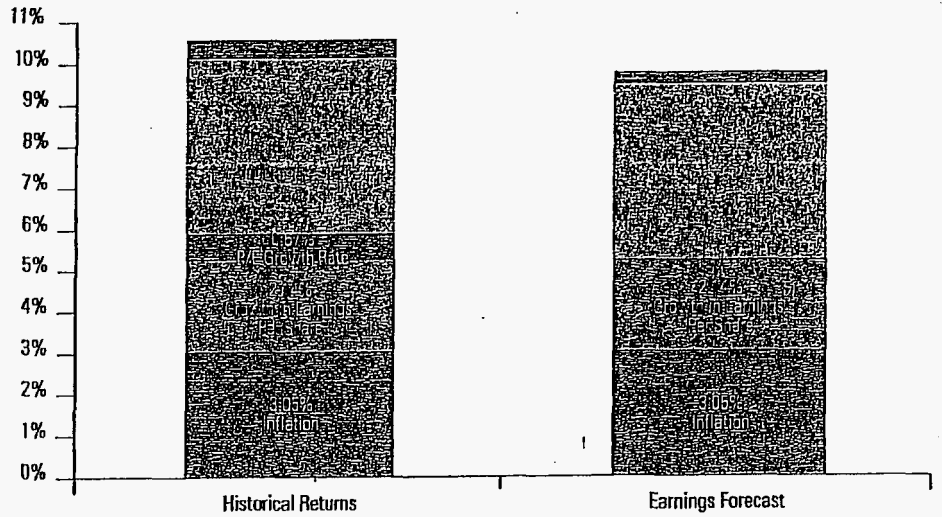
$$9.66\%^{*} = [(1 + 3.05\%) \times (1 + 2.14\%) - 1] + 4.20\% + 0.23\% \quad {}^{*}\text{difference due to rounding}$$

where:

SR = the supply of the equity return;
CPI = Consumer Price Index (inflation);
g_{REPS} = the growth in real earning per share;
Inc = the income return;
Rinv = the reinvestment return.

The forward-looking earnings model calculates the long-term supply of U.S. equity returns to be 9.66 percent.

Graph 5-14
Historical and Forecast Equity Returns Based on Earnings Model
1926–2007



Results add up geometrically, not arithmetically.
The darkest shade in the graph represents reinvested returns and an interaction factor between the return components.

Graph 5-14 illustrates the decomposition of historical equity returns from 1926-2007. It also illustrates the historical components that are supplied by companies: inflation, income return, and growth in real earnings per share. Once again the main difference between the historical and forecast equity returns is the exclusion of growth in P/E ratio in the forecasted earnings model.

The equity risk premium, based on the supply side earnings model, is calculated to be 4.24 percent on a geometric basis.

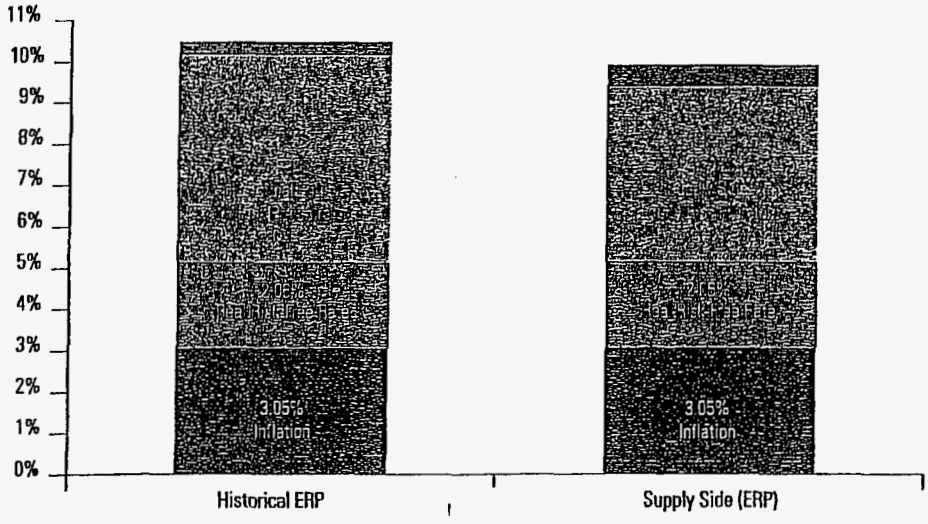
$$SERP = \frac{(1+SR)}{(1+CPI)\times(1+RRf)} - 1$$

$$4.24\%^{*} = \frac{(1+9.66\%)}{(1+3.05\%)\times(1+2.06\%)} - 1 \qquad ^{*}\text{difference due to rounding}$$

where:

SERP = the supply side equity risk premium;
SR = the supply of the equity return;
CPI = Consumer Price Index (inflation);
RRf = the real risk-free rate.

Graph 5-15
Historical and Forecast Equity Risk Premium
1926–2007



Results add up geometrically, not arithmetically.
The darkest shade in the graph represents reinvested returns and an interaction factor between the return components.

Graph 5-15 compares the historical equity risk premium, which includes the P/E ratio, to the supply side equity risk premium calculated from 1926 to 2007 on a geometric basis. Contrary to several recent studies on equity risk premium that declare the forward-looking equity risk premium to be close to zero, or even negative, Ibbotson and Chen have found the long-term supply of equity risk premium to be only slightly lower than the straight historical estimate.

The supply side equity risk premium calculated earlier is a geometric calculation. An arithmetic calculation, as mentioned earlier in the chapter, is most appropriate when discounting future cash flows. For use as the expected equity risk premium in either the CAPM or the buildup approach, the arithmetic calculation is the relevant number. There are several ways to convert the geometric average into an arithmetic average. One method is to assume the returns are independently lognormally distributed over time, where the arithmetic and geometric averages roughly follow the following relationship:

$$R_A = R_G + \frac{\sigma^2}{2}$$

$$6.23\% = 4.24\% + \frac{19.97\%^2}{2}$$

where:

R_A = the arithmetic average;
R_G = the geometric average;
σ = the standard deviation of equity returns.

As stated in IRS Ruling 59-60, although valuation is a forward-looking process, it must be based on facts available as of the required date of appraisal. Therefore, Ibbotson provides data critical to the valuation process as far back as 1926, such as the historical equity risk premium and size premium presented in Appendix A of this book. Similarly, Table 5-6 presents the supply side equity risk premium, on an arithmetic basis, beginning in 1926 and ending in each of the last 22 years.

Utilities Inc.
Brief Summary of Common Equity Cost Rate

No.	Principal Methods	Proxy Group of Six AUS Utility Reports Water Companies	Florida PSC Natural Gas Index
1.	Discounted Cash Flow Model (DCF) (1)	11.47 %	9.82 %
2.	Risk Premium Model (RPM) (2)	12.16 (3)	11.72 (3)
3.	Capital Asset Pricing Model (CAPM) (4)	12.20 (5)	10.95 (5)
4.	Comparable Earnings Model (CEM) (6)	13.56	15.75

Notes: (1) From page 2 of this Exhibit
(2) From page 11 of this Exhibit.
(3) Ms. Ahern did not utilize the average of the historical and projected market risk premia in calculating the Risk Premium Derived Common Equity Cost Rate. If she had utilized the average of the historical and projected market risk premia, the conclusions of her Risk Premium results would be 13.67% and 12.95% for the proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index respectively.

(4) From page 19 of this Exhibit.
(5) Ms. Ahern did not utilize the average of the historical and projected market risk premia in calculating the CAPM/ECAPM Derived Common Equity Cost Rate. If she had utilized the average of the historical and projected market risk premia the conclusions of her CAPM results would be 15.02% and 13.54% for the proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index respectively.

(6) From pages 24 and 29 of this Exhibit.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 42
COMPANY Utilities Inc. (Rebuttal)
WITNESS Pauline M. Ahern (PMA-28)
DATE 10/23/08

Utilities Inc.
Indicated Common Equity Cost Rate Through Use of the
Single Stage Discounted Cash Flow Model for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

Based upon Historical and Projected Growth in DPS, EPS, and BR+SV

	1	2	3	4	5
	Average Dividend Yield (1)	Dividend Growth Component (2)	Adjusted Dividend Yield (3)	Growth Rate (4)	Indicated Common Equity Cost Rate (5)
Proxy Group of Six AUS Utility Reports Water Companies					
American States Water Co.	2.70 %	0.07 %	2.77 %	5.18 %	7.95 %
Aqua America, Inc.	3.01	0.13	3.14	8.57	11.71
California Water Service Group	3.15	0.08	3.23	4.84	8.07
SJW Corp.	2.34	0.12	2.46	10.63	13.09
Southwest Water Company	2.17	0.09	2.26	8.75	11.01
York Water Company	3.33	0.12	3.45	7.30	10.75
Average	2.78 %	0.10 %	2.89 %	7.55 %	10.43 %
Median	2.86 %	0.11 %	2.96 %	7.94 %	10.88 %

Based upon Projected Growth in EPS

	1	2	3	4	5
	Average Dividend Yield (1)	Dividend Growth Component (2)	Adjusted Dividend Yield (3)	Growth Rate (4)	Indicated Common Equity Cost Rate (5)
Proxy Group of Six AUS Utility Reports Water Companies					
American States Water Co.	2.70 %	0.09 %	2.79 %	7.00 %	9.79 %
Aqua America, Inc.	3.01	0.13	3.14	8.65	11.79
California Water Service Group	3.15	0.13	3.28	8.10	11.38
SJW Corp.	2.34	0.16	2.50	14.00	16.50
Southwest Water Company	2.17	0.11	2.28	10.00	12.28
York Water Company	3.33	0.16	3.49	9.75	13.24
Average	2.78 %	0.13 %	2.91 %	9.58 %	12.50 %
Median	2.86 %	0.13 %	2.97 %	9.20 %	12.04 %
Florida PSC Natural Gas Index					
AGL Resources	4.95 %	0.12 %	5.07 %	5.00 %	10.07 %
Atmos Energy	4.76	0.11	4.87	4.75	9.62
Equitable Resources	1.58	0.11	1.69	14.25	15.94
Laclede Group	3.50	0.08	3.58	4.50	8.08
Nicor Inc.	4.28	0.10	4.38	4.50	8.88
Northwest Nat. Gas	3.18	0.09	3.27	5.65	8.92
Piedmont Natural Gas	3.75	0.11	3.86	5.90	9.76
South Jersey Inds.	2.95	0.10	3.05	6.85	9.90
Southwest Gas	2.99	0.09	3.08	6.15	9.23
WGL Holdings Inc.	4.25	0.07	4.32	3.50	7.82
Average	3.62 %	0.10 %	3.72 %	6.11 %	9.82 %
Median	3.63 %	0.10 %	3.72 %	5.33 %	9.43 %

Conclusion

Proxy Group of Six AUS Utility Reports Water Companies	
Average	11.47 %
Median	11.46 %
Florida PSC Natural Gas Index	
Average	9.82 %
Median	9.43 %

Notes:

(1) From page 3 of this Exhibit.
(2) This reflects a growth rate component equal to one-half the conclusion of growth rate (from page 1 of Schedule PMA-8 of this Exhibit) x Column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for American States Water Co., 2.70% x (1/2 x 5.18%) = 0.07%.
(3) Column 1 + Column 2.
(4) From page 4 of this Exhibit.
(5) Column 3 + Column 4.

Utilities Inc.
Derivation of Dividend Yield for Use in the
Discounted Cash Flow Model

	Dividend Yield		
	Spot (08/29/2008) (1)	Average of Last 3 Months (2)	Average Dividend Yield (3)
Proxy Group of Six AUS Utility Reports Water Companies			
American States Water Co.	2.53 %	2.86 %	2.70 %
Aqua America, Inc.	2.95	3.07	3.01
California Water Service Group	2.98	3.32	3.15
SJW Corp.	2.34	2.34	2.34
Southwest Water Company	2.03	2.32	2.17
York Water Company	3.40	3.26	3.33
Average	2.71 %	2.86 %	2.78 %
Median	2.74 %	2.97 %	2.86 %
Florida PSC Natural Gas Index			
AGL Resources	5.08 %	4.81 %	4.95 %
Atmos Energy	4.72	4.79	4.76
Equitable Resources	1.76	1.40	1.58
Laclede Group	3.34	3.67	3.50
Nicor Inc.	4.03	4.53	4.28
Northwest Nat. Gas	3.08	3.28	3.18
Piedmont Natural Gas	3.60	3.90	3.75
South Jersey Inds.	3.03	2.87	2.95
Southwest Gas	2.97	3.01	2.99
WGL Holdings Inc.	4.41	4.09	4.25
Average	3.60 %	3.64 %	3.62 %
Median	3.47 %	3.78 %	3.63 %

Notes: (1) The spot dividend yield is the current annualized dividend per share divided by the spot market price on 08/29/08.
(2) The average 3-month dividend yield was computed by relating the indicated annualized dividend rate and market price on the last trading day of each of the three months ended July 31, 2008.
(3) Equal weight has been given to the 3-month average and spot dividend yield. This provides recognition of current conditions, but does not place undue emphasis thereon.

Source of Information: S&P Stock Guides June-August 2008
yahoo.finance.com

UNITIL Inc.
Historical and Projected Growth

	1	2	3	4	5	6		7	8	9	10	11	12	13
	Value Line Historical Five Year Growth Rate (1)		Five Year Historical BR + SV (2)	Value Line Projected 2005-07 to 2011-13 Growth Rate (1)		Reuters Mean Consensus Projected Five Year Growth Rate		Average Projected Five Year Growth Rate in EPS (3)	Projected Five Year BR + SV (4)	Range of Growth Rates			Median of all Growth Rates	Average of Midpoint and Median of all Growth Rates (9)
	DPS	EPS		DPS	EPS	EPS	No. of Est.			Low	High	Midpoint		
Proxy Group of Six AUS Utility Reports Water Companies														
American States Water Co.	1.50 %	1.50 %	4.61 %	5.00 %	10.00 %	4.00 %	[1]	7.00 %	8.41 %	1.50 %	10.00 %	5.75 %	4.61 %	5.18 %
Aqua America, Inc.	7.50	7.00	8.95	7.50	9.00	8.30	[3]	8.65	12.32	8.95	12.32	9.64	7.50	8.57
California Water Service Group	0.50	4.50	5.17	1.00	8.50	7.70	[3]	8.10	7.74	0.50	8.50	4.50 (8)	5.17	4.84
SJW Corp.	5.50	9.50	7.09	NA	10.00	18.00	[1]	14.00	NA	5.50	18.00	11.75	9.50	10.63
Southwest Water Company	9.00	(19.50)	9.41	6.00	12.00	8.00	[3]	10.00	8.98	6.00 (8)	12.00	9.00 (8)	8.50 (8)	8.75
York Water Company	5.95 (5)	6.45 (5)	4.75	NA	11.50	8.00	[1]	9.75	NA	4.75	11.50	8.14	6.45	7.30
Average	5.69 % (6)	6.11 % (6)	6.34 %	4.88 %	10.17 %	9.00 %		9.58 %	8.86 %	4.21 %	12.05 %	8.13 %	6.96 %	7.55 %
Median	5.95 %	6.45 %	6.95 %	6.00 %	10.00 %	8.00 %		9.75 %	8.41 %	5.50 %	12.00 %	9.00 %	7.50 %	8.57 %
Florida PSC Natural Gas Index														
AGL Resources					3.50 %	6.50 %	[2]	5.00 %						5.00 %
Atmos Energy					4.50	5.00	[5]	4.75						4.75
Equitable Resources					15.50	13.00	[2]	14.25						14.25
Laclede Group					4.50	NA	[NA]	4.50						4.50
Nicor Inc.					4.50	4.50	[4]	4.50						4.50
Northwest Nat. Gas					7.00	4.30	[3]	5.65						5.65
Piedmont Natural Gas					6.00	5.80	[4]	5.90						5.90
South Jersey Inds.					6.00	7.70	[3]	6.85						6.85
Southwest Gas					7.00	5.30	[3]	6.15						6.15
WGL Holdings Inc.					3.50	NA	[NA]	3.50						3.50
Average					6.20 %	6.51 %		7.13 %						7.13 %
Median					5.25 %	5.55 %		5.33 %						5.33 %

NA= Not Applicable

Notes:
(1) As shown on pages 31 through 46 of this Exhibit. Historical growth rates are five-year compound growth rates.
(2) From page 2 of this Schedule.
(3) Average of Columns 5 and 6.
(4) From page 9 of this Schedule.
(5) Calculated using the same methodology as Value Line Investment Survey, i.e., three-year base periods ending 2007.
(6) Average of Columns 1, 2, 3, 4, 5, 6, and 8.
(7) From Column 7.
(8) Excludes negatives.
(9) Average of Column 11 and Column 12.

Source of Information: Value Line Investment Survey
Reuters Company Research August 28, 2008

Utilities Inc.
Calculation of Historical BR + SV

	1	2	3	4	5
	BR (1)	S Factor (2)	V Factor (3)	SV (4)	BR + SV (5)
Proxy Group of Six AUS Utility Reports					
Water Companies					
American States Water Co.	3.30 %	2.63 %	49.92 %	1.31 %	4.61 %
Aqua America, Inc.	4.51	3.49	70.00	2.44	6.95
California Water Service Group	1.66	6.50	54.05	3.51	5.17
SJW Corp.	7.04	0.10	54.99	0.05	7.09
Southwest Water Company	3.14	12.14	51.68	6.27	9.41
York Water Company	2.49	3.42	66.96	2.29	4.78
Average	3.69 %	4.71 %	57.93 %	2.65 %	6.34 %
Median	3.22 %	3.46 %	54.52 %	2.37 %	6.06 %

Notes:
(1) From column 6, page 6 of this Exhibit.
(2) From column 12, page 7 of this Exhibit.
(3) From column 7, page 8 of this Exhibit.
(4) Column 2 * column 3.
(5) Column 1 + column 4.

Utilities Inc.
Historical Internal Growth Rate (1), i.e., BR, for
the Proxy Group of Six AUS Utility Reports Water Companies
for the Years 2003 -2007

	1	2	3	4	5	6
	2007	2006	2005	2004	2003	Five-Year Average 2003-2007 Internal Growth Rate, i.e., BR
Proxy Group of Six AUS Utility Reports Water Companies						
American States Water Co.						
Common Equity Return Rate	9.57 %	8.43 %	10.38 %	7.99 %	5.59 %	
Retention Ratio	41.30	32.40	43.59	25.17	(12.98)	
Internal Growth Rate (1)	3.95	2.73	4.52	2.01	(0.73)	3.30 % (2)
Aqua America, Inc.						
Common Equity Return Rate	10.01 %	10.61 %	11.69 %	11.39 %	12.30 %	
Retention Ratio	32.89	36.93	43.90	42.75	43.61	
Internal Growth Rate (1)	3.29	3.92	5.13	4.87	5.36	4.51
California Water Service Group						
Common Equity Return Rate	8.16 %	7.56 %	9.31 %	9.72 %	8.68 %	
Retention Ratio	22.58	14.21	25.81	22.97	8.79	
Internal Growth Rate (1)	1.84	1.07	2.40	2.23	0.76	1.66
SJW Corp.						
Common Equity Return Rate	8.31 %	18.19 %	11.48 %	11.27 %	11.68 %	
Retention Ratio	42.61	72.66	55.23	52.90	52.56	
Internal Growth Rate (1)	3.54	13.22	6.34	5.96	6.14	7.04
Southwest Water Company						
Common Equity Return Rate	(3.11) %	5.99 %	5.38 %	4.40 %	10.20 %	
Retention Ratio	211.99	46.26	42.00	21.88	64.23	
Internal Growth Rate (1)	(6.59)	2.77	2.26	0.96	6.55	3.14 (2)
York Water Company						
Common Equity Return Rate	9.67 %	10.52 %	11.85 %	12.17 %	11.66 %	
Retention Ratio	17.66	20.87	24.70	25.86	21.04	
Internal Growth Rate (1)	1.71	2.20	2.93	3.15	2.45	2.49
Average						3.69 %
Median						3.22 %

Notes: (1) The internal growth rate is calculated by multiplying the common equity return rate by the *retention ratio (100% minus the dividend payout ratio).* All data are on a consolidated basis.

(2) Excludes negatives.

Source of Information: *Standard & Poor's Compustat Services, Inc., PC Plus / Research Insight* Database
EDGAR Online's I-Metrix Database
Company Annual Forms 10-K

Utilities Inc.

Calculation of Five Year Average Growth in Common Shares Outstanding (1), i.e., S Factor

	1	2	3	4	5	6	7	8	9	10	11	12
	2002 Common Shares Outstanding (1)	02-03 Growth	2003 Common Shares Outstanding (1)	03-04 Growth	2004 Common Shares Outstanding (1)	04-05 Growth	2005 Common Shares Outstanding (1)	05-06 Growth	2006 Common Shares Outstanding (1)	06-07 Growth	2007 Common Shares Outstanding (1)	Five Year Average Common Share Growth
Proxy Group of Six AUS Utility Reports												
Water Companies												
American States Water Co.	15.181	0.20 %	15.212	10.12 %	16.752	0.27 %	16.798	1.49 %	17.049	1.07 %	17.231	2.63 %
Aqua America, Inc.	113.195	9.06	123.452	3.02	127.180	1.41	128.969	2.60	132.325	1.34	134.099	3.49
California Water Service Group	15.182	11.53	16.932	8.46	18.367	0.13	18.390	12.33	20.657	0.04	20.666	6.50
SJW Corp.	16.270	0.00	16.270	0.00	16.270	0.00	16.270	0.07	16.282	0.44	16.362	0.10
Southwest Water Company	13.662	16.38	16.173	25.92	20.365	3.75	21.129	12.65	23.802	0.00	23.802	12.14
York Water Company	9.547	0.86	9.629	7.29	10.331	0.87	10.400	7.70	11.201	0.57	11.265	3.42
Average												4.71 %
Median												3.46 %

Notes: (1) Year-end shares outstanding.
(2) Excludes negatives.

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus / Research Insight Database
EDGAR Online's I-Metrix Database
Company Annual Forms 10-K

Utilities Inc.
Calculation of the Premium/Discount of a
Company's Stock Price Relative to its Book Value, i.e., V Factor

	1	2	3	4	5	6	7
	2003 Market to Book Ratio (1)	2004 Market to Book Ratio (1)	2005 Market to Book Ratio (1)	2006 Market to Book Ratio (1)	2007 Market to Book Ratio (1)	Five Year Average Market to Book Ratio	V Factor (2)
Proxy Group of Six AUS Utility Reports							
Water Companies							
American States Water Co.	180.32 %	164.33 %	191.52 %	228.93 %	233.23 %	199.67 %	49.92 %
Aqua America, Inc.	295.63	291.42	383.81	376.47	319.27	333.32	70.00
California Water Service Group	199.83	212.55	231.58	228.96	215.26	217.64	54.05
SJW Corp.	157.17	178.24	210.59	286.55	278.31	222.17	54.99
Southwest Water Company	206.18	222.48	185.84	215.62	204.75	206.97	51.68
York Water Company	286.90	287.48	311.01	339.98	287.96	302.67	66.96
Average						247.07 %	57.93 %
Median						219.91 %	54.52 %

Notes: (1) Market to Book Ratio = average of yearly high-low market price divided by the average of beginning and ending year's balance of book common equity per share.
(2) (1 - (100 / column 6)).

Source of Information: Standard & Poor's Compustat Services, Inc., PC Plus / Research Insight Database
EDGAR Online's I-Metrix Database
Company Annual Forms 10-K

Utilities Inc.
Calculation of Projected BR + SV

	1	2	3	4	5	6	7	8	9	10	11
	Common Shares Outstanding (1) (000,000)			Projected 2011 - 2013 (1)							
	Actual 2007	Projected 2011-2013	S Factor (2)	High Stock Price	Low Stock Price	Book Value	Average Stock Price (3)	V Factor (4)	SV (5)	BR (6)	BR + SV (7)
Proxy Group of Six AUS Utility Reports											
Water Companies											
American States Water Co.	17.23	19.00	1.97 %	$ 65.00	$ 40.00	$ 19.20	$ 52.50	63.43 %	1.25 %	7.16 %	8.41 %
Aqua America, Inc.	133.40	139.00	0.83	35.00	25.00	10.10	30.00	66.33	0.55	11.77	12.32
California Water Service Group	20.67	25.00	3.88	60.00	40.00	21.80	50.00	56.40	2.19	5.55	7.74
SJW Corp.	18.36	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Southwest Water Company	24.27	28.00	2.90	20.00	14.00	7.85	17.00	53.82	1.56	5.40	6.96
York Water Company	11.27	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average			2.40 %					60.00 %	1.39 %	7.47 %	8.86 %
Median			2.44					59.92 %	1.41 %	6.36 %	8.08 %

NA = Not Available

Notes:
(1) From pages 31 through 46 of this Exhibit.
(2) The S Factor is the six or five year compound growth rate between the 2007 and 2012 (mid-point of 2011-2013 projection) common shares outstanding.
(3) The Average Stock Price is the average of column 4 and column 5.
(4) (1 - (column 6 / column 7))
(5) Column 3 * column 8.
(6) From page 10, column 14 of this Exhibit.
(7) Column 9 + column 10.

Source of Information: Value Line Investment Survey

Utilities Inc.
Projected Internal Growth Rate

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	2007			2011-2013					2011-2013					
	Common Equity (%) (1)	Total Capital ($ mill) (1)	Common Equity ($ mill) (2)	Common Equity (%) (1)	Total Capital ($ mill) (1)	Common Equity ($ mill) (3)	Annual Common Equity Growth Rate (4)	ROE Adjustment Factor (5)	Return on Common Equity (1)	Return on Average Common Equity (6)	EPS (1)	DPS (1)	Retention Ratio (7)	Projected Internal Growth (8)
Proxy Group of Six AUS Utility Reports														
Water Companies														
American States Water Co.	53.10 %	$ 569.40	$ 302.35	50.00 %	$ 730.00	$ 365.00	3.84 %	1.02 %	13.50 %	13.77 %	$ 2.50	$ 1.20	52.00 %	7.16 %
Aqua America, Inc.	44.80	2,191.40	977.35	49.00	2,655.00	1,398.95	7.44	1.04	12.00	12.48	12.00	0.68	94.33	11.77
California Water Service Group	56.60	674.90	381.99	52.00	1,050.00	546.00	7.41	1.04	11.00	11.44	2.35	1.21	48.51	5.55
SJW Corp.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Southwest Water Company	50.00	290.00	145.00	62.00	370.00	229.40	9.61	1.05	9.00	9.45	0.70	0.30	57.14	5.40
York Water Company	53.50	125.70	67.25	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average														7.47 %
Median														5.35 %

NA = Not Available

Notes:
(1) From pages 31 through 46 of this Exhibit.
(2) Column 1 * column 2.
(3) Column 4 * column 5.
(4) Five year compound growth rate in common equity from 2007 to 2011-2013 or ((((column 6 / column 3) ^ (1/5)) - 1)).
(5) 2 * ((1 + column 7) / (2 + column 7)) .
(6) Column 8 * column 9.
(7) 1 - (column 12 / column 11).
(8) Column 10 * column 13.

Source of Information: Value Line Investment Survey

Utilities Inc.
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Six AUS Utility Reports Water Companies	Florida PSC Natural Gas Index
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	5.87 %	5.87 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A Rated Public Utility Bonds	0.71 (2)	0.71 (2)
3.	Adjusted Prospective Yield on A Rated Public Utility Bonds	6.58 %	6.58 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	0.00 (3)	0.18 (4)
5.	Adjusted Prospective Bond Yield	6.58	6.76
6.	Equity Risk Premium (5)	5.58	4.96
7.	Risk Premium Derived Common Equity Cost Rate (6)	12.16 %	11.72 %

Notes:
(1) Derived in Note (3) on page 16 of this Exhibit.
(2) The average yield spread of A rated public utility bonds over Aaa rated corporate
(3) No adjustment necessary as the average Moody's bond rating of the proxy group is A2 as shown on page 2 of this Exhibit.
(4) Adjustment to reflect the A3 Moody's Bond Rating of the Florida PSC Natural Gas Index. The 18 basis point adjustment is derived by taking 1/3 of the spread between Baa and A2 Public Utility Bonds (1/3 * 0.55% = 0.18%)
(5) From page 15 of this Exhibit.
(6) Ms. Ahern did not utilize the average of the historical and projected market risk premia in calculating the Risk Premium Derived Common Equity Cost Rate. If she had utilized the average of the historical and projected market risk premia, the conclusions of her Risk Premium results would be 13.67% and 12.95% for the proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index respectively.

Comparison of Bond Ratings, Business Risk and Financial Risk Profiles for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

	Moody's Bond Rating August 2008		Standard & Poor's Bond Rating August 2008							
	Bond Rating	Numerical Weighting (1)	Bond Rating	Numerical Weighting (1)	Credit Rating	Numerical Weighting (1)	Business Risk Profile (2)	Numerical Weighting (1)	Financial Risk Profile (2)	Numerical Weighting (1)
Proxy Group of Six AUS Utility Reports Water Companies										
American States Water Company (3)	A2	6	A	6	A	6	Excellent	1	Intermediate	2
Aqua America, Inc.(4)	NR	--	AA-	4	A+	5	Excellent	1	Intermediate	2
California Water Services Group (5)	NR	--	NR	--	A+	5	Excellent	1	Intermediate	2
SJW Corporation (6)	NR	--	NR	--	NR	--	NR	--	NR	--
Southwest Water Company (7)	NR	--	NR	--	NR	--	NR	--	NR	--
York Water Company (The)	NR	--	A-	7	A-	7	Excellent	1	Intermediate	2
Average	A2	6.0	A	5.7	A	6.0	Excellent	1.0	Intermediate	2.0
Florida PSC Natural Gas Index										
AGL Resources Inc. (8)	A3	7	A-	7	A	6	Excellent	1	Intermediate	2
Atmos Energy	Baa3	10	BBB	9	BBB	9	Excellent	1	Aggressive	3
Equitable Resources Inc.	Baa1	8	BBB	9	BBB+	8	Satisfactory	3	Intermediate	2
Nicor Inc. (9)	A1	5	AA	3	AA	3	Excellent	1	Intermediate	2
Laclede Group, Inc. (The) (10)	A3	7	A	6	A	6	Excellent	1	Intermediate	2
Northwest Natural Gas Company	A2	6	A-	7	AA-	4	Excellent	1	Intermediate	2
Piedmont Natural Gas Company	A3	7	A	6	A	6	Excellent	1	Intermediate	2
South Jersey Industries (12)	Baa1	8	A	6	BBB+	8	Excellent	1	Aggressive	3
Southwest Gas Corp.	Baa3	10	BBB-	10	BBB-	10	Strong	2	Aggressive	3
WGL Holdings, Inc. (13)	A2	6	AA-	4	AA-	4	Excellent	1	Intermediate	2
Average	A3	7.4	A/A-	6.7	A	6.4	Excellent	1.3	Intermediate	2.3

Notes:

(1) From page 13 of this Exhibit.
(2) From Standard & Poor's Issuer Ranking: U.S. Investor-Owned Water Utilities, Strongest to Weakest, August 8, 2008.
(3) Ratings, business risk and financial risk profiles are those of Golden State Water Company
(4) Ratings, business risk and financial risk profiles are those of Aqua Pennsylvania, Inc.
(5) Ratings, business risk and financial risk profiles are those of California Water Service Company.
(6) Ratings, business risk and financial risk profiles are those of San Jose Water Company.
(7) Ratings, business risk and financial risk profiles are a composite of those of Hornsby Bend Utility Co., New Mexico Utilities, Inc., Suburban Water Systems, and Windermere Utility Co.
(8) Ratings, business risk and financial risk profiles are those of Atlanta Gas Light Company.
(9) Ratings, business risk and financial risk profiles are those of Nicor Gas Company.
(10) Ratings, business risk and financial risk are those of Laclede Gas Company.
(11) Ratings, business risk and financial risk profiles are those of New Jersey Natural Gas Company.
(12) Ratings, business risk and financial risk profiles are those of South Jersey Gas.
(13) Ratings, business risk and financial risk profiles are those of Washington Gas Light Company.

Source Info: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Utilities Inc.
Numerical Assignment for
Moody's and Standard & Poor's Bond Ratings
Standard & Poor's Business and Financial Risk Profiles

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-

Standard & Poor's

Business Risk Profile	Numerical Weighting	Financial Risk Profile	Numerical Weighting
Excellent	1	Modest	1
Strong	2	Intermediate	2
Satisfactory	3	Aggressive	3
Weak	4	Highly Leveraged	4
Vulnerable	4		

Moody's
Comparison of Interest Rate Trends
for the Three Months Ending July 2008 (1)

Years	Corporate Bonds Aaa Rated	Public Utility Bonds Aa Rated	Public Utility Bonds A Rated	Public Utility Bonds Baa Rated	Spread - Corporate v. Public Utility Bonds: Aa (Pub. Util.) over Aaa (Corp.)	Spread - Corporate v. Public Utility Bonds: A (Pub. Util.) over Aaa (Corp.)	Spread - Corporate v. Public Utility Bonds: Baa (Pub. Util.) over Aaa (Corp.)	Spread - Public Utility Bonds: A over Aa	Spread - Public Utility Bonds: Baa over A
May-08	5.57	6.07	6.27	6.79 %					
June-08	5.68	6.19	6.38	6.93					
July-08	5.67	6.13	6.40	6.97					
Average of Last 3 Months	5.64 %	6.13 %	6.35 %	6.90 %	0.49 %	0.71 %	1.26 %	0.22 %	0.55 %

Notes: (1) All yields are distributed yields.

Source of information: Mergent Bond Record, August 2008, Vol. 75, No. 8

Utilities Inc.
Judgment of Equity Risk Premium for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

Line No.		*Proxy Group of Six AUS* Utility Reports Water Companies	Florida PSC Natural Gas Index
1.	Calculated equity risk premium based on the total market using the beta approach (1)	6.51	5.27
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A rated bonds (2)	4.65	4.65
3.	Average equity risk premium (3)	5.58 %	4.96 %

Notes: (1) From page 16 of this Exhibit.
(2) From page 17 of this Exhibit.
(3) If the average of the historical and projected equity risk premium were used in deriving the average equity risk premium the results would be 7.09% and 6.18% for the proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index respectively.

Utilities Inc.
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

Line No.		Proxy Group of Six AUS Utility Reports Water Companies	Florida PSC Natural Gas Index
1.	Arithmetic mean total return rate on the Standard & Poor's 500 Composite Index - 1926-2007 (1)	12.30 %	12.30 %
2.	Arithmetic mean yield on Aaa and Aa Corporate Bonds 1926-2007 (2)	(6.10)	(6.10)
3.	Historical Equity Risk Premium	6.20 %	6.20 %
4.	Forecasted 3-5 year Total Annual Market Return (3)	17.83 %	17.83 %
5.	Prospective Yield an Aaa Rated Corporate Bonds (4)	(5.87)	(5.87)
6.	Forecasted Equity Risk Premium	11.96 %	11.96 %
7.	Conclusion of Equity Risk Premium (5)	6.20 %	6.20 %
8.	Adjusted Value Line Beta (6)	1.05	0.85
9.	Beta Adjusted Equity Risk Premium	6.51 %	5.27 %

Notes:
(1) From Ibboston SBBI - 2008 Valuation Yearbook - Market Results for Stocks Bonds Bills and Inflation for 1926-2007 - 2008 Yearbook Valuation Edition, Morningstar, Inc., 2008 Chicago, IL.

(2) From Moody's Industrial Manual and Mergent Bond Record Monthly Update.

(3) From page 21 of this Exhibit.

(4) Average forecast based upon six quarterly estimates of Aaa rated corporate bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated September 1, 2008 (see Exhibit (PMA-2) Page 2 of 2. The estimates are detailed below.

Third Quarter 2008	5.70 %
Fourth Quarter 2008	5.70
First Quarter 2009	5.80
Second Quarter 2009	5.90
Third Quarter 2009	6.00
Fourth Quarter 2009	6.10
Average	5.87 %

(5) The average of the Historical Equity Risk Premium of 6.20% from Line No. 3 and the Forecasted Equity Risk Premium of 11.60% from Line No. 6 ((6.20% + 11.60%) / 2 = 8.90%. Normally, Ms. Ahern would use the average Historical Equity Risk Premium in her Risk Premium Analysis. However, in Ms. Ahern's opinion, the current and recent substantial volatility in the stock market is extraordinary and *not representative of the expected long-term. Consequently, in this instance, Ms. Ahern will not* consider what she believes is an extraordinary expected capital appreciation and instead will rely only upon the 6.20% historical market premium. If she had relied on the average of the historical and the forcasted equity risk premium, the results for the beta adjusted equity risk premium would be 9.53% and 7.72% for the proxy group of six AUS Utility reports water companies and the Florida PSC Natural Gas Index respectively

(6) From page 18 of this Exhibit.

Utilities Inc.
Derivation of Mean Equity Risk Premium Based on a Study
Using Holding Period Returns of Public Utilities

Line No.		Over A Rated Public Utility Bonds AUS Consultants - Utility Services Study (1)
Time Period		1928-2007
1.	Arithmetic Mean Holding Period Returns (2): Standard & Poor's Public Utility Index	11.24 %
2.	Arithmetic Mean Yield on: Moody's A Rated Public Utility Bonds	(6.59)
3.	Equity Risk Premium	4.65 %

Notes: (1) S&P Public Utility Index and Moody's Public Utility Bond Average Annual Yields 1928-2007, (AUS Consultants - Utility Services, 2008).

(2) Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.

Utilities Inc.
Value Line Adjusted Betas for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

	Value Line Adjusted Beta
Proxy Group of Six AUS Utility Reports Water Companies	
American States Water Co.	1.05
Aqua America, Inc.	0.95
California Water Service Group	1.15
SJW Corp.	1.15
Southwest Water Company	1.05
York Water Company	0.50
Average	0.98
Median	1.05
Florida PSC Natural Gas Index	
AGL Resources	0.85
Atmos Energy	0.85
Equitable Resources	0.95
Laclede Group	0.85
Nicor Inc.	0.95
Northwest Nat. Gas	0.80
Piedmont Natural Gas	0.85
South Jersey Inds.	0.85
Southwest Gas	0.90
WGL Holdings Inc.	0.90
Average	0.88
Median	0.85

Source of Information: Value Line Investment Survey March 14, 2008 and January 25, 2008
Standard Edition and Small and Mid-Cap Edition

Utilities Inc.
of the Capital Asset Pricing Model for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index

Line No.		Proxy Group of Six AUS Utility Reports Water Companies	Florida PSC Natural Gas Index
1.	Traditional Capital Asset Pricing Model (1)	12.24 %	10.82 %
2.	Empirical Capital Asset Pricing Model (1)	12.15 %	11.08 %
3.	Conclusion (2)	12.20 %	10.95 %

Notes: (1) From page 20 of this Exhibit.
(2) Ms. Ahern did not utilize the average of the historical and projected market risk premia in calculating the CAPM/ECAPM Derived Common Equity Cost Rate. If she had utilized the average of the historical and projected market risk premia the conclusions of her CAPM results would be 15.02% and 13.54% for the proxy group of six AUS Utility Reports water companies and the Florida PSC Natural Gas Index respectively.

Utilities Inc.
Indicated Common Equity Cost Rate Through Use
of the Capital Asset Pricing Model

	1 Value Line Adjusted Beta	2 Company-Specific Risk Premium Based on Market Premium of 7.10% (1)	3 CAPM Result Including Risk-Free Rate of 4.78% (2)
Traditional Capital Asset Pricing Model (3)			
Proxy Group of Six AUS Utility Reports Water Companies			
American States Water Co.	1.05	7.46 %	12.24 %
Aqua America, Inc.	0.95	6.75	11.53
California Water Service Group	1.15	8.17	12.95
SJW Corp.	1.15	8.17	12.95
Southwest Water Company	1.05	7.46	12.24
York Water Company	0.50	3.55	8.33
Average	0.98	6.93 %	11.71 %
Median	1.05	7.46 %	12.24 %
Florida PSC Natural Gas Index			
AGL Resources	0.85	6.04 %	10.82 %
Atmos Energy	0.85	6.04	10.82
Equitable Resources	0.95	6.75	11.53
Laclede Group	0.85	6.04	10.82
Nicor Inc.	0.95	6.75	11.53
Northwest Nat. Gas	0.80	5.68	10.46
Piedmont Natural Gas	0.85	6.04	10.82
South Jersey Inds.	0.85	6.04	10.82
Southwest Gas	0.90	6.39	11.17
WGL Holdings Inc.	0.90	6.39	11.17
Average	0.88	6.22 %	11.00 %
Median	0.85	6.04 %	10.82 %
Empirical Capital Asset Pricing Model (5)			
Proxy Group of Six AUS Utility Reports Water Companies			
American States Water Co.	1.05	7.37 %	12.15 %
Aqua America, Inc.	0.95	6.83	11.61
California Water Service Group	1.15	7.90	12.68
SJW Corp.	1.15	7.90	12.68
Southwest Water Company	1.05	7.37	12.15
York Water Company	0.50	4.44	9.22
Average	0.98	6.97 %	11.75 %
Median	1.05	7.37 %	12.15 %
Florida PSC Natural Gas Index			
AGL Resources	0.85	6.30 %	11.08
Atmos Energy	0.85	6.30	11.08
Equitable Resources	0.95	6.83	11.61
Laclede Group	0.85	6.30	11.08
Nicor Inc.	0.95	6.83	11.61
Northwest Nat. Gas	0.80	6.04	10.82
Piedmont Natural Gas	0.85	6.30	11.08
South Jersey Inds.	0.85	6.30	11.08
Southwest Gas	0.90	6.57	11.35
WGL Holdings Inc.	0.90	6.57	11.35
Average	0.88	6.43 %	11.21 %
Median	0.85	6.30 %	11.08 %

See page 21 for notes.

Utilities Inc.
Development of the Market-Required Rate of Return on Common Equity Using
the Capital Asset Pricing Model for
the Proxy Group of Six AUS Utility Reports Water Companies
and the Florida PSC Natural Gas Index
Adjusted to Reflect a Forecasted Risk-Free Rate and Market Return

Notes:

(1) For reasons explained in Ms. Ahern's accompanying direct testimony, from the three previous month-end (Jun. '08 – Aug. '08), as well as a recently available (Aug. 29, 2008), Value Line Summary & Index, a forecasted 3-5 year total annual market return of 17.83% can be derived by averaging the 3-month and spot forecasted total 3-5 year total appreciation, converting it into an annual market appreciation and adding the Value Line average forecasted annual dividend yield.

The 3-5 year average total market appreciation of 78% produces a four-year average annual return of 15.51% ((1.78^{25}) - 1). When the average annual forecasted dividend yield of 2.32% is added, a total average market return of 17.83% (2.32% + 15.51%) is derived.

The 3-month and spot forecasted total market return of 17.83% minus the risk-free rate of 4.78% (developed in Note 2) is 13.05% (17.83% - 4.78%). The Morningstar, Inc. (Ibbotson Associates) calculated market premium of 7.10% for the period 1926-2007 results from a total market return of 12.30% less the average income return on long-term U.S. Government Securities of 5.20% (12.30% - 5.20% = 7.10%). This is then averaged with the 13.05% Value Line market premium resulting in a 10.08% market premium. In Ms. Ahern's opinion, the current and recent substantial decline in the stock market is extraordinary and not representative of the expected long-term. Consequently, in this instance, Ms. Ahern will not consider what she believes is an extraordinary expected capital appreciation and instead will rely only upon the 7.10% historical market premium which will be then multiplied by the beta in column 1 of page20 of this Exhibit.

(2) Average forecast based upon six quarterly estimates of 30-year Treasury Note yields per the consensus of nearly 50 economists reported in the Blue Chip Financial Forecasts dated September 1, 2008 (see page 2 of Exhibit. (PMA-2)_) The estimates are detailed below:

	30-Year Treasury Note Yield
First Quarter 2008	4.60%
Second Quarter 2008	4.60
Third Quarter 2008	4.70
Fourth Quarter 2008	4.80
First Quarter 2009	4.90
Second Quarter 2009	5.10
Average	4.78%

(3) The traditional Capital Asset Pricing Model (CAPM) is applied using the following formula:

$R_S = R_F + \beta (R_M - R_F)$

Where R_S = Return rate of common stock
R_F = Risk Free Rate
β = Value Line Adjusted Beta
R_M = Return on the market as a whole

(4) The empirical CAPM is applied using the following formula:

$R_S = R_F + .25 (R_M - R_F) + .75 \beta (R_M - R_F)$

Where R_S = Return rate of common stock
R_F = Risk-Free Rate
β = Value Line Adjusted Beta
R_M = Return on the market as a whole

Source of Information: Value Line Summary & Index
Blue Chip Financial Forecasts, September 1, 2008
Value Line Investment Survey, Standard Edition and Small and Mid-Cap Edition
2008 Ibbotson Risk Premia Over Time Report– Estimates for 1926-2007, Morningstar, Inc., Chicago, IL, 2008

Utilities Inc.
Comparable Earnings Analysis
for a Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the
Proxy Group of Six AUS Utility Reports Water Companies (1)

Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital			
					5-year Average (2)		5-Year Projected (3)	
					Percent	Student's Statistic	Percent	Student's Statistic
Advance Auto Parts	1.00	0.94	3.4143	0.1282	24.64 %	1.02	20.00 %	0.54
AllianceBernstein Hldg.	1.20	1.27	2.9343	0.1102	21.06	0.62	30.50	1.96
Applied Biosystems	0.85	0.77	2.8827	0.1082	18.58	-	18.00	0.28
ABM Industries Inc.	0.95	0.90	3.2821	0.1233	8.88	(0.75)	13.00	(0.35)
Amer. Cap. Strategies	1.15	1.21	3.0436	0.1143	10.72	(0.54)	15.00	(0.09)
Alcon Inc.	0.80	0.83	3.5142	0.1319	43.22 (4)	3.08	37.50 (4)	2.74
Accenture Ltd.	1.05	1.05	2.8857	0.1083	54.46 (4)	4.36	41.50 (4)	3.23
Affiliated Computer	0.95	0.91	3.4013	0.1277	13.52	(0.23)	14.50	(0.16)
Analog Devices	0.90	0.81	3.5233	0.1323	14.82	(0.10)	31.00	1.52
Archer Daniels Mid'd	1.00	0.99	3.4805	0.1299	10.82	(0.53)	13.00	(0.35)
Allergan, Inc.	0.65	0.75	2.8734	0.1079	27.16	1.30	14.00	(0.22)
Albemarle Corp.	1.20	1.28	2.8995	0.1088	14.06	(0.17)	19.50	0.47
Allied Capital Corp.	0.90	0.81	3.1958	0.1200	14.02	(0.17)	27.40	1.47
Amer. Greetings	0.60	0.63	3.1989	0.1201	8.96	(0.96)	9.00	(0.85)
Amgen	0.60	0.62	3.0667	0.1151	17.48	0.22	13.50	(0.28)
Aon Corp.	1.00	0.93	3.6593	0.1374	12.20	(0.37)	11.50	(0.54)
Apache Corp.	1.05	1.03	3.4930	0.1311	20.40	0.54	18.50	(0.03)
Anadarko Petroleum	1.05	1.04	3.2538	0.1223	19.14	0.40	15.00	(0.09)
Arch Chemicals	1.15	1.22	3.4505	0.1296	8.50	(0.79)	13.00	(0.35)
Arrow Electronics	1.20	1.24	3.5506	0.1333	10.08	(0.61)	8.50	(0.91)
AvalonBay Communities	1.10	1.11	2.8543	0.1071	10.86	(0.52)	11.50	(0.54)
Bed Bath & Beyond	1.05	1.00	3.3247	0.1248	22.98	0.80	20.50	0.85
Brink's (The) Co.	1.05	1.06	3.2097	0.1205	10.06	(0.61)	14.00	(0.22)
Black & Decker	1.00	0.96	2.9777	0.1118	33.92 (4)	2.05	24.00	1.04
Beckman Coulter	0.75	0.58	2.8594	0.1077	16.62	0.12	12.00	(0.47)
Baker Hughes	1.05	1.03	3.5591	0.1336	18.42	0.32	18.50	0.08
Bio-Rad Labs. 'A'	0.90	0.81	3.5258	0.1324	12.84	(0.30)	13.00	(0.35)
Belo Corp. 'A'	0.95	0.86	3.0924	0.1161	8.68	(0.77)	10.00	(0.73)
BMC Software	1.10	1.10	3.6591	0.1374	18.32	(0.03)	19.50	0.47
Bob Evans Farms	0.90	0.82	3.2688	0.1227	8.22	(0.82)	12.50	(0.41)
BRE Properties	0.95	0.90	2.9150	0.1094	7.14	(0.94)	7.50	(1.04)
Brown & Brown	0.80	0.82	2.9573	0.1110	19.68	0.48	13.50	(0.28)
BorgWarner	1.20	1.28	2.9047	0.1090	13.54	(0.22)	18.00	0.28
CA, Inc.	1.05	1.07	3.3007	0.1239	5.14	(1.16)	12.00	(0.47)
Cardinal Health	0.90	0.85	3.6614	0.1374	17.90	0.23	17.50	0.22
Cheesecake Factory	1.15	1.15	3.5295	0.1325	12.76	(0.31)	14.00	(0.22)
Cameron Int'l Corp.	1.10	1.10	3.4836	0.1300	12.74	(0.31)	22.50	0.85
Casey's Gen'l Stores	1.00	0.95	3.2477	0.1219	10.62	(0.58)	13.00	(0.35)
CBRL Group	1.00	0.98	3.6389	0.1366	30.54	1.67	28.50	1.81
Cabot Corp.	1.15	1.20	2.9580	0.1110	10.72	(0.54)	12.50	(0.41)
Clear Channel	0.90	0.78	2.9763	0.1117	7.58	(0.89)	10.00	(0.73)
Cadence Design Sys.	1.15	1.17	3.6729	0.1379	11.46	(0.48)	10.50	(0.98)
C.H. Robinson	1.00	0.98	3.4386	0.1290	25.94	1.16	24.50	1.10
CLARCOR Inc.	1.05	1.05	3.2407	0.1217	16.42	(0.01)	13.50	(0.28)
Mack-Cali Rlty	0.95	0.87	2.9181	0.1095	6.14	(1.06)	6.00	(1.23)
Conmed Corp.	1.10	1.11	3.4898	0.1301	8.00	(0.73)	9.00	(0.85)
Con-way Inc.	1.00	0.98	3.5628	0.1337	20.48	0.58	16.00	0.03
Coca-Cola Bottling	0.70	0.54	3.1579	0.1185	32.82	1.93	17.50	0.22
Columbia Sportswear	0.95	0.89	3.3635	0.1263	16.76	0.14	13.00	(0.35)
ConocoPhillips	1.05	1.06	2.8212	0.1059	17.82	0.28	16.00	0.03
ChoicePoint Inc.	0.80	0.69	3.6268	0.1362	21.58	0.71	16.50	0.35
Charles River	0.80	0.69	3.2058	0.1203	9.30	(0.70)	10.50	(0.66)
Computer Sciences	1.05	1.01	3.2868	0.1234	9.92	(0.63)	10.50	(0.66)
Cisco Systems	1.10	1.12	3.2662	0.1227	21.48	0.96	25.00	1.17
Carlisle Cos.	0.95	0.91	2.9619	0.1113	16.90	0.15	16.00	(0.09)
Capital Trust	1.15	1.21	3.6077	0.1354	14.66	(0.10)	14.00	(0.22)
Covanos Inc.	0.75	0.60	3.0838	0.1158	16.32	(0.03)	15.00	(0.09)
CVS Caremark Corp.	0.75	0.55	2.8548	0.1072	12.64	(0.33)	11.50	(0.54)
Corrections Corp. Amer.	0.95	0.85	3.1911	0.1198	11.16	(0.49)	11.50	(0.54)
Community Health	0.85	0.73	3.5329	0.1371	11.54	(0.45)	12.50	(0.41)
Cytec Inds.	1.20	1.28	2.9787	0.1061	11.38	(0.47)	11.50	(0.54)
Developers Div. Rlty	1.05	1.04	3.0248	0.1135	10.78	(0.54)	10.50	(0.66)
Dell Inc.	1.00	0.94	3.2338	0.1214	64.80 (4)	5.48	27.00	1.42
Dionex Corp.	1.00	0.97	3.1765	0.1193	22.16	0.74	28.00	1.64
Duke Realty Corp.	1.05	1.07	2.8763	0.1080	6.54	(1.01)	6.00	(1.23)
DRS Technologies	1.00	0.99	3.5864	0.1346	8.10	(0.83)	9.50	(0.79)
Dalasseps Corp.	1.05	1.02	3.5525	0.1334	7.76	(0.87)	8.50	(0.91)
DaVita Inc.	0.65	0.71	2.9711	0.1115	32.02	1.84	14.50	(0.16)
Brinker Int'l	1.10	1.14	3.6484	0.1370	20.00	0.50	57.50 (4)	5.26
Electronic Data Sys.	1.15	1.18	3.3351	0.1252	5.62	(1.12)	9.50	(0.79)
Lauder (Estee)	0.80	0.64	3.0828	0.1157	25.82	1.18	37.00 (4)	2.68
Eastman Chemical	1.10	1.11	2.9037	0.1090	18.94	0.38	28.00	1.17
Equity Residential	1.05	1.05	2.8340	0.1064	2.72	(1.43)	2.50	(1.67)
Ethan Allen Interiors	1.15	1.19	3.4949	0.1312	18.88	0.33	18.00	0.28
Edwards Lifesciences	0.75	0.59	2.8815	0.1070	16.46	0.10	17.50	0.22
First Commonwealth	1.10	1.15	3.0857	0.1158	9.22	(0.71)	12.00	(0.47)
Flowers Foods	1.00	0.95	3.0847	0.1159	11.74	(0.43)	16.00	(0.09)
FMC Corp.	1.20	1.24	2.9448	0.1107	18.78	0.36	22.00	0.78
Federal Rlty. Inv. Trust	1.10	1.06	2.8702	0.1077	10.96	(0.51)	12.00	(0.47)
Griffon Corp.	1.15	1.19	3.6608	0.1374	12.56	(0.33)	11.00	(0.80)
G&K Services 'A'	0.85	0.71	2.8801	0.1081	8.10	(0.83)	7.50	(1.04)

Utilities Inc.
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Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital			
					5-year Average (2)		5-Year Projected (3)	
					Percent	Student's Statistic	Percent	Student's Statistic
Gladstiller	1.16	1.15	3.3838	0.1270	4.78 %	(1.21)	10.00 %	(0.73)
Gentex Corp.	1.20	1.25	3.6028	0.1352	14.68	(0.10)	16.50	0.09
Global Payments	0.95	0.92	3.8142	0.1319	16.30	(0.03)	16.50	(0.03)
Goodrich Corp.	1.05	1.06	3.1958	0.1200	13.76	(0.20)	18.50	0.47
Haemonetics Corp.	0.75	0.61	3.3825	0.1270	11.10	(0.80)	14.00	(0.22)
Hain Celestial Group	0.85	0.74	3.3853	0.1271	8.16	(1.05)	9.00	(0.85)
Halliburton Co.	1.10	1.08	3.6222	0.1360	24.70	1.02	18.00	0.41
Hasbro, Inc.	1.00	0.93	2.9289	0.1099	18.96	0.11	22.00	0.78
Hancock Holding	1.05	1.03	3.3065	0.1242	13.22	(0.28)	11.50	(0.54)
Herte-Hanks	0.90	0.78	2.9841	0.1120	19.72	0.47	18.00	0.41
HNI Corp.	0.90	0.82	3.4684	0.1302	21.14	0.62	17.00	0.18
Harley-Davidson	1.00	0.96	3.3976	0.1275	32.30	1.87	33.50 (4)	2.24
Hewlett-Packard	1.10	1.12	3.0420	0.1142	13.36	(0.24)	22.50	0.85
Heathcare Rity Trust	1.00	0.93	3.0806	0.1158	4.78	(1.20)	8.50	(1.17)
Block (H&R)	1.05	1.01	3.0772	0.1155	33.28 (4)	1.98	39.50 (4)	2.99
Heartland Express	1.10	1.14	3.5683	0.1340	17.80	0.23	18.50	(0.03)
Integra LifeSciences	0.85	0.78	3.6268	0.1362	10.28	(0.59)	18.00	(0.09)
IDEXX Labs.	0.80	0.65	3.1649	0.1188	19.96	0.90	24.00	1.04
Ingles Markets	0.90	0.83	3.5021	0.1315	11.16	(0.49)	18.50	(0.03)
Intuit Inc.	1.00	0.98	3.0628	0.1150	20.96	0.80	23.50	0.98
Iron Mountain	1.00	0.98	3.1515	0.1183	8.14	(0.83)	12.00	(0.47)
Journal Communications	0.90	0.78	3.1296	0.1224	12.68	(0.32)	7.50	(1.24)
Kaydon Corp.	1.20	1.24	3.0055	0.1128	13.54	(0.22)	18.00	(0.09)
Kelly Services 'A'	1.10	1.14	3.0114	0.1130	4.88	(1.19)	8.50	(0.91)
Kirby Corp.	1.20	1.25	3.2043	0.1203	13.26	(0.28)	12.50	(0.41)
Kimco Realty	1.10	1.06	2.9807	0.1119	11.44	(0.48)	10.50	(0.66)
Legget & Platt	0.95	0.87	3.2212	0.1209	9.84	(0.64)	13.50	(0.28)
Liz Claiborne	0.85	0.89	3.5960	0.1351	14.76	(0.09)	10.50	(0.66)
Lowe's Cos.	1.00	0.98	3.1374	0.1178	18.68	0.35	11.50	(0.54)
Liberty Property	1.05	1.04	2.8264	0.1061	8.78	(0.78)	11.50	(0.54)
Limited Brands	1.20	1.26	3.5656	0.1338	23.28	0.86	22.00	0.79
Southwest Airlines	0.90	0.80	2.9143	0.1094	8.82	(0.96)	9.50	(0.78)
Macy's Inc.	1.20	1.24	3.5429	0.1330	9.82	(0.83)	8.00	(0.98)
Manpower Inc.	1.18	1.22	3.1950	0.1199	12.80	(0.31)	14.50	(0.16)
Mattel, Inc.	0.85	0.72	3.1057	0.1166	23.44	0.88	28.00	1.17
McKesson Corp.	0.90	0.79	3.2690	0.1235	13.62	(0.22)	14.50	(0.16)
Mohawk Inds.	1.05	1.06	2.9681	0.1122	12.24	(0.37)	8.50	(0.91)
MAXIMUS Inc.	0.95	0.85	3.4957	0.1313	7.06	(0.95)	20.00	0.54
McClatchy Co.	0.90	0.82	3.2966	0.1238	13.12	(0.27)	16.00	0.03
Meiler Inc.	1.10	1.13	3.1140	0.1169	9.10	(0.72)	10.00	(0.73)
MSC Industrial Direct	1.20	1.27	3.5803	0.1344	18.02	0.28	18.00	0.41
Murphy Oil Corp.	1.00	0.98	3.4908	0.1310	16.36	0.09	16.00	(0.09)
Max Capital Group	0.85	0.71	2.9380	0.1102	12.98	(0.29)	14.50	(0.16)
National Instruments	1.10	1.09	3.4481	0.1294	11.64	(0.44)	18.00	0.28
Noble Energy	1.18	1.19	3.2900	0.1235	19.20	0.41	13.50	(0.28)
Nabors Inds.	1.10	1.09	3.5307	0.1325	17.20	0.18	18.00	(0.09)
Annaly Capital Mgmt.	0.80	0.82	3.5937	0.1348	9.66	(0.58)	14.00	(0.22)
National Presto Ind.	0.90	0.83	3.1349	0.1177	8.82	(0.79)	16.00	0.03
Nissan Motor ADR	1.10	1.11	3.0189	0.1133	17.46	0.21	12.50	(0.41)
Norfolk Southern	1.15	1.20	3.3607	0.1262	12.30	(0.36)	12.50	(0.41)
Novo Nordisk ADR	0.95	0.86	2.8741	0.1079	21.46	0.96	28.00	1.17
Newell Rubbermaid	1.05	1.04	2.8843	0.1083	22.76	0.51	15.00	(0.09)
New York Community	0.95	0.92	2.9217	0.1097	8.84	(0.78)	11.50	(0.54)
Realty Income Corp.	1.00	0.95	2.8785	0.1081	8.58	(0.78)	9.00	(0.85)
Owens & Minor	0.90	0.81	3.2661	0.1226	12.24	(0.37)	12.50	(0.41)
Old Nat'l Bancorp	1.00	0.98	3.1704	0.1190	11.06	(0.50)	13.00	(0.35)
Oracle Corp.	1.05	1.04	3.1591	0.1186	32.48	1.89	28.50	1.61
O'Reilly Automotive	1.10	1.09	3.2037	0.1203	12.88	(0.30)	12.00	(0.47)
Occidental Petroleum	1.20	1.23	3.0478	0.1144	22.62	0.81	14.50	(0.16)
Penske Auto	1.20	1.27	3.5494	0.1332	8.98	(0.82)	11.00	(0.60)
Paychex, Inc.	0.85	0.77	2.8327	0.1063	28.70	1.25	38.00 (4)	2.93
People's United Fin'l	0.95	0.91	3.0647	0.1150	7.32	(0.92)	8.00	(1.12)
Patterson Cos.	0.80	0.82	3.5620	0.1337	18.04	0.28	18.00	0.03
Pediatrix Medical	0.95	0.92	3.3770	0.1266	18.54	-	14.50	(0.16)
Pann. R.E.I.T.	1.00	0.94	3.2367	0.1216	3.84	(1.33)	8.50	(1.17)
PerkinElmer Inc.	1.10	1.14	3.3796	0.1268	7.62	(0.83)	11.50	(0.54)
Prologis	1.10	1.13	2.9340	0.1101	8.36	(0.80)	14.00	(0.22)
Pall Corp.	1.10	1.08	2.9023	0.1089	13.30	(0.25)	17.50	0.22
Public Storage	1.05	1.00	2.9329	0.1101	8.96	(0.96)	8.50	(1.17)
Pactiv Corp.	1.05	1.05	3.1173	0.1170	21.16	0.83	18.00	(0.09)
Penn Virginia Res.	1.00	0.96	3.1924	0.1198	18.66	0.37	20.00	0.54
Papa John's Int'l	0.90	0.80	3.2568	0.1222	28.60	1.57	20.00	0.54
Qualcomm Inc.	1.05	1.05	3.6137	0.1357	17.92	0.28	18.00	0.41
Ryder System	1.05	1.06	3.3874	0.1272	13.10	(0.27)	12.00	(0.47)
Raicorp Holdings	0.75	0.58	3.3718	0.1266	18.04	(0.06)	14.00	(0.22)
Reynolds Amedean	0.85	0.76	2.9083	0.1091	12.74	(0.31)	17.50	0.22
Royal Caribbean Cruises	1.10	1.08	3.6703	0.1378	9.54	(0.87)	9.00	(0.98)
Ruddick Corp.	0.90	0.78	3.1198	0.1171	11.40	(0.48)	12.00	(0.47)
Regions Financial	1.05	1.05	2.8632	0.1075	8.12	(0.72)	8.00	(0.98)
Regis Corp.	1.10	1.12	2.9636	0.1113	13.22	(0.25)	10.50	(0.66)
ResMed Inc.	0.80	0.68	3.8209	0.1322	13.92	(0.18)	14.00	(0.22)

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Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital 5-year Average (2) Percent	Student's Statistic	5-Year Projected (3) Percent	Student's Statistic
Rockwell Automation	1.20	1.26	3.2202	0.1209	25.00 %	1.06	27.50 %	1.48
Rollins, Inc.	0.95	0.87	3.1334	0.1176	27.34	1.32	26.00	1.29
Ross Stores	1.05	1.06	3.6370	0.1365	26.22	1.19	27.50	1.48
Safeco Corp.	0.80	0.87	3.2778	0.1230	15.44	(0.01)	10.50	(0.88)
Sanki Automotive	1.15	1.19	3.4832	0.1308	12.10	(0.19)	10.50	(0.86)
SAP AG	1.15	1.20	3.0618	0.1149	29.06	1.81	22.00	0.79
Starbucks Corp.	0.95	0.92	3.0896	0.1160	21.58	0.87	25.00	1.17
Schelssllc Corp.	0.90	0.83	3.3782	0.1267	8.68	(0.99)	7.00	(1.10)
Sealed Air	0.96	0.88	2.9588	0.1110	17.74	0.24	13.00	(0.35)
Smithfield Foods	0.90	0.81	3.1804	0.1194	9.64	(0.88)	9.00	(0.85)
Schulman (A.)	0.95	0.91	3.5053	0.1316	8.16	(1.08)	7.50	(1.04)
Selective Ins. Group	0.96	0.87	2.9960	0.1125	11.82	(0.42)	11.50	(0.54)
Schlumberger Ltd.	1.10	1.11	3.5245	0.1323	26.58	1.23	18.50	0.38
Sligo Holdings	1.10	1.13	3.1636	0.1195	33.66 (4)	2.25	17.00	0.16
Scotts Miracle-Gro	1.10	1.15	3.1760	0.1192	14.32	(0.14)	17.50	0.22
Snap-on Inc.	1.00	0.97	2.8252	0.1061	10.22	(0.80)	16.00	0.03
Sovereign Bancorp	1.20	1.27	3.4248	0.1286	10.12	(0.81)	9.50	(0.79)
Staples, Inc.	1.10	1.09	3.0696	0.1152	17.50	0.22	16.00	0.03
SPX Corp.	1.10	1.14	3.5286	0.1325	8.68	(0.78)	15.50	(0.03)
Stericycle Inc.	0.85	0.72	3.4111	0.1280	16.84	0.15	15.00	(0.09)
STERIS Corp.	0.85	0.76	3.0675	0.1149	11.60	(0.44)	16.00	0.03
Constellation Brands	0.90	0.81	3.2824	0.1232	11.02	(0.61)	9.50	(0.78)
Susquehanna Bancshs.	1.20	1.24	3.2073	0.1204	8.76	(0.78)	8.50	(0.91)
SUPERVALU INC.	0.85	0.75	3.2761	0.1230	11.44	(0.46)	10.50	(0.66)
Safeway Inc.	0.85	0.78	3.0130	0.1131	14.96	(0.07)	13.50	(0.28)
Standex Int'l	1.10	1.09	3.5850	0.1346	11.40	(0.46)	14.50	(0.16)
Sensient Techn.	1.00	0.93	2.8441	0.1068	10.80	(0.55)	10.50	(0.66)
Sybase Inc.	1.00	0.93	3.2056	0.1203	11.16	(0.49)	12.00	(0.47)
Stryker Corp.	0.90	0.82	2.8494	0.1070	20.56	0.56	22.50	0.85
TCF Financial	1.05	1.07	2.9756	0.1117	24.92	1.06	17.50	0.22
Tidewater Inc.	1.10	1.08	3.5741	0.1379	11.38	(0.47)	13.50	(0.25)
Tesh Data	0.96	0.91	3.0721	0.1153	8.44	(1.02)	8.50	(0.91)
Techne Corp.	1.05	1.01	2.9842	0.1120	20.64	0.57	18.00	0.41
Teva Pharmas. (ADR)	0.75	0.68	3.4424	0.1292	17.08	0.17	14.00	(0.22)
Target Corp.	0.95	0.89	2.8330	0.1102	16.90	0.15	20.00	0.64
Hanover Insurance	1.15	1.18	3.0454	0.1158	8.80	(0.98)	8.00	(0.95)
TJX Companies	0.90	0.80	3.0313	0.1138	38.80 (4)	2.58	38.50 (4)	2.99
Teekay Corp.	1.15	1.15	3.8074	0.1354	17.50	0.22	14.50	(0.18)
Tennant Co.	1.00	0.97	3.5398	0.1348	11.10	(0.50)	14.00	(0.22)
Total System Svcs.	1.10	1.10	3.4590	0.1298	21.40	0.65	17.00	0.16
Texas Instruments	1.15	1.15	3.4758	0.1308	17.92	0.26	16.00	0.03
UnitedHealth Group	0.75	0.57	3.4355	0.1290	22.30	0.75	20.00	0.64
Unum Group	1.10	1.13	2.8952	0.1087	7.28	(0.92)	10.50	(0.66)
United Stationers	1.05	1.01	3.1302	0.1175	14.04	(0.17)	15.00	(0.09)
Universal Corp.	0.85	0.74	3.0927	0.1161	11.90	(0.41)	12.50	(0.41)
Varian Medical Sys.	1.00	0.96	3.6151	0.1357	27.60	1.37	21.00	0.66
Varian Inc.	1.10	1.09	3.4828	0.1300	10.42	(0.57)	12.50	(0.41)
Viad Corp.	1.05	1.01	3.4575	0.1466	9.18	(0.71)	10.50	(0.66)
WD-40 Co.	0.95	0.91	3.1958	0.1200	21.86	0.71	16.50	(0.03)
Warner Enterprises	1.05	1.07	3.4318	0.1284	10.76	(0.53)	11.50	(0.54)
Whirlpool Corp.	1.15	1.20	3.3810	0.1273	22.52	0.78	14.50	(0.18)
W.P. Carey & Co. LLC	0.80	0.80	2.8728	0.1078	11.38	(0.47)	17.00	0.16
Watson Pharmas.	0.90	0.81	3.3960	0.1276	8.26	(0.81)	10.00	(0.73)
Barkley (W.R.)	0.96	0.90	2.8515	0.1070	18.72	0.47	17.00	0.16
Whitney Holding	1.10	1.06	2.9059	0.1092	11.34	(0.47)	9.50	(0.79)
World Wrestling Ent.	0.80	0.64	3.3119	0.1243	11.56	(0.45)	25.00	1.29
Wyeth	0.85	0.71	2.8694	0.1077	31.26	1.78	18.00	0.41
Xerox Corp.	1.05	1.05	2.8326	0.1063	12.68	(0.32)	15.00	(0.09)
Zebra Techn. 'A'	1.10	1.09	3.4439	0.1293	13.50	(0.23)	13.00	(0.36)
Zimmer Holdings	0.85	0.70	3.3356	0.1252	14.56	(0.08)	13.30	(0.31)
Average	1.00	0.97	3.2432	0.1218				
Average for the Proxy Group of Six AUS Utility Reports Water Companies	0.98	0.91	3.2465 (5)	0.1219				
Median					13.28%		14.25%	
Conclusion (6)						13.77% (6)		
Conservative Median (7)					13.12%		14.00%	
Conservative Conclusion (8)						13.56% (8)		

See page 30 for notes.

Utilities Inc.
Comparable Earnings Analysis
for a Proxy Group of Forty-Nine Non-Utility Companies Comparable to the
Florida PSC Natural Gas Index (9)

Proxy Group of Fourty-Eight Non-Utility Companies Comparable to the Florida PSC Natural Gas Index (9)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	5-Year Projected (3) Percent	5-Year Projected (3) Student's Statistic
Allstate Corp.	0.90	0.78	2.0704	0.0777	13.50 %	(0.43)
Amer. Financial Group	1.00	0.94	2.0957	0.0787	13.50	(0.43)
Automatic Data Proc.	0.75	0.61	2.1449	0.0805	16.00	(0.24)
Bank of America	0.95	0.90	1.9542	0.0734	13.50	(0.43)
Bank of Nova Scotia	0.75	0.57	1.8721	0.0703	17.50	(0.12)
BOK Financial	0.85	0.74	2.1573	0.0810	12.00	(0.55)
BP PLC ADR	0.95	0.91	2.1561	0.0809	20.00	0.07
Campbell Soup	0.85	0.74	1.7832	0.0669	25.50	0.50
Chevron Corp.	0.95	0.87	2.0291	0.0762	22.50	0.27
Chubb Corp.	0.90	0.80	2.0346	0.0764	11.00	(0.63)
Cincinnati Financial	0.85	0.73	1.9072	0.0716	8.00	(0.85)
Commerce Bancshs.	0.90	0.80	1.7846	0.0670	11.50	(0.59)
ConAgra Foods	0.80	0.64	2.1569	0.0810	15.50	(0.28)
Cullen/Frost Bankers	1.00	0.96	2.0222	0.0759	12.00	(0.55)
Du Pont	1.05	1.00	2.0316	0.0763	23.50	0.34
Ecolab Inc.	0.95	0.85	1.9821	0.0737	21.00	0.15
Emerson Electric	1.00	0.98	1.8986	0.0713	27.00	0.62
Exxon Mobil Corp.	0.95	0.91	2.0148	0.0756	27.50	0.65
Fortune Brands	0.90	0.81	2.0484	0.0768	14.00	(0.39)
Gen'l Dynamics	0.90	0.83	2.0702	0.0777	16.00	(0.24)
Gen'l Electric	0.85	0.77	2.0649	0.0775	19.50	0.03
Genuine Parts	0.90	0.78	1.7633	0.0662	18.00	(0.06)
Hershey Co.	0.75	0.56	2.1425	0.0804	41.00	1.70
Illinois Tool Works	0.95	0.91	2.0896	0.0784	24.00	0.38
Int'l Flavors & Frag.	0.85	0.76	2.1110	0.0792	31.00	0.93
Kraft Foods	0.75	0.62	2.0323	0.0763	10.50	(0.66)
Lockheed Martin	0.80	0.63	2.1575	0.0810	31.00	0.93
Manulife Fin'l	1.00	0.93	1.9509	0.0732	17.00	(0.16)
Mercury General	0.85	0.77	2.1415	0.0804	14.00	(0.39)
MetLife Inc.	1.00	0.98	2.0583	0.0773	13.50	(0.43)
News Corp.	1.00	0.98	2.1346	0.0801	10.50	(0.66)
Northrop Grumman	0.75	0.60	1.9596	0.0736	12.50 (4)	(0.51)
Novartis AG ADR	0.75	0.60	2.0977	0.0787	14.50	(0.35)
PartnerRe Ltd.	0.75	0.59	1.9747	0.0741	11.00	(0.63)
Pitney Bowes	0.85	0.70	1.8430	0.0692	91.50	5.62
Plains All Amer. Pipe.	0.75	0.56	2.1916	0.0823	11.50	(0.59)
PNC Financial Serv.	1.00	0.96	2.0740	0.0779	12.00	(0.55)
Raytheon Co.	0.85	0.77	1.9697	0.0739	14.00	(0.39)
Republic Services	0.90	0.79	1.9956	0.0747	22.50	0.27
Sara Lee Corp.	0.80	0.67	2.1205	0.0796	34.50	1.20
Sigma-Aldrich	0.90	0.78	1.9743	0.0741	19.50	0.03
SunTrust Banks	1.00	0.94	2.1064	0.0791	8.00	(0.86)
Tootsie Roll Ind.	0.85	0.77	2.1858	0.0821	7.00	(0.94)
Travelers Cos.	1.00	0.95	2.1783	0.0818	11.00	(0.63)
U.S. Bancorp	0.90	0.83	2.0009	0.0751	19.50	0.03
United Parcel Serv.	0.75	0.60	2.0608	0.0774	28.00	0.54
United Technologies	1.00	0.94	1.7710	0.0665	17.50	(0.12)
Washington Post	0.75	0.61	2.1127	0.0793	8.50	(0.82)
Waste Management	0.95	0.85	2.0442	0.0767	22.00	0.23
Average	0.88	0.79	2.0305	0.0762		
Average for the Florida PSC Natural Gas Index	0.88	0.78	1.9481 (10)	0.0731		
Median					16.00%	
Conservative Median (7)					15.75%	

See page 30 for notes.

Utilities Inc.
Comparable Earnings Analysis
for a Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the
Proxy Group of Six AUS Utility Reports Water Companies (1)

Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital 2003	2004	2005	2006	2007	5-Year Projected (3)
Advance Auto Parts	1.00	0.94	3.4143	0.1282	25.4 %	26.3 %	25.5 %	23.4 %	23.6 %	20.0 %
AllianceBernstein Hldg.	1.20	1.27	2.8343	0.1102	18.2	18.9	20.2	24.3	27.8	30.5
Applied Biosystems	0.88	0.77	2.8827	0.1082	13.0	13.9	15.6	16.8	18.6	18.0
ABM Industries Inc.	0.96	0.90	3.2621	0.1232	8.2	9.5	8.6	8.9	8.2	13.0
Amer. Cap. Strategies	1.16	1.21	3.0436	0.1143	12.0	11.8	10.8	9.5	8.2	15.0
Alcon Inc.	0.80	0.63	3.5143	0.1319	37.1	39.8	44.8	46.1	48.6 (P)	37.5
Accenture Ltd.	1.05	1.05	2.9837	0.1093	62.7	48.9	50.0	52.6	60.2	41.5
Affiliated Computer	0.98	0.91	3.4013	0.1277	12.6	13.9	14.3	14.6	12.2	14.5
Analog Devices	0.90	0.81	3.5233	0.1323	9.1	18.0	13.2	15.5	20.3	31.0
Archer Daniels Midl'd	1.00	0.99	3.4605	0.1299	8.2	9.7	10.9	13.4	13.9	13.0
Allergan, Inc.	0.85	0.76	2.8734	0.1078	42.4	33.2	30.4	14.4	16.4	14.0
Albemarle Corp.	1.20	1.25	2.8295	0.1068	10.3	10.6	11.8	19.2	18.2	19.5
Allied Capital Corp.	0.90	0.81	3.1958	0.1200	10.0	12.6	33.3	6.8	6.6	27.4
Amer. Greetings	0.80	0.63	3.1989	0.1201	8.3	7.8	7.4	2.5	6.8	8.0
Amgen	0.80	0.62	3.0567	0.1151	11.7	14.6	18.1	22.0	21.0	13.6
Aon Corp.	1.00	0.93	3.6593	0.1374	14.8	11.2	12.1	12.2	10.9	11.5
Apache Corp.	1.08	1.03	3.4930	0.1311	18.1	20.4	24.8	19.3	18.3	18.5
Anadarko Petroleum	1.08	1.04	3.2558	0.1223	14.4	17.2	22.3	18.7	23.1	15.0
Arch Chemicals	1.16	1.22	3.4606	0.1295	4.5	4.8	10.9	10.5	11.8	13.0
Arrow Electronics	1.20	1.24	3.5506	0.1333	5.0	10.7	11.2	12.0	11.5	8.5
AvalonBay Communities	1.10	1.11	2.8543	0.1071	10.9	11.5	11.5	10.5	9.9	11.5
Bed Bath & Beyond	1.05	1.00	3.3247	0.1248	23.1	22.9	25.3	23.1	22.0	20.5
Brink's (The) Co.	1.08	1.06	3.2097	0.1205	3.7	14.9	8.1	12.5	14.2	14.0
Black & Decker	1.00	0.96	2.9777	0.1118	36.5	28.3	35.7	41.8	27.3	24.0
Beckman Coulter	0.75	0.58	2.8694	0.1077	20.3	18.3	18.8	13.5	14.2	12.0
Baker Hughes	1.05	1.03	3.5591	0.1336	9.8	13.6	18.6	28.0	24.0	18.5
Bio-Rad Labs. 'A'	0.90	0.81	3.5259	0.1324	17.3	13.1	11.7	11.7	10.4	13.0
Belo Corp. 'A'	0.95	0.86	3.0924	0.1161	8.1	9.7	8.3	9.0	8.3	10.0
BMC Software	1.10	1.10	3.6591	0.1374	8.0	8.5	16.5	20.6	26.0 (P)	19.5
Bob Evans Farms	0.80	0.62	3.2898	0.1227	11.4	8.7	6.8	6.2	9.0 (P)	12.5
BRE Properties	0.98	0.90	2.9150	0.1094	6.0	7.0	8.0	7.4	7.3	7.5
Brown & Brown	0.80	0.62	2.9573	0.1110	22.2	20.6	19.7	18.5	17.4	13.5
BorgWarner	1.20	1.28	2.9047	0.1090	13.9	13.5	15.0	12.5	12.8	18.0
CA, Inc.	1.05	1.01	3.3007	0.1239	1.8	4.1	3.3	3.2	13.5	12.0
Cardinal Health	0.80	0.68	3.6514	0.1374	16.8	16.0	15.5	16.6	16.7	17.5
Cheesecake Factory	1.18	1.16	3.5295	0.1325	12.8	12.8	13.5	11.4	13.5	14.0
Cameron Int'l Corp.	1.10	1.10	3.4836	0.1300	8.7	7.7	10.7	17.2	22.4	22.5
Casey's Gen'l Stores	1.00	0.98	3.2477	0.1219	8.3	9.1	12.0	10.6	13.1	13.0
CBRL Group	1.00	0.96	3.6388	0.1366	13.4	13.2	14.6	36.6	73.0	28.5
Cabot Corp.	1.15	1.20	2.9560	0.1110	11.6	10.2	11.5	6.6	11.3	12.5
Clear Channel	0.90	0.78	2.9763	0.1117	4.6	8.7	7.2	5.6	6.6	10.0
Cadence Design Sys.	1.15	1.17	3.6729	0.1379	6.9	11.8	14.0	8.4	14.2	10.5
C.H. Robinson	1.00	0.99	3.4368	0.1290	22.1	22.1	28.1	28.3	31.1	24.5
CLARCOR Inc.	1.05	1.05	3.2407	0.1217	14.7	14.9	16.6	16.4	16.3	13.6
Marsh-Call R'ity	0.95	0.87	2.9181	0.1095	9.3	6.4	5.9	4.6	4.5	6.0
Conmed Corp.	1.10	1.11	3.4658	0.1301	10.2	11.3	9.2	6.4	7.9	9.0
Con-way Inc.	1.00	0.96	3.5626	0.1337	10.5	18.4	24.4	29.3	18.7	16.0
Coca-Cola Bottling	0.70	0.54	3.1879	0.1165	56.5	33.9	30.5	24.7	18.5	17.5
Columbia Sportswear	0.95	0.89	3.3635	0.1263	18.7	17.6	17.6	14.6	14.9	13.0
ConocoPhillips	1.08	1.06	2.8212	0.1059	13.4	19.0	20.3	18.5	18.9	18.0
ChoicePoint Inc.	0.90	0.89	3.6288	0.1362	16.1	16.0	16.0	20.9	41.4	16.5
Charles River	0.80	0.69	3.2058	0.1203	17.3	8.5	6.4	7.5	8.5	10.5
Computer Sciences	1.05	1.01	3.2868	0.1234	9.7	7.5	9.2	11.1	12.0	10.5
Cisco Systems	1.10	1.12	3.2882	0.1227	16.3	20.7	24.6	23.3	23.3	25.0
Carlisle Cos.	0.95	0.91	2.9819	0.1119	14.1	16.9	18.3	16.6	16.4	16.0
Capital Trust	1.15	1.21	3.6077	0.1354	23.9	6.9	13.0	12.7	16.9	14.0
Covance Inc.	0.75	0.60	3.0833	0.1158	13.8	15.4	18.3	16.7	15.7	16.0
CVS Caremark Corp.	0.75	0.55	2.8348	0.1072	14.1	13.1	14.1	13.5	8.4	11.5
Corrections Corp. Amer.	0.95	0.86	3.1911	0.1198	18.2	7.7	8.0	10.1	10.8	11.5
Community Health	0.85	0.73	3.6528	0.1371	9.7	12.8	12.2	12.3	10.7	12.5
Cytec Inds.	1.20	1.29	2.9787	0.1081	12.0	13.2	11.4	10.8	9.7	11.5
Developers Div. R'ity	1.05	1.04	3.0248	0.1135	14.9	10.5	10.3	9.6	8.8	10.5
Dell Inc.	1.00	0.94	3.2238	0.1214	42.1	51.2	92.8	54.2	78.9	27.0
Diamex Corp.	1.00	0.97	3.1785	0.1193	18.7	22.6	24.8	19.3	24.4	28.0
Duke Realty Corp.	1.06	1.07	2.8783	0.1080	7.9	7.5	5.4	6.1	5.8	6.0
DRS Technologies	1.00	0.99	3.5864	0.1346	7.5	8.7	8.0	8.5	9.6	9.5
Datascope Corp.	1.05	1.02	3.5525	0.1334	7.9	6.2	5.5	6.1	6.2	8.5
DaVita Inc.	0.85	0.71	2.9711	0.1115	53.2	41.5	24.4	21.3	19.7	14.5
Brinker Int'l	1.10	1.14	3.6464	0.1370	18.1	20.7	18.0	18.0	27.2	37.5
Electronic Data Sys.	1.15	1.18	3.3351	0.1252	7.0	2.1	3.2	6.8	8.7	9.5
Lauder (Estee)	0.80	0.64	3.0828	0.1157	18.7	21.7	25.8	25.7	37.4	37.0
Eastman Chemical	1.10	1.11	2.9037	0.1090	7.2	16.5	30.1	20.5	20.4	25.0
Equity Residential	1.05	1.05	2.8340	0.1064	4.6	2.8	2.5	1.8	1.8	2.5
Ethan Allen Interiors	1.18	1.18	3.4949	0.1312	15.5	19.3	18.4	21.2	19.0	18.0
Edwards Lifesciences	0.75	0.59	2.8518	0.1070	15.2	18.8	18.1	17.0	15.5	17.5
First Commonwealth	1.10	1.18	3.0857	0.1158	11.8	7.5	8.4	9.3	8.1	12.0
Flowers Foods	1.00	0.95	3.0857	0.1159	9.1	9.5	12.3	13.3	14.8	16.0
FNC Corp.	1.20	1.24	2.9483	0.1107	15.0	18.4	17.9	21.2	24.3	22.0
Federal R'ty. Inv. Trust	1.10	1.09	2.8702	0.1077	10.8	12.8	10.8	12.1	8.6	12.0
Griffon Corp.	1.15	1.19	3.9508	0.1374	15.1	16.9	13.8	12.6	4.7	11.0

Utilities Inc.
Comparable Earnings Analysis
for a Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the
Proxy Group of Six AUS Utility Reports Water Companies (1)

Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital					
					2003	2004	2005	2006	2007	5-Year Projected (3)
G&K Services 'A'	0.85	0.71	2.6801	0.1061	8.9 %	8.3 %	8.4 %	7.6 %	7.3 %	7.5 %
Glatfelter	1.15	1.18	3.3838	0.1270	2.9	3.2	4.0	6.3	7.4	10.0
Gentex Corp.	1.20	1.25	3.9028	0.1352	15.4	14.4	13.0	16.5	16.1	16.5
Global Payments	0.95	0.93	3.5142	0.1319	14.5	13.9	16.5	16.6	16.1	19.5
Goodrich Corp.	1.05	1.06	3.1955	0.1200	3.2	12.6	16.6	17.0	19.2	19.5
Haemonetics Corp.	0.75	0.61	3.3626	0.1270	10.5	11.2	11.8	10.5	11.5	14.0
Hain Celestial Group	0.85	0.74	3.3653	0.1271	6.2	6.4	6.0	6.5	6.5	9.0
Halliburton Co.	1.10	1.08	3.8222	0.1360	15.2	9.6	26.3	37.4	34.6	19.0
Hasbro, Inc.	1.00	0.93	2.9289	0.1099	16.3	13.3	13.8	16.0	26.4	22.0
Hancock Holding	1.05	1.03	3.3085	0.1242	12.6	12.5	11.3	16.9	13.6	11.5
Harte-Hanks	0.90	0.76	2.9841	0.1120	15.7	17.1	20.4	22.7	22.7	19.0
HNI Corp.	0.90	0.82	3.4584	0.1302	13.8	17.1	22.7	24.9	27.2	17.0
Harley-Davidson	1.00	0.98	3.3976	0.1275	25.7	27.6	31.1	37.8	39.1	33.5
Hewlett-Packard	1.10	1.12	3.0420	0.1142	9.4	10.6	12.7	15.1	16.9	22.5
Healthcare Rity Trust	1.00	0.93	3.0508	0.1156	7.7	5.0	4.1	4.6	2.9	6.5
Block (H&R)	1.05	1.01	3.0772	0.1155	37.1	32.2	24.6	28.5	46.0	39.5
Heartland Express	1.10	1.14	3.5653	0.1340	18.6	18.0	18.6	17.6	22.2	15.5
Integra LifeSciences	0.85	0.75	3.6288	0.1362	10.0	5.6	12.8	9.9	13.0	18.0
IDEXX Labs.	0.90	0.85	3.1849	0.1196	14.9	18.6	21.8	21.4	23.3	24.0
Ingles Markets	0.90	0.83	3.5021	0.1315	7.0	11.0	9.6	14.0	14.2	15.5
Intuit Inc.	1.00	0.96	3.0628	0.1150	16.0	17.4	22.1	25.4	24.9	23.5
Iron Mountain	1.00	0.95	3.1515	0.1183	7.9	7.7	8.3	8.3	8.5	12.0
Journal Communications	0.90	0.76	3.1298	0.1224	14.4	16.0	12.6	11.6	8.8	7.5
Kaydon Corp.	1.20	1.24	3.0055	0.1128	10.9	12.4	12.9	16.0	16.5	16.0
Kelly Services 'A'	1.10	1.14	3.0114	0.1130	0.8	3.4	5.8	7.8	8.8	8.5
Kirby Corp.	1.20	1.25	3.2043	0.1203	11.0	11.4	12.6	15.1	16.0	12.5
Kimco Realty	1.10	1.08	2.9807	0.1119	11.4	12.6	13.9	10.8	8.7	10.5
Leggett & Platt	0.95	0.87	3.2212	0.1209	9.7	12.3	12.3	12.5	2.4	13.5
Liz Claiborne	0.95	0.88	3.5980	0.1351	17.7	17.3	15.5	14.5	8.6	10.5
Lowe's Cos.	1.00	0.98	3.1374	0.1178	18.1	18.9	19.3	18.7	17.4	11.5
Liberty Property	1.05	1.04	2.8264	0.1061	10.6	10.1	8.0	8.2	8.9	11.5
Limited Brands	1.20	1.26	3.5856	0.1338	11.1	27.3	23.7	22.8	32.4	22.0
Southwest Airlines	0.90	0.80	2.8143	0.1054	5.9	6.7	7.0	8.2	8.8	9.5
Macy's Inc.	1.20	1.24	3.5429	0.1330	11.0	11.2	8.2	9.4	9.8	8.0
Manpower Inc.	1.15	1.22	3.1950	0.1198	10.5	11.3	12.1	13.3	16.8	14.5
Mattel, Inc.	0.85	0.72	3.1057	0.1166	24.9	21.3	23.1	22.8	28.3	25.0
McKesson Corp.	0.90	0.78	3.2890	0.1235	12.5	12.4	12.5	14.0	18.7	14.5
Mohawk Inds.	1.05	1.06	2.9881	0.1122	13.5	13.8	12.8	12.0	9.3	8.5
MAXIMUS Inc.	0.95	0.85	3.4987	0.1313	10.6	10.4	8.9	0.8	4.9	20.0
McClatchy Co.	0.90	0.82	3.2956	0.1238	11.9	11.1	10.3	5.7	26.6	16.0
Molex Inc.	1.10	1.13	3.1140	0.1169	8.0	8.5	9.0	11.5	10.4	10.0
MSC Industrial Direct	1.20	1.27	3.5803	0.1344	10.2	13.1	21.2	21.5	24.1	16.0
Murphy Oil Corp.	1.00	0.96	3.4906	0.1310	13.1	17.8	21.0	14.9	15.1	15.0
Max Capital Group	0.85	0.71	2.9380	0.1102	16.0	14.3	0.5	18.6	18.4	14.5
National Instruments	1.10	1.09	3.4461	0.1294	7.8	10.0	12.2	12.2	16.2	18.0
Noble Energy	1.15	1.19	3.2900	0.1235	13.1	22.4	20.4	20.9	19.2	13.5
Nabors Inds.	1.10	1.09	3.6307	0.1363	7.7	10.3	17.3	32.6	20.1	15.0
Annaly Capital Mgmt.	0.90	0.82	3.5937	0.1349	15.7	14.6	4.9	5.6	7.5	14.0
National Presto Ind.	0.90	0.83	3.1349	0.1177	6.3	6.0	7.2	10.0	13.1	16.0
Nissan Motor ADR	1.10	1.11	3.0189	0.1133	24.9	25.8	17.3	12.8	11.5 (E)	12.5
Norfolk Southern	1.15	1.20	3.3607	0.1262	7.6	10.9	12.5	15.4	15.1	12.5
Novo Nordisk ADR	0.95	0.88	2.8741	0.1079	18.3	18.9	21.2	21.4	26.5	25.0
Newell Rubbermaid	1.05	1.04	2.8843	0.1083	20.2	21.6	25.6	24.8	21.3	15.0
New York Community	0.95	0.92	2.9217	0.1097	11.3	11.1	8.8	8.3	8.7	11.5
Realty Income Corp.	1.00	0.95	2.6755	0.1081	8.6	9.2	9.0	6.7	8.3	9.0
Owens & Minor	0.90	0.81	3.2661	0.1226	13.1	13.1	13.0	10.2	11.8	12.5
Old Natl Bancorp	1.00	0.98	3.1704	0.1190	9.8	9.6	12.1	12.4	11.8	13.0
Oracle Corp.	1.05	1.04	3.1591	0.1186	36.5	33.8	32.7	28.3	31.3	28.5
O'Reilly Automotive	1.10	1.09	3.2037	0.1203	12.8	12.4	13.9	13.1	12.2	12.0
Occidental Petroleum	1.20	1.23	3.0478	0.1144	20.3	22.4	26.4	22.7	19.3	14.5
Penske Auto	1.20	1.27	3.5494	0.1332	10.4	10.4	10.4	8.8	9.0	11.0
Paychex, Inc.	0.85	0.77	2.8327	0.1063	27.2	29.2	26.5	29.1	29.4	38.0
People's United Fin'l	0.95	0.91	3.0847	0.1160	6.4	7.8	9.7	9.3	3.4	6.9
Patterson Cos.	0.80	0.82	3.5820	0.1337	18.5	18.1	16.0	15.1	22.4	16.0
Pediatrix Medical	0.95	0.92	3.3770	0.1268	14.7	17.1	18.1	14.4	15.4	14.5
Penn. R.E.I.T.	1.00	0.94	3.2387	0.1216	2.8	4.8	5.1	3.2	2.3	6.5
PerkinElmer Inc.	1.10	1.14	3.3796	0.1269	4.1	6.7	8.4	9.1	9.6	11.5
Prologis	1.10	1.13	2.8340	0.1101	8.7	7.5	5.6	11.2	11.6	14.0
Pall Corp.	1.10	1.08	2.9023	0.1089	15.4	14.4	12.4	12.3	12.0	17.5
Public Storage	1.05	1.00	2.9329	0.1101	8.0	8.3	9.5	3.8	5.2	6.5
Pacific Corp.	1.05	1.05	3.1173	0.1170	21.7	19.7	17.7	28.5	19.9	15.0
Penn Virginia Res.	1.00	0.96	3.1524	0.1196	14.6	22.9	23.0	16.4	16.2	20.0
Papa John's Int'l	0.90	0.80	3.2598	0.1222	23.0	28.0	25.7	32.0	38.3	20.0
Qualcomm Inc.	1.05	1.05	3.6137	0.1357	12.1	14.6	19.3	18.4	20.9	19.0
Ryder System	1.05	1.06	3.3874	0.1272	10.1	12.7	14.9	14.3	13.5	12.0
Raiders Holdings	0.75	0.58	3.3716	0.1266	13.0	15.0	13.8	15.4	16.0	14.0
Reynolds American	0.85	0.76	2.9063	0.1091	4.3	10.2	15.0	15.1	16.1	17.5
Royal Caribbean Cruises	1.10	1.08	3.6703	0.1378	6.6	9.9	11.9	10.4	8.9	9.0
Ruddick Corp.	0.80	0.78	3.1196	0.1171	12.1	11.8	11.3	10.8	11.0	12.0
Regions Financial	1.05	1.05	2.8632	0.1075	14.6	8.1	9.4	6.6	7.0	8.0

Utilities Inc.
Comparable Earnings Analysis
for a Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the
Proxy Group of Six AUS Utility Reports Water Companies (1)

Proxy Group of Two Hundred Twenty Two Non-Utility Companies Comparable to the Proxy Group of Six AUS Utility Reports Water Companies (1)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	Rate of Return on Book Common Equity, Net Worth or Partners' Capital					
					2003	2004	2005	2006	2007	5-Year Projected (3)
Regis Corp.	1.10	1.12	2.9636	0.1113	16.4 %	16.3 %	13.6 %	11.4 %	10.4 %	10.5 %
ResMed Inc.	0.80	0.68	3.9209	0.1322	16.0	16.6	13.7	12.5	11.8	14.0
Rockwell Automation	1.20	1.26	3.2202	0.1209	13.4	16.5	29.7	32.7	32.7	27.5
Rollins, Inc.	0.96	0.87	3.1334	0.1176	25.5	26.1	29.5	27.3	27.7	28.0
Ross Stores	1.05	1.05	3.5370	0.1363	30.2	23.9	23.9	26.6	26.9	27.5
Safeco Corp.	0.80	0.67	3.2776	0.1230	8.1	14.5	15.6	18.9	16.9	10.5
Sonic Automotive	1.15	1.16	3.4832	0.1308	12.6	12.4	12.3	10.9	12.3	10.5
SAP AG	1.15	1.20	3.0615	0.1149	29.0	28.5	27.6	30.5	29.7	22.0
Starbucks Corp.	0.95	0.92	3.0896	0.1160	12.9	15.8	23.7	26.1	29.4	25.0
Scholastic Corp.	0.90	0.83	3.3752	0.1267	7.6	7.1	6.9	6.5	6.2	7.0
Sealed Air	0.95	0.86	2.9558	0.1110	21.4	16.2	18.4	17.1	15.6	13.0
Smithfield Foods	0.90	0.81	3.1804	0.1194	10.1	15.7	9.4	5.4	4.8	8.0
Schulman (A.)	0.88	0.81	3.5055	0.1316	4.2	8.4	8.9	8.1	6.3	7.5
Selective Ins. Group	0.65	0.67	2.9960	0.1125	7.7	12.8	14.0	13.0	11.6	11.5
Schlumberger Ltd.	1.10	1.11	3.5245	0.1323	15.5	20.2	26.8	36.0	34.6	18.5
Sigan Holdings	1.10	1.12	3.1636	0.1185	46.5	40.1	34.9	29.5	28.3	17.0
Scotts Miracle-Gro	1.10	1.15	3.1760	0.1192	14.3	11.5	9.6	12.3	23.7	17.5
Snap-on Inc.	1.00	0.97	2.8232	0.1061	7.8	7.4	9.9	11.2	14.8	18.0
Sovereign Bancorp	1.20	1.27	3.4248	0.1286	12.9	11.1	11.5	7.6	7.4	9.8
Staples, Inc.	1.10	1.09	3.0699	0.1152	18.1	17.2	18.9	18.9	17.4	16.0
SPX Corp.	1.10	1.14	3.5285	0.1325	12.6	1.0	8.7	8.8	13.6	16.5
Starcycle Inc.	0.85	0.72	3.4111	0.1280	15.3	16.8	17.5	17.4	16.1	15.0
STERIS Corp.	0.85	0.76	3.0575	0.1148	13.6	11.4	8.5	11.4	12.8	16.0
Constellation Brands	0.90	0.81	3.2824	0.1232	11.2	11.3	12.8	11.8	8.0	9.5
Susquehanna Bancsha.	1.20	1.24	3.2073	0.1204	11.4	9.3	10.2	8.9	4.0	8.5
SUPERVALU INC.	0.85	0.76	3.2761	0.1230	13.1	13.3	12.3	8.5	10.0	10.5
Safeway Inc.	0.85	0.78	3.0130	0.1131	22.0	13.0	12.8	13.7	13.3	13.5
Standex Int'l	1.10	1.09	3.5850	0.1346	11.1	13.5	14.4	10.5	7.8	14.5
Sensient Techs.	1.00	0.93	2.9441	0.1058	13.4	11.8	8.1	8.4	9.6	10.5
Sybase Inc.	1.00	0.93	3.2056	0.1203	10.5	8.7	12.2	11.3	13.1	12.0
Stryker Corp.	0.90	0.82	2.6494	0.1070	21.0	21.3	22.1	19.5	18.8	22.5
TCF Financial	1.05	1.07	2.9738	0.1117	23.4	26.6	26.6	23.7	24.3	17.5
Tidewater Inc.	1.10	1.06	3.6741	0.1379	4.3	4.8	11.6	17.8	18.4	13.5
Tech Data	0.95	0.91	3.0721	0.1153	6.4	7.6	6.7	4.2	7.1	8.5
Techne Corp.	1.05	1.01	2.9842	0.1120	19.2	18.3	24.7	21.6	19.4	19.0
Teva Pharmac. (ADR)	0.75	0.55	3.4424	0.1292	18.5	17.9	17.7	16.8	14.2	14.0
Target Corp.	0.95	0.89	2.9350	0.1102	16.6	14.5	17.0	17.5	18.5	20.0
Hanover Insurance	1.15	1.19	3.0634	0.1150	4.5	6.0	3.6	9.7	10.2	9.0
TJX Companies	0.90	0.80	3.0313	0.1138	42.4	41.3	33.5	33.9	41.9	39.5
Teekay Corp.	1.15	1.15	3.6074	0.1354	10.7	33.8	25.5	10.7	6.7	14.5
Tennant Co.	1.00	0.97	3.5899	0.1348	6.5	6.5	11.9	13.0	13.8	14.0
Total Systems Svcs.	1.10	1.10	3.4590	0.1298	19.2	17.4	19.2	20.5	20.7	17.0
Texas Instruments	1.15	1.15	3.4758	0.1305	7.1	14.2	18.6	23.2	26.6	18.0
United-Health Group	0.75	0.67	3.4358	0.1290	25.6	24.1	18.6	20.0	23.2	20.0
Unum Group	1.10	1.13	2.8852	0.1087	4.4	7.5	7.0	7.8	9.7	10.6
United Stationers	1.05	1.01	3.1302	0.1175	12.3	13.4	12.7	12.9	16.9	16.0
Universal Corp.	0.65	0.74	3.0927	0.1161	16.3	13.8	5.6	10.6	11.5	12.5
Varian Medical Sys.	1.00	0.96	3.6151	0.1357	23.2	27.3	31.3	28.0	29.2	21.0
Varian Inc.	1.10	1.08	3.4628	0.1300	11.7	11.7	9.3	9.1	10.3	12.5
Vlad Corp.	1.05	1.01	3.4675	0.1469	13.2	6.7	9.2	8.9	7.9	10.5
WD-40 Co.	0.95	0.91	3.1956	0.1200	27.9	22.6	21.8	18.2	18.8	15.5
Werner Enterprises	1.05	1.07	3.4315	0.1288	10.4	11.3	11.4	11.3	9.5	11.5
Whirlpool Corp.	1.15	1.20	3.3910	0.1273	31.8	25.3	24.2	14.8	15.5	14.5
W.P. Carey & Co. LLC	0.90	0.80	2.8728	0.1078	10.5	11.2	7.1	13.9	14.2	17.0
Watson Pharmac.	0.90	0.81	3.3980	0.1276	10.0	9.1	7.3	6.7	6.2	10.0
Barkley (W.R.)	0.95	0.90	2.8516	0.1070	17.0	19.5	20.7	20.8	20.6	17.0
Whitney Holding	1.10	1.08	2.9049	0.1092	11.7	10.7	10.8	13.0	10.7	8.5
World Wrestling Ent.	0.80	0.64	3.3118	0.1243	14.0	10.1	11.9	8.3	13.8	26.0
Wyeth	0.85	0.71	2.8894	0.1077	32.8	34.9	33.0	29.2	28.4	18.0
Xerox Corp.	1.05	1.05	2.8328	0.1063	11.5	11.0	12.9	14.5	13.3	16.0
Zebra Techs. 'A'	1.10	1.09	3.4439	0.1293	14.1	15.1	13.1	13.0	12.2	13.0
Zimmer Holdings	0.85	0.70	3.3358	0.1252	9.3	15.2	16.8	17.0	16.3	13.3
Average	1.00	0.97	3.2432	0.1218						
Average for the Proxy Group of Six AUS Utility Reports Water Companies	0.98	0.91	3.2465	0.1219						

See page 30 for notes.

Utilities Inc.
Comperable Earnings Analysis
for a Proxy Group of Forty-Nine Non-Utility Companies Comparable to the
Florida PSC Natural Gas Index (9)

Proxy Group of Fourty-Eight Non-Utility Companies Comparable to the Florida PSC Natural Gas Index (9)	Adj. Beta	Unadj. Beta	Standard Error of the Regression	Standard Deviation of Beta	5-Year Projected (3)
Allstate Corp.	0.90	0.78	2.0704	0.0777	13.5 %
Amer. Financial Group	1.00	0.94	2.0957	0.0787	13.5
Automatic Data Proc.	0.75	0.61	2.1449	0.0805	16.0
Bank of America	0.95	0.90	1.9542	0.0734	13.5
Bank of Nova Scotia	0.75	0.57	1.8721	0.0703	17.5
BOK Financial	0.85	0.74	2.1573	0.0810	12.0
BP PLC ADR	0.95	0.91	2.1561	0.0809	20.0
Campbell Soup	0.85	0.74	1.7832	0.0669	25.5
Chevron Corp.	0.95	0.87	2.0291	0.0762	22.5
Chubb Corp.	0.90	0.80	2.0348	0.0764	11.0
Cincinnati Financial	0.85	0.73	1.9072	0.0716	8.0
Commerce Bancshs.	0.90	0.80	1.7846	0.0670	11.5
ConAgra Foods	0.80	0.64	2.1589	0.0810	15.5
Cullen/Frost Bankers	1.00	0.98	2.0222	0.0759	12.0
Du Pont	1.05	1.00	2.0316	0.0763	23.5
Ecolab Inc.	0.95	0.85	1.9621	0.0737	21.0
Emerson Electric	1.00	0.98	1.8985	0.0713	27.0
Exxon Mobil Corp.	0.95	0.91	2.0145	0.0756	27.5
Fortune Brands	0.90	0.81	2.0464	0.0768	14.0
Gen'l Dynamics	0.90	0.83	2.0702	0.0777	16.0
Gen'l Electric	0.85	0.77	2.0649	0.0775	19.5
Genuine Parts	0.90	0.78	1.7633	0.0662	18.0
Hershey Co.	0.75	0.56	2.1425	0.0804	41.0
Illinois Tool Works	0.95	0.91	2.0898	0.0784	24.0
Int'l Flavors & Frag.	0.85	0.76	2.1110	0.0792	31.0
Kraft Foods	0.75	0.62	2.0323	0.0763	10.5
Lockheed Martin	0.80	0.63	2.1575	0.0810	31.0
Manulife Fin'l	1.00	0.93	1.9509	0.0732	17.0
Mercury General	0.85	0.77	2.1415	0.0804	14.0
MetLife Inc.	1.00	0.98	2.0583	0.0773	13.5
News Corp.	1.00	0.98	2.1346	0.0801	10.5
Northrop Grumman	0.75	0.60	1.9596	0.0736	12.5
Novartis AG ADR	0.75	0.60	2.0977	0.0787	14.5
PartnerRe Ltd.	0.75	0.59	1.9747	0.0741	11.0
Pitney Bowes	0.85	0.70	1.8430	0.0692	91.5
Plains All Amer. Pipe.	0.75	0.56	2.1918	0.0823	11.5
PNC Financial Serv.	1.00	0.96	2.0740	0.0779	12.0
Raytheon Co.	0.85	0.77	1.9697	0.0739	14.0
Republic Services	0.90	0.79	1.9598	0.0747	22.5
Sara Lee Corp.	0.80	0.67	2.1205	0.0796	34.5
Sigma-Aldrich	0.90	0.78	1.9743	0.0741	19.5
SunTrust Banks	1.00	0.94	2.1054	0.0791	8.0
Tootsie Roll Ind.	0.85	0.77	2.1858	0.0821	7.0
Travelers Cos.	1.00	0.95	2.1763	0.0818	11.0
U.S. Bancorp	0.90	0.83	2.0009	0.0751	19.5
United Parcel Serv.	0.75	0.60	2.0608	0.0774	26.0
United Technologies	1.00	0.94	1.7710	0.0665	17.5
Washington Post	0.75	0.61	2.1127	0.0793	8.5
Waste Management	0.95	0.85	2.0442	0.0767	22.0
Average	0.86	0.79	2.0305	0.0762	
Average for the Florida PSC Natural Gas Index	0.86	0.78	1.9461	0.0731	

See page 30 for notes.

Utilities Inc.
Comparable Earnings Analysis

Notes:

(P) = Preliminary

(1) The criteria for selection of the proxy group of two hundred twenty-two non-utility companies was that the non-utility companies be domestic and have a meaningful rate of return on book common equity, shareholders' equity, net worth, or partners' capital for each of the five years ended 2007 and projected 2011 - 2013 as reported in Value Line Investment Survey (Standard Edition). The proxy group of two hundred twenty-two non-utility companies was selected based upon the proxy group of six AUS Utility Reports water companies' unadjusted beta range of 0.54 – 1.28 and standard error of the regression range of 2.8187 – 3.6743. These ranges are based upon plus or minus three standard deviations of the unadjusted beta and standard error of the regression as detailed in Ms. Ahern's rebuttal testimony. Plus or minus three standard deviations captures 99.73% of the distribution of unadjusted betas and standard errors of the regression.

(2) Ending 2007.

(3) 2011 - 2013.

(4) The Student's T-statistic associated with these returns exceeds 1.96 at the 95% level of confidence. Therefore, they have been excluded, as outliers, to arrive at proper mean historical and projected returns as fully explained in Ms. Ahern's testimony.

(5) The standard deviation of group of six AUS Utility Reports water companies' standard error of the regression is 0.1426. The standard deviation of the standard error of the regression is calculated as follows:

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{/2N}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus, } 0.1426 = \frac{3.2465}{/518} = \frac{3.2465}{22.7596}$$

(6) Median five year projected rate of return on book common equity, shareholder's equity, net worth, or partners' capital including returns identified as outliers as outlined in Note (4) above.

(7) Median five year historical and projected rate of return on book common equity, shareholder's equity, net worth, or partner's capital excluding returns identified as outliers as outlined in Note (4) above.

(8) Median of the five year historical and five year projected return on book common equity, shareholder's equity, net worth or partner's capital excluding returns identified as outliers as outlined on Note (4) above.

(9) The criteria for selection of the proxy group of forty-nine non-utility companies was that the non-utility companies be domestic and have a meaningful projected rate of return on book common equity, shareholders' equity, net worth, or partners' capital 2011 - 2013 as reported in Value Line Investment Survey (Standard Edition). The proxy group of forty-nine non-utility companies was selected based upon the Florida PSC Natural Gas Index's unadjusted beta range of 0.56 – 1.00 and standard error of the regression range of 1.6896 – 2.2026. These ranges are based upon plus or minus three standard deviations of the unadjusted beta and standard error of the regression as detailed in Ms. Ahern's rebuttal testimony. Plus or minus three standard deviations captures 99.73% of the distribution of unadjusted betas and standard errors of the regression.

(10) The standard deviation of the Florida PSC Natural Gas Index's standard error of the regression is 0.0867 (1.9731 / 22.7596).

Source of Information: Value Line Investment Survey (Standard Edition)

AMER. STATES WATER NYSE-AWR

RECENT PRICE 37.23 | P/E RATIO 21.6 (Trailing: 25.1 Median: 18.0) | RELATIVE P/E RATIO 1.36 | DIV'D YLD 2.7% | VALUE LINE

TIMELINESS 3 Raised 8/17/07
SAFETY 3 New 2/1/08
TECHNICAL 1 Raised 1/25/08
BETA 1.00 (1.00 = Market)

2010-12 PROJECTIONS

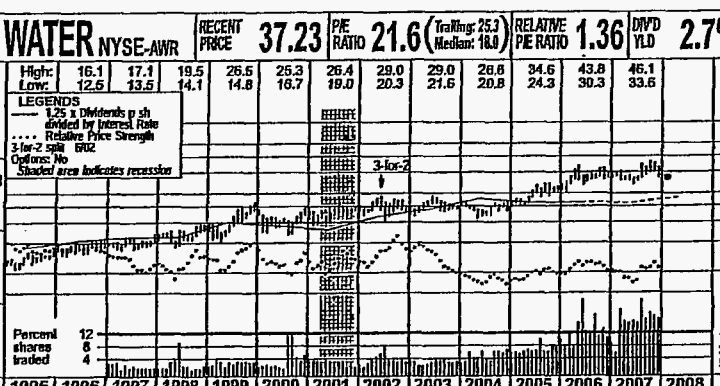
	Price	Gain	Ann'l Total Return
High	55	(+50%)	13%
Low	35	(-5%)	2%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	1	1	0	0
Options	0	0	2	1	0	2	2	0	4
to Sell	0	0	2	1	0	2	2	0	4

Institutional Decisions

	3Q2007	2Q2007	3Q2007
to Buy	57	65	63
to Sell	47	44	63
Hld's(000)	9282	9776	10424



% TOT. RETURN 12/07

	THIS STOCK	VL ARITH. INDEX
1 yr.	-0.1	1.3
3 yr.	57.2	25.2
5 yr.	88.3	117.2

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	©VALUE LINE PUB., INC	10-12
9.15	10.10	9.27	10.43	11.03	11.37	11.44	11.02	12.91	12.17	13.66	13.78	13.98	13.61	14.06	15.75	17.40	18.00	Revenues per sh	20.65
1.78	1.81	1.67	1.58	1.75	1.75	1.85	2.04	2.26	2.20	2.53	2.54	2.68	2.23	2.64	2.90	3.30	3.55	"Cash Flow" per sh	3.80
1.19	1.15	1.11	.95	1.03	1.13	1.04	1.08	1.19	1.28	1.35	1.34	.78	1.05	1.32	1.33	1.63	1.80	Earnings per sh A	2.20
.73	.77	.79	.80	.81	.82	.83	.84	.85	.86	.87	.87	.88	.89	.90	.91	.96	1.02	Div'd Decl'd per sh B■	1.16
2.77	2.31	1.90	2.43	2.19	2.40	2.68	3.11	4.30	3.03	3.18	2.68	3.76	5.03	4.24	3.91	3.09	3.00	Cap'l Spending per sh	3.25
8.39	8.85	9.95	10.07	10.29	11.01	11.24	11.48	11.82	12.74	13.22	14.05	13.97	15.91	15.72	16.64	17.78	18.00	Book Value per sh	19.10
9.91	9.96	11.71	11.77	11.77	13.33	13.44	13.44	13.44	15.12	15.12	15.18	15.21	16.75	16.80	17.05	17.25	17.50	Common Shs Outst'g C	19.00
8.6	10.6	13.4	12.6	11.6	12.6	14.5	15.5	17.1	15.9	16.7	16.3	31.9	23.2	21.9	27.7	23.9		Avg Ann'l P/E Ratio	21.0
.56	.64	.79	.84	.78	.79	.84	.81	.97	1.03	.86	1.00	1.82	1.23	1.17	1.47	1.27		Relative P/E Ratio	1.40
7.8%	6.3%	5.3%	6.6%	6.7%	5.8%	5.5%	5.0%	4.2%	4.2%	3.9%	3.6%	3.5%	3.6%	3.1%	2.4%	2.5%		Avg Ann'l Div'd Yield	2.6%
						153.8	148.1	173.4	184.0	197.5	209.2	212.7	228.0	236.2	268.6	300	315	Revenues ($mill)	390
						14.1	14.6	18.1	18.0	20.4	20.3	11.9	16.5	22.5	23.1	29.0	33.0	Net Profit ($mill)	43.0
						41.1%	40.9%	46.0%	45.7%	43.0%	36.9%	43.5%	37.4%	47.0%	40.5%	46.5%	41.0%	Income Tax Rate	42.0%
						--	--	--	--	--	--	--	--	--	--	NM	NM	AFUDC % to Net Profit	NM
						43.0%	43.6%	51.0%	47.5%	54.9%	52.0%	52.0%	47.7%	50.4%	48.6%	47.0%	48.0%	Long-Term Debt Ratio	50.0%
						56.3%	55.7%	48.4%	51.8%	44.7%	48.0%	48.0%	52.3%	49.6%	51.4%	53.0%	52.0%	Common Equity Ratio	50.0%
						268.4	277.1	328.2	371.1	447.6	444.4	442.3	480.4	532.5	551.6	675	695	Total Capital ($mill)	725
						383.6	414.8	449.6	509.1	539.8	563.3	602.3	664.2	713.2	750.6	770	800	Net Plant ($mill)	900
						6.9%	7.0%	6.6%	6.4%	6.1%	6.5%	4.6%	5.2%	5.4%	6.0%	7.8%	7.5%	Return on Total Cap'l	8.0%
						9.2%	9.4%	10.0%	8.2%	10.1%	9.5%	5.6%	6.6%	8.5%	8.1%	9.5%	10.5%	Return on Shr. Equity	12.0%
						9.2%	9.4%	10.1%	9.3%	10.1%	9.5%	5.6%	6.6%	8.5%	8.1%	9.5%	10.5%	Return on Com Equity	12.0%
						1.8%	2.1%	2.9%	3.0%	3.6%	3.3%	NMF	1.0%	2.8%	2.7%	5.5%	5.0%	Retained to Com Eq	6.0%
						80%	78%	72%	68%	65%	65%	113%	84%	67%	67%	57%	54%	All Div'ds to Net Prof	51%

CAPITAL STRUCTURE as of 9/30/07
Total Debt $297.2 mill. Due in 5 Yrs $20.0 mill.
LT Debt $267.6 mill. LT Interest $24.0 mill.
(LT Interest earned: 3.5x; total interest coverage: 3.4x) (47% of Cap'l)

Leases, Uncapitalized: None
Pension Assets-12/06 $64.3 mill.
Oblig. $86.1 mill.
Pfd Stock None. Pfd Div'd None.

Common Stock 17,197,055 shs.
MARKET CAP: $650 million (Small Cap)

CURRENT POSITION ($MILL.)	2005	2006	9/30/07
Cash Assets	13.0	3.2	3.6
Receivables	13.3	14.8	19.6
Inventory (Avg Cst)	1.4	1.6	1.9
Other	41.2	44.8	44.2
Current Assets	68.9	64.4	69.2
Accts Payable	19.7	24.0	25.3
Debt Due	27.6	32.6	29.6
Other	30.3	29.3	34.1
Current Liab.	77.6	85.9	89.0
Fix. Chg. Cov.	413%	268%	330%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '10-'12
Revenues	3.0%	2.5%	6.0%
"Cash Flow"	4.0%	2.0%	7.0%
Earnings	1.5%	-0.5%	10.0%
Dividends	1.0%	1.0%	4.5%
Book Value	4.0%	4.5%	3.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004	46.7	59.3	69.0	53.0	228.0
2005	49.8	60.6	68.1	57.8	236.2
2006	64.3	63.0	75.0	66.3	268.6
2007	72.3	79.2	75.8	72.7	300
2008	77.0	82.0	81.0	75.0	315

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004	.08	.30	.52	.15	1.05
2005	.22	.34	.47	.29	1.32
2006	.35	.36	.32	.30	1.33
2007	.31	.42	.44	.46	1.63
2008	.37	.45	.57	.41	1.80

Calendar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.221	.221	.221	.225	.89
2005	.225	.225	.225	.226	.90
2006	.225	.226	.225	.235	.91
2007	.235	.235	.235	.250	.96
2008					

BUSINESS: American States Water Co. operates as a holding company. Through its principal subsidiary, Golden State Water Company, it supplies water to more than 250,000 customers in 75 communities in 10 counties. Service areas include the greater metropolitan areas of Los Angeles and Orange Counties. The company also provides electric utility services to nearly 23,250 customers in the city of Big Bear Lake and in areas of San Bernardino County. Acquired Chaparral City Water of Arizona (10/00). Has roughly 555 employees. Officers & directors own 3.1% of common stock (4/07 Proxy). Chairman: Lloyd Ross. President & CEO: Floyd Wicks. Inc: CA. Addr.: 630 East Foothill Boulevard, San Dimas, CA 91773. Tele.: 909-394-3600. Internet: www.aswater.com.

We've raised our near-term expectations for American States Water. The California Public Utilities Commission (CPUC) recently announced that it approved the company's general rate case appeal for its Region II service area as well as the request to recover general office expenses. The decision, which is retroactive to January 1, 2007, and will be recorded in the company's fourth-quarter 2007 results (set to be released as we headed to press), ought to increase revenue by roughly $6.4 million and add more than a dime to share earnings for the quarter. We now look for the company to earn $0.46 a share in the final quarter of 2007. Note that our estimate would have been higher if not for the unfavorable weather conditions that have limited usage rates in recent months. **There may be additional regulatory backing on the horizon.** Although the regulatory climate is much improved from years ago, the CPUC is mulling over the idea of instituting a few of the proposals included in the Water Action Plan of 2005. Doing so would likely further streamline the decision making process, while removing some earnings volatility through the adoption of a weather normalization clause.

Even still, we advise investors to look elsewhere at this time. The aforementioned changes at the CPUC are still speculation and are not being factored into our estimates just yet. That said, earnings growth will probably slow considerably in 2008. Even if adopted, we suspect that a fair portion of the benefits coming from these changes would likely be offset by capital constraints. Indeed, American is highly leveraged and had only $3.6 million in cash on hand at the end of the most recent quarter. Infrastructure costs are expected to remain high, given aging systems and tighter EPA regulations, forcing management to look to outside financiers for help. The higher interest costs associated with taking on more debt and/or additional shares will likely limit shareholder gains, as well. Meanwhile, the once robust dividend yield pales in comparison to years past, despite the recent 6% hike. **These shares offer limited 3- to 5-year total-return appeal,** despite the 10% drop in price since our October review.

Andre J. Costanza *January 25, 2008*

(A) Primary earnings. Excludes nonrecurring gains: '91, 73¢; '02, 13¢; '04, 14¢; '05, 25¢; '06, 6¢. Next earnings report due early February.
(B) Dividends historically paid in early March, June, September, and December. ■ Div'd reinvestment plan available.
(C) In millions, adjusted for splits.

Company's Financial Strength	B++
Stock's Price Stability	75
Price Growth Persistence	75
Earnings Predictability	60

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AQUA AMERICA NYSE-WTR

RECENT PRICE 20.42 | P/E RATIO 23.2 (Trailing: 28.4 Median: 24.0) | RELATIVE P/E RATIO 1.46 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 4 Raised 2/9/07
SAFETY 3 Lowered 8/7/03
TECHNICAL 2 Raised 1/11/08
BETA .90 (1.00 = Market)

2010-12 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	30	(+45%)	13%
Low	20	(Nil)	3%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	2	0	2	3	2	1	1
to Sell	0	0	2	0	2	2	3	1	1

Institutional Decisions

	1Q2007	2Q2007	3Q2007
to Buy	106	109	84
to Sell	85	109	114
Hld's(000)	56295	64821	65922

LEGENDS
1.60 x Dividends p sh divided by Interest Rate
Relative Price Strength
3-for-2 split 7/96
4-for-3 split 1/99
5-for-4 split 12/00
5-for-4 split 12/01
5-for-4 split 12/03
4-for-3 split 12/05
Options: Yes
Shaded area indicates recession

High: 5.7 8.5 11.5 11.5 12.0 14.8 15.0 16.8 18.5 29.2 29.8 25.6
Low: 3.9 4.4 7.2 7.6 6.3 9.4 9.6 11.8 14.2 17.5 20.1 16.9

Target Price Range 2010 | 2011 | 2012

% TOT. RETURN 12/07

	THIS STOCK	VL ARITH. INDEX
1 yr.	-5.0	1.3
3 yr.	21.5	25.2
5 yr.	90.3	117.2

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	© VALUE LINE PUB., INC.	10-12
2.14	1.82	1.70	1.82	1.84	1.88	2.02	2.09	2.41	2.46	2.70	2.85	2.97	3.48	3.85	4.03	4.55	4.80	Revenues per sh	5.35
.45	.39	.42	.42	.47	.50	.56	.61	.72	.76	.88	.94	.96	1.09	1.21	1.26	1.45	1.55	"Cash Flow" per sh	1.80
.25	.24	.24	.26	.29	.30	.34	.40	.42	.47	.51	.54	.57	.64	.71	.70	.75	.90	Earnings per sh A	1.05
.19	.20	.21	.21	.22	.23	.24	.26	.27	.28	.30	.32	.35	.37	.40	.44	.46	.55	Div'd Decl'd per sh B=	.70
.54	.60	.47	.46	.52	.48	.58	.62	.90	1.16	1.09	1.20	1.32	1.54	1.84	2.05	2.10	2.15	Cap'l Spending per sh	2.30
2.07	2.09	2.29	2.41	2.46	2.69	2.84	3.21	3.42	3.85	4.15	4.36	5.34	6.89	6.30	6.96	7.15	7.45	Book Value per sh	8.30
41.42	61.20	69.40	59.77	63.74	65.76	67.47	72.20	106.90	111.82	113.97	113.19	123.46	127.18	128.97	132.33	134.09	136.60	Common Shs Outst'g C	140.00
10.8	12.5	14.4	13.5	12.0	15.6	17.8	22.5	21.2	18.2	23.6	23.6	24.5	25.1	31.8	34.7	30.3		Avg Ann'l P/E Ratio	25.0
.59	.76	.85	.89	.80	.98	1.03	1.17	1.21	1.18	1.21	1.29	1.40	1.33	1.69	1.87	1.69		Relative P/E Ratio	1.65
7.2%	6.8%	5.9%	6.0%	6.2%	4.9%	3.9%	2.9%	3.0%	3.3%	2.6%	2.5%	2.5%	2.3%	1.8%	1.8%	2.1%		Avg Ann'l Div'd Yield	2.7%
						136.2	151.0	257.3	275.5	307.3	322.0	367.2	442.0	498.8	533.5	610	650	Revenues ($mill)	750
						23.2	28.8	45.0	60.7	68.5	62.7	67.3	80.0	91.2	92.0	100	115	Net Profit ($mill)	150
						40.6%	40.5%	38.4%	38.9%	39.3%	38.5%	39.3%	39.4%	38.4%	39.5%	39.5%	39.0%	Income Tax Rate	39.0%
						--	--	--	--	--	--	--	--	2.9%	2.0%	2.0%	2.0%	AFUDC % to Net Profit	2.0%
						54.4%	52.7%	52.9%	52.0%	52.2%	54.2%	51.4%	50.0%	52.0%	51.5%	52.0%	52.0%	Long-Term Debt Ratio	51.0%
						44.8%	46.6%	46.7%	47.8%	47.7%	45.8%	48.6%	50.0%	48.0%	48.4%	48.0%	48.0%	Common Equity Ratio	49.0%
						427.2	496.6	782.7	801.1	990.4	1078.2	1355.7	1497.3	1690.4	1904.4	2000	2110	Total Capital ($mill)	2550
						534.5	609.8	1135.4	1251.4	1368.1	1490.8	1824.3	2069.8	2280.0	2506.0	2750	2900	Net Plant ($mill)	3500
						7.4%	7.6%	7.6%	7.4%	7.8%	7.6%	6.4%	6.7%	6.9%	6.4%	6.5%	7.0%	Return on Total Cap'l	7.5%
						11.9%	12.3%	12.2%	11.7%	12.3%	12.7%	10.2%	10.7%	11.2%	10.0%	10.5%	11.0%	Return on Shr. Equity	11.5%
						12.0%	12.4%	12.3%	11.7%	12.4%	12.7%	10.2%	10.7%	11.2%	10.0%	10.5%	11.0%	Return on Com Equity	11.5%
						3.6%	4.5%	4.3%	4.7%	5.1%	5.2%	4.2%	4.6%	4.9%	3.7%	3.5%	3.5%	Retained to Com Eq	4.0%
						70%	64%	65%	60%	59%	59%	69%	57%	56%	63%	64%	61%	All Div'ds to Net Prof	67%

CAPITAL STRUCTURE as of 9/30/07
Total Debt $1062.3 mill. Due in 5 Yrs $150.0 mill.
LT Debt $1038.0 mill. LT Interest $66.5 mill.
(LT Interest earned: 3.6x; total interest coverage: 3.4x) (52% of Cap'l)

Pension Assets-12/06 $126.5 mill.
Oblig. $178.3 mill.

Pfd Stock None
Common Stock 133,249,378 shares as of 10/23/07

MARKET CAP: $2.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)

	2005	2006	9/30/07
Cash Assets	11.9	44.0	15.6
Receivables	62.7	72.1	94.4
Inventory (AvgCst)	7.8	10.2	9.6
Other	7.6	8.4	9.1
Current Assets	90.0	134.7	128.7
Accts Payable	55.5	49.4	27.4
Debt Due	163.1	160.4	24.3
Other	44.7	56.8	263.7
Current Liab.	263.3	255.6	315.4
Fix. Chg. Cov.	377%	360%	360%

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '10-'12
Revenues	7.5%	6.5%	6.0%
"Cash Flow"	10.0%	9.0%	7.0%
Earnings	9.0%	8.0%	7.5%
Dividends	6.5%	7.0%	9.5%
Book Value	9.5%	11.0%	6.5%

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	99.8	106.5	120.3	115.4	442.0
2005	114.0	123.1	138.8	122.9	498.8
2006	118.0	131.7	147.0	136.8	533.5
2007	137.3	150.6	165.5	156.6	610
2008	145	165	185	155	650

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.13	.14	.20	.17	.64
2005	.15	.17	.22	.17	.71
2006	.13	.17	.21	.19	.70
2007	.13	.18	.22	.22	.75
2008	.20	.24	.24	.22	.90

QUARTERLY DIVIDENDS PAID B=

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.09	.09	.09	.098	.37
2005	.098	.098	.098	.107	.40
2006	.107	.107	.115	.115	.44
2007	.115	.115	.125	.125	.48
2008					

BUSINESS: Aqua America, Inc. is the holding company for water and wastewater utilities that serve approximately 2.8 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana, and five other states. Divested three of four non-water businesses in '91; telemarketing group in '93; and others. Acquired AquaSource, 7/03; Consumers Water, 4/99; and others. Water supply revenues '06: residential, 60%; commercial, 14%; industrial & other, 26%. Officers and directors own 1.2% of the common stock (4/07 Proxy). Chairman & Chief Executive Officer: Nicholas DeBenedictis. Incorporated: Pennsylvania. Address: 762 West Lancaster Avenue, Bryn Mawr, Pennsylvania 19010. Telephone: 610-525-1400. Internet: www.aquaamerica.com.

We have lowered our share-net estimate for Aqua America's recently completed fourth quarter. Due to the struggling housing market and the inability of the company to raise its rates in a few markets, we now believe that the company earned $0.22 a share during the December period, down from our previous estimate of $0.24 (WTR will release its fourth-quarter financial results within the next few weeks). On the bright side,

We expect a healthy share-net advance this year. Aqua's profits will likely be fueled by its recent acquisition activities. Over the last several months, it has purchased a number of water companies that have expanded its market reach to new areas in Florida, New Jersey, Indiana, Pennsylvania, and Texas. Moreover, management continues to implement rate hikes throughout the nation, which will help advance the operating margin and profits this year. In sum, Aqua will likely post share earnings of $0.90 this year, 20% better than our estimate for 2007.

The company's balance sheet should be able to support a few more purchases. Although Aqua does not have a huge stash of cash (only $15 million), and already possesses an ample amount of debt, it probably generates enough funds to complete a few more acquisitions this year. Aqua will likely seek opportunities to bolster its water utility businesses in Texas, Pennsylvania, and Virginia.

These shares are not particularly appealing at this time. Although recent acquisitions should help Aqua America register a solid share-earnings advance in 2008, our Timeliness Ranking System suggests that this issue will lag the year-ahead market. Furthermore, looking long term, this stock already trades at the low end of our projected Target Price Range for 2010–2012, limiting appreciation potential out to that time frame. That said, our share-net estimates would likely be raised if Aqua can complete a few additional acquisitions over the next few years. Lastly,

Income-oriented accounts can probably find better options elsewhere. Although Aqua has raised its quarterly dividend every year over the past decade, its current yield of 2.5% is probably not a good enough reason to look here.

Ian Gendler *January 25, 2008*

(A) Primary shares outstanding through '96; diluted thereafter. Excl. nonrec. gains (losses): '91, (34¢); '92, (39¢); '99, (11¢); '00, 2¢; '01, 2¢; '02, 5¢; '03, 4¢. Excl. gain from disc. operations: '96, 2¢. Next earnings report due early Feb.
(B) Dividends historically paid in early March, June, Sept. & Dec. ■ Div'd. reinvestment plan available (5% discount).
(C) In millions, adjusted for stock splits.

Company's Financial Strength	B+
Stock's Price Stability	90
Price Growth Persistence	80
Earnings Predictability	100

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CALIFORNIA WATER NYSE-CWT

RECENT PRICE 36.23 | P/E RATIO 24.2 (Trailing: 25.5 Median: 20.0) | RELATIVE P/E RATIO 1.52 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS 4 Lowered 11/9/07
SAFETY 3 Lowered 12/7/07
TECHNICAL 1 Raised 12/5/08
BETA 1.15 (1.00 = Market)

2010-12 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+50%)	13%
Low	35	(-5%)	3%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	0	0	0	0	0	1	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	1Q2007	2Q2007	3Q2007
to Buy	51	64	45
to Sell	39	43	46
Hld's(000)	8626	8544	8581

	High:	21.9	29.6	33.8	32.0	31.4	28.6	26.9	31.4	37.9	42.1	45.8	45.4			Target Price Range 2010	2011	2012
	Low:	16.3	18.6	20.8	22.6	21.5	22.9	20.5	23.7	26.1	31.2	32.8	34.2					

LEGENDS
1.33 x Dividends p sh divided by Interest Rate
Relative Price Strength
2-for-1 split 1/98
Options: No
Shaded area indicates recession

% TOT. RETURN 12/07

	THIS STOCK	VL ARITH. INDEX
1 yr.	-6.3	1.3
3 yr.	8.9	25.2
5 yr.	64.5	117.2

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	© VALUE LINE PUB., INC	10-12
11.18	12.29	13.34	12.59	13.17	14.48	15.48	14.76	16.86	16.16	16.26	17.33	16.37	17.18	17.44	16.20	17.40	18.15	Revenues per sh	21.80
1.98	1.92	2.25	2.02	2.07	2.50	2.92	2.60	2.75	2.52	2.28	2.65	2.51	2.83	3.03	2.71	3.10	3.30	"Cash Flow" per sh	3.95
1.21	1.09	1.35	1.22	1.17	1.51	1.83	1.45	1.53	1.31	.94	1.25	1.21	1.46	1.47	1.34	1.43	1.65	Earnings per sh [A]	2.20
.90	.93	.96	.99	1.02	1.04	1.06	1.07	1.09	1.10	1.12	1.12	1.12	1.13	1.14	1.15	1.16	1.17	Div'd Decl'd per sh [B] ■	1.20
3.03	3.09	2.53	2.26	2.17	2.83	2.61	2.74	3.44	2.45	4.09	5.82	4.39	3.73	5.14	5.05	4.05	3.85	Cap'l Spending per sh	4.60
10.35	10.51	10.90	11.56	11.72	12.22	13.00	13.38	13.43	12.90	12.95	13.12	14.44	15.66	15.79	18.15	19.05	19.05	Book Value per sh [C]	20.50
11.38	11.38	11.38	12.49	12.54	12.62	12.62	12.62	12.94	15.15	15.18	15.18	16.93	18.37	18.38	20.66	21.00	21.50	Common Shs Outst'g [D]	22.50
11.2	14.1	13.6	14.1	13.7	11.9	12.6	17.8	17.8	19.6	27.1	19.8	22.1	20.1	24.9	29.2	27.3		Avg Ann'l P/E Ratio	21.0
.72	.86	.80	.92	.92	.75	.73	.93	1.01	1.27	1.39	1.06	1.26	1.06	1.33	1.58	1.44		Relative P/E Ratio	1.40
6.6%	6.1%	5.2%	5.8%	6.4%	5.8%	4.8%	4.2%	4.0%	4.3%	4.4%	4.5%	4.2%	3.9%	3.1%	2.9%	3.0%		Avg Ann'l Div'd Yield	2.7%
						195.3	186.3	206.4	244.8	246.8	263.2	277.1	315.8	320.7	334.7	365	390	Revenues ($mill)	490
						23.3	18.4	19.9	20.0	14.4	19.1	19.4	26.0	27.2	25.6	30.0	35.0	Net Profit ($mill)	50.0
						37.4%	36.4%	37.9%	42.3%	39.4%	39.7%	39.5%	39.6%	42.4%	37.4%	48.0%	41.0%	Income Tax Rate	41.0%
						--	--	--	--	--	--	10.3%	3.2%	3.3%	10.6%	6.0%	6.0%	AFUDC % to Net Profit	5.0%
						45.4%	44.2%	46.9%	48.9%	50.3%	55.3%	50.2%	48.6%	48.3%	43.5%	44.5%	46.0%	Long-Term Debt Ratio	48.5%
						53.5%	54.7%	52.0%	50.2%	48.8%	44.0%	49.1%	50.8%	51.1%	55.9%	55.5%	53.5%	Common Equity Ratio	51.0%
						306.7	309.5	333.8	388.8	402.7	453.1	498.4	565.9	568.1	670.1	720	765	Total Capital ($mill)	900
						460.4	478.3	515.4	582.0	624.3	697.0	769.5	800.3	862.7	941.5	995	1050	Net Plant ($mill)	1175
						9.4%	7.8%	7.8%	6.8%	5.3%	5.9%	6.6%	6.1%	6.3%	5.2%	5.5%	6.0%	Return on Total Cap'l	7.5%
						13.9%	10.7%	11.2%	10.0%	7.2%	9.4%	7.8%	8.9%	9.3%	6.8%	7.5%	8.5%	Return on Shr. Equity	11.0%
						14.1%	10.8%	11.4%	10.1%	7.2%	9.5%	7.9%	9.0%	9.3%	6.8%	7.5%	8.5%	Return on Com Equity	11.0%
						6.0%	2.8%	3.5%	1.6%	NMF	1.0%	.7%	2.1%	2.1%	1.0%	1.5%	2.5%	Retained to Com Eq	5.0%
						58%	74%	70%	82%	119%	90%	91%	77%	78%	86%	81%	72%	All Div'ds to Net Prof	54%

CAPITAL STRUCTURE as of 9/30/07
Total Debt $282.9 mill. Due in 5 Yrs $12.0 mill.
LT Debt $291.1 mill. LT Interest $21.6 mill.

(LT Interest earned: 3.3x; total int. cov.: 3.2x)

Pension Assets-12/06 $78.4 mill.
Oblig. $109.1 mill.

Pfd Stock $3.5 mill. Pfd Div'd 6.15 mill.
139,000 shares, 4.4% cumulative ($25 par).

Common Stock 20,666,869 shs.
as of 11/1/07
MARKET CAP: $750 million (Small Cap)

CURRENT POSITION ($MILL.)

	2005	2006	9/30/07
Cash Assets	9.5	60.3	26.6
Other	42.7	49.3	61.8
Current Assets	52.2	109.6	88.4
Accts Payable	36.1	33.1	39.1
Debt Due	1.1	1.8	1.8
Other	39.6	35.3	40.8
Current Liab.	76.8	70.2	81.7
Fix. Chg. Cov.	361%	317%	380%

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '10-'12
Revenues	2.5%	1.0%	4.5%
"Cash Flow"	2.5%	3.0%	6.5%
Earnings	1.0%	2.5%	7.5%
Dividends	1.0%	.5%	1.0%
Book Value	3.5%	5.0%	3.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	60.2	88.9	97.1	69.4	315.6
2005	60.3	81.5	101.1	77.8	320.7
2006	65.2	81.1	107.8	80.6	334.7
2007	71.6	95.8	113.9	83.7	365
2008	76.0	102	120	92.0	390

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.08	.59	.59	.20	1.46
2005	.03	.41	.71	.32	1.47
2006	.04	.31	.68	.31	1.34
2007	.07	.37	.67	.32	1.43
2008	.09	.42	.77	.37	1.65

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.283	.283	.283	.283	1.13
2005	.285	.285	.285	.285	1.14
2006	.2875	.2875	.2875	.2875	1.15
2007	.290	.290	.290	.290	1.16
2008					

BUSINESS: California Water Service Group provides regulated and nonregulated water service to over 2 million people (483,900 customers) in 83 communities in California, Washington, New Mexico, and Hawaii. Main service areas: San Francisco Bay area, Sacramento Valley, Salinas Valley, San Joaquin Valley & parts of Los Angeles. Acquired National Utility Company (5/04); Rio Grande Corp. (11/00). Revenue breakdown, '06: residential, 70%; business, 18%; public authorities, 5%; industrial, 5%; other, 2%. '06 reported deprec. rate: 3.3%. Has roughly 870 employees. Chairman: Robert W. Foy. President & CEO: Peter C. Nelson. Inc.: Delaware. Address: 1720 North First Street, San Jose, California 95112-4598. Telephone: 408-367-8200. Internet: www.calwatergroup.com.

We've softened our outlook for California Water Service Group a bit since our October report. The water utility provider ran into some unforeseen problems in the third quarter 2007, when unfavorable weather conditions, and lower usage rates, caused it to post earnings of $0.67 a share, a penny off the prior year's mark. Meanwhile, there has been an unexpected holdup on the regulatory front. The California Public Utilities Commission, which appeared to have turned over a new leaf and had been handing out more timely and favorable rulings in recent memory, has yet to rule on the company's 2006 general rate case. Also, approval of parts of the Water Action Plan, namely of a Water Revenue Adjustment Mechanism (WRAM) and modified cost-balancing accounting was postponed. As a result, we've reduced our fourth-quarter 2007 share-net estimate by a few pennies to $0.32 and our full-year 2008 figure by a dime to $1.65. Note, that our 2008 figure would receive a boost if any of the WRAM amendments are implemented before the third quarter. **The stock has given back most of the gains it enjoyed last year . . .** Indeed, it has fallen from its $45-plus perch, trading down more than 10% since our October report. The issue is now ranked 4 (Below Average) for Timeliness based on our momentum-driven system.

. . . however, we still think it is richly valued according to current market conditions. The stock is currently trading at nearly 25 times 12-month earnings (through June), a premium compared to our 2010-2012 projections. Although we suspect that recent regulatory lag is just a hiccup, and that an improving landscape paints a favorable backdrop for the industry as a whole, we think that the current share price accounts for these potential changes. Meanwhile, capital constraints continue to concern us. Infrastructure costs are likely to continue rising as systems and pipelines age and EPA requirements grow tougher. However, California does not have the cash to fund these endeavors and will probably have to issue more shares and/or debt, thereby limiting shareholders' gains. Although the dividend provides some downside risk, income-minded investors have better options.

Andre J. Costanza *January 25, 2008*

(A) Basic EPS. Excl. nonrecurring gain (loss): '00, (7¢); '01, 4¢; 02, 8¢. Next earnings report due early February.

(B) Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available.

(C) Incl. deferred charges. In '06: $69.6 mill., $3.36/sh.

(D) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	65
Price Growth Persistence	75
Earnings Predictability	70

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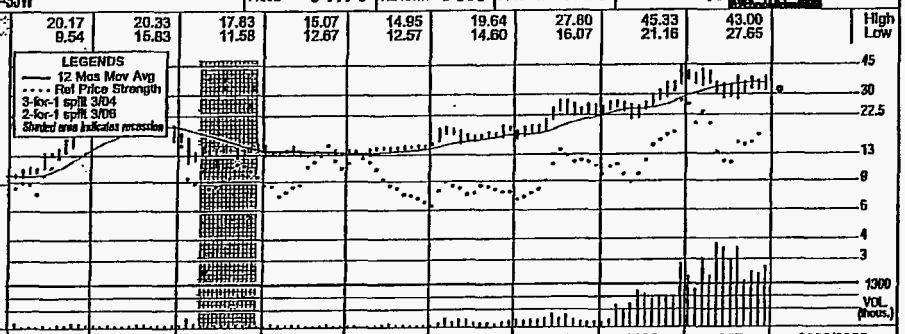
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SJW CORP. NYSE–SJW

RECENT PRICE 31.79 | TRAILING P/E RATIO 30.3 | RELATIVE P/E RATIO 1.81 | DIV'D YLD 1.9% | VALUE LINE

RANKS
PERFORMANCE 2 Above Average
Technical 2 Above Average
SAFETY 3 Average
BETA 1.10 (1.00 = Market)

Financial Strength B+
Price Stability 55
Price Growth Persistence 80
Earnings Predictability 85



© VALUE LINE PUBLISHING, INC.	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008/2009
SALES PER SH	6.40	6.74	7.45	7.97	8.20	9.14	9.86	10.35	–	
"CASH FLOW" PER SH	1.43	1.23	1.49	1.55	1.75	1.89	2.21	2.38	–	
EARNINGS PER SH	.87	.68	.77	.78	.91	.87	1.12	1.19	1.09 A,B	1.48 C/NA
DIV'DS DECL'D PER SH	.40	.41	.43	.46	.49	.51	.53	.57	–	
CAP'L SPENDING PER SH	1.77	1.89	2.63	2.06	3.41	2.31	2.83	3.87	–	
BOOK VALUE PER SH	7.89	7.90	8.17	8.40	9.11	10.11	10.72	12.48	–	
COMMON SHS OUTST'G (MILL)	18.27	18.27	18.27	18.27	18.27	18.27	18.27	18.28	–	
AVG ANN'L P/E RATIO	15.5	33.1	18.5	17.3	15.4	19.6	19.7	23.5	29.2	21.5/NA
RELATIVE P/E RATIO	.88	2.15	.95	.94	.88	1.04	1.04	1.27	–	
AVG ANN'L DIV'D YIELD	3.0%	2.1%	3.0%	3.4%	3.5%	3.0%	2.4%	2.0%	–	
SALES ($MILL)	117.0	123.2	136.1	145.7	149.7	166.9	180.1	189.2	–	
OPERATING MARGIN	33.2%	30.2%	64.4%	63.7%	66.0%	56.4%	55.9%	57.0%	–	
DEPRECIATION ($MILL)	10.2	11.9	13.2	14.0	15.2	16.5	19.7	21.3	–	
NET PROFIT ($MILL)	15.9	10.7	14.0	14.2	16.7	16.0	20.7	22.2	–	
INCOME TAX RATE	35.9%	41.0%	34.5%	40.4%	36.2%	42.1%	41.6%	40.8%	–	
NET PROFIT MARGIN	13.6%	8.7%	10.3%	9.8%	11.2%	9.6%	11.5%	11.7%	–	
WORKING CAP'L ($MILL)	d3.0	d11.4	d3.8	d4.9	12.0	13.0	10.8	22.2	–	
LONG-TERM DEBT ($MILL)	90.0	90.0	110.0	110.0	139.6	143.6	145.3	163.6	–	
SHR. EQUITY ($MILL)	143.9	144.3	149.4	153.5	166.4	184.7	195.9	228.2	–	
RETURN ON TOTAL CAP'L	8.2%	5.9%	6.7%	6.9%	6.9%	6.5%	7.6%	7.0%	–	
RETURN ON SHR. EQUITY	11.0%	7.4%	9.4%	9.3%	10.0%	8.7%	10.6%	9.7%	–	
RETAINED TO COM EQ	5.9%	2.2%	4.1%	3.8%	4.7%	3.6%	5.6%	5.2%	–	
ALL DIV'DS TO NET PROF	46%	70%	56%	69%	53%	58%	47%	46%	–	

Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.

A No. of analysts changing esm. est. in last 12 days: 0 up, 0 down, consensus 5-year earnings growth 10.0% per year. B Based upon one analyst's estimate. C Based upon one analyst's estimate.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	7.5%	6.0%
"Cash Flow"	9.5%	7.5%
Earnings	7.5%	6.0%
Dividends	5.5%	6.5%
Book Value	7.0%	16.5%

QUARTERLY SALES ($mill.)

Fiscal Year	1Q	2Q	3Q	4Q	Full Year
12/31/05	33.3	44.8	58.5	43.5	180.1
12/31/06	33.7	47.9	63.1	44.5	189.2
12/31/07	39.0	55.1	64.8		
12/31/08					

EARNINGS PER SHARE

Fiscal Year	1Q	2Q	3Q	4Q	Full Year
12/31/04	.09	.27	.30	.21	.87
12/31/05	.15	.31	.53	.13	1.12
12/31/06	.14	.35	.48	.22	1.19
12/31/07	.11	.29	.43	.25	
12/31/08	.21	.42			

QUARTERLY DIVIDENDS PAID

Cal-ender	1Q	2Q	3Q	4Q	Full Year
2005	.134	.134	.134	.134	.54
2006	.141	.141	.141	.141	.56
2007	.151	.151	.151	.151	.60
2008					

INSTITUTIONAL DECISIONS

	1Q'07	2Q'07	3Q'07
to Buy	35	40	32
to Sell	23	27	28
Hld's(000)	7905	8906	8664

ASSETS ($mill.)	2005	2006	9/30/07
Cash Assets	9.4	3.8	2.2
Receivables	18.4	20.9	32.6
Inventory	.6	.9	.8
Other	3.3	33.9	2.9
Current Assets	31.7	59.5	38.6
Property, Plant & Equip, at cost	695.0	776.2	--
Accum Depreciation	210.2	234.5	--
Net Property	484.8	541.7	625.6
Other	71.2	104.7	97.4
Total Assets	587.7	705.9	761.6
LIABILITIES ($mill.)			
Accts Payable	5.1	7.3	8.0
Debt Due	.3	16.9	8.2
Other	15.5	13.9	24.9
Current Liab	20.9	37.2	41.1

LONG-TERM DEBT AND EQUITY as of 9/30/07

Total Debt $204.6 mill. Due in 5 Yrs. NA
LT Debt $196.5 mill. Including Cap. Leases NA (45% of Cap'l)
Leases, Uncapitalized Annual rentals NA

Pension Liability $26.3 mill. in '06 vs. $13.2 mill. in '05

Pfd Stock None Pfd Div'd Paid None

Common Stock 18,360,952 shares (55% of Cap'l)

INDUSTRY: Water Utility

BUSINESS: SJW Corp. engages in the production, purchase, storage, purification, distribution, and retail sale of water. It provides water service to customers in Cupertino, San Jose, Campbell, Monte Sereno, Saratoga, and the Town of Los Gatos, as well as in the county of Santa Clara, CA. The company also offers nonregulated water related services, including water system operations, billings, and cash remittance services. SJW owns commercial buildings and other undeveloped land in the San Jose and California; some properties in the states of Florida, Texas, and Connecticut; and a 70% limited partnership interest in 444 West Santa Clara Street, L.P. As of September 30, 2007, SJW provided water service to a population of approximately one million people in the metropolitan San Jose, California area; and to approximately 7,800 connections that served approximately 22,000 residents in the region between San Antonio and Austin, Texas. Has 357 employees. Chairman: Charles J. Toeniskoetter. Inc.: CA. Address: 374 West Santa Clara Street, San Jose, CA 95113. Tel.: (408) 279-7800. Internet: http://www.sjwater.com.

L.Y.

January 25, 2008

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 12/31/2007

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
2.02%	5.15%	-8.89%	103.21%	203.66%

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SOUTHWEST WATER NDQ-SWWC

RECENT PRICE 12.11 | P/E RATIO 31.1 (Trailing: 36.7 / Median: 21.0) | RELATIVE P/E RATIO 1.96 | DIV'D YLD 2.0% | VALUE LINE

TIMELINESS 4 Lowered 11/23/07
SAFETY 3 New 10/28/05
TECHNICAL 2 Raised 12/28/07
BETA 1.00 (1.00 = Market)

2010-12 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	20	(+65%)	15%
Low	14	(+15%)	6%

Insider Decisions

	M	A	M	J	J	A	S	O	N
to Buy	1	0	1	0	0	0	1	0	0
Options	2	1	2	0	0	1	0	0	0
to Sell	1	1	2	1	1	2	1	1	1

Institutional Decisions

	1Q2007	2Q2007	3Q2007
to Buy	34	33	34
to Sell	26	29	27
Hld's(000)	11936	12590	10913

High: 3.7 5.0 5.6 9.2 8.3 10.2 12.4 11.2 14.3 15.2 19.1 16.4
Low: 2.0 2.6 3.6 3.6 6.1 6.9 7.8 8.1 10.3 9.0 10.8 11.5

LEGENDS
2.50 x Dividends p sh divided by Interest Rate
Relative Price Strength
6-for-5 split 12/05
5-for-4 split 10/98
3-for-2 split 10/99
5-for-4 split 1/01
4-for-3 split 1/04
Options: No
Shaded area indicates recession

Target Price Range 2010 | 2011 | 2012: 40 / 32 / 24 / 16 / 12 / 10 / 8 / 6 / 4

% TOT. RETURN 12/07

	THIS STOCK	VL ARITH. INDEX
1 yr.	-7.4	1.3
3 yr.	-2.2	26.2
5 yr.	43.2	117.2

Percent shares traded: 15 / 10 / 5

1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	© VALUE LINE PUB., INC.	10-12
3.34	3.77	4.03	4.20	4.84	5.31	5.61	5.63	6.16	7.49	8.16	9.12	10.70	9.23	9.10	9.42	9.00	9.05	Revenues per sh	11.00
.28	.44	.38	.36	.44	.46	.53	.59	.65	.76	.87	.86	.91	.67	.78	.85	.90	1.10	"Cash Flow" per sh	1.40
.02	.19	.08	.09	.12	.15	.21	.25	.31	.38	.42	.39	.44	.23	.34	.40	.30	.50	Earnings per sh A	.70
.18	.18	.14	.06	.06	.09	.09	.10	.11	.13	.14	.15	.16	.18	.20	.21	.23	.24	Div'd Decl'd per sh B	.30
.39	.42	.60	.72	.84	.85	.74	.79	.53	.55	1.06	1.78	1.14	1.26	1.66	1.87	1.90	1.95	Cap'l Spending per sh	2.05
2.41	2.42	2.31	2.31	2.45	2.40	2.52	2.70	3.05	3.44	3.84	4.27	4.90	6.17	6.49	6.98	7.15	8.45	Book Value per sh D	10.50
11.60	11.80	11.97	12.13	11.74	12.45	12.66	12.83	13.12	13.99	14.17	14.35	16.17	20.36	22.33	23.80	24.50	26.00	Common Shs Outst'g C	30.00
NMF	14.5	35.8	22.3	14.6	16.5	16.9	17.2	19.6	17.8	19.8	24.8	21.2	51.5	35.5	34.8	43.5		Avg Ann'l P/E Ratio	25.0
NMF	.88	2.11	1.46	.96	1.03	.97	.89	1.12	1.11	1.01	1.35	1.21	2.73	1.80	1.88	2.39		Relative P/E Ratio	1.65
5.5%	6.6%	4.7%	4.2%	4.7%	3.4%	2.7%	2.3%	1.8%	2.0%	1.7%	1.5%	1.7%	1.5%	1.6%	1.5%	2.3%		Avg Ann'l Div'd Yield	1.7%
						71.0	72.2	80.9	104.7	115.5	130.8	173.0	188.0	203.2	224.2	220	235	Revenues ($mill)	330
						2.6	3.4	4.2	5.4	6.2	6.0	7.2	4.5	7.3	9.3	8.0	14.0	Net Profit ($mill)	22.0
						41.6%	39.5%	39.0%	37.0%	36.0%	34.9%	35.9%	36.1%	36.0%	35.0%	36.0%	36.0%	Income Tax Rate	35.5%
						--	--	--	--	14.4%	3.2%	--	11.0%	9.5%	12.5%	11.5%	12.0%	AFUDC % to Net Profit	12.5%
						47.9%	48.7%	45.2%	46.8%	51.4%	56.7%	47.9%	47.9%	44.7%	43.6%	44.5%	44.0%	Long-Term Debt Ratio	43.5%
						51.3%	50.5%	54.1%	50.7%	48.2%	42.9%	51.8%	52.0%	55.1%	56.3%	55.5%	56.0%	Common Equity Ratio	56.5%
						62.2	68.5	73.9	95.0	113.0	142.8	152.8	242.0	262.8	295.2	315	380	Total Capital ($mill)	560
						102.1	109.2	113.7	157.8	171.1	203.9	219.5	302.6	344.8	389.6	430	510	Net Plant ($mill)	750
						6.8%	7.1%	7.6%	7.5%	7.6%	6.8%	6.2%	3.1%	4.1%	4.5%	4.0%	5.0%	Return on Total Cap'l	5.0%
						8.0%	9.5%	10.3%	11.1%	11.4%	9.7%	9.0%	3.6%	5.0%	5.6%	4.5%	6.0%	Return on Shr. Equity	7.0%
						8.1%	9.6%	10.4%	11.1%	11.4%	9.7%	9.1%	3.6%	5.0%	5.6%	4.5%	6.0%	Return on Com Equity	7.0%
						4.5%	6.0%	7.0%	7.8%	7.8%	6.3%	5.8%	.8%	2.1%	2.6%	1.5%	3.0%	Retained to Com Eq	3.5%
						45%	38%	33%	31%	32%	35%	36%	78%	58%	54%	77%	46%	All Div'ds to Net Prof	43%

CAPITAL STRUCTURE as of 9/30/07
Total Debt $144.6 mill. Due in 5 Yrs $60.0 mill.
LT Debt $143.1 mill. LT Interest $8.4 mill.
(Total interest coverage: 2.7x) (46% of Cap'l)

Leases, Uncapitalized: Annual rentals $6.7 mill.
Pension Liability None

Pfd Stock $.458 mill. Pfd Div'd $.018 mill.
Common Stock 24,232,637 shs.
as of 11/2/07

MARKET CAP: $300 million (Small Cap)

CURRENT POSITION ($MILL.)	2005	2006	9/30/07
Cash Assets	3.0	4.3	2.4
Receivables	26.5	27.5	27.4
Inventory (Avg Cst)	--	--	--
Other	18.2	16.5	11.9
Current Assets	47.7	48.3	41.7
Accts Payable	10.0	12.7	9.7
Debt Due	9.5	1.4	1.5
Other	21.1	21.7	22.6
Current Liab.	40.6	35.8	33.8

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '10-'12
Revenues	7.0%	5.0%	3.0%
"Cash Flow"	6.0%	0.5%	10.5%
Earnings	10.5%	-2.5%	14.0%
Dividends	9.0%	9.0%	7.5%
Book Value	10.5%	13.5%	8.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004	39.8	45.7	55.0	47.5	188.0
2005	45.2	51.3	54.7	62.0	203.2
2006	50.8	55.4	60.1	57.9	224.2
2007	48.1	55.0	57.4	59.5	220
2008	55.0	58.0	60.0	62.0	235

Calendar	EARNINGS PER SHARE A Mar.31	Jun. 30	Sep. 30	Dec. 31	Full Year
2004	--	.13	.11	d.01	.23
2005	d.01	.15	.14	.06	.34
2006	.03	.08	.16	.13	.40
2007	.03	.09	.08	.10	.30
2008	.06	.15	.18	.11	.50

Calendar	QUARTERLY DIVIDENDS PAID B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.044	.044	.044	.048	.18
2005	.048	.048	.048	.052	.20
2006	.052	.052	.052	.058	.21
2007	.058	.058	.058	.058	.23
2008	.06				

BUSINESS: Southwest Water Company provides a broad range of services including water production, treatment and distribution; wastewater collection and treatment; utility billing and collection; utility infrastructure construction management; and public works services. It operates out of two groups, Utility (38% of 2006 revenues) and Services (62%). Utility owns and manages rate-regulated public water utilities in California, New Mexico, Oklahoma, and Texas. Services does mostly maintenance work on a contract basis. Off. & dir. own 6.3% of com. shs.; Glen Roe Investment Council, 9.7% (4/07 proxy). CEO and Chairman: Mark Swatek. Inc.: DE. Addr.: One Wilshire Building, 624 S. Grand Ave. Ste. 2900, Los Angeles, CA 90017. Tel.: 213-929-1800. Internet: www.swwc.com.

Southwest Water has struggled of late. A couple of months ago, it reported weak September-period financial results. For the quarter, due to record rainfall in Texas and the weak housing market, share net came in at just $0.08, well below our estimate of $0.15. In addition, for the recently completed fourth quarter, we have lowered our share-net estimate by $0.03 to $0.10. Along with the struggles of the housing market, which probably limited construction and repair opportunities for SWWC, profits were likely hampered by increased operating costs, stemming from its restructuring initiative. **On the bright side, the situation should improve this year.** Although the housing market has shown few signs of rebounding, Southwest will likely begin to benefit from the improvement of its operations. It recently introduced a new integrated operating system, which has helped improve its communication processes and should help lower operating expenses. Thus, we estimate that this new system will help widen the operating margin by about 50 basis points this year.

Profits will be fueled by Southwest's recent acquisition activity, as well. A few months ago, it purchased Diamond Water Company, which provides services to approximately 7,500 residents near San Antonio. This purchase helped SWWC expand its market reach and customer base in the Lone Star State. Moreover, the company is currently attempting to implement rate hikes in several of its markets. This action will help margins and profits this year. All told, we believe that 2008 share net will be $0.50, about 67% better than last year's 2007 probable results.

These shares do not stand out for the short or long term. Although its restructuring initiative and recent acquisitions may well help the company achieve a large share-net gain this year, our Timeliness Ranking System suggests that this issue will lag the year-ahead market. In addition, looking out to the 2010–2012 period, this stock offers below average appreciation potential to that timeframe. That said, Southwest will probably remain active on the acquisition front. Additional purchases would probably cause us to raise our earnings projections.

Jan Gendler *January 25, 2008*

(A) Diluted earnings. Excludes nonrecurring gains (losses): '00, (3¢); '01, (5¢); '02, 1¢; '05, (23¢). Next earnings report due mid-Mar.
(B) Dividends historically paid in late January, April, July, and October.
(C) In millions, adjusted for splits.
(D) Includes intangibles. In 2006: $36.0 million, $1.51/share.

Company's Financial Strength	B
Stock's Price Stability	55
Price Growth Persistence	70
Earnings Predictability	60

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YORK WATER CO NDQ-YORW

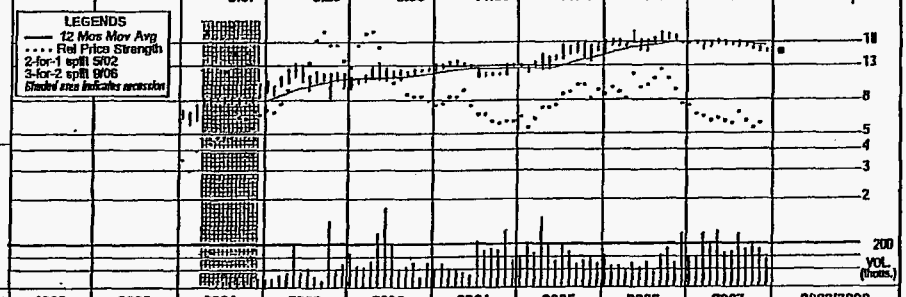
RECENT PRICE 15.73 | TRAILING P/E RATIO 27.6 | RELATIVE P/E RATIO 1.65 | DIV'D YLD 3.1% | VALUE LINE

RANKS

PERFORMANCE 3 Average
Technical 2 Above Average
SAFETY 3 Average
BETA .50 (1.00 = Market)

Financial Strength 8+
Price Stability 65
Price Growth Persiste ce 40
Earnings Predictability 80

LEGENDS
12 Mos Mov Avg
Rel Price Strength
2-for-1 split 5/02
3-for-2 split 9/06
Shaded area indicates recession



© VALUE LINE PUBLISHING, INC.	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008/2009
REVENUES PER SH	—	—	2.05	2.05	2.17	2.16	2.58	2.56	—	
"CASH FLOW" PER SH	—	—	.59	.57	.65	.65	.79	.77	—	
EARNINGS PER SH	—	—	.43	.40	.47	.49	.56	.58	.57 A,B	.67 C/NA
DIV'D DECL'D PER SH	—	—	.34	.35	.37	.39	.42	.45	—	
CAP'L SPENDING PER SH	—	—	.75	.66	1.07	2.60	1.69	1.85	—	
BOOK VALUE PER SH	—	—	3.79	3.90	4.06	4.65	4.85	5.84	—	
COMMON SHS OUTST'G (MILL)	—	—	9.46	9.56	9.63	10.33	10.40	11.20	—	
AVG ANN'L P/E RATIO	—	—	17.9	26.9	24.5	25.7	26.3	31.2	27.6	23.5/NA
RELATIVE P/E RATIO	—	—	.92	1.47	1.40	1.36	1.39	1.68	—	
AVG ANN'L DIV'D YIELD	—	—	4.3%	3.3%	3.2%	3.1%	2.9%	2.6%	—	
REVENUES ($MILL)	—	18.5	19.4	19.6	20.9	22.5	26.8	28.7	—	
NET PROFIT ($MILL)	—	3.8	4.0	3.8	4.4	4.8	5.8	6.1	—	
INCOME TAX RATE	—	35.7%	35.8%	34.9%	34.8%	36.7%	36.7%	34.4%	—	
AFUDC % TO NET PROFIT	—	—	2.2%	3.7%	—	—	—	7.2%	—	
LONG-TERM DEBT RATIO	—	50.2%	47.7%	46.7%	43.4%	42.6%	44.1%	48.3%	—	
COMMON EQUITY RATIO	—	49.8%	52.3%	53.3%	56.6%	57.5%	55.9%	51.7%	—	
TOTAL CAPITAL ($MILL)	—	65.2	68.6	69.9	69.0	83.8	90.3	126.5	—	
NET PLANT ($MILL)	—	97.0	102.3	106.7	116.5	140.0	155.3	174.4	—	
RETURN ON TOTAL CAP'L	—	7.9%	7.9%	7.4%	8.5%	7.6%	8.4%	6.2%	—	
RETURN ON SHR. EQUITY	—	11.6%	11.2%	10.2%	11.4%	10.0%	11.6%	9.3%	—	
RETURN ON COM EQUITY	—	11.6%	11.2%	10.2%	11.4%	10.0%	11.6%	9.3%	—	
RETAINED TO COM EQ	—	2.5%	2.5%	1.3%	2.6%	2.1%	3.0%	2.2%	—	
ALL DIV'DS TO NET PROF	—	78%	78%	88%	77%	79%	74%	77%	—	

Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.

A No. of analysts changing earn. est. in last 12 days: 0 up, 0 down, consensus 5-year earnings growth 11.3% per year. B Based upon 3 analysts' estimates. C Based upon 3 analysts' estimates.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Revenues	3.5%	-0.5%
"Cash Flow"	4.5%	-2.5%
Earnings	4.5%	3.5%
Dividends	-3.0%	7.0%
Book Value	6.0%	20.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/05	6.2	6.7	7.2	6.7	26.8
12/31/06	6.6	7.0	7.7	7.4	28.7
12/31/07	7.4	8.0	8.3		
12/31/08					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/04	.12	.11	.12	.14	.49
12/31/05	.12	.14	.17	.13	.56
12/31/06	.12	.14	.17	.15	.58
12/31/07	.12	.15	.15	.15	
12/31/08	.14	.17			

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2005	.104	.104	.104	.104	.42
2006	.112	.112	.112	.112	.45
2007	.118	.118	.118	.118	.47
2008	.121				

INSTITUTIONAL DECISIONS

	1Q'07	2Q'07	3Q'07
to Buy	13	14	10
to Sell	1	5	4
Hld's(000)	1222	1416	1595

ASSETS ($mill.)	2005	2006	9/30/07
Cash Assets	.0	.0	.0
Receivables	3.8	4.8	6.5
Inventory (Avg cost)	.8	.8	.8
Other	.5	1.1	.8
Current Assets	5.1	6.7	7.1
Property, Plant & Equip, at cost	182.4	202.7	--
Accum Depreciation	27.1	28.3	--
Net Property	155.3	174.4	184.4
Other	11.9	15.0	14.9
Total Assets	172.3	196.1	206.4
LIABILITIES ($mill.)			
Accts Payable	2.6	1.6	3.3
Debt Due	19.3	1.2	6.3
Other	2.8	3.1	3.6
Current Liab	24.7	5.9	13.2

LONG-TERM DEBT AND EQUITY as of 9/30/07

Total Debt $67.3 mill. Due in 5 Yrs. NA
LT Debt $61.1 mill. Including Cap. Leases NA (48% of Cap'l)
Leases, Uncapitalized Annual rentals NA

Pension Liability $5.9 mill. in '06 vs. $3.9 mill. in '05

Pfd Stock None Pfd Div'd Paid None

Common Stock 11,247,944 shares (52% of Cap'l)

INDUSTRY: Water Utility

BUSINESS: The York Water Company engages in the impounding, purification, and distribution of water in York County and Adams County, Pennsylvania. It supplies water for residential, commercial, industrial, and other customers. The company has two reservoirs, Lake Williams and Lake Redman, which together hold approximately 2.2 billion gallons of water. It also has a 15-mile pipeline from the Susquehanna River to Lake Redman that provides access to an additional supply of water. The company serves 34 municipalities in York County and four municipalities in Adams County. Has 106 employees. C.E.O. & President: Jeffrey S. Osman. Inc.: PA. Address: 130 East Market Street, York, PA 17401. Tel.: (717) 845-3601. Internet: http://www.yorkwater.com.

L.Y.

January 25, 2008

TOTAL SHAREHOLDER RETURN
Dividends plus appreciation as of 12/31/2007

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
-7.26%	-11.40%	-10.84%	29.93%	88.84%

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AGL RESOURCES NYSE-ATG

RECENT PRICE 35.54 | P/E RATIO 12.4 (Trailing: 13.0 Median: 14.0) | RELATIVE P/E RATIO 0.80 | DIV'D YLD 4.7% | VALUE LINE

TIMELINESS 3 Raised 3/14/08
SAFETY 2 New 7/27/89
TECHNICAL 3 Raised 12/21/07
BETA .65 (1.00 = Market)

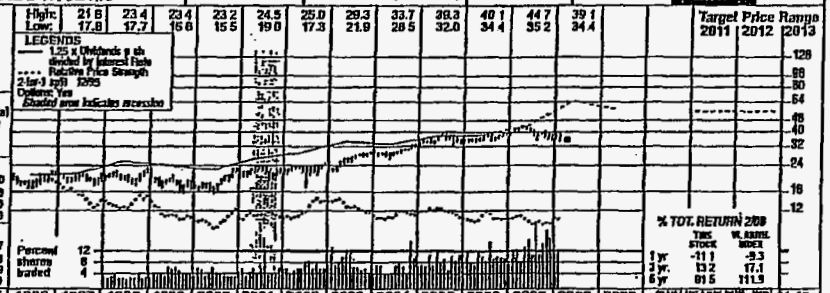
2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+55%)	15%
Low	40	(+15%)	7%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	0	0	0	0	0
to Sell	0	0	0	1	0	0	0	0	0

Institutional Decisions	3Q2007	4Q2007	1Q2008
to Buy	332	306	328
to Sell	101	112	89
Hld's(000)	50323	47302	47469



1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
20.43	22.73	23.69	19.32	21.91	22.75	23.36	19.71	11.25	19.04	15.22	15.26	23.89	34.98	33.73	32.64	34.65	36.20	Revenues per sh A	41.25
2.31	2.25	2.24	2.33	2.49	2.42	2.65	2.29	2.88	3.31	3.39	3.47	3.29	4.28	4.80	4.77	4.95	5.15	"Cash Flow" per sh	6.65
1.13	1.08	1.17	1.33	1.37	1.37	1.41	.81	1.28	1.50	1.82	2.08	2.28	2.48	2.72	2.72	2.80	2.90	Earnings per sh A B	3.20
1.03	1.04	1.04	1.04	1.05	1.08	1.08	1.08	1.08	1.08	1.08	1.11	1.15	1.36	1.48	1.64	1.68	1.72	Div'ds Decl'd per sh C a	1.84
2.74	2.49	2.37	2.17	2.37	2.59	2.05	2.51	2.92	2.83	3.38	2.46	3.44	3.44	4.28	3.39	3.50	3.60	Cap'l Spending per sh	3.85
9.70	9.90	10.19	10.12	10.56	10.99	11.42	11.59	11.59	12.19	12.57	14.66	18.06	19.29	20.71	21.74	22.35	23.05	Book Value per sh D	22.60
48.69	49.72	50.86	55.02	65.70	66.69	67.30	67.10	64.06	55.10	58.78	64.50	76.70	77.70	77.70	76.40	76.00	76.00	Common Shs Outst'g E	80.00
15.6	17.9	15.1	12.6	13.8	14.7	13.9	21.4	13.6	14.6	12.5	12.5	13.1	14.3	13.5	14.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
.94	1.06	.89	.84	.86	.85	.72	1.22	.88	.75	.69	.71	.69	.76	.73	.71			Relative P/E Ratio	1.00
6.8%	6.4%	5.9%	5.2%	5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%	4.3%	3.9%	3.7%	4.0%	4.1%			Avg Ann'l Div'd Yield	3.8%

CAPITAL STRUCTURE as of 12/31/07
Total Debt $2254.0 mill. Due in 5 Yrs $897.0 mill.
LT Debt $1674.0 mill LT Interest $95.0 mill

(Total interest coverage: 3.7x)
Leases, Uncapitalized Annual rentals $28.0 mill.

Pension Assets-12/07 $383.0 mill.
Oblig. $427.0 mill.

Pfd Stock None
Common Stock 78,439,305 shs
as of 1/31/08

MARKET CAP: $2.7 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	12/31/07
Cash Assets	30.0	20.0	21.0
Other	2002.0	1802.0	1790.0
Current Assets	2032.0	1822.0	1811.0
Accts Payable	264.0	213.0	172.0
Debt Due	622.0	639.0	680.0
Other	1163.0	875.0	893.0
Current Liab.	1639.0	1627.0	1645.0
Fix. Chg. Cov.	442%	397%	391%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	3.5%	13.5%	3.5%
"Cash Flow"	5.5%	7.0%	4.0%
Earnings	7.0%	15.0%	3.5%
Dividends	2.5%	4.0%	4.0%
Book Value	6.5%	10.5%	1.5%

2338.5	1069.8	907.4	1049.3	868.9	983.7	1832.0	2718.0	2621.0	2494.0	2625	2750	Revenues ($mill) A	3300
80.5	52.1	71.1	82.3	103.0	132.4	153.0	193.0	212.0	210.5	215	225	Net Profit ($mill)	260
32.5%	33.1%	34.3%	40.7%	36.0%	35.9%	37.6%	37.7%	37.8%	37.6%	38.0%	38.0%	Income Tax Rate	38.0%
6.0%	4.9%	11.7%	7.8%	11.9%	13.5%	8.4%	7.1%	8.1%	8.4%	8.2%	8.2%	Net Profit Margin	7.9%
47.5%	45.3%	45.9%	61.3%	58.3%	50.3%	54.0%	51.6%	50.2%	50.2%	50.0%	50.5%	Long-Term Debt Ratio	50.0%
47.1%	49.2%	48.3%	38.7%	41.7%	49.7%	46.0%	48.1%	49.8%	49.8%	50.0%	50.5%	Common Equity Ratio	50.0%
1388.4	1345.8	1285.2	1736.3	1704.3	1901.4	3098.0	3114.0	3231.0	3335.9	3400	3500	Total Capital ($mill)	3600
1534.0	1598.9	1637.5	2058.9	2104.2	2352.4	3178.0	3271.0	3438.0	3568.0	3700	3800	Net Plant ($mill)	4150
7.5%	5.7%	7.4%	6.5%	8.1%	8.5%	6.3%	7.9%	8.0%	7.6%	7.5%	8.0%	Return on Total Cap'l	8.5%
11.1%	7.1%	10.2%	12.3%	14.5%	14.0%	11.0%	12.9%	13.2%	12.7%	12.5%	13.0%	Return on Shr. Equity	14.5%
12.3%	7.9%	11.5%	12.3%	14.5%	14.0%	11.5%	12.9%	13.2%	12.7%	12.5%	13.0%	Return on Com Equity	14.5%
4.4%	NMF	3.2%	4.2%	7.0%	6.6%	5.5%	6.2%	6.3%	5.3%	5.0%	5.5%	Retained to Com Eq	6.5%
64%	101%	72%	65%	52%	53%	49%	52%	52%	58%	59%	58%	All Div'ds to Net Prof	57%

BUSINESS: AGL Resources, Inc. is a public utility holding company. Its distribution subsidiaries include Atlanta Gas Light, Chattanooga Gas, and Virginia Natural Gas. The utilities have more than 2.2 million customers in Georgia, Virginia, Tennessee, New Jersey, Florida, and Maryland. Engaged in nonregulated natural gas marketing and other allied services. Also wholesales and retails propane. Deregulated subsidiaries: Georgia Natural Gas markets natural gas at retail. Sold Ulupro, 3/01. Acquired Compass Energy Services, 10/07. Off Alt. own less than 1.0% of common; Barclays Global Investors, 5.6% (3/07 Proxy). Pres. & CEO: John W. Somerhalder II. Inc.: GA. Addr.: Ten Peachtree Place N.E., Atlanta, GA 30309 Telephone: 404-584-4000 Internet: www.aglresources.com.

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	908	430	387	993	2718
2006	1044	436	434	707	2621
2007	973	467	369	685	2494
2008	1000	475	400	750	2625
2009	1025	500	425	800	2750

Calendar	EARNINGS PER SHARE B Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.14	.30	.19	.85	2.48
2006	1.41	.25	.46	.60	2.72
2007	1.29	.49	.17	.86	2.72
2008	1.35	.35	.30	.80	2.80
2009	1.35	.40	.35	.80	2.90

Calendar	QUARTERLY DIVIDENDS PAID C Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.28	.29	.29	.29	1.15
2005	.31	.31	.31	.37	1.30
2006	.37	.37	.37	.37	1.48
2007	.41	.41	.41	.41	1.64
2008	.42				

AGL Resources reported solid performance for the fourth quarter. Revenues declined slightly in the recent interim. However, the company enjoyed lower operating costs, and the bottom-line improved considerably. But share earnings for 2007 as a whole only matched the prior year's figure, owing to unfavorable comparisons in the first and third quarters. Operating earnings were lower at the company's Wholesale Services business, resulting from a significant decrease in commercial activity due to lower volatility in the natural gas market during the year. Performance was supported by solid earnings growth in the company's Distribution Operations, and a strong bottom-line advance in its Retail Energy Operations. The Distribution business benefited from modest customer growth and higher base rates at Chattanooga Gas. The Retail Energy line experienced higher average customer usage, a greater customer base, and increased late payment fees.

Earnings growth ought to resume in 2008. The company has initiated share-net guidance of $2.75 to $2.85 for the current year. Our estimate lies at the midpoint of this range. This assumes normal weather patterns and average volatility for gas prices in 2008. Earnings per share stand a good chance of advancing at about the same deliberate pace in 2009, as well.

The board of directors recently approved a modest dividend increase. The quarterly dividend will now increase to $0.42, beginning with the March payout. This represents slower growth than in the past few years, which makes sense, considering the company's flat earning comparison for 2007 and its lower cash balance in recent times. Nevertheless, this level of dividend growth will probably continue going forward.

These shares have improved a notch in Timeliness, and are now ranked 3 (Average). That said, this issue earns good marks for Safety and Price Stability, and we project steady earnings growth at AGL Resources over the pull to 2011-2013. Income-seeking investors may also find this stock attractive, considering its healthy dividend yield. Overall, these shares offer worthwhile total return potential for the coming years.

Michael Napoli, CPA *March 14, 2008*

(A) Fiscal year ends December 31st. Ended September 30th prior to 2002.
(B) Diluted earnings per share. Excl. nonrecurring gains (losses): '96, ($0.83); '99, $0.39; '00, $0.13; '01, $0.13; '03, ($0.07). Next earnings report due late April/early May.
(C) Dividends historically paid early March, June, Sept., and Dec. ■ Div'd reinvest. plan available.
(D) Includes intangibles. In 2007: $420 million, $5.50/share.
(E) In millions, adjusted for stock split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	70
Earnings Predictability	80

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ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE 26.34 | P/E RATIO 13.2 (Trailing: 14.5 / Median: 16.0) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 5.0% | VALUE LINE

TIMELINESS 3 Raised 12/5/08
SAFETY 2 Raised 12/19/86
TECHNICAL 3 Lowered 2/2/09
BETA .85 (1.00 = Market)

2011-13 PROJECTIONS

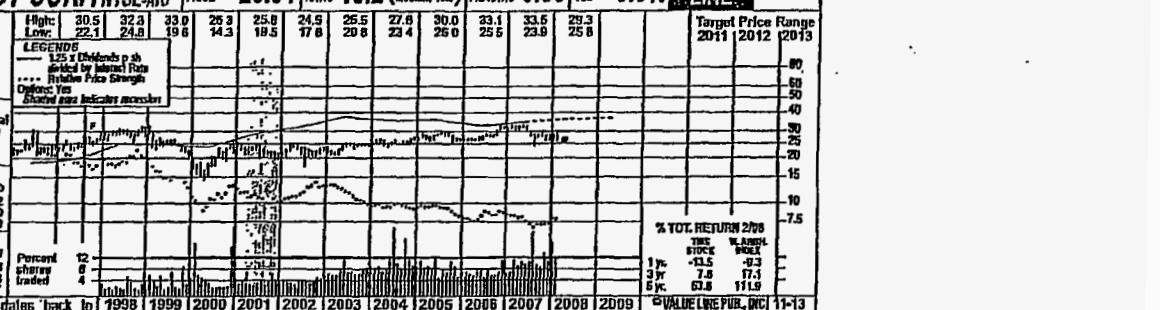
	Price	Gain	Ann'l Total Return
High	40	(+50%)	15%
Low	30	(+15%)	8%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	0	1	0	0	2	2
Options	0	1	0	0	0	0	0	0	0
to Sell	0	1	0	0	0	0	0	3	0

Institutional Decisions

	2Q'08	3Q'08	4Q'08
to Buy	116	100	113
to Sell	101	172	109
Hld's(000)	58169	56311	58007



Atmos Energy's history dates back to 1906 in the Texas Panhandle. Over the years, through various mergers, it became part of Pioneer Corporation, and, in 1981, Pioneer named its gas distribution division Energas. In 1983, Pioneer organized Energas as a separate subsidiary and distributed the outstanding shares of Energas to Pioneer shareholders. Energas changed its name to Atmos in 1988. Atmos acquired Trans Louisiana Gas in 1988, Western Kentucky Gas Utility in 1987, Greeley Gas in 1993, United Cities Gas in 1997, and others.

CAPITAL STRUCTURE as of 12/31/07
Total Debt $2330.8 mill. Due in 5 Yrs $920.0 mill.
LT Debt $2124.9 mill. LT Interest $125.0 mill.
(LT interest earned: 2.9x; total interest coverage: 2.8x)
Leases, Uncapitalized Annual rentals $16.9 mill
Pfd Stock None
Pension Assets-9/07 $389.1 mill.
Obl'g. $335.6 mill.
Common Stock 89,957,651 shs.
as of 1/30/08
MARKET CAP: $2.4 billion (Mid Cap)

CURRENT POSITION (MILL.)

	2006	2007	12/31/07
Cash Assets	75.8	60.7	51.9
Other	1041.7	1008.2	1468.1
Current Assets	1117.5	1068.9	1520.0
Accts Payable	345.1	355.3	739.8
Debt Due	385.8	154.4	205.9
Other	388.5	410.0	389.9
Current Liab.	1119.2	919.7	1335.6
Fix. Chg. Cov.	408%	405%	400%

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	8.5%	19.0%	2.0%
"Cash Flow"	4.0%	5.5%	2.0%
Earnings	3.5%	7.5%	4.5%
Dividends	2.5%	1.5%	2.0%
Book Value	7.0%	9.0%	3.5%

QUARTERLY REVENUES ($ mill.) A

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	1371.0	1697.8	909.9	1004.6	4973.3
2006	2283.8	2033.8	853.2	971.8	6152.4
2007	2602.5	2075.6	1218.2	1002.9	6898.4
2008	1657.5	2135	1280	1067.5	6140
2009	1600	1600	1600	1600	6400

EARNINGS PER SHARE A B C

Fiscal Year Ends	Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.79	1.11	.06	d.21	1.72
2006	.88	1.10	d.22	.25	2.00
2007	.97	1.20	d.16	d.05	1.94
2008	.82	1.30	d.07	d.05	2.00
2009	.90	1.30	d.06	d.04	2.10

QUARTERLY DIVIDENDS PAID D

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.305	.305	.305	.31	1.23
2005	.31	.31	.31	.315	1.25
2006	.315	.315	.315	.32	1.27
2007	.32	.32	.32	.325	1.29
2008	.325				

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	27.90	22.69	28.61	35.38	22.82	54.38	46.58	61.75	75.27	60.03	45.30	64.85	Revenues per sh A	78.50
	3.38	2.62	3.81	3.03	3.39	3.23	2.91	3.90	4.28	4.14	4.25	4.35	"Cash Flow" per sh	4.65
	1.84	.81	1.83	1.47	1.45	1.71	1.58	1.72	2.00	1.94	2.00	2.10	Earnings per sh A B	2.45
	1.06	1.10	1.14	1.16	1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	Div'ds Decl'd per sh C◆	1.40
	4.44	3.53	2.36	2.77	3.17	3.10	3.03	4.14	5.20	4.39	4.85	5.00	Cap'l Spending per sh	8.20
	12.21	12.09	12.28	14.31	13.75	16.66	18.05	18.80	20.16	22.01	22.75	22.50	Book Value per sh	25.15
	30.40	31.25	31.95	40.79	41.68	51.48	52.80	80.64	81.74	80.33	94.00	99.00	Common Shs Outst'g D	115.00
	15.4	33.0	18.9	15.6	16.2	13.4	15.9	16.1	13.5	15.9	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	14.5
	.90	1.88	1.23	.89	.83	.76	.84	.86	.73	.83			Relative P/E Ratio	.95
	3.7%	4.1%	5.9%	5.1%	5.4%	5.2%	4.9%	4.5%	4.7%	4.2%			Avg Ann'l Div'd Yield	4.8%
	848.2	690.2	850.2	1442.3	950.8	2799.9	2920.0	4972.3	6152.4	5898.4	6140	6400	Revenues ($mill) A	9100
	65.3	25.0	37.2	58.1	69.7	79.5	86.2	135.8	162.3	170.5	190	210	Net Profit ($mill)	280
	38.5%	35.0%	36.1%	37.3%	37.1%	37.1%	37.4%	37.7%	37.6%	35.8%	36.0%	36.0%	Income Tax Rate	36.0%
	5.5%	3.6%	3.8%	3.9%	6.3%	2.8%	3.0%	2.7%	2.5%	2.9%	3.1%	3.3%	Net Profit Margin	3.2%
	51.8%	50.0%	48.1%	54.3%	53.9%	50.2%	43.2%	57.1%	57.0%	52.0%	51.0%	52.0%	Long-Term Debt Ratio	51.0%
	48.2%	50.0%	51.9%	45.7%	46.1%	49.8%	56.8%	42.9%	43.0%	48.0%	49.0%	48.0%	Common Equity Ratio	49.0%
	769.7	755.1	755.7	1276.3	1243.7	1721.4	1994.8	3785.6	3828.5	4092.1	4350	4540	Total Capital ($mill)	5900
	917.9	965.8	992.3	1335.4	1300.3	1516.9	1722.5	3374.4	3529.2	3836.8	4040	4250	Net Plant ($mill)	5450
	8.0%	5.1%	6.5%	5.9%	6.8%	6.2%	5.8%	5.3%	6.1%	6.0%	6.0%	6.0%	Return on Total Cap'l	6.5%
	14.9%	6.6%	8.2%	9.6%	10.4%	8.3%	7.6%	8.6%	8.8%	8.7%	9.0%	8.5%	Return on Shr. Equity	9.5%
	14.9%	6.8%	8.2%	8.8%	10.4%	8.3%	7.6%	8.5%	8.8%	8.7%	9.0%	8.5%	Return on Com Equity	9.5%
	6.3%	NMF	NMF	2.1%	1.8%	2.8%	1.7%	2.3%	3.6%	3.0%	3.0%	3.5%	Retained to Com Eq	4.0%
	58%	NMF	112%	79%	82%	70%	77%	73%	83%	85%	84%	82%	All Div'ds to Net Prof	58%

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to 3.2 million customers via six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Combined 2007 gas volumes: 297 MMcf. Breakdown: 56% residential; 32% commercial; 8% industrial; and 4% other. 2007 depreciation rate 3.7%. Has around 4,470 employees. Officers and directors own approximately 1.8% of common stock (12/07 Proxy). Chairman and Chief Executive Officer: Robert W. Best. Incorporated: Texas. Address: P.O. Box 650205, Dallas, Texas 75265 Telephone: 972-934-9227. Internet: www.atmosenergy.com

Atmos Energy began fiscal 2008 (ends September 30th) on a sour note. That was attributable primarily to the nonregulated marketing segment, which experienced a drop in margins because of less volatility in natural gas prices. We look for this trend to continue, barring major storm activity.

But one bright spot was the utility unit, thanks to higher rates in Texas, Louisiana, Tennessee, and Kentucky. It should also be mentioned that mechanisms reducing exposure to possible adverse weather patterns during the 2007-2008 winter heating season are in place for virtually all operations.

Nonetheless, we think share net will advance only 3%, to $2.00, this fiscal year. The bottom line stands to increase at a somewhat stronger 5% pace, to $2.10 a share, in fiscal 2009, assuming additional expansion in operating margins. Please note that our estimates exclude amounts from pending rate cases in Texas, where Atmos is seeking a, $52 million increase in annual revenues, and Kansas (where a $5 million boost in annual revenues is being sought).

We envision steady, albeit unspectacular, earnings gains out to 2011-2013. With the utility unit currently serving customers across 12 states, Atmos does not depend on the business climate in any one region of the country. Moreover, the nonregulated segments, particularly pipelines, possess healthy overall prospects. Lastly, management will undoubtedly stick to its winning strategy of purchasing less-efficient utilities and shoring up their profitability via expense-reduction initiatives, rate relief, and aggressive marketing efforts. (Future business combinations are not factored into our presentation, however.) In the present configuration, annual share-net growth may be in the mid-single-digit range over the 3- to 5-year horizon.

The good-quality stock offers an attractive dividend, which is well covered by the company's earnings. Further moderate increases in the distribution seem plausible.

Risk-adjusted total return possibilities are decent, too. But the shares are ranked only 3 (Average) for Timeliness.

Frederick L. Harris, III *March 14, 2008*

(A) Fiscal year ends Sept. 30th. (B) Diluted shs. Excl. nonrec. items: '99, d23¢; '00, 12¢; '03, d17¢; '06, d18¢; '07, d2¢. Next egs. rpt. due early May. (C) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. (D) In millions, adjusted for stock splits. (E) Cits may not add due to change in shs outstanding. (F) ATO completed United Cities merger 7/97.

Company's Financial Strength	B+
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	80

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EQUITABLE RES. NYSE-EQT

RECENT PRICE 62.38 | P/E RATIO 32.3 (Trailing: 41.9 Median: 16.0) | RELATIVE P/E RATIO 2.70 | DIV'D YLD 1.4% | VALUE LINE

TIMELINESS 3 Raised 2/22/08
SAFETY 2 Raised 6/23/06
TECHNICAL 3 Lowered 8/17/07
BETA .80 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+10%)	5%
Low	50	(-20%)	-3%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	0	0	4	0	0	2	0	0
Options	0	1	0	0	0	1	0	4	3
to Sell	0	2	0	0	0	1	0	2	0

Institutional Decisions

	3Q07	4Q07	1Q08
to Buy	230	237	181
to Sell	144	133	121
Hld(000)	94901	93243	93908

Percent shares traded: 12, 8, 4

LEGENDS
13.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 8/01
2-for-1 split 8/05
Options: Yes
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 2/08

	THIS STOCK	VALUE LINE INDEX
1 yr.	49.5	-9.3
3 yr.	121.3	17.1
5 yr.	282.5	111.9

1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
6.47	7.01	10.11	10.19	13.17	14.66	8.15	8.12	12.69	13.81	8.57	8.49	9.76	10.46	10.43	11.21	11.80	12.40	Revenues per sh	17.20
1.00	1.09	1.12	1.08	.97	1.91	.67	1.30	1.93	1.76	1.77	2.02	2.22	2.58	2.66	2.42	3.00	3.50	"Cash Flow" per sh	5.20
.78	.57	.44	.33	.39	.43	.20	.58	.86	1.15	1.19	1.37	1.58	1.75	1.86	1.49	2.00	2.35	Earnings per sh A	3.60
.26	.26	.29	.30	.30	.30	.30	.30	.30	.32	.34	.49	.72	.82	.87	.88	.88	1.00	Div'ds Decl'd per sh B ■	1.23
.78	2.46	1.06	.84	.76	1.71	.67	.76	.85	1.04	1.75	1.76	1.86	2.39	3.33	5.90	5.60	7.30	Cap'l Spending per sh	3.70
4.70	5.28	5.43	5.11	5.25	6.58	4.94	4.91	5.33	6.62	6.24	7.74	7.17	2.98	7.76	8.05	10.00	11.50	Book Value per sh	17.60
128.54	137.86	138.16	140.03	141.36	147.72	143.42	130.92	130.16	127.74	124.68	124.73	122.06	119.91	121.60	121.40	125.00	123.00	Common Shs Outst'g C	121.00
14.9	17.0	16.8	21.7	16.5	17.8	37.3	18.1	14.5	14.4	14.5	14.4	16.7	19.2	19.6	33.4	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	17.0
.90	1.00	1.23	1.45	1.16	1.03	1.94	.92	.94	.74	.79	.82	.68	1.02	1.07	1.76			Relative P/E Ratio	1.15
3.8%	2.9%	3.5%	4.1%	4.1%	3.9%	4.1%	3.7%	2.4%	1.9%	2.0%	2.5%	2.8%	2.4%	2.4%	1.8%			Avg Ann'l Div'd Yield	2.9%
882.8	1052.7	1652.2	1764.5	1869.1	1047.3	1191.6	1253.7	1267.9	1361.4	1470	1530	Revenues ($mill)	2090
17.3%	22.9%	19.5%	18.6%	33.0%	36.3%	34.2%	36.8%	37.3%	31.0%	35.0%	37.5%	Operating Margin	39.0%
68.1	100.7	97.8	73.2	69.4	78.1	83.1	93.5	100.1	109.8	120	135	Depreciation ($mill)	190
20.7	69.1	114.3	161.8	150.5	173.6	188.4	216.2	223.3	184.0	255	290	Net Profit ($mill)	440
37.0%	36.3%	35.8%	36.6%	34.6%	32.8%	32.7%	33.5%	31.4%	35.9%	33.0%	33.0%	Income Tax Rate	33.0%
3.3%	6.6%	6.9%	8.5%	14.1%	16.6%	15.8%	17.2%	17.6%	13.5%	17.4%	19.0%	Net Profit Margin	21.0%
8.9	d102.7	d261.8	1.1	d121.6	d152.7	d362.8	d995.3	d378.3	d600	d800	d730	Working Cap'l ($mill)	d470
406.4	423.4	412.8	605.6	572.0	632.1	617.8	763.4	753.5	753.5	1200	1400	Long-Term Debt ($mill)	800
700.4	642.8	693.7	846.2	778.5	865.3	874.7	354.5	946.3	1180	1250	1410	Shs. Equity ($mill)	2130
4.2%	8.1%	11.7%	12.4%	12.0%	11.7%	13.6%	21.3%	14.5%	11.0%	12.0%	12.0%	Return on Total Cap'l	16.0%
4.1%	10.8%	16.5%	17.9%	19.3%	18.0%	21.5%	61.0%	23.6%	16.5%	20.5%	20.5%	Return on Shs. Equity	20.5%
NMF	4.5%	10.9%	13.2%	14.0%	11.7%	11.3%	32.9%	12.5%	7.60%	11.5%	11.5%	Retained to Com Eq	13.5%
NMF	58%	34%	27%	28%	35%	47%	45%	47%	58%	43%	43%	All Div'ds to Net Prof	34%

CAPITAL STRUCTURE as of 9/30/07
Total Debt $1093.5 mill. Due in 5 Yrs $20.3 mill
LT Debt $753.5 mill LT Interest $50.0 mill
(Total interest coverage: 7.9x) (44% of Cap'l)
Leases, Uncapitalized None
Pension Assets-12/06 $73 mill. Oblig. $92 mill.
Pfd Stock None
Common Stock 121,663,368 shares as of 9/30/07
MARKET CAP: $7.6 billion (Large Cap)

CURRENT POSITION	2005	2006	9/30/07
($MILL.)			
Cash Assets	75.0	--	161.0
Receivables	249.4	189.5	102.6
Inventory (Avg Cst)	289.9	269.1	298.6
Other	482.9	232.9	142.3
Current Assets	1097.2	701.5	724.7
Accts Payable	242.6	213.3	182.9
Debt Due	368.3	146.0	340.0
Other	1481.6	720.5	716.2
Current Liab.	2092.6	1079.8	1239.1

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	-1.0%	-2.5%	7.0%
"Cash Flow"	9.0%	10.0%	10.5%
Earnings	16.0%	15.0%	10.5%
Dividends	10.5%	21.5%	6.5%
Book Value	1.5%	-1.0%	15.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	401.3	230.2	228.3	392.9	1253.7
2006	430.1	251.2	232.8	353.8	1267.9
2007	456.6	283.2	226.8	384.8	1361.4
2008	480	310	260	420	1470
2009	495	325	275	435	1530

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.60	.27	.33	.55	1.75
2006	.59	.36	.32	.59	1.86
2007	.46	.27	.27	.49	1.49
2008	.72	.38	.34	.56	2.00
2009	.80	.45	.45	.65	2.35

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.15	.19	.19	.19	.72
2005	.19	.21	.21	.21	.82
2006	.21	.22	.22	.22	.87
2007	.22	.22	.22	.22	.88
2008	.22				

(A) Based on diluted shares. Excludes net non-recurring gain(loss): '05, ($1.29); '06, 13¢; '07, 3¢; '08, ($1.73); '00, (12¢); '02, 4¢; '03, (6¢); '05, $0.34; '06, ($0.6) Excludes results of discontinued ops: '08, (24¢); '05, 1¢. Includes accelerated collection of prior years' gas costs: '05, 10¢; '06, 13¢; '07, 13¢; '08, 5¢. Next egs. rpt. late April. (B) Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan available. (C) In millions, adjusted for stock splits.

BUSINESS: Equitable Resources, Inc. markets natural gas products and energy services. Distributes natural gas to 274,400 customers, mainly residential, in parts of PA, WV, and KY. Operates 8,500 miles of pipelines in WV, KY, VA, and PA. Produces natural gas in the Appalachian Basin with total proved reserves of 2,365 Bcfe. Operates approx. 12,000 wells in Appalachia. '06 net operating revenues by business segment: Utilities (36%), Supply (64%) Sold NORESCO, 12/05. '06 dep. rate: 2.8% About 1,250 employees. Off./dir. own 3.0% of common stock; Capital Research and Mngt., 8.9% (3/07 proxy). Chairman, President & CEO: Murry S. Gerber. Inc.: PA. Address: 1 Oxford Centre, Pittsburgh, PA 15219. Tel.: 412-553-5700. Internet: www.eqt.com.

Equitable Resources is going through a major expansion. EQT's board of directors recently approved capital commitments worth approximately $1.2 billion for 2008. Roughly $535 million of this amount is earmarked for well development. In particular, management is speeding up the company's horizontal drilling initiative. Indeed, Equitable plans to drill approximately 200 in 2008, compared with 88 last year. Horizontal shale wells are generally three times more productive than vertical wells. This enhanced productivity (see below) has encouraged the energy producer to increase investments in *midstream* infrastructure, including gathering, transmission, and compression. The energy producer has plans to expend $570 million *towards midstream infrastructure* at Equitable Supply. All told, EQT plans to build 470 miles of pipe and add 82,000 HP of compression. The remainder is planned *toward other* midstream and infrastructure initiatives.

The elevated capital expenditure level will require additional financing. The company will likely raise $1 billion via the debt and equity markets. A secondary issuance is probable if management fails to secure debt at an attractive rate. Our projections assume that EQT will utilize both types of financing.

Equitable's total natural gas reserves increased considerably. As of the end of 2007, *management estimates* natural gas reserves, including proved, probable, and possible, of 7,227 billions of cubic feet equivalent. This represents a 26% increase *over the previous year's mark.*

Management has stopped its courting of Dominion's People and Hope natural gas utilities. The move, which was largely due to a lengthy regulatory process, coincides with management's decision to pursue growth opportunities in production and infrastructure.

These neutrally ranked shares have participated in the recent rally in natural gas-related stocks. We are confident that management's embrace of horizontal drilling will pay off in the long run. Investors seem to share this sentiment. Indeed, this good-quality stock has held up well despite weakness in the broader market indexes.

Dominic B. Silva *March 14, 2008*

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	100
Earnings Predictability	90

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LACLEDE GROUP NYSE-LG

RECENT PRICE 35.50 | P/E RATIO 15.1 (Trailing: 14.8 / Median: 15.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 4.3% | VALUE LINE

TIMELINESS 3 Raised 9/14/07
SAFETY 2 Raised 6/20/03
TECHNICAL 3 Lowered 2/29/08
BETA .90 (1.00 = Market)

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+25%)	10%
Low	35	(NIL)	4%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	0	1	0	0	0	0	0	0	1
Options	0	0	0	0	2	1	0	0	1
to Sell	0	0	0	0	2	1	0	0	1

Institutional Decisions

	1Q2007	2Q2007	3Q2007
to Buy	67	67	64
to Sell	50	57	51
Hld's(000)	9261	9337	9951

	High:	28.6	27.9	27.0	24.8	25.5	25.0	30.0	32.5	34.3	37.5	36.0	35.5
	Low:	20.3	22.4	20.0	17.5	21.3	19.0	21.8	26.0	26.9	29.1	28.8	31.9

LEGENDS
1.00 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: No
Shaded area indicates recession

Target Price Range 2011 | 2012 | 2013

% TOT. RETURN 2/08

	THIS STOCK	VL ARITH. INDEX
1 yr.	14.8	-9.3
3 yr.	24.5	17.1
5 yr.	89.3	111.9

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	© VALUE LINE PUB., INC.	11-13
	26.83	32.33	33.43	24.79	31.03	34.33	31.04	26.04	29.99	53.06	39.84	54.95	69.59	75.43	83.51	93.40	92.75	91.55	Revenues per sh	107.85
	2.32	2.81	2.65	2.55	3.29	3.32	3.02	2.56	2.68	3.00	2.56	3.15	2.79	2.98	3.81	3.67	4.10	4.30	"Cash Flow" per sh	5.10
	1.17	1.61	1.42	1.27	1.87	1.84	1.58	1.47	1.37	1.61	1.18	1.82	1.82	1.90	2.37	2.31	2.35	2.35	Earnings per sh A B	2.70
	1.20	1.22	1.22	1.24	1.26	1.30	1.32	1.34	1.34	1.34	1.34	1.34	1.35	1.37	1.40	1.45	1.49	1.53	Div'ds Decl'd per sh C=	1.65
	2.67	2.62	2.60	2.63	2.36	2.44	2.68	2.58	2.77	2.51	2.80	2.67	2.45	2.84	2.97	2.72	2.85	2.95	Cap'l Spending per sh	3.70
	11.78	12.19	12.44	13.05	13.72	14.26	14.57	14.98	14.99	15.26	15.07	15.85	16.98	17.31	18.85	19.79	20.65	21.15	Book Value per sh D	24.95
	15.59	15.59	16.57	17.42	17.56	17.56	17.63	18.88	18.86	18.68	18.96	19.11	20.98	21.17	21.36	21.65	22.00	22.50	Common Shs Outst'g E	23.50
	15.8	13.5	16.4	15.5	11.8	12.5	15.5	15.8	14.9	14.5	20.0	13.8	15.7	16.2	13.6	14.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	15.0
	.96	.80	1.08	1.04	.75	.72	.81	.90	.97	.74	1.09	.78	.83	.86	.73	.75			Relative P/E Ratio	1.00
	6.5%	6.6%	5.3%	6.3%	5.6%	5.6%	5.4%	5.8%	6.6%	5.7%	5.7%	5.4%	4.7%	4.4%	4.3%	4.4%			Avg Ann'l Div'd Yield	4.1%
							547.2	491.6	666.1	1002.1	755.2	1050.3	1250.3	1597.8	1997.6	2021.6	2040	2060	Revenues ($mill) A	2750
							27.9	26.9	26.0	30.5	22.4	34.6	36.1	40.1	50.5	49.8	51.5	53.0	Net Profit ($mill)	70.0
							35.6%	35.5%	35.2%	32.7%	35.4%	35.0%	34.8%	34.1%	32.5%	33.4%	33.5%	34.0%	Income Tax Rate	36.0%
							5.1%	5.5%	4.6%	3.0%	3.0%	3.3%	2.9%	2.5%	2.5%	2.5%	2.5%	2.6%	Net Profit Margin	2.5%
							40.5%	41.8%	45.2%	49.5%	47.5%	50.4%	51.6%	48.1%	49.5%	45.3%	45.0%	45.0%	Long-Term Debt Ratio	47.0%
							58.5%	57.8%	54.5%	50.2%	52.3%	49.4%	48.3%	51.8%	50.4%	54.6%	55.0%	55.0%	Common Equity Ratio	53.0%
							438.0	468.6	519.2	674.1	646.6	695.0	737.4	707.9	798.9	784.5	825	865	Total Cap'tal ($mill)	1200
							490.6	519.4	575.4	602.5	594.4	621.2	646.9	679.5	763.8	793.8	820	850	Net Plant ($mill)	1150
							8.1%	7.1%	6.7%	6.9%	6.0%	7.4%	6.6%	7.5%	8.4%	8.5%	7.5%	7.5%	Return on Total Cap'l	7.0%
							10.8%	9.5%	9.1%	10.5%	7.8%	11.5%	10.1%	10.9%	12.5%	11.6%	11.5%	11.0%	Return on Shr. Equity	11.0%
							10.8%	9.5%	9.1%	10.5%	7.8%	11.6%	10.1%	10.9%	12.5%	11.6%	11.5%	11.0%	Return on Com Equity	11.0%
							1.8%	1.0%	.2%	1.8%	NMF	3.1%	2.7%	3.1%	5.1%	4.3%	4.0%	4.0%	Retained to Com Eq	4.5%
							83%	89%	98%	83%	113%	74%	73%	72%	59%	63%	64%	65%	All Div'ds to Net Prof	60%

CAPITAL STRUCTURE as of 12/31/07
Total Debt $650.1 mill. Due in 5 Yrs $275.0 mill.
LT Debt $355.5 mill. LT Interest $20.0 mill.
(Total interest coverage: 3.0x)

Leases, Uncapitalized Annual rentals $.9 mill.
Pension Assets-9/07 $260.3 mill. Oblig. $293.3 mill.
Pfd Stock $.6 mill. Pfd Div'd $.04 mill.
Common Stock 21,768,966 shs. as of 1/31/08

MARKET CAP: $775 million (Small Cap)

CURRENT POSITION ($MILL.)	2006	2007	12/31/07
Cash Assets	50.8	52.7	66.9
Other	409.0	414.6	495.5
Current Assets	459.8	467.3	562.4
Accts Payable	103.3	106.8	128.6
Debt Due	207.5	251.6	294.6
Other	120.1	115.3	129.0
Current Liab.	430.9	473.7	552.2
Fix. Chg. Cov.	285%	282%	280%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	11.5%	16.5%	3.5%
"Cash Flow"	1.5%	5.5%	6.5%
Earnings	3.0%	9.5%	3.5%
Dividends	1.0%	1.0%	2.5%
Book Value	3.0%	4.5%	5.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	442.5	576.5	311.3	266.7	1597.0
2006	689.2	708.8	330.6	269.0	1997.6
2007	539.6	700.8	457.9	323.3	2021.6
2008	541.4	708	447	343.6	2040
2009	515	515	515	515	2060

Fiscal Year Ends	EARNINGS PER SHARE A B F Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.79	1.06	.29	d.24	1.80
2006	1.23	1.05	.13	d.04	2.37
2007	.89	.97	.43	.03	2.31
2008	.97	.97	.36	.05	2.35
2009	.96	1.01	.33	.05	2.35

Cal-endar	QUARTERLY DIVIDENDS PAID C= Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.335	.34	.34	.34	1.36
2005	.34	.345	.345	.345	1.38
2006	.345	.355	.355	.355	1.41
2007	.365	.365	.365	.365	1.46
2008	.375				

BUSINESS: Laclede Group, Inc., is a holding company for Laclede Gas, which distributes natural gas in eastern Missouri, including the city of St. Louis, St. Louis County, and parts of 10 other counties. Has roughly 632,000 customers. Purchased SM&P for approximately $43 million (1/02). Therms sold and transported in fiscal 2007: 1.12 mill. Revenue mix for regulated operations: residential, 60%; commercial and industrial, 24%; transportation, 1%; other, 15%. Has around 3,845 employees. Officers and directors own approximately 7.0% of common shares (1/08 proxy). Chairman, Chief Executive Officer, and President: Douglas H. Yaeger, Incorporated: Missouri. Address: 720 Olive Street, St. Louis, Missouri 63101. Telephone: 314-342-0500. Internet: www.thelacledegroup.com.

Laclede Group began fiscal 2008 (which ends September 30th) on a decent note. That can be attributed largely to Laclede Energy Resources, which enjoyed higher per-unit gas sales prices and increased volumes (held back a bit by a rise in operating expenses). Furthermore, results for Laclede Gas, the core subsidiary, benefited from a general rate hike that became effective on August 1st of last year, that, among other things, provides greater earnings stability and recovery of its distribution costs. But partial offsets here included a decline in margins within the service area (reflecting an unusually late start to the winter heating season) and increased maintenance costs. At this juncture, we look for earnings per share to advance at a moderate rate, to $2.35, this fiscal year. The bottom line may be relatively flat in fiscal 2009, given the utility operation's limited growth prospects.

Management intends to sell SM&P Utility Resources, the unregulated unit specializing in locating and marking services for underground facilities, to Stripe Acquisition. A portion of the $85 million in proceeds (nearly double what Laclede paid for SM&P in 2002) would be used to bolster the balance sheet. We think SM&P was not central to present corporate strategy, as it accounted for just around 6% of fiscal 2007 share net. (Our presentation will exclude the divestiture when it is completed shortly, pending customary closing conditions.)

Unexciting results appear to be in store for the company over the next three to five years. The market in which the natural gas division operates has encountered sluggish customer growth for some time because it is in a mature phase. Too, we don't see any major acquisitions on the horizon. Consequently, annual share-net gains may be between 4% and 5% out to 2011-2013.

Total return potential is limited. That's because Laclede shares are currently trading within our 3- to 5-year Target Price Range, and we assume moderate hikes in the dividend (just increased 2.7%). What's more, the equity is ranked to perform only in line with the broader market averages.

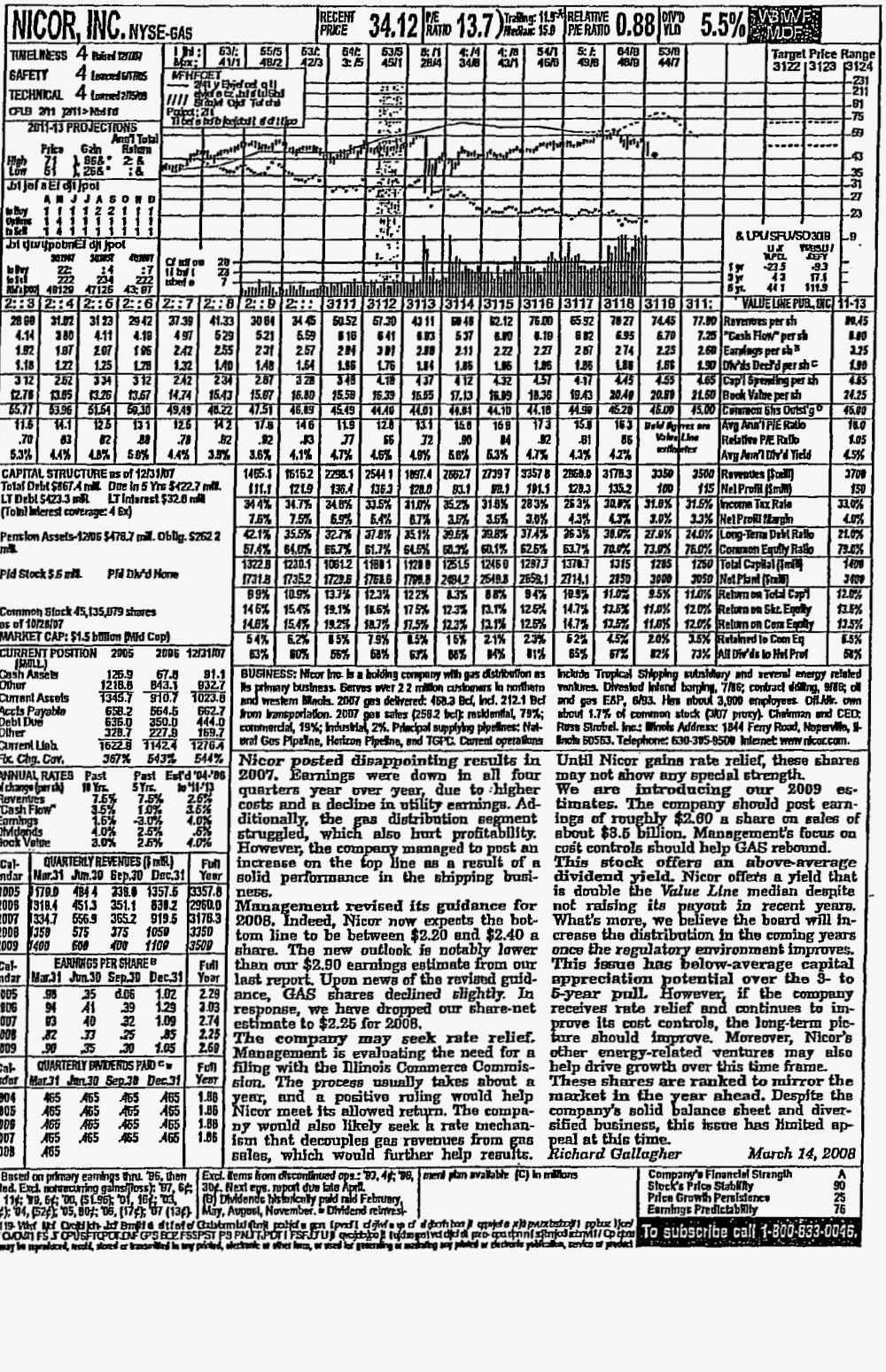
Frederick L. Harris, III *March 14, 2008*

(A) Fiscal year ends Sept. 30th.
(B) Based on average shares outstanding thru. '97, then diluted. Excludes nonrecurring loss: '06, 7¢. Next earnings report due late April.
(C) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan available.
(D) Incl. deferred charges. In '07: $289.7 mill., $13.38/sh.
(E) In millions.
(F) Qtly. egs. may not sum due to rounding or change in shares outstanding.

Company's Financial Strength	B+
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	65

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N.W. NAT'L GAS NYSE-NWN

RECENT PRICE 43.28 | P/E RATIO 17.2 (Trailing: 16.1 / Median: 16.0) | RELATIVE P/E RATIO 1.11 | DIV'D YLD 3.6% | VALUE LINE

TIMELINESS 5 Lowered 3/28/08
SAFETY 2 Raised 3/7/08
TECHNICAL 4 Lowered 3/28/08
CPLG (51 yrs.) Nat'l Fuel

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+75%)	25%
Low	65	(+50%)	21%

Insider Decisions

	A	M	J	J	A	S	O	N	D
to Buy	2	1	1	1	1	1	1	1	1
Options	1	2	1	1	1	1	5	1	
to Sell	1	2	1	1	2	1	1	8	2

Institutional Decisions

	2Q2007	3Q2007	4Q2007
to Buy	75	77	78
to Sell	76	99	71
Hld's(000)	27058	27159	27859

Target Price Range 2012 2013 2014

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2011	VALUE LINE PUB., INC.	11-13
	14.10	18.35	18.30	16.02	16.85	15.82	16.77	18.17	21.09	25.78	25.07	23.57	25.69	33.01	37.20	39.12	41.25	42.90	Revenues per sh	48.20
	3.25	3.74	3.50	3.41	3.86	3.72	3.24	3.72	3.68	3.86	3.65	3.85	3.92	4.34	4.76	5.41	5.40	5.70	"Cash Flow" per sh	6.50
	.74	1.74	1.63	1.61	1.87	1.76	1.02	1.70	1.79	1.88	1.62	1.76	1.86	2.11	2.35	2.70	2.60	2.75	Earnings per sh [B]	3.35
	1.16	1.17	1.17	1.18	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.30	1.32	1.39	1.44	1.52	1.59	Div'ds Decl'd per sh [C]	1.88
	2.73	3.61	4.23	3.02	3.30	5.07	4.02	4.70	3.46	3.23	3.11	4.90	5.52	3.48	3.56	4.46	4.60	6.80	Cap'l Spending per sh	4.50
	12.41	13.08	13.63	14.55	16.37	16.02	16.69	17.12	17.93	18.56	18.89	19.52	20.84	21.28	21.97	22.52	23.00	23.75	Book Value per sh	26.50
	19.46	19.77	20.13	22.24	22.56	22.86	24.85	25.00	25.23	25.23	25.59	25.91	27.55	27.56	27.20	26.41	26.00	26.00	Common Shs Outst'g [D]	28.00
	27.0	12.9	13.0	12.9	11.7	14.4	26.7	14.5	12.4	12.9	17.2	15.8	16.7	17.0	15.9	16.7	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.64	.76	.85	.66	.73	.83	1.39	.83	.91	.68	.94	.90	.86	.91	.85	.88			Relative P/E Ratio	1.20
	5.7%	5.2%	5.5%	5.7%	5.2%	4.8%	4.5%	5.0%	5.6%	6.1%	4.5%	4.6%	4.2%	3.7%	3.7%	3.1%			Avg Ann'l Div'd Yield	3.1%
							416.7	455.8	532.1	650.3	641.4	611.3	707.8	910.6	1013.2	1033.2	1075	1115	Revenues ($mill)	1350
							27.3	44.8	47.8	50.2	43.8	46.0	50.8	58.1	65.2	74.6	68.0	71.5	Net Profit ($mill)	84.0
							31.6%	35.4%	35.8%	35.4%	34.9%	33.7%	34.4%	36.0%	36.3%	37.2%	37.0%	37.0%	Income Tax Rate	37.0%
							6.6%	9.8%	9.0%	7.7%	6.8%	7.5%	7.1%	6.4%	6.4%	7.2%	6.1%	6.4%	Net Profit Margin	6.5%
							45.8%	46.0%	45.1%	43.0%	47.8%	49.7%	46.0%	47.0%	46.3%	46.3%	46.5%	46.5%	Long-Term Debt Ratio	47.5%
							50.6%	49.9%	50.8%	53.2%	51.6%	50.3%	54.0%	53.0%	53.7%	53.7%	53.5%	53.5%	Common Equity Ratio	53.0%
							815.6	861.5	887.8	890.5	937.3	1006.6	1052.5	1108.4	1116.5	1106.8	1150	1200	Total Capital ($mill)	1500
							894.7	895.9	934.0	965.0	995.8	1205.9	1318.4	1373.4	1425.1	1495.9	1550	1650	Net Plant ($mill)	2000
							5.0%	6.8%	6.7%	6.9%	5.8%	5.7%	5.9%	6.5%	7.1%	8.5%	7.0%	7.0%	Return on Total Cap'l	7.0%
							6.1%	9.7%	9.8%	10.0%	8.8%	8.1%	8.9%	9.8%	10.9%	12.5%	11.0%	11.0%	Return on Shr. Equity	11.0%
							6.0%	9.8%	10.0%	10.2%	8.5%	9.0%	8.9%	9.8%	10.9%	12.5%	11.0%	11.0%	Return on Com Equity	11.0%
							NMF	2.8%	3.1%	3.5%	1.9%	2.6%	2.7%	3.7%	4.5%	6.0%	5.0%	5.0%	Retained to Com Eq	5.0%
							116%	74%	70%	67%	79%	72%	69%	63%	59%	52%	58%	56%	All Div'ds to Net Prof	56%

CAPITAL STRUCTURE as of 12/31/07
Total Debt $660.1 mill. Due in 5 Yrs $179.7 mill.
LT Debt $512.0 mill LT Interest $31.0 mill

(Total interest coverage: 3.5x)

Pension Assets-12/06 $236 mill.
Oblig. $269 mill.
Pfd Stock None

Common Stock 28,407,000 shs

MARKET CAP $1.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	12/31/07
Cash Assets	7.1	5.8	6.1
Other	316.6	303.0	268.8
Current Assets	323.7	308.8	274.9
Accts Payable	135.3	113.6	119.7
Debt Due	134.7	129.6	146.1
Other	56.6	98.3	122.1
Current Liab.	326.6	341.5	388.8
Fx. Chg. Cov.	340%	349%	NMF

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '04-'06 to '11-'13
Revenues	5.5%	8.0%	6.5%
"Cash Flow"	2.0%	3.0%	5.0%
Earnings	2.0%	3.5%	7.0%
Dividends	1.0%	1.5%	6.5%
Book Value	4.0%	3.5%	3.5%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	308.7	153.7	106.7	341.4	910.5
2006	390.4	171.0	114.9	336.9	1013.2
2007	394.1	183.2	124.2	331.7	1033.2
2008	405	190	126	355	1075
2009	415	200	130	370	1115

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	1.44	.94	d.31	.94	2.11
2006	1.48	.87	d.35	1.15	2.35
2007	1.77	.10	d.22	1.11	2.76
2008	1.59	.10	d.30	1.28	2.60
2009	1.70	.10	d.30	1.25	2.75

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.325	.325	.325	.325	1.30
2005	.326	.325	.325	.345	1.32
2006	.345	.345	.345	.355	1.39
2007	.355	.355	.355	.375	1.44
2008	.375				

BUSINESS: Northwest Natural Gas Co. distributes natural gas to 90 communities, 652,000 customers, in Oregon (80% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 2.5 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 55%; commercial, 28%; industrial, gas transportation, and other, 17%. Employs 1,100. Fidelity owns 14.8% of shares; Snyder Cap'l, 8.7%; off./dir., 2.6% (4/07 proxy). CEO: Mark S. Dodson. Inc: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Telephone: 503-226-4211. Internet: www.nwnatural.com

Northwest Natural benefited from unusually high gas cost savings in 2007. The company retains one-third of the difference between forecasted and actual gas costs in Oregon, passing on two-thirds to its customers. Last year, it earned a record $0.27 a share through skillful gas buying, mostly in the first and third quarters. While Northwest has usually made a small profit on gas purchasing, it has shared a loss on the activity about a quarter of the time. Ignoring the commodity profits and some other unusual items, NWN would have earned about $2.45 a share in 2007, a respectable but not extraordinary performance.

We look for a roughly 6% earnings gain, from normalized 2007 results, this year. Northwest's customer growth, at over 3% per year for many years, slowed to 2.4% in 2007. Customer growth will likely continue to ease in 2008 as the Portland area suffers a bit from the widespread housing problems but should remain above the national average. The company is increasing its marketing efforts directed at persuading people to switch to gas heat, and that should bear fruit this year. Operating costs, which rose just 1% on a normalized basis last year, will likely grow slower than revenues.

Another mild earnings gain is likely in 2009. By then, customer growth will probably be heading back toward the recent 3% average. Northwest will have completed its work reorganization program, including outsourcing some functions and centralizing others. And the company could start to benefit from enhanced automated meter-reading capacity.

Continued customer growth and two large projects should help boost earnings toward the end of our time horizon. Portland's high-density zoning has been expanded many times over the last 30 years, making it profitable to lay gas mains. An expansion to the southeast of the city should add substantially to customer growth over the next 10 years. And by 2011, NWN will probably invest around $300 million in a gas storage project in California and a new pipeline in Oregon.

These top-quality shares, though untimely, have worthwhile risk-adjusted total-return potential.

Sigourney B. Romaine *March 14, 2008*

(A) Diluted earnings per share. Excludes nonrecurring items: '98, $0.15; '00, $0.11; '06, ($0.06). Next earnings report due late April.
(B) Dividends historically paid in mid-February, mid-May, mid-August, and mid-November
= Dividend reinvestment plan available.
(C) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	80

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PIEDMONT NAT'L. GAS NYSE-PNY

RECENT PRICE 24.98 | P/E RATIO 16.7 (Trailing: 17.6 Median: 17.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD 4.0% | VALUE LINE

TIMELINESS 4 Raised 01/5/07
SAFETY 3 New 12/22/00
TECHNICAL 4 Lowered 3/7/08
CPLB (Sig 2/11): Neutral

Target Price Range 2012 | 2013 | 2014: 91 / 71 / 61 / 51 / 41 / 35 / 31 / 25 / 21 / 0/6

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	56	(+125%)	21%
Low	48	(+100%)	23%

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014:	
	8.91	10.57	10.82	8.78	11.59	12.84	12.45	19.97	13.01	17.06	12.57	Revenues per sh[B]
	1.07	1.14	1.13	1.25	1.49	1.62	1.72	1.70	1.77	1.81	1.81	"Cash Flow" per sh
	.70	.73	.68	.73	.84	.93	.96	.93	1.01	1.01	.95	Earnings per sh[C]
	.49	.49	.51	.54	.57	.61	.64	.68	.72	.76	.80	Div'ds Decl'd per sh[D]
	1.41	1.56	1.95	1.72	1.64	1.52	1.48	1.58	1.85	1.28	1.21	Cap'l Spending per sh
	5.13	5.45	5.88	6.19	6.53	6.95	7.45	7.86	8.26	8.63	8.91	Book Value per sh[E]
	51.59	52.30	53.16	57.57	59.10	60.39	61.48	62.69	63.83	64.93	66.18	Common Shs Outst'g[F]
	12.3	15.4	15.7	13.6	13.9	13.6	16.3	17.7	14.3	16.7	18.4	Avg Ann'l P/E Ratio
	.75	.91	1.03	.92	.87	.78	.85	1.01	.93	.96	1.01	Relative P/E Ratio
	5.5%	4.3%	4.6%	5.4%	4.9%	4.8%	4.0%	4.1%	6.0%	4.5%	4.5%	Avg Ann'l Div'd Yield
							785.3	868.5	830.4	1107.9	832.0	Revenues ($mill)[B]
							60.3	58.2	64.0	65.5	62.2	Net Profit ($mill)
							39.2%	39.7%	34.7%	34.6%	33.1%	Income Tax Rate
							7.8%	8.5%	7.7%	5.9%	7.5%	Net Profit Margin
							44.7%	46.2%	46.1%	47.6%	43.9%	Long-Term Debt Ratio
							55.3%	53.8%	53.9%	52.4%	56.1%	Common Equity Ratio
							828.3	914.7	978.4	1069.4	1051.8	Total Capital ($mill)
							890.6	1047.0	1072.0	1114.7	1156.5	Net Plant ($mill)
							9.2%	8.1%	8.3%	7.9%	7.8%	Return on Total Cap'l
							13.2%	11.8%	12.1%	11.7%	10.6%	Return on Shr. Equity
							13.2%	11.8%	12.1%	11.7%	10.6%	Return on Com Equity
							4.7%	3.3%	3.5%	3.0%	1.7%	Retained to Com Eq
							65%	72%	71%	75%	83%	All Div'ds to Net Prof

Pension Assets-10/07 $225.0 mill. Oblig. $188.7 mill.

Pfd Stock None

Common Stock 73,233,664 shs. as of 12/28/07
MARKET CAP: $1.8 billion (Mid Cap)

CAPITAL STRUCTURE as of 10/31/07
Total Debt $1019.9 mill. Due in 5 Yrs $150.0 mill.
LT Debt $824.9 mill. LT Interest $55.7 mill
(LT interest earned: 4.0x; total interest coverage: 4.0x)

CURRENT POSITION ($MILL.)	2005	2006	10/31/07
Cash Assets	7.1	8.9	7.5
Other	497.8	467.1	427.8
Current Assets	504.9	476.0	435.3
Accts Payable	182.8	80.3	97.2
Debt Due	183.5	170.0	195.0
Other	162.3	150.1	132.3
Current Liab	528.6	400.4	424.5
Fix. Chg. Cov.	271%	261%	225%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	6.0%	11.0%	2.5%
"Cash Flow"	5.5%	7.0%	3.0%
Earnings	5.0%	6.0%	5.0%
Dividends	5.0%	4.5%	4.0%
Book Value	6.0%	6.5%	3.5%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)[B] Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	680.6	506.0	232.9	339.6	1761.1
2006	921.4	483.2	237.9	282.1	1924.7
2007	677.2	531.5	224.4	278.2	1711.3
2008	685	540	240	300	1765
2009	697	553	250	315	1815

Fiscal Year Ends	EARNINGS PER SHARE[B,C,G] Jan.31	Apr.30	Jul.31	Oct.31	Full Fiscal Year
2005	.93	.52	d.06	d.07	1.32
2006	.94	.57	d.16	d.08	1.27
2007	.94	.69	d.12	d.11	1.40
2008	.95	.70	d.10	d.05	1.50
2009	1.00	.75	d.10	d.07	1.55

Calendar	QUARTERLY DIVIDENDS PAID[D] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.206	.215	.215	.215	.85
2005	.215	.23	.23	.23	.91
2006	.23	.24	.24	.24	.95
2007	.24	.25	.25	.25	.99
2008	.25				

BUSINESS: Piedmont Natural Gas Company is primarily a regulated natural gas distributor, serving over 832,097 customers in North Carolina, South Carolina, and Tennessee. 2007 revenue mix: residential (54%), commercial (30%), industrial (14%), other (2%). Principal suppliers: Transco and Tennessee Pipeline. Gas costs: 69.4% of revenues. '07 deprec. rate: 3.4%. Estimated plant age: 8.7 years. Non-regulated operations: sale of gas-powered heating equipment; natural gas brokering; propane sales. Has about 1,876 employees. Officers & directors own less than 1% of common stock (1/08 proxy). Chairman, CEO, & President: Thomas E. Skains, Inc.: NC. Addr.: 4720 Piedmont Row Drive, Charlotte, NC 28210. Telephone: 704-364-3120. Internet: www.piedmontng.com.

Piedmont Natural Gas likely posted relatively unchanged earnings for the first quarter (ended January 31st). The company was scheduled to report earnings for its January interim after this report went to press. We have racheted down our top-line estimate for 2008, though, we look for some progress this year. During the first quarter, Piedmont's revenues likely advanced in the low single-digit range. The reduced expectations stem from slower growth in the residential construction market. Subsequently, in an effort to increase volumes, PNY has been working on converting users of other types of energy to natural gas. Meanwhile, the fourth quarter of 2007 experienced warmer-than-normal weather. But that interim is not subject to the weather normalization clause (WNC) for its Tennessee and South Carolina service areas. The WNC protects the bottom line against decreased usage. The adjustment should help during the January interim, though. Overall, we look for a nominal advance in share net for the first quarter.

The company ought to experience better volume comparisons as the year progresses. And its revenues ought to advance approximately 3% this year and next. Efforts to gain customers from the conversion markets should help this cause. Furthermore, the company intends to file a general rate case in North Carolina, its largest service area. Meanwhile, its nonutility business ought to pick up steam as the Hardy Storage joint venture (JV) contributes to both top and bottom lines for the whole of 2008. And, we expect solid performance to persist from its South Star Energy JV.

All told, we look for the bottom line to advance 7% and 8% for this year and next, respectively. This ought to stem from continued investments in its natural gas infrastructure. Further streamlining and consolidation of business processes and operations should help maintain margins, as well.

The equity offers a solid dividend yield and decent total return potential to 2011-2013. Meanwhile, these shares are ranked to perform in line with the broader market averages for the year ahead.

Bryan Fong *March 14, 2008*

(A) Fiscal year ends October 31st.
(B) Diluted earnings. Excl. extraordinary items: '00, 8¢. Excl. nonrecurring charges: '97, 2¢. Next earnings report due early May.
(C) Dividends historically paid mid-January, April, July, October.
• Div'd reinvest. plan available; 5% discount.
(D) Includes deferred charges. In 2007: $23.9 million, 33¢/share.
(E) In millions, adjusted for stock split.
(F) Quarters may not add to total due to change in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	80

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SOUTH JERSEY INDS. NYSE-SJI

RECENT PRICE 34.23 | P/E RATIO 15.3 (Trailing: 17.5* / Median: 14.0) | RELATIVE P/E RATIO 0.99 | DIV'D YLD 3.2%

TIMELINESS 5 Lowered 5/9/08
SAFETY 3 Lowered 1/4/91
TECHNICAL 3 Raised 3/14/08
CPLB (SI) 2011>Nil 16

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	61	(+66%)	23%
Low	45	(+10%)	5%

Target Price Range 2012 2013 2014: 61 / 71 / 81

	2005	2006	2007
to Buy	72	79	77
to Sell	75	69	67
Hld's(000)	27,568	27,895	27,756

	2:3	2:4	2:5	2:6	2:7	2:8	2:9	2:10	3111	3112	3113	3114	3115	3116	3117	3118	3119	311:	VALUE LINE PUB., INC.	11-13
	16.67	17.03	17.45	16.50	16.52	16.18	20.89	17.60	22.43	25.38	20.69	28.34	29.51	31.78	31.76	32.29	34.35	36.85	Revenues per sh	39.05
	1.58	1.54	1.35	1.65	1.54	1.60	1.44	1.84	1.85	1.90	2.12	2.24	2.44	2.51	3.51	3.83	3.20	3.50	"Cash Flow" per sh	4.05
	.81	.78	.61	.83	.85	.86	.64	1.01	1.06	1.15	1.22	1.37	1.58	1.71	2.46	2.89	2.25	2.45	Earnings per sh [B]	3.00
	.71	.72	.72	.72	.72	.72	.72	.72	.73	.74	.75	.78	.82	.86	.92	1.01	1.10	1.16	Div'ds Decl'd per sh [C]	1.28
	1.69	1.87	1.93	2.06	2.01	2.30	3.06	2.19	2.21	2.82	3.47	2.36	2.67	3.21	2.61	1.87	2.15	2.45	Cap'l Spending per sh	2.15
	6.95	7.17	7.23	7.34	8.03	6.43	8.23	8.74	7.25	7.81	9.67	11.2%	12.41	13.50	15.11	16.24	17.35	18.35	Book Value per sh [D]	20.30
	19.00	19.61	21.43	21.44	21.51	21.54	21.56	22.30	23.00	23.72	24.41	25.46	27.16	28.98	29.33	29.62	30.00	30.50	Common Shs Outst'g [E]	32.00
	13.2	15.8	16.1	12.2	13.3	13.8	21.2	13.3	13.0	13.6	13.5	13.3	14.1	13.6	11.9	17.2	Value Line estimates		Avg Ann'l P/E Ratio	14.0
	.80	.83	1.06	.82	.83	.80	1.10	.76	.85	.70	.74	.76	.74	.88	.64	.80			Relative P/E Ratio	.95
	6.6%	6.9%	7.4%	7.2%	6.4%	6.1%	5.3%	5.4%	5.2%	4.7%	4.5%	4.3%	3.7%	3.0%	3.2%	2.8%			Avg Ann'l Div'd Yield	3.0%
							450.2	392.5	515.9	597.3	505.1	698.8	819.1	921.0	931.4	958.4	1030	1180	Revenues ($mill)	1250
							13.8	22.0	24.7	25.8	29.4	34.8	43.0	48.6	72.0	81.9	67.5	75.0	Net Profit ($mill)	95.0
							46.2%	42.8%	43.1%	42.2%	41.4%	40.6%	40.9%	41.5%	41.3%	40.7%	40.0%	40.0%	Income Tax Rate	40.0%
							3.1%	5.6%	4.8%	3.2%	5.8%	5.0%	5.2%	5.3%	7.7%	8.5%	6.6%	6.5%	Net Profit Margin	7.5%
							57.3%	63.8%	54.1%	57.8%	53.6%	50.8%	48.7%	44.9%	44.7%	42.7%	41.5%	40.5%	Long-Term Debt Ratio	41.0%
							33.3%	37.8%	37.6%	35.9%	40.1%	43.0%	51.0%	55.1%	55.3%	57.3%	58.5%	59.5%	Common Equity Ratio	59.0%
							401.1	406.9	443.5	516.2	512.5	608.4	675.0	710.3	691.1	839.0	850	945	Total Capital ($mill)	1100
							501.3	533.3	562.2	607.0	666.8	748.3	799.9	877.3	920.0	948.9	980	1015	Net Plant ($mill)	1200
							5.3%	7.4%	7.4%	6.9%	7.6%	7.3%	7.9%	8.3%	10.1%	8.5%	9.0%	9.0%	Return on Total Cap'l	10.0%
							8.1%	11.7%	12.1%	12.1%	12.4%	11.5%	12.4%	12.4%	16.3%	12.9%	13.0%	13.5%	Return on Shr. Equity	14.5%
							10.3%	14.6%	14.8%	12.8%	12.6%	11.8%	12.5%	12.4%	16.3%	12.9%	13.0%	13.5%	Return on Com Equity	14.5%
							NMF	4.2%	4.8%	3.5%	4.7%	5.8%	5.9%	5.2%	10.2%	6.7%	6.5%	7.0%	Retained to Com Eq	8.5%
							112%	72%	67%	76%	62%	67%	62%	60%	37%	48%	49%	47%	All Div'ds to Net Prof	43%

CAPITAL STRUCTURE as of 12/31/07
Total Debt $478.3 mill. Due in 5 Yrs $156.1 mill.
LT Debt $357.9 mill LT Interest $21.0 mill
(Total interest coverage: 4.8x)

Pension Assets-12/07 $120.4 mill.
Oblig. $133.0 mill.

Pfd Stock none

Common Stock 29,624,492 common shs.
as of 2/23/08

MARKET CAP: $1.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2005	2006	12/31/07
Cash Assets	4.9	7.9	11.7
Other	352.6	363.8	316.6
Current Assets	357.5	371.7	328.3
Accts Payable	179.0	101.6	101.2
Debt Due	149.7	197.9	118.4
Other	74.4	124.2	108.7
Current Liab.	403.1	422.6	328.3
Fix. Chg. Cov.	486%	527%	476%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	6.5%	4.5%	3.5%
"Cash Flow"	6.5%	8.5%	NMF
Earnings	9.5%	12.0%	NMF
Dividends	2.0%	3.5%	5.5%
Book Value	6.0%	13.5%	5.0%

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	328.8	164.0	157.0	281.4	921.0
2006	372.6	153.8	154.7	250.3	931.4
2007	368.4	171.7	156.2	260.1	956.4
2008	390	190	170	280	1030
2009	405	205	190	300	1100

Calendar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.96	.27	.09	.39	1.71
2006	1.06	.20	.51	.89	2.45
2007	1.30	.21	d.05	.53	2.09
2008	1.25	.25	.10	.65	2.25
2009	1.30	.30	.15	.70	2.45

Calendar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	--	.202	.202	.415	.82
2005	--	.213	.213	.438	.86
2006	--	.225	.225	.470	.92
2007	--	.245	.245	.515	1.01
2008					

BUSINESS: South Jersey Industries, Inc. is a holding company its subsidiary, South Jersey Gas Co., distributes natural gas to 335,863 customers in New Jersey's southern counties, which covers 2,500 square miles and includes Atlantic City. Gas revenue mix '07: residential, 46%; commercial, 23%; cogeneration and electric generation, 8%; industrial, 23%. Non-utility operations include: South Jersey Energy, South Jersey Resources Group, Marina Energy, and South Jersey Energy Service Plus. Has 604 employees. Off.&Dir. hold 1.2% of com. shares; Dimensional Fund Advisors, 8.3%; Barclays, 6.0% (3/07 proxy). Chmn. & CEO: Edward Graham. Incorp.: NJ. Address: 1 South Jersey Plaza, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

South Jersey Industries reported a modest advance in revenues for 2007, although economic earnings increased roughly 14%. Utility South Jersey Gas benefited from continued growth in the customer base and lower interest costs. The company's nonutility operations also posted a solid performance. Readers are advised that our earnings-per-share figures are now based on economic earnings, a non-GAAP measure that excludes unrealized gains and losses from commodity derivative transactions. Thus, the share-net figures from 2007 onward are not directly comparable with those from previous years.

The company has solid long-term prospects. Natural gas remains the fuel of choice in the markets served by South Jersey Gas, as it enjoys a considerable price advantage over alternatives. Indeed, the vast majority of new homes built have chosen natural gas as their main heating source. Moreover, the company expects economic development in the Atlantic City area will boost housing demand in the coming years. In addition, this business ought to continue to benefit from the Conservation Incentive Program (CIP). This initiative allows South Jersey to promote energy conservation and insulate itself from the negative impact of lower customer usage. The CIP protected $7.6 million of net income during 2007, offsetting reduced customer utilization. Elsewhere, the performance of the nonutility Commodity Marketing business should continue to have an important impact on earnings. This unit maintains 10 billion cubic feet of gas storage capacity, which allows it to take advantage of volatility in natural gas pricing and lock in attractive profit margins. Looking forward, we anticipate moderate share-earnings and dividend growth in the current year. This pattern seems likely to continue in 2009, as well.

These shares are ranked to lag the broader market for the coming six to 12 months. Looking further out, we project solid bottom-line growth at South Jersey over the pull to 2011-2013. Moreover, this issue scores high marks for Price Stability and Earnings Predictability. Thus, this stock offers worthwhile total return potential for a natural gas utility.

Michael Napoli, CPA *March 14, 2008*

(A) Based on GAAP EPS through 2006, economic earnings thereafter. GAAP EPS: '97, $2.10. Excl. nonrecur. gain: '01, $0.13. Excl gain (losses) from discont. ops.: '95, $1.34; '97, ($0.24); '98, ($0.25); '99, ($0.02); '00, ($0.04); '01, ($0.02); '02, ($0.04); '03, ($6.09); '05, ($0.02); '06, ($0.62). Next egs. report due late April. (B) Div'ds paid early Apr., Jul., Oct., and Dec. ■ Div. reinvest. plan avail. (C) Incl. regulatory assets. In 2007: $188.7 mill., $6.37 per shr. (D) In millions, adjusted for split.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	85

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SOUTHWEST GAS NYSE-SWX

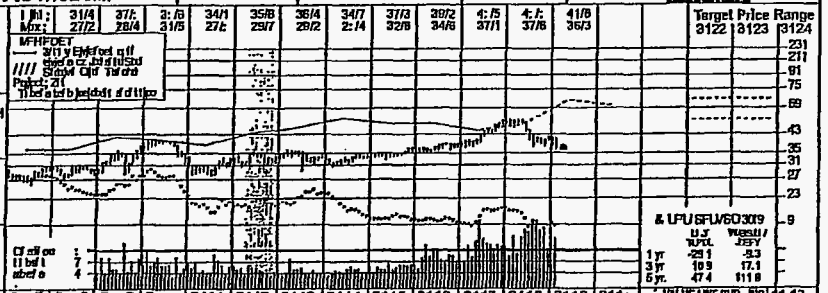
RECENT PRICE 25.87 | P/E RATIO 12.9 (Trailing: 13.3 Median: 19.0) | RELATIVE P/E RATIO 0.83 | DIV'D YLD 3.5% | VALUE LINE

TIMELINESS 5 Raised 11/9/07
SAFETY 4 Lowered 9/7/01
TECHNICAL 3 Raised 2/15/08
CPLB 2.1 (2011-13 Proj.) Nmf'd

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+132%)	34%
Low	50	(+93%)	25%

Target Price Range 3122 3123 3124



	2::3	2::4	2::5	2::6	2::7	2::8	2::9	2:::	3111	3112	3113	3114	3115	3116	3117	3118	3119	311:	VALUE LINE PUB., INC	11-13
	25.93	25.68	28.16	23.83	24.09	28.73	30.17	30.24	32.61	42.98	39.58	35.96	40.14	43.59	48.47	50.00	52.95	55.55	Revenues per sh [B]	61.45
	3.34	3.24	5.09	2.65	3.80	3.85	4.48	4.45	4.57	4.78	5.07	5.11	5.57	5.20	5.97	6.18	6.35	6.65	"Cash Flow" per sh	7.40
	.81	.63	1.22	.10	.25	.77	1.65	1.27	1.21	1.15	1.18	1.13	1.66	1.25	1.98	1.95	2.05	2.20	Earnings per sh [B C]	2.65
	.78	.74	.80	.82	.82	.82	.82	.82	.82	.82	.82	.82	.82	.82	.82	.86	.90	.94	Div'ds Decl'd per sh [Dc]	1.06
	5.02	5.43	9.54	5.79	5.19	6.19	6.40	7.41	7.04	8.17	8.50	7.03	8.23	7.48	8.27	7.92	8.40	8.65	Cap'l Spending per sh	9.50
	15.99	15.96	16.38	14.55	14.20	14.09	15.67	16.31	16.82	17.27	17.91	18.42	19.18	19.18	21.58	22.85	23.30	23.35	Book Value per sh	26.85
	20.60	21.00	21.28	24.41	26.73	27.39	30.41	30.89	31.71	32.49	33.29	34.23	36.78	39.33	41.77	43.04	44.00	45.00	Common Shs Outst'g [E]	48.00
	18.6	28.5	14.0	NMF	65.3	24.1	13.2	21.1	16.0	19.0	19.8	19.2	14.3	20.6	15.9	17.3	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	18.0
	1.01	1.57	.92	NMF	4.34	1.39	.69	1.20	1.04	.87	1.09	1.09	.76	1.10	.89	.91			Relative P/E Ratio	1.20
	6.2%	4.4%	4.7%	5.4%	4.7%	4.4%	3.8%	3.1%	4.2%	3.8%	3.8%	3.8%	3.8%	3.2%	2.6%	2.5%			Avg Ann'l Div'd Yield	2.2%
							917.3	936.9	1034.1	1396.7	1320.9	1231.8	1477.1	1714.3	2024.7	2162.1	2330	2500	Revenues ($mill) [B]	2950
							47.5	39.3	38.3	37.2	38.5	38.5	58.9	48.1	80.5	83.3	90.0	100	Net Profit ($mill)	125
							43.4%	35.5%	28.2%	34.5%	32.8%	20.5%	34.8%	29.7%	37.3%	35.5%	35.0%	35.0%	Income Tax Rate	35.0%
							5.2%	4.2%	3.7%	2.7%	2.9%	3.1%	4.0%	2.8%	4.0%	3.9%	3.9%	4.0%	Net Profit Margin	4.2%
							60.2%	60.3%	60.2%	56.2%	62.5%	66.0%	64.2%	63.8%	60.6%	58.1%	57.0%	56.5%	Long-Term Debt Ratio	52.5%
							35.3%	35.5%	35.8%	39.5%	34.1%	34.0%	35.8%	36.2%	39.4%	41.3%	43.0%	43.5%	Common Equity Ratio	48.0%
							1349.3	1424.7	1489.9	1417.5	1746.3	1851.6	1958.5	2076.0	2287.8	2349.8	2375	2400	Total Capital ($mill)	2600
							1459.4	1581.1	1666.1	1825.6	1979.5	2175.7	2338.0	2499.1	2668.1	2845.3	3000	3150	Net Plant ($mill)	3500
							6.6%	4.8%	4.6%	5.1%	4.3%	4.2%	5.0%	4.3%	5.5%	5.6%	6.0%	6.0%	Return on Total Cap'l	6.5%
							8.8%	7.0%	6.5%	8.0%	5.9%	6.1%	8.3%	8.4%	8.9%	8.6%	9.0%	9.5%	Return on Shr. Equity	10.0%
							10.0%	7.8%	7.2%	8.5%	8.5%	6.1%	8.3%	8.4%	8.9%	8.6%	9.0%	9.5%	Return on Com Equity	10.0%
							5.0%	2.8%	2.4%	1.9%	1.9%	1.7%	4.3%	2.2%	5.2%	4.8%	5.0%	5.5%	Retained to Com Eq	6.0%
							50%	64%	67%	71%	70%	72%	49%	65%	42%	44%	44%	42%	All Div'ds to Net Prof	41%

CAPITAL STRUCTURE as of 12/31/07

Total Debt $1413.1 mill. Due in 5 Yrs $616.0 mill.
LT Debt $1366.0 mill. LT Interest $83.0 mill.
(Total interest coverage: 2.4x)

Pension Assets-12/07 $441.7 mill
Oblig. $546.4 mill.

Pfd Stock None

Common Stock 43,044,024 shs.
as of 2/15/08

MARKET CAP: $1.1 billion (Mid Cap)

CURRENT POSITION ($MILL.)

	2005	2006	12/31/07
Cash Assets	29.6	18.8	32.0
Other	513.1	462.8	470.5
Current Assets	542.7	501.6	502.5
Accts Payable	259.5	266.7	220.7
Debt Due	107.2	27.5	47.1
Other	254.3	202.9	260.1
Current Liab.	621.0	496.1	527.9
Fix. Chg. Cov.	167%	220%	229%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-'13
Revenues	6.0%	4.5%	4.5%
"Cash Flow"	4.5%	4.0%	4.0%
Earnings	12.0%	6.0%	7.5%
Dividends	---	---	4.0%
Book Value	3.0%	3.5%	3.5%

Calendar	QUARTERLY REVENUES ($ mill) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	542.9	361.1	313.3	497.0	1714.3
2006	576.9	430.9	351.8	665.1	2024.7
2007	793.7	426.6	371.5	560.3	2152.1
2008	850	460	400	620	2330
2009	880	510	450	660	2500

Calendar	EARNINGS PER SHARE [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005	.88	d.07	d.43	.87	1.25
2006	1.11	.02	d.26	1.11	1.98
2007	1.17	d.01	d.22	1.00	1.95
2008	1.20	Nil	d.20	1.05	2.05
2009	1.20	.05	d.15	1.10	2.20

Calendar	QUARTERLY DIVIDENDS PAID [Dc] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.205	.205	.205	.205	.82
2005	.205	.205	.205	.205	.82
2006	.205	.205	.205	.205	.82
2007	.205	.215	.215	.215	.85
2008	.215	.225			

BUSINESS: Southwest Gas Corporation is a regulated gas distributor serving approximately 1.8 million customers in sections of Arizona, Nevada, and California. Comprised of two business segments: natural gas operations and construction services. 2007 margin mix: residential and small commercial, 86%; large commercial and industrial, 5%; transportation, 9%. Total throughput: 2.4 billion therms. Sold PriMerit Bank in July of 1996. Has 5,073 employees. Officers & Directors own roughly 1.4% of common stock (3/07 Proxy). Chairman: LeRoy C. Hanneman, Jr. Chief Executive Officer: Jeffrey W. Shaw. Incorporated: California. Address: 5241 Spring Mountain Road, Las Vegas, Nevada 89193. Telephone: 702-876-7237. Internet: www.swgas.com

Southwest Gas reported unimpressive performance for the fourth quarter. Share earnings fell roughly 10% from the prior year's period. The company experienced softness in heating demand, owing to warmer-than-usual temperatures during the period. This was partially offset by modest growth in the customer base. Overall, 2007 earnings came in slightly below the 2006 figure. Looking forward, conditions may remain somewhat challenging in the current year. We anticipate relatively slow customer growth, due partly to the downturn in the housing market. Thus, we have lowered our bottom-line estimate by $0.20 a share, to $2.05.

The company remains focused on procuring rate relief and improving rate design. In order to address weather-related volatility, Southwest has included several proposed rate design changes in its most recently filed Arizona rate case. The utility is seeking a rate hike of $50.2 million (nearly 5%). It has asked the commission to implement the new rates at the start of October. The company has also filed a rate case application with California, requesting a $9.1 million increase in operating revenues, beginning in January of 2009. Such approved revenue increases help Southwest Gas to cope with higher operating expenses, and provide the company with greater earnings stability. Indeed, a full year of rate relief in 2009 should produce healthy growth in earnings, to $2.20 per share.

The board of directors has increased the dividend. Starting with the June payout, the quarterly dividend is now $0.225 a share, an increase of 4.7%. This follows a similar increase last year. However, this issue's current dividend yield of roughly 3.5% is not a standout by utility standards.

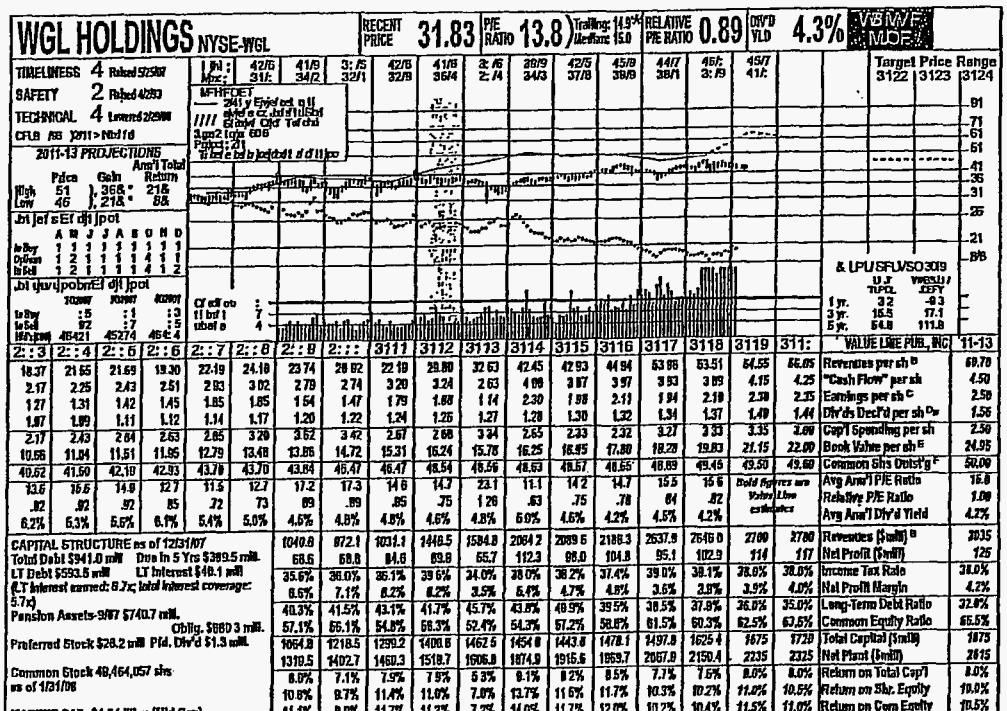
Shares of Southwest Gas are ranked unfavorably in our momentum-based system. Looking further out, we anticipate solid share-earnings growth over the pull to 2011-2013. At the present quotation, this stock offers impressive total return potential for the coming years, and may appeal to patient investors. That said, conservative accounts are advised not to overweight this issue, considering the regulatory risks.

Michael Napoli, CPA *March 14, 2008*

(A) Incl. income for PriMerit Bank on the equity basis through 1994. (B) Based on avg. shares outstand. thru '96, then diluted. Excl. nonrec. gains (losses): '93, 8¢; '97, 16¢; '02, (10¢); '05, (11¢); '06, 7¢. Incl. asset writedowns '03, 44¢. Excl. loss from disc. ops.: '95, 75¢. Totals may not sum due to rounding. Next egs. report due late April. (C) Dividends historically paid early March, June, September, December. ■ Div'd reinvest. plan avail. (D) In millions.

Company's Financial Strength	B
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	65

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WGL HOLDINGS NYSE-WGL

RECENT PRICE 31.83 | P/E RATIO 13.8 (Trailing: 14.5 Median: 15.0) | RELATIVE P/E RATIO 0.89 | DIV'D YLD 4.3%

TIMELINESS 4 Raised 5/25/07
SAFETY 2 Raised 4/20/01
TECHNICAL 4 Lowered 2/29/08
CPUS (SS 2011 > Nbd 16

2011-13 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	51	(+60%)	21%
Low	46	(+45%)	8%

Target Price Range 3122 | 3123 | 3124

	VALUE LINE PUB., INC.	11-13
	Revenues per sh B	69.70
	"Cash Flow" per sh	4.50
	Earnings per sh C	2.50
	Div'ds Decl'd per sh Dm	1.56
	Cap'l Spending per sh	2.50
	Book Value per sh E	24.95
	Common Shs Outst'g F	50.00
	Avg Ann'l P/E Ratio	16.0
	Relative P/E Ratio	1.00
	Avg Ann'l Div'd Yield	4.2%
	Revenues ($mill) B	3035
	Net Profit ($mill)	125
	Income Tax Rate	38.0%
	Net Profit Margin	4.2%
	Long-Term Debt Ratio	32.6%
	Common Equity Ratio	65.5%
	Total Capital ($mill)	1875
	Net Plant ($mill)	2615
	Return on Total Cap'l	8.0%
	Return on Shr. Equity	10.0%
	Return on Com Equity	10.5%
	Retained to Com Eq	4.0%
	All Div'ds to Net Prof	62%

CAPITAL STRUCTURE as of 12/31/07
Total Debt $941.0 mill. Due in 5 Yrs $389.5 mill.
LT Debt $593.5 mill. LT Interest $40.1 mill.
(LT interest earned: 8.7x; total interest coverage: 5.7x)
Pension Assets-9/07 $740.7 mill. Oblig. $860.3 mill.
Preferred Stock $28.2 mill Pfd. Div'd $1.3 mill.
Common Stock 49,464,057 shs as of 1/31/08
MARKET CAP: $1.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2006	2007	12/31/07
Cash Assets	4.4	4.9	19.0
Other	656.9	568.8	878.3
Current Assets	661.3	573.7	897.3
Accts Payable	208.6	216.9	331.4
Debt Due	238.4	205.4	347.5
Other	113.9	134.8	237.5
Current Liab.	560.8	557.1	916.4
Fix. Chg. Cov.	465%	460%	460%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '05-'07 to '11-13
Revenues	9.0%	12.5%	3.0%
"Cash Flow"	3.5%	6.0%	2.5%
Earnings	2.0%	6.0%	3.5%
Dividends	1.5%	1.5%	2.5%
Book Value	4.0%	3.5%	5.0%

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	623.4	929.0	349.0	284.1	2186.3
2006	982.9	1084.6	348.9	323.8	2637.9
2007	732.9	1119.9	467.5	325.7	2646.0
2008	751.6	1140	458.4	350	2700
2009	770	1150	480	370	2780

Fiscal Year Ends	EARNINGS PER SHARE B C Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2005	.88	1.63	d.17	d.23	2.11
2006	.93	1.17	d.01	d.15	1.94
2007	.92	1.27	.22	d.31	2.10
2008	.95	1.30	.20	d.15	2.30
2009	.97	1.33	.25	d.20	2.35

Calendar	QUARTERLY DIVIDENDS PAID Dm Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2004	.32	.325	.325	.326	1.30
2005	.325	.333	.333	.333	1.32
2006	.333	.336	.338	.338	1.34
2007	.34	.34	.34	.34	1.36
2008	.34				

BUSINESS: WGL Holdings, Inc. is the parent of Washington Gas Light, a natural gas distributor in Washington, D.C. and adjacent areas of VA and MD to residential and comm'l users (1,045,201 meters). Hampshire Gas, a federally regulated sub., operates an underground gas-storage facility in WV. Non-regulated subs.: Wash. Gas Energy Svcs sells and delivers natural gas and provides energy related products in the D.C. metro area; Wash Gas Energy Sys designs/installs comm'l heating, ventilating, and air cond. systems. American Century Inv. own 8.2% of common stock; Off./dir. less than 1% (2008 proxy). Chmn. & CEO: J.H. DeGraffenreidt, Inc.; D.C. and VA. Addr.: 1100 H St., N.W., Washington, D.C. 20080. Tel.: 202-624-6410. Internet: www.wglholdings.com.

WGL Holdings has been experiencing progress with its rate cases. The company recently received approval for a rate hike in the District of Columbia (DOC). The incremental cash flow from the rate hike, which was not expected to be approved until March, added approximately $0.05 per share to the bottom line in the first quarter (ended December 31st). Furthermore, the earlier-than-expected rate increase has prompted us to raise our annual estimate by 5%, to $2.80 per share. The company's earnings will likely get a 2%-3% lift for the March interim. WGL's gas and light utility division has been experiencing higher usage volumes and system charges as a result of 12,810 new customers. And it is expected to add about 5,200 more accounts by the end of fiscal 2008. Furthermore, the asset management business likely continued to enjoy strong off-system sales as excess reserves are released in order to meet the heightened demand during the colder winter months. These results ought to be partially offset by increased operation and maintenance costs.

We look for the share net to advance approximately 10% this year. Lifts in the top-line volumes ought to stem from the heightened rates in the DOC, additional customer growth, and expansion of the company's asset management program. Meanwhile, gas sales at the Washington Gas Energy Services unit have been down as a result of warmer-than-normal weather patterns. However, this unit's margins have been widening on a per-therm basis, offsetting the lower volumes and boosting the bottom line.

In 2009, the bottom-line increase ought to moderate. The majority of benefits from efficiency initiatives and the effects of the recent DOC rate hike will have cycled through by next year. Therefore, we look for earnings advances to slow to a low single-digit rate.

These neutrally ranked shares may appeal to income-oriented accounts. The equity offers a solid dividend yield. Meanwhile, the stock garners our Highest Safety rank (1), and our best mark for Price Stability (100), indicating suitability for conservative accounts with an eye on capital preservation.

Bryan Fong *March 14, 2008*

(A) Fiscal years end Sept. 30th. (B) Based on diluted shares. Excludes nonrecurring losses: '01, (13¢); '02, (31¢); '07, (4¢) discontinued operations: '06, (16¢). Next earnings report due late April. (C) Dividends historically paid early February, May, August, and November. ▪ Dividend reinvestment plan available. (D) Includes deferred charges and intangibles '07: $322.2 million, $6.61/sh. (E) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	65

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VI. EVALUATION OF THE TESTIMONY OF DR. MORIN

A. Summary

Q. PLEASE SUMMARIZE THE TESTIMONY OF DR. MORIN.

A. Dr. Morin has recommended that Nova Scotia Power Company be allowed a return on equity of 10.20% to 11.20.[1] Based upon this range, the Company based its overall capital request on the 10.20% low end of the range[2]. Dr. Morin arrived at this recommendation based upon his implementation of the DCF method, risk premium methods, and a comparable earnings method.

Q. PLEASE SUMMARIZE YOUR ANALYSIS OF DR. MORIN'S EVIDENCE.

A. An analysis of his evidence shows that each of the approaches he has relied upon to determine the cost of equity contains significant errors that have caused him to overstate the cost of equity. Following is a brief summary of the problems with Dr. Morin's testimony that are explained in detail later in this section of my testimony.

DCF Method:

- Violating the assumptions of the constant-growth DCF model by failing to use sustainable growth in constant growth form of DCF method.
- Skewing the results of his DCF method by eliminating companies for which the results were too low without making a similar elimination of results that were too high.

Risk Premium and CAPM Methods:

[1] Appendix G, Page 8 lines 5-7.
[2] Appendix A revised, Table 13.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 43
COMPANY Office of Public Counsel (Surrebuttal
WITNESS James A. Rothschild (JAR-12)
DATE 10/23/08

- Overstating historic actual performance by giving weight to arithmetic average and arithmetic median rather than using the geometric averaging method.

- Failure to consider the decline in the risk premium that has been occurring over the last several decades.

Comparable Earnings Method:

- Not an equity costing method. All it does is assume that whatever is the future expected return on book equity is automatically the cost of equity.

As a result of the flaws in Dr. Morin's analysis, he has recommended a cost of equity range that is higher than can be justified.

B. Dr. Morin's DCF Method

Q. YOU HAVE EXPLAINED THAT THERE IS BOTH A CONSTANT-GROWTH FORM AND A NON-CONSTANT GROWTH FORM OF THE DCF MODEL. WHICH HAD DR. MORIN USED IN THIS PROCEEDING?

A. Dr. Morin has only used a constant growth rate form of the model, but applies the constant growth form by using non-constant growth rate inputs.

Q. DID DR. MORIN PROPERLY APPLY THE SIMPLIFIED OR CONSTANT DCF METHOD?

A. No. While the basic approach used by Dr. Morin to implement the DCF model is inherently flawed because he uses a growth rate indicator that is inappropriate for the formula he has selected, in this case he has introduced an even greater level of error in his DCF result. He did this by selectively excluding results that were too low without making any adjustment for companies whose results were too high.

Q. HOW DO YOU KNOW DR. MORIN INTRUDUCED EVEN GREATER ERROR INTO HIS DCF ANALYSIS BY SELECTIVELY EXCLUDING RESULTS THAT WERE TOO LOW?

A. The following is where Dr. Morin selectively excluded companies from his analysis:

a) His Exhibit RAM-8 presents his DCF analysis of "Investment-Grade Vert. Integr. Electric Utilities DCF Analysis: Value Line Growth Projections". The note on the bottom of this schedule states that he excluded the results from Alliant, Energy East, IDACORP, and TECO because his DCF results were "... less than the cost of debt...".

b) His Exhibit RAM-9 presents his DCF analysis of "Investment-Grade Vertically Integrated Elect. Utilities DCF Analysis" Analysts' Growth Forecasts". The note on the bottom of this exhibit states that he eliminated the results for Central Vermont, Cleco, and Green Mountain Power because the results were less than the cost of debt.

c) His Exhibit RAM-10, Page 2 presents his DCF analysis of "Natural Gas Utilities DCF Analysis: Value Line Growth Forecasts". The note at the bottom of this exhibit states that he eliminated the results of Nicor because the DCF result was less than the cost of debt.

Q. DID DR. MORIN EXCLUDE ANY COMPANIES BECAUSE HIS DCF RESULTS WERE TOO HIGH?

A. No. For example, on his Exhibit RAM-8, he left in his DCF result of 19.8% for Northeast Utilities, on Exhibit RAM 9, he left in the 16.1% result for Empire District Electric, and on Exhibit RAM-10, Page 2 he left in his 16.4% result for UGI Corp. In other words, Dr. Morin caused an upward bias his conclusion by eliminating results that were too low while keeping results that were too high.

Q. WHAT WOULD DR. MORIN'S DCF RESULTS HAD BEEN IF HE HAD NOT EXCLUDED ANY COMPANIES SIMPLY BECAUSE THE RESULT WAS TOO LOW?

A. I do not know. Dr. Morin was asked to provide the necessary information both in information requests (UARB IR-76 and77) and as a follow-up during a technical conference. Both times, he refused to provide the necessary information.

Q. IF ONE WANTED TO EXCLUDE RESULTS THAT ARE KNOWN TO BE TOO LOW WITHOUT PRODUCING A BIASED ANSWER HOW COULD THIS BE DONE?

A. Yes. One approach that could be reasonable would be to exclude an equal amount of low result and high results. That way a central tendency to the data could be determined.

Q. IF AN EQUAL NUMBER OF LOW DCF RESULTS AND HIGH DCF RESULTS WERE EXCLUDED FROM DR. MORIN'S GROUP, WHAT WOULD HIS RESULTS HAVE BEEN?

A. The results Dr. Morin would have obtained would have been as follows:

1) Exhibit RAM-8, Electric Utilities based on Value Line would have been 9.1% instead of 9.9%;

2) Exhibit RAM-9, Electric Utilities based on Value Line Forecasts would have been 8.9% instead of 9.9%;

3) Exhibit RAM-10, Page 1 of 2 Gas Utilities based on Analysts' forecasts would remain at the 9.3% shown by Dr. Morin, and

4) Exhibit RAM-10, Page 2, Gas Utilities based upon Value Line forecasts would drop from 11.5% to 11.0%.

The results of Dr. Morin's DCF analysis thus modified to remove his upward bias produces an average DCF result of 9.575% instead of the average 10.15% he obtained. In other words, even though there are many other problems with Dr. Morin's approach to determining the cost of equity, in this case essentially all of the difference between the cost of equity requested by NSPI and what I recommend could be attributed simply to the upward bias Dr. Morin built into his interpretation of the DCF results.

Q. WHY IS THE GROWTH RATE INDICATOR HE USED INAPPROPRIATE FOR USE IN THE DCF FORMULA HE SELECTED?

A. One approach used by Dr. Morin to determine the growth rate he used in his DCF method was to examine only the earnings per share growth rate forecast made by Value Line. The Value Line earnings per share growth rate he used is the growth in earnings per share from the average actual earnings per share from 2001-2003 to the average earnings per share forecast by Value Line for 2007-2009. The second approach used by Dr. Morin was to use the analysts' earnings per share forecast for growth from the most recently completed fiscal year (generally 2003) to five years later (generally 2008). Neither of these approaches measures the long-term sustainable growth rates in earnings, dividends, book value, and stock price that are **required** in the implementation of the constant-growth form of the DCF model.

Q. WHY ARE ANALYSTS' FIVE-YEAR CONSENSUS GROWTH RATES NOT INDICATIVE OF LONG-TERM SUSTAINABLE GROWTH RATES?

A. These short-term earnings per share growth rate forecasts are not indicative of future sustainable growth rates in part because the sources of cash flow to an investor are dividends and

stock price appreciation. While both stock price and dividends are impacted in the long-run by the level of earnings a company is capable of achieving, earnings growth over a period as short as five years is rarely in synchronization with the cash flow growth from increases in dividends and stock price. For example, if a company experiences a year in which earnings are temporarily below investor expectations, stock prices generally do not decline at the same percentage that earnings decline, and dividends are usually not cut just because of a temporary decline in a company's earnings. Unless both the stock price and dividends mirror every down swing in earnings, they cannot be expected to recover at the same growth rate that earnings recover. Therefore, growth rates such as five-year projected growth in earnings per share are not indicative of long-term sustainable growth rates in cash flow. As a result, they are inapplicable for direct use in the simplified DCF method.

Q. PLEASE ELABORATE ON WHY THE USE OF FIVE-YEAR EARNINGS PER SHARE GROWTH RATES IN THE DCF MODEL IS IMPROPER?

A. A raw, unadjusted, five-year earnings per share growth rate is usually a very poor proxy for either short-term or long-term cash flow growth that an investor expects to receive. When implementing the DCF method, the time value of money is considered by equating the current stock price of a company to the present value of the future cash flows that an investor expects to receive over the entire time that he or she owns the stock. The discount rate required to make the future cash flow stream, on a net present value basis, equal to the current stock price is the cost of equity. The only two sources of cash flow to an investor are dividends and the net proceeds from the sale of stock at whatever time in the future the investor finally sells. Therefore, the

DCF method is discounting future cash flows that investors expect to receive from dividends and from the eventual sale of the stock.

Five-year earnings growth rate forecasts are especially poor indicators of cash flow growth even over the five years being measured by the five-year earnings growth rate number. This is because, for different reasons, the five-year earnings per share growth rate is not indicative of growth in either of the two cash flow sources to an investor.

Q. WHY IS A FIVE-YEAR EARNINGS PER SHARE GROWTH RATE A POOR INDICATOR OF THE FIVE-YEAR CASH FLOW EXPECTATION FROM DIVIDENDS?

A. The board of directors changes dividend rates based upon long-term earnings expectations combined with the capital needs of a company. Most companies do not cut the dividend simply because a company has a year in which earnings were below sustainable trends, and similarly they do not increase dividends simply because earnings for one year happened to be above long-term sustainable trends. Therefore, over any given five-year period, earnings growth is frequently very different from dividend growth. In order for earnings growth to equal dividend growth, at a minimum, earnings per share in the first year of the five-year earnings growth rate period would have to be exactly on whatever long-term earnings trend line is expected by investors. Since earnings in most years are either above or below the trend line, the earnings per share growth rate over most five-year periods is different than what is expected for earnings growth.

Q. IS A FIVE-YEAR EARNINGS PER SHARE GROWTH RATE A POOR INDICATOR OF FUTURE STOCK PRICE GROWTH?

A. Yes. If a company happens to experience a year in which earnings decline below what investors believe are consistent with the long-term trend, then the stock price does not drop anywhere near as much as earnings drop. Similarly, if a company happens to experience a year in which earnings are higher than the investor-perceived long-term sustainable trend, then the stock price will not increase as much as earnings. In other words, the P/E (price/earnings) ratio of a company will increase after a year in which investors believe earnings are below sustainable levels, and the P/E ratio will decline in a year in which investors believe earnings are higher than expected. Since it is stock price that is one of the important cash flow sources to an investor, a five-year earnings growth rate is a poor indicator of cash flow both because it is a poor indicator of stock price growth over the five years being examined and is equally a poor predictor of dividend growth over the period.

Q. WHAT CHARACTERISTICS MUST A GROWTH RATE HAVE IN ORDER FOR IT TO BE A VALID INDICATOR OF THE GROWTH RATE TO USE IN THE CONSTANT GROWTH DCF FORMULA?

A. The only proper growth rate to use in the simplified version of the DCF model is a growth rate that investors expect is sustainable for many years into the future. A long-term sustainable growth rate in cash flow is a very special type of growth rate. Short-term, five-year earnings per share growth rates, such as those reported by First Call/IBES, are frequently substantially different from future sustainable growth rates.

Q. PLEASE SUMMARIZE WHY A FUTURE ORIENTED "B X R" METHOD IS SUPERIOR IN PROVIDING A LONG-TERM SUSTAINABLE GROWTH RATE THAN A FIVE-YEAR EARNINGS PER SHARE GROWTH RATE FORECAST?

A. The primary cause of sustainable earnings growth is the retention of earnings. A company is able to create higher future earnings by retaining a portion of the prior year's earnings in the business and purchasing new business assets with those retained earnings. There are many factors that can cause short-term swings in earnings growth rates, but the long-term sustainable growth is caused by retaining earnings and reinvesting those earnings.

Factors that cause short-term swings include anything that causes a company to earn a return on book equity at a rate different from the long-term sustainable rate. Assume, for example, that a particular utility company is regulated so that it is provided with a reasonable opportunity to earn 10.0% on its equity. If the company should experience an event such as the loss of several key customers, or unfavorable weather conditions which cause it to earn only 6.0% on equity in a given year, the drop from a 10% earned return on equity to a 6% earned return on equity would be concurrent with a very large drop in earnings per share. In fact, if a company did not issue any new shares of stock during the year, a drop from a 10% earned return on book equity to a 6% earned return on book equity would result in a 40% decline in earnings per share over the period.[3] However, such a drop in earnings would not predict the long-term sustainable earnings per share growth rate. If the drop were caused by weather conditions, the drop in earnings would be immediately offset once normal weather conditions return. If the drop is from the loss of some key customers, the company would replace the lost

[3] By definition, earned return on equity is earnings divided by book value. Therefore, whatever level of earnings is required to produce earnings of 6% of book would have to be 40% lower than the level of earnings required to produce a return on book equity of 10%.

earnings by filing for a rate increase to bring revenues up to the level required for the company to be given a reasonable opportunity to recover its cost of equity.

For the above reasons, changes in earnings per share growth rates that are caused by non-recurring changes in the earned return on book equity are inconsistent with long-term sustainable growth. However, changes in earnings per share from the periodic reinvestment of retained earnings cause of sustainable earnings growth. The "b x r" term in the DCF equation computes sustainable growth because it measures only the growth which a company can expect to achieve when its earned return on book equity "r" remains in equilibrium. If analysts have sufficient data to be able to forecast varying values of "r" in future years, then a complex, or multi-stage DCF method must be used to accurately quantify the effect. Averaging growth rates over sub-periods, such as averaging growth over the first five years with a growth rate expected over the subsequent period will not provide an appropriate representation of the cash flows expected by investors in the future and, therefore, will not provide an acceptable method of quantifying the cost of equity using the DCF method. The choices are either a constant growth DCF, in which one "b x r" derived growth rate should be used, or a complex DCF method in which the cash flow anticipated in each future year is separately estimated.

Q. WHEN REJECTING THE USE OF SHORT-TERM ANALYSTS CONSENSUS EARNINGS PER SHARE GROWTH RATE FORECASTS, ARE YOU SAYING THAT ANALYSTS' CONSENSUS EARNINGS PER SHARE GROWTH RATES ARE USELESS AS AN AID TO PROJECTING THE FUTURE?

A. No. **Analysts' EPS growth rate are, however, very dangerous if used in a simplified DCF without proper interpretation**. While they are not useful if used in their "raw" form, they

can be useful in computing estimates of what earned return on equity investors expect will be sustained in the future, and as such, are useful in developing long-term sustainable growth rates. But, the growth rate from an arbitrary starting year is, in and of itself, as useless as attempting to measure the average slope of a mountain based upon the slope encountered over the last five minutes of hiking on a jagged trail up the mountain. In my implementation of the simplified DCF method, I use the Zacks five-year earnings per share growth only to help determine what earned return on book equity investors anticipate will be achieved in five years. Then, I consider the resultant earned return on book equity as one of the inputs to determine the value of "r" that I use in the "b x r" growth rate computation. In this way, I give consideration to analysts' consensus growth rate, but do so in a way that results in a long-term sustainable cash flow growth rate rather than making the erroneous assumption that a five-year earnings per share growth rate is somehow an indicator of cash flow growth remember, cash flow received by an investor is in the form of either dividends or stock price appreciation.

Q. DO ARTICLES IN BUSINESS LITERATURE DEFINITIVELY SHOW THAT INVESTORS ARE AWARE OF THE SERIOUS BIASES CONTAINED IN THE RECOMMENDATIONS OF MANY ANALYSTS' REPORTS?

A. Yes. There have been countless articles that appeared in both business publications and the popular press throughout the last year that show these biases. *Business Week*, a widely read and important business publication, contained numerous articles that reported on the problems with securities analysts. These include:

1. A cover story entitled "How Corrupt is Wall Street" appeared in the May 13, 2002 issue of *Business Week.*

a) The article mentions that Merrill Lynch, Solomon Smith Barney, Morgan Stanley Dean Witter along with 10 other firms are being investigated by the US Securities and Exchange Commission for unethical practices.[4]
b) According to the article, New York State Attorney General Eliot Spitzer made public e-mail exchanges at Merrill where, e-mail messages uncovered by Dr. Spitzer showed that "...analysts disparage stocks as 'crap' and 'junk' that they were pushing at the time. The e-mails are so incendiary that they threaten to thrust Wall Street into the sort of public-relations nightmare that Philip Morris, Ford, Firestone, and Arthur Andersen have endured in recent years."[5]
c) The article features the following quote from David Komansky, the CEO of Merrill Lynch, by placing it in bold letters and large print:

We have failed to live up to the high standards that are our tradition, and I want to take this opportunity to publicly apologize to our clients, our shareholders, and our employees.[6]

In the above quote, Dr. Komansky was responding to what *Business Week* describes as "...the analyst debacle..."[7]
2. The cover of the July 29, 2002 issue of *Business Week* features the article entitled "THE ANGRY MARKET." The Cover summarizes the article by saying "THE BLUNT MESSAGE: Investors are re-pricing stocks to reflect a more honest picture of earnings, options, and the future." In a discussion about the inaccurate and misleading earnings reporting done by many companies, *Business Week* says:

Brokerage-house analysts aren't much help either. They tend to do what companies want. For example, only six of the 21 analysts that have given First Call their estimates for AOL Time Warner Inc.'s 2003 earnings actually provided GAAP figures.

3. A cover article in the August 5, 2002 issue of *Business Week* is entitled " INSIDE THE TELECOM GAME. How a small group of insiders made billions as the industry collapsed." The article discusses the buy recommendations consistently made by Dr. Grubman on these companies, and says on page 34:

Now, investors are questioning whether Grubman was motivated by his true opinions – or by the millions of dollars he received from supporting his telecom clique.

4. "HOW TO FIX CORPORATE GOVERNANCE" is the cover article in the in the May 6, 2002 issue of *Business Week*. Page 76 of this article says:

If investors have learned anything from this crisis, it's that Wall Street's analysts are often loath to put a bad spin on a stock. Historically, "sell" ratings have constituted fewer than 1% of analysts' recommendations, according to Thompson Financial/First Call...It's more a case of an inherently conflicted system, that is now the focus of a Justice Department investigation.

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[4] May 13, 2002 *Business Week*, page 37.
[5] *Business Week*, May 13, 2002 page 39
[6] *Business Week* "How Corrupt is Wall Street" May 13, 2002 page 42
[7] Ibid, page 42.

"'Investors need to realize that the free research they're getting is often just a marketing tool', says Kent Womack, a professor at Dartmouth College's Amos Tuck school of business."

5. A June 10, 2002 issue of *Fortune* had an article entitled "In Search of the Last Honest Analyst". The *Fortune* article noted:

In fact, stock research sank so low during the bubble that it actually became a contrary indicator of a stock's performance. Researchers at the University of California and Stanford reviewed almost 40,000 stock recommendations from 213 brokerages during the year 2000. The most highly rated stocks had a –31% return for the year, according to the study. Meanwhile, the stocks least favorably recommended (that is, the sells) soared an annualized 49% -- a differential of 80 percentage points.[8]

6. A September 24th, 2002 *Wall Street Journal* article entitled "Will Grubman Case Tone Down the Exaggeration by Analysts?" states the following:

During the 1980s and 1990s, analysts often served as quasiadvocates for companies that hired their firms for investment-banking work, accompanying them on road shows to sell their stock, setting up one-on-one meetings between management and institutional investors, and proffering their access to management to give an unofficial version of the companies' view of business developments.[9]

7. On October 22, 2002, a *Wall Street Journal* article entitled "Massachusetts Claims CSFB Stock Reports Led Investors Astray" appeared on pages C-1 and C-10. Following are some highlights from this article:

The complaint [by the Secretary of the Commonwealth of Massachusetts] alleges CSFB misled investors by allowing its investment-banking division – in particular, star Frank Quattrone – to exert undue influence on the firm's research department.

The complaint which echoes one filed earlier this year by Elliott Spitzer against Merrill Lynch & Co. will no doubt add to investor concern that Wall Street peddled research it didn't believe only to get its hands on the much more lucrative investment-banking fees.

'The presumption that every firm engaged in this behavior is fair,' says Roy Smith, a professor of finance at New York University and a former partner at Goldman Sachs Group, Inc. 'It reminds me of how we used to talk in the locker room after a football game. That talk happens all the time, but it would sure be embarrassing if anyone ever recorded it.'[10]

[8] Fortune.com, "In Search of the Last Honest Analyst" June 2002 page 1 of 2

[9] Wall Street Journal "Will Grubman Case Tone Down The Exaggeration by Analysts?" September 24, 2002, starting on pages C-1 and C-3.

[10] Wall Street Journal, October 22, 2002, page C-1 and C-10.

Q. HAS ALL THE UNFAVORABLE PRESS REGARDING EQUITY ANALYSTS RESULTED IN POSITIVE REFORM IN THE INDUSTRY?

A. No. A *Business Week* editorial published on September 8, 2003 called "The Myth of Independence" states that the new independent research firms also have conflicts of interest to deal with and "Many hire analysts with little or no track record, raising questions about the quality of their research."

Q. ONE OF THE GROWTH RATES THAT DR. MORIN RELIES UPON IS VALUE LINE FORECASTED EARNINGS PER SHARE GROWTH RATES. IS THE VALUE LINE EARNINGS PER SHARE GROWTH RATE SUFFICIENTLY NORMALIZED TO MAKE IT AN ACCURATE INDICATOR OF LONG-TERM SUSTAINABLE GROWTH RATES?

A. A. No, because Value Line's method results in only a very incomplete normalization of the base period earnings it uses in its earnings per share five-year forecast. The Value Line earnings per share forecast of the type presented by Dr. Morin is defined by Value Line as the earnings per share growth from "Est'd '01-'03 to "07-'09". The procedure used by Value Line is to average the earnings per share from the 2001-03 base period and relate that three-year average to the earnings per share it expects will be achieved, on average, over the future 2007-2009 time period. The method used by Value Line does not assure the appropriate normalization of earnings per share in the base period, because there is not even an attempt by Value Line to make the average earned return on book equity in the base period reflective of the normal expected return on book equity. In fact, in the case of all the gas companies covered by Value Line, the average earned return on book equity from 2001-2003 is lower than Value Line expects in the 2007-2009 period.

C. Dr. Morin's Risk Premium Method

Q. PLEASE BRIEFLY DESCRIBE THE RISK PREMIUM METHOD.

A. The risk premium method estimates the cost of equity by analyzing the historic difference between the cost of equity and a related factor such as the rate of inflation or the cost of debt.

Q. PLEASE COMMENT ON THE RISK PREMIUM METHODS AS PRESENTED BY DR. MORIN.

A. Dr. Morin applies the risk premium method by computing the difference in the returns earned by common stocks as compared to the return earned on bonds in a variety of different ways. However, these approaches rely upon one of two common flaws: they either rely upon the use of an arithmetic average to compute historic actual differences in earned returns, or they rely upon a risk premium computed from Dr. Morin's flawed approach to the DCF method.

In addition to improperly computing the risk premium for the reasons stated above, Dr. Morin's risk premium approach is also flawed because he incorrectly concludes that the risk premium between debt and equity are constant, when they are not. As I have shown earlier in this testimony, empirical evidence, financial theory, and financial articles all show that the risk premium as measured against interest rates has been anything but constant. It is risk premiums measured against the inflation rate, not interest rates, which have shown to be reasonably constant.

Q. PLEASE EXPLAIN THE PROBLEMS CAUSED BY USING THE ARITHMETIC METHOD TO QUANTIFY THE RISK PREMIUM.

A. As will be explained in detail later in this testimony, textbooks, the U.S. Securities and Exchange Commission ("SEC"), and Value Line have all recognized that the only proper way to measure long-term historic actual earned returns is to use the geometric mean, not the arithmetic mean put forward by Dr. Morin. In contrast, Dr. Morin used the arithmetic mean. The arithmetic mean is specifically identified by several sources as a method that will specifically result in an answer that is upwardly biased.

Q. IS THERE A MATHEMATICAL RELATIONSHIP BETWEEN THE GEOMETRIC AVERAGE AND THE ARITHMETIC AVERAGE?

A. Yes. Page 24 of the third edition of *Stocks for the Long Run* by Professor Jeremy J. Siegel © 2002 contains the following:

> The geometric return is approximately equal to the arithmetic return minus one-half of the variance σ^2 of yearly returns $r_G=r_A-1/2\ \sigma^2$.
>
> Investors can be expected to realize geometric returns only over long periods of time. The average geometric return is always less than the average arithmetic return except when all yearly returns are exactly equal. This difference is related to the volatility of yearly returns.

As correctly explained above, the only reason the arithmetic average is higher than the geometric average is because of the volatility of yearly returns. Therefore, from the perspective of the cost of equity to allow a regulated utility, the correct return is the geometric return. The geometric return, if allowed, will be the return the utility company is given a reasonable opportunity to earn. If there is a difference between the geometric return and the arithmetic return, for a regulated utility this difference will occur simply because a utility company's stock

price will fluctuate up and down even though the allowed return on equity remains fixed at least until the next rate case.

Q. HAVE YOU DR. MORIN'S CLAIM THAT THE GEOMETRIC AVERAGE IS THE CORRECT AVERAGE TO USE WHEN MEASURING HISTORIC RETURNS, BUT THE ARITHMETIC AVERAGE IS SOMEHOW CORRECT FOR FORECASTING FUTURE RETURNS?

A. Yes, I have seen this argument. But, given that the difference between the geometric return and the arithmetic return is due to volatility and not the true return actually being achieved, such an argument that claims a different measurement technique applies to historic data than to forecast data is incorrect. Consider the following example. Assume that the Canadian Government issued a 30-year bond 15 years ago that pays an annual interest rate of 5.0% on the face amount of the bond. Further assume that although interest rates fluctuated over the last 15 years, the current interest rate demanded by investors happens to be 5% today. Under these assumptions, over the last 15 years, the price of the bond has gone up in some years and gone down in other years. But, if the current interest rate demanded by investors on this bond is still the same 5% as was demanded by investors at the time of the original issuance, the bond will be selling for the same price as it did when originally issued 15 years ago. Because of this fluctuation, if the total return (price appreciation or price depreciation plus the 5% interest income) is measured using the arithmetic average, then the measured return will include the 5% real return actually obtained by investors plus an additional illusory return cause by volatility rather than an actual return received by the investor. From the perspective of the investor who is forecasting the return on this 5% government bond with 15 years remaining, we know with

certainty that the accurate forecasted future return will be 5% per year. We also can be confident that interest rates will fluctuate over the next 15 years. Therefore, this fluctuation will cause the arithmetic return measurement to be higher than the 5% annual return even though the 5% return is the only possible return an investor who holds this bond to maturity could get.

Q. IS IT THE 5% RETURN ON THE TREASURY BOND OR IS IT THE ARITHMETIC AVERAGE RETURN THAT IS ANALAGOUS TO THE ALLOWED RETURN ON EQUITY TO A REGULATED UTILITY COMPANY?

A. The 5% coupon return is the return that is analogous to the allowed return. Therefore, even if we were to attempt to satisfy the investor who was incorrectly led to believe that he or she would achieve the arithmetic average and not the geometric average, the return based upon the geometric average should form the return allowed. Then, an investor who wishes to be fooled into achieving a higher return than is achieved by the geometric average will continue to be under the misconception that he or he is earning more than the geometric average. This can happen because the stock price fluctuation will still produce annual returns that, under the arithmetic average method, will appear to be higher than the allowed geometric return.

Consider the problem that would develop if allowed returns were errantly set based upon the arithmetic average rather than the geometric average. If a utility company is allowed to earn a return on rate base equal to the arithmetic average, then the normal stock price fluctuations would cause the new arithmetic average measured result to continue to exceed the old allowed arithmetic average. A repetition of the error caused by using the arithmetic average, if repeated in the next rate case, would cause yet a further ratcheting up of the allowed return in each future rate case where this mistake to use the arithmetic average is repeated.

Q. CAN YOU PROVIDE A MATHEMATICAL EXAMPLE THAT SHOWS WHY RISK PREMIUM BASED UPON HISTORIC ARITHMETIC RETURNS ARE IMPROPER?

A. Yes. As previously stated, arithmetic average returns overstate the actual returns received by investors because arithmetic returns measure volatility, not actual returns earned by investors. The more variable historic growth rates have been, the more his method exaggerates actual growth rates. Arithmetic average returns ignore the impact of compound interest. For example, if a company were to have a stock price of $10.00 in the beginning of the first year of the measurement period and a $5.00 stock price at the end of the first year, an arithmetic average approach would conclude that the return earned by the investor would be a loss of 50% [($5-$10)/($10)]. If, in the second year, the stock price returned to $10.00, then the arithmetic average would compute a gain of 100% in the second year [($10-$5)/($5)]. The arithmetic average approach would naively average the 50% loss in the first year with the 100% gain in the second year to arrive at the conclusion that the total return received by the investor over this two year period would be 25% per year [(-50% +100%)/2 years]. In other words, the arithmetic average approach is so inaccurate that it would conclude the average annual return over this two year period was 25% per year even though the stock price started at $10.00 and ended at $10.00. The geometric average would not make such an error. It would only consider the compound annual return from the beginning $10.00 to the ending $10.00, and correctly determine that the annual average of the total returns was not 25%, but was zero.

In order to protect investors from misleading data, the SEC requires mutual funds to report historic returns by using the geometric average only. The arithmetic average is not permitted. The geometric average, or SEC method, has the compelling advantage of providing a

true representation of the performance that would have actually been achieved by an investor who made an investment at the beginning of a period and re-invested dividends at market prices prevailing at the time the dividends were paid.

Q. DOES THE FINANCIAL COMMUNITY COMPUTE HISTORIC ACTUAL ACHIEVED RETURNS BASED UPON ARITHMETIC MEANS OR GEOMETRIC MEANS?

A. As shown earlier in this testimony, the financial community (as represented by articles from *The Wall Street Journal* and from *Business Week*) refers to geometric averages when evaluating historic returns. Additionally, an article on page 92 of the August 16, 1999 issue of *Fortune* magazine refers to the return that is equal to the geometric mean from Ibbotson Associates as "...the oft-quoted calculation..." of historic actual returns on common stocks. The article does not even mention the number that is equal to the historic arithmetic return.

Q. DO FINANCIAL TEXTBOOKS SUPPORT THE USE OF THE GEOMETRIC AVERAGE FOR COMPUTING HISTORIC ACTUAL RETURNS?

A. Yes. For example, the textbook *Valuation. Measuring and Managing the Value of Companies*, by Copeland, Koller, and Murrin of McKinsey & Co. , John Wiley & Sons, 1994, in a description of how to use the Ibbotson Associates data states the following on pages 261-262:

> We use a geometric average of rates of return because arithmetic averages are biased by the measurement period. An arithmetic average estimates the rates of return by taking a simple average of the single period rates of return. Suppose you buy a share of a nondividend-paying stock for $50. After one year the stock is worth $100. After two years the stock falls to $50 once again. The first period return is 100 percent; the second period return is -50 percent. The arithmetic average return is 25 percent [(100 percent - 50 percent)/2]. The geometric average is zero. (The geometric average is the compound rate of return that equates the beginning and ending value.) **We believe that the geometric average represents a better estimate of investors' expected returns over long periods of time.** [Emphasis added]

Similarly, in another textbook discussion that specifically addresses the use of the Ibbotson data, *Financial Market Rates & Flows*, by James C. Van Horne, Prentice Hall, 1990, states the following on page 80:

> The geometric mean is a geometric average of annual returns, whereas the arithmetic mean is an arithmetic average. For cumulative wealth changes over long sweeps of time, the geometric mean is the appropriate measure.

The textbook *Investments* by Nancy L. Jacob and R. Richardson Pettit, Irwin, 1988, puts it well when it says:

> The existence of uncertainty as reflected in a distribution of possible values makes the **expected value**, or arithmetic average rate of return, a misleading and biased representation of the wealth increments which will be generated from multiperiod investment opportunities.
> The average *annual* rate of wealth accumulation over the investment period, termed the **average annual geometric rate of return**, correctly measures the average annual accumulation to wealth when multiple periods are involved.
> [Emphasis is contained in the original]

B. Q. HAS VALUE LINE SAID ANYTHING REGARDING THE USE OF AN ARITHMETIC AVERAGE OR A GEOMETRIC AVERAGE?

A. Yes. On May 9, 1997, Value Line issued a report entitled "The Differences in Averaging". This report was contained on pages 6844-6845 of the "Value Line Selection & Opinion" portion of its weekly mailings to subscribers. This report says that:

> (t)he arithmetic average has an upward bias, though it is the simplest to calculate. The geometric average does not have any bias, and thus is the best to use when compounding (over a number of years) is involved.

The Value Line report then goes on to provide examples that show why the arithmetic average overstates the achieved returns while the geometric average produces the correct result.

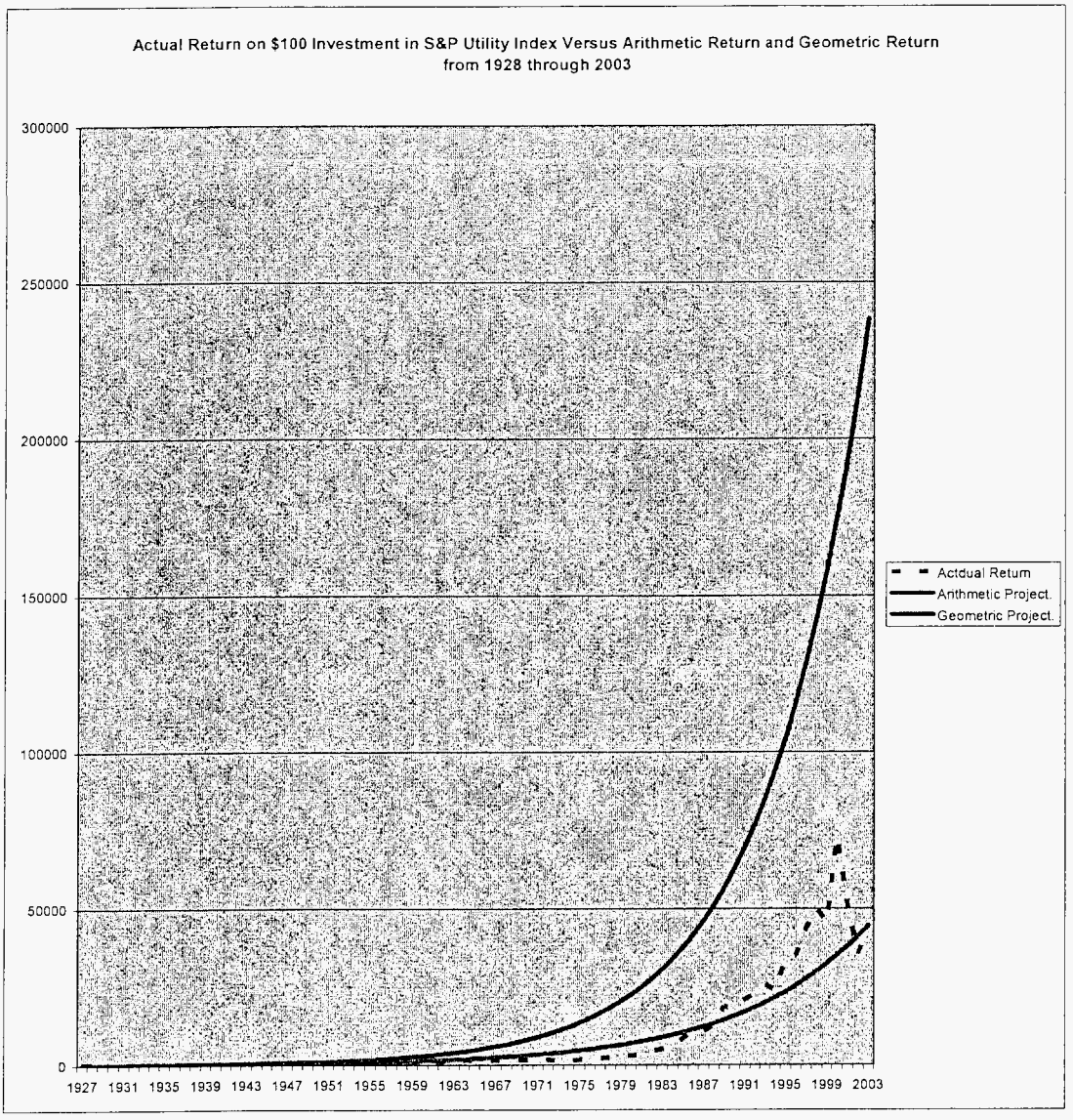
Ibbotson Associates has also said that it is the geometric average that is "... the correct average to compare with a bond yield..."[11]

Therefore, when Dr. Morin chose to give weight to the arithmetic average, he chose a method that both a financial textbook and Value Line have specifically noted to be biased. The more weight that is given to the arithmetic average result, the larger the upward bias in the risk premium method.

Q. HAVE YOU COMPARED GRAPHICALLY THE CAPITAL APPRECIATION GROWTH RATE USING THE ARITHMETIC AVERAGE METHOD WITH THE CAPITAL APPRECIATION GROWTH RATE THAT IS OBTAINED USING THE SEC METHOD?

A. Yes. In the following graph I show the actual movement of the S&P Utility index from 1928 through 2003. I also show how the index would have behaved on a year-by-year basis using the average growth obtained from the SEC method and using the arithmetic average historic growth rate methodology. The graph illustrates that the arithmetic average calculation of historic actual returns deviates at an ever-increasing rate over time from the actual S&P Utility Index, overstating the total return from 1928-2003 by about 500%. By contrast, the historic actual returns computed using the SEC method is a dramatically more reasonable track of the growth of the S&P utility over time and thus is the proper measure of historic actual return rates realized by investors.

[11] Page 75 of Stocks, Bonds, Bills, and Inflation 1986 Yearbook.


Actual Return on $100 Investment in S&P Utility Index Versus Arithmetic Return and Geometric Return from 1928 through 2003
300000
250000
200000
150000
100000
50000
0
1927 1931 1935 1939 1943 1947 1951 1955 1959 1963 1967 1971 1975 1979 1983 1987 1991 1995 1999 2003
Actdual Return
Arithmetic Project.
Geometric Project.

1

2

In the above chart, the top line shows that if $100 had been invested in public utility common stocks from the beginning of 1928 through 2003 and had earned the arithmetic return, the $100 would have grown to about $238,000. The dotted line in the graph shows what actually would have happened to a real $100 investment if it had been invested in public utility common stocks. As shown on the graph, the $100 investment would have actually grown to about $44,000. While the increase from $100 to $44,000 is a very sizeable return, it is far less than the $238,000 return that would have been achieved if the arithmetic return methodology had been achieved. The smooth line that ends at the same place as the dotted actual return line is the ongoing value of $100 invested in 1928 that grew at the geometric return rate. Note that the $100 invested at the geometric return rate is, by 2003, exactly equal to the actual return. Therefore, the geometric return accurately measures the actual return that was achieved from 1928 through 2003, but the arithmetic average return exaggerates the actual return by over five times.

Q. HOW MUCH HIGHER IS THE RISK PREMIUM DIFFERENCE BASED UPON AN ARITHMETIC AVERAGE THAN IT IS BASED UPON A GEOMETRIC AVERAGE?

A. From 1928 to 2003, the arithmetic average method (to which Dr. Morin gives weight) produced an indicated risk premium that was 2.13% higher for public utility stocks versus public utility bonds than the risk premium indicated by using the SEC, or geometric average method. The arithmetic median method is essentially identical to the arithmetic mean method and therefore produces an error that is similar to the error produced by the arithmetic average method.

Q. HAVE RISK PREMIUMS BEEN STABLE OVER THE YEARS?

A. No. This is yet another important problem with Dr. Morin's approach to the risk premium method. As I have previously stated, U.S. Federal Reserve Chairman Alan Greenspan has noted that risk premiums have declined. Dr. Morin failed to see this downtrend because he only examined changes from one year to the next without examining the bigger picture.

Q. DR. MORIN CITES IBBOTSON ASSOCIATES IN HIS EVIDENCE. WHAT DOES IBBOTSON ASSOCIATES SAY IS THE CURRENT APPROPRIATE RISK PREMIUM?

A. Yes. Page 189 of the "Stocks, Bonds, Bills, and Inflation" 2004 Yearbook by Ibbotson Associates says:

Long-term Market Predictions

Ibbotson and Chen believe that stocks will continue to provide significant returns over the long run, averaging around 9.22 percent per year, assuming historical inflation rates. The geometric equity risk premium, based on the supply side earnings model, is calculated to be 3.84 percent.

E. Comparable Earnings Method

Q. PLEASE BRIEFLY DESCRIBE THE COMPARABLE EARINGS METHOD.

A. A method in which a group of companies are chosen that are allegedly in the same risk category as the subject company. The future expected return on book equity is estimated. This future expected return on equity is equated the cost of equity without any mechanism to determine weather or not this future expected return on equity is more than is needed to attract capital on reasonable terms.

Q. PLEASE EXPLAIN THE COMPARABLE EARNINGS METHOD PRESENTED BY Dr. Morin.

A. Dr. Morin examined the actual earned returns achieved by three different groups of companies: Canadian Electric Utilities (Exhibit RAM-11), Transmission and Distribution Electric Utilities (Exhibit RAM-12), and a group of Canadian high quality industrial companies. After selecting the companies, he presents the historic return on book equity achieved by these companies.

Q. DO ACTUAL EARNED RETURN RATES EQUATE TO THE COST OF EQUITY?

A. No. The overriding problem with Dr. Morin's comparable earnings analysis is that it did not address the cost of equity at all. It simply considered the returns on book equity that were achieved. The earned return on book equity is an entirely different concept from the cost of equity. A company raises capital at prices approximating its market value, not its book value. Yet, the returns being examined in the comparable earnings method are returns on book, not

returns on market. The DCF model, when properly applied, measures the returns investors are demanding on the market value of their investment, not the book value. The DCF approach is proper because, in contrast to the Comparable Earnings method, the DCF method focuses on the returns investors expect to be able to achieve on the capital they provide.

G. Conclusion on Analysis of Dr. Morin Testimony

Q. PLEASE SUMMARIZE YOUR ANALYSIS OF DR. MORIN'S TESTIMONY.

A. Dr. Morin recommends that the Company be allowed a return on equity of 10.2%-11.2%. This is his recommendation even though the numbers behind his DCF analysis support a cost of equity of approximately 9.5%. To exaggerate his DCF indicated cost rate, Dr. Morin had to bias his DCF results by excluding the results for companies in which the indicated result was too low without making a corresponding elimination of a similar number of companies that were on the high end of his results. His Risk Premium method was developed based upon an improper mathematical approach to quantifying historic actual returns, or through the continued application of his flawed approach to the DCF method Dr. Morin's approach to the risk premium method also overstates the cost of equity because he fails to consider the significant downtrend in risk premiums that has been occurring. His Comparable Earnings method is not really an equity costing method at all as no consideration was given to investor's reactions to the earned returns on book equity.

Financial Advisers and Fuzzy Math

By KAJA WHITEHOUSE
Dow Jones Newswires

Next time your financial adviser makes a prediction for an average rate of return during an investment pitch, you might want to doublecheck the math.

Some financial advisers rely too heavily on a formula known as arithmetic average, which can be misleading when investing for the long term. Financial advisers who use this formula may be overstating your potential profit and leading you to take risks you might otherwise avoid, academics and other financial professionals say. Errors tend to widen when it comes to very volatile securities like emerging-markets stocks.

Arithmetic math involves a very simple formula, which is probably why so many people rely on it. To decide an average return, you add up all the return percentages and divide the results by the number of percentages.

It's a perfectly valid way to determine an average, as long as it's used to frame a stand-alone one-year return, said Knut Larsen, a partner with Brigus Group, a Toronto education service for financial advisers.

The classic example to illustrate the flaws with arithmetic math goes like this: You start with an investment of $100 and it grows 100% the first year and loses 50% the next year. To calculate the total return using arithmetic math, you would add the returns from both years—in this case 100 minus 50—and divide them by two, or the number of returns.

That leaves you with the illusion of a 25% profit, when in reality you're right back where you started—with $100. After rising 100% the first year, you had $200; but a drop of 50% cut that in half, back down to $100.

The alternative is known as geometric average, or compound annual return. This takes compounding and volatility into consideration.

Unfortunately, geometric average is a complicated formula, involving cube roots, so it may not be possible to figure out the results without a spreadsheet. But the point is to educate yourself on the issue, not to memorize complex formulas, Mr. Larsen said. Simply understanding when one formula should be used over the other, and knowing the flaws of arithmetic math is a good start, he said.

S&P 500 index annual returns from 1927 until now are lower using geometric math.

When comparing the two results, the arithmetic average generally ends up being higher than the geometric average, said Campbell Harvey, a finance professor with Duke University's Fuqua School of Business. For example, annual returns on the S&P 500 index from 1927 until now are about 12% using arithmetic math, and 10% using geometric math. That's a two percentage point difference.

The deviation isn't always enough to get worked up about, but it depends on factors such as volatility, and even fees and interest. For example, the greater the volatility of the security in question, the greater the spread will be between the two results, Mr. Harvey said.

He recalls feeling struck once by an advertisement touting Brazilian stocks attached to data showing "incredible returns" of about 50% a year. Knowing Brazil is a volatile market, Mr. Harvey went back and applied geometric math to the returns. His findings produced an average return closer to zero.

Volatility can affect the portfolio in negative ways because a severe drop makes it that much harder to catch up on the reduced amount, even if returns are phenomenal thereafter. But when using arithmetic average, all that is known is the one-year average return, not total results.

Misleading return projections using arithmetic math are common in the insurance world, said Peter Katt, an insurance analyst in Mattawan, Mich. Some products require high return forecasts to make the products work, and this is one way to get around that, he said, adding that consumers need to educate themselves.

"I deal with very bright clients and advisers, and they have no idea what I'm talking about" when referring to the different formulas for calculating results, he said.

It may seem like a lot of financial hocus-pocus, but sometimes the misrepresentations aren't intentional, Mr. Larsen said. He published a primer on the subject this summer after bumping into a financial adviser who legitimately didn't know the effects arithmetic math was having on his planning. The adviser had a client who suffered a portfolio loss of 45%, and the adviser believed the client would need an annual return of 15% a year to get back to the original investment in three years. In reality, he would have to prepare for a return of more like 22% a year, according to Mr. Larsen's calculations.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 44
COMPANY Office of Public Counsel (Surrebuttal)
WITNESS James A. Rothschild (JAR-13)
DATE 10/23/08

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 45
COMPANY Office of Public Counsel (Surrebuttal)
WITNESS James A. Rothschild (JAR-14)
DATE 10/23/08

The Differences in Averaging

One of the frequent questions we receive is related to the proper procedure to calculate the average return of an investment (stock, mutual fund, or anything else). This article will briefly examine how to compute the average change of a specific investment 1) over a set period of time, 2) over a number of years, and 3) annualizing returns over a period shorter than a year.

Averaging Calculations

There are actually three averaging methods: arithmetic, geometric, and harmonic. These formulas are shown below:

Arithmetic: $(y_1 + y_2 + \ldots + y_n)/n$

Geometric: $(((1+y_1) * (1+y_2) * \ldots * (1+y_n)) - 1)^{1/n}$

Harmonic: $(1/((1/n) \bullet ((1+y_1) + (1+y_2) + \ldots + (1+y_n)))) - 1$

In each case *n* is the number of years of data and each *y* is the ending price divided by the beginning price minus 1. Stated simply, the geometric mean is the n^{th} root of the product of the individual averages. Since there are often negative returns involved in this sort of calculation, one is added to each term. At the end, the one is subtracted to get back to the decimal fraction number.

The arithmetic average has an upward bias, though it is the simplest to calculate. The geometric average does not have any bias, and thus is best to use when compounding (over a number of years) is involved. Lastly, the harmonic average has a downward bias. But since it is rarely used, we will focus on the arithmetic and geometric averages in the following discussion.

Over a Set Period of Time

The simplest way to compute the price change is to take the ending price and divide it into the beginning price. After subtracting one from the result, you are left with the holding period yield. This calculation produces the decimal fraction equivalent of the percentage change. A change in price from 4 to 5, would be computed as (5 ÷ 4) - 1, which yields .25, or 25%.

The holding period return is independent of time. That means that it can be computed on an annual basis, over a ten-year period, or any other time frame.

Compounding: Averages Over a Number of Years

Now assume we have been watching a stock for two years, and we want to compute the annual return for each year, and the average annual return for the two-year period. Let's say this stock was initially priced at $10, rose to $20 by the end of year 1, but fell back down to $10 by the end of year two. From the above-mentioned example, we know how to find the price change for the first and second year. Then we can also find the total price change over the two year period. These figures are shown in the table below:

Year	Price	% Price Change
0	$10	—
1	20	100%
2	10	-50%

Price change from year 0 to year 2: 0%

Arithmetic Average:	25%
Geometric Average:	0%

One of the more interesting observations that arises from such an example is the asymmetric nature of the returns. Notice that in this example, the stock only has to fall half as much in year two as it rose in year one to completely wipe out any paper gains the investor had during the interim. This nature highlights the importance of using the geometric return. As shown, the arithmetic average indicates that the stock had an average annual return of 25% over the past two years. However, the true return, which is corroborated by the geometric mean, is zero.

Another interesting point is that the asymmetry magnifies as the price changes increase in size. For example, let's say the stock price increased to $50 before falling back to $10.

Year	Price	% Price Change
0	$10	—
1	50	400%
2	10	-80%

Price change from year 0 to year 2: 0%

Arithmetic Average:	160%
Geometric Average:	0%

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Originally, the stock had to fall 50% to wipe a 100% gain. But in the second scenario, the stock had to drop only 80% to wipe out a phenomenal 400% gain. This growing discrepancy between the different averaging techniques highlights the importance of accurately measuring and portraying investment results. Again we see that the geometric average portrays the true return accurately.

Annualizing Returns

An annualized holding period return figure can be computed by taking the $1/n^{th}$ root of the holding period return, where n is the length of the sub-period relative to the year. (For a three-month period, n would equal .25, or one-fourth of the year. For a two-year period, n would equal 2.) Below are two examples that show how this operation is performed.

Let's say you wanted to figure out the annualized return of a stock that rose 5% in the first quarter. The annualized return would then be computed as $(1.05)^{1/.25}$, or 21.6%.

We can also compute an average annualized return figure from a period longer than a year. For example, if the stock rose 20% for two straight years, the cumulative growth rate would be 44% (1.20 * 1.20). This figure could be dissected into the average annual rate using the same formula shown above $(1.44)^{1/2}$, which we can verify as 1.20, or 20%.

Roger J. Bos
Analyst

Timely Income Stocks

For equity investors with more of an eye for current income, we've screened our database for issues that combine high estimated dividend yields and above-average relative year-ahead performance potential, without undue investment risk.

This roster includes only those equities whose dividend yields are at least 2.7%, which is 70 basis points above the 2.0% median for all stocks in Value Line's universe. Ranks here must be no less than 2 (Above Average) for Timeliness and no less than 3 (Average) for Safety.

Although the focus here is on current income and near-term price performance, we shape our criteria to ensure solid potential returns for longer-term investors as well. Accordingly, we require a minimum projected three- to five-year total return potential of 15%, compared with the median of 14.6% for all stocks under our review. In addition, our analyst's projection for capital appreciation had to be at least 55%, which is in line with the current median price appreciation potential for all stocks in the Value Line universe.

Given the relatively stringent criteria applied here, this is a fairly short list which encompasses stocks from a fairly diverse group of industries. This list would seem to be a good starting point for income-minded investors with both short- and long-term investment perspectives. As always, though, we urge investors to consult the individual and supplementary analyses in *Ratings & Reports* before committing to any of the issues listed in the table below.

Ratings & Reports Page	Ticker	Company Name	Div'd Yld.	Recent Price	Timeliness	Safety	3-5 Yr. App. Pot.	3-5 Yr. Avg. Ret.	P/E
2141	AC	Alliance Capital Mgmt.	8.9%	27	2	3	75%	19%	10.3
816	ARV	Arvin Ind.	3.0	26	2	3	65	16	13.0
535 1580	MO	Philip Morris	4.6	39	2	3	65	18	13.4
525	KWR	Quaker Chemical	4.4	16	2	3	55	15	13.1
315	TBY	TCBY Enterprises	3.4	5¼	2	3	70	17	17.6
802	CTC	Telecom. de Chile ADR	2.8	32	1	3	70	17	15.0
591	TRN	Trinity Inds.	2.9	26	2	3	130	25	8.3
429	MRO	USX-Marathon Group	2.7	28	2	3	80	18	13.3
1401	X	USX-U.S. Steel Group	3.4	29	2	3	105	22	6.8
575	UIC	United Industrial Corp.	3.9	7⅛	2	3	60	16	9.6

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	Page Title	Source Documents
1	Breakdown of WAW Systems by Revenue	2007 Annual Reports
2	Water Revenue Distribution Graph	2007 Annual Reports
3	Wastewater Revenue Distribution Graph	2007 Annual Reports
4	Breakdown of WAW Systems by Equity Ratio	2007 Annual Reports
5	Listing of Class A and Class B WAW Systems	2007 Annual Reports

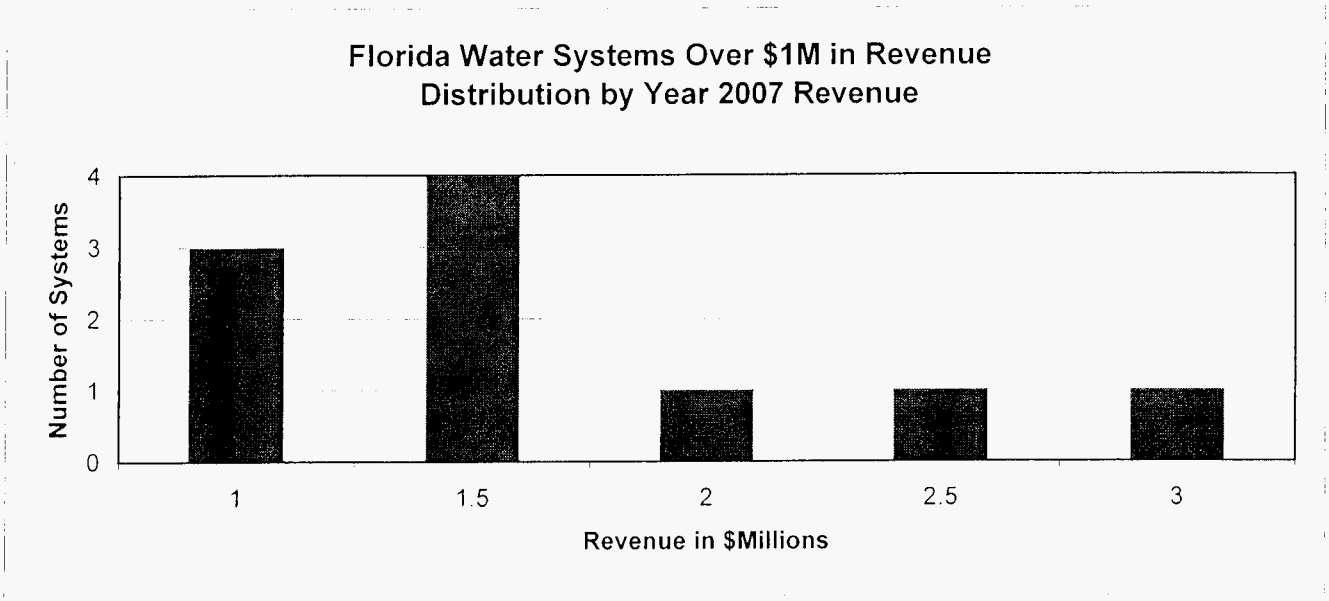
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 46
COMPANY Compilation of Annual
WITNESS Report Information
DATE 10/23/08

BREAKDOWN OF WATER AND WASTEWATER SYSTEMS BY REVENUE
As of December 31, 2007

	Number of Systems	
Water Systems With Less Than $200K Revenue	99	*(a)*
Water Systems With $200K to $1M in Revenue	37	*(b)*
Water Systems With $1M or More in Revenue	10	*(c)*
TOTAL	146	
Wastewater Systems With Less Than $200K Revenue	77	*(d)*
Wastewater Systems With $200K to $1M in Revenue	34	*(e)*
Wastewater Systems With $1M or More in Revenue	10	*(f)*
TOTAL	121	

(a) One company's most recent annual report was from year end 2004.
Two companies' most recent annual reports were from year end 2006.
(b) One company's most recent annual report was from year end 2005.
One company's most recent annual report was from year end 2006.
(c) One company's most recent annual report was from year end 2003.
(d) One company's most recent annual report was from year end 2001.
One company's most recent annual report was from year end 2004.
Two companies' most recent annual reports were from year end 2005.
Two companies' most recent annual reports were from year end 2006.
(e) One company's most recent annual report was from year end 2006.
(f) One company's most recent annual report was from year end 2005.

SOURCE: FPSC Annual Reports for 2007

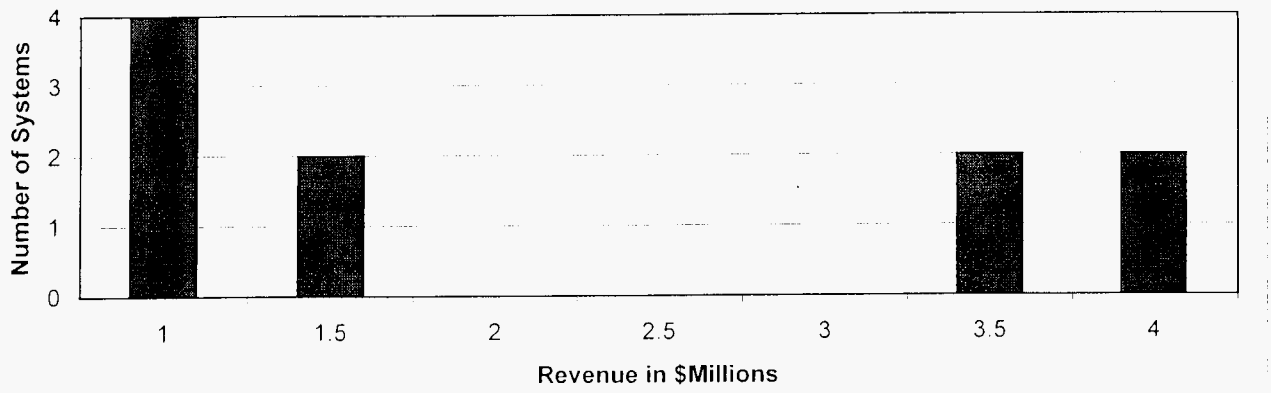


Water Utility	Total Revenue	
Sunshine Utilities of Central Florida, Inc.	$1,006,610	
Utilities, Inc. of Florida (Seminole County)	$1,034,756	
O&S Water Company, Inc.	$1,276,968	
Water Management Services, Inc.	$1,501,205	
Aqua Utilities Florida, Inc. (Lake County)	$1,611,295	
Marion Utilities, Inc.	$1,620,934	
Lake Utility Services, Inc.	$1,736,272	*(a)*
North Sumter Utility Company, L.L.C.	$1,997,712	
Sanlando Utilities Corporation	$2,726,018	
Peoples Water Service Company of Florida, Inc.	$3,172,656	

(a) This number was taken from the company's most recent annual report, filed at year end 2003.

SOURCE: FPSC Annual Reports for 2007

Florida Wastewater Systems Over $1M in Revenue
Distribution by Year 2007 Revenue



Wastewater Utility	Total Revenue	
Mad Hatter Utility, Inc.	$1,115,633	*(a)*
Aloha Utilities, Inc.	$1,165,451	
Indiantown Company, Inc.	$1,171,193	
K.W. Resort Utilties Corp.	$1,248,101	
Mid-County Services, Inc.	$1,624,065	
Lindrick Service Corporation	$1,709,086	
North Sumter Utility Company, L.L.C.	$3,357,032	
Sanlando Utilities Corporation	$3,452,898	
Alafaya Utilities, Inc.	$3,790,238	
North Fort Myers Utility, Inc.	$3,849,713	

(a) This number was taken from the company's most recent annual report, filed at year end 2005.

SOURCE: FPSC Annual Reports for 2007

BREAKDOWN OF WATER AND/OR WASTEWATER SYSTEMS BY EQUITY RATIO
As of December 31, 2007

Categories	Percentages	Number of Systems	
Total Companies	100.00%	160	(a)
Zero Equity	51.25%	82	
<= 40% Equity	62.50%	100	
<= 50% Equity	69.38%	111	
<= 60% Equity	72.50%	116	
40-60% Equity	9.38%	15	
60-100% Equity	27.50%	44	

(a) Six companies' most recent annual reports were from year end 2006.
Three companies' most recent annual reports were from year end 2005.
One company's most recent annual report was from year end 2001.

SOURCE: FPSC Annual Reports for 2007

Water Utilities

Class A
Aqua Utilities Florida, Inc. (Lake)
Lake Utility Services, Inc.
Marion Utilities, Inc.
North Sumter Utility Company, L.L.C.
O&S Water Company, Inc.
Peoples Water Service Company of Florida, Inc.
Sanlando Utilities Corporation
Sunshine Utilities of Central Florida, Inc.
Utilities, Inc. of Florida (Seminole)
Water Management Services, Inc.

Class B
Aloha Utilities, Inc.
Aqua Utilities Florida, Inc.
Aqua Utilities Florida, Inc. (Highlands)
Aqua Utilities Florida, Inc. (Marion)
Aqua Utilities Florida, Inc. (Pasco)
Aqua Utilities Florida, Inc. (Polk)
Aqua Utilities Florida, Inc. (Putnam)
Aqua Utilities Florida, Inc. (Seminole)
Aqua Utilities Florida, Inc. (Washington)
Continental Utility, Inc.
East Central Florida Services, Inc.
Ferncrest Utilities Inc.
Four Lakes Golf Club, Ltd.
Grenelefe Restort Utility, Inc.
Harbor Hills Utilities, L.P.
Highlands Ridge Utilities, L.L.C.
Indiantown Company, Inc.
Lighthouse Utilities Company, Inc.
Lindrick Service Corporation
Mad Hatter Utility, Inc.
Miles Grant Water & Sewer Company
North Fort Myers Utility, Inc.
Park Water Company
Parkland Utilities, Inc.
Placid Lakes Utilities, Inc.
Plantation Bay Utility Co.
Rainbow Springs Utilities, L.C.
Residential Water Systems, Inc.
Royal Utility Company
Service Management Systems, Inc.
Tamiami Village Water Company, Inc.
Utilities, Inc. of Florida (Pasco County)
Utilities, Inc. of Hutchinson Island
Utilities, Inc. of Pennbrooke
Venture Associates Utilities Corp.
Wedgefield Utilities, Inc.
Windstream Utilities Company

Wastewater Utilities

Class A
Alafaya Utilities, Inc.
Aloha Utilities, Inc.
Indiantown Company, Inc.
KW Resort Utilties Corp.
Lindrick Service Corporation
Mad Hatter Utility, Inc.
Mid-County Services, Inc.
North Fort Myers Utility, Inc.
North Sumter Utility Company, L.L.C.
Sanlando Utilities Corporation

Class B
Aqua Utilities Florida, Inc. (Lake)
Aqua Utilities Florida, Inc. (Lee)
Aqua Utilities Florida, Inc. (Pasco)
Aqua Utilities Florida, Inc. (Polk)
Aqua Utilities Florida, Inc. (Seminole)
Commercial Utilities, Division of Grace and Company, Inc.
Continental Utility, Inc.
CWS Communities L.P. d/b/a Palm Valley Utilities
Cypress Lake Utilities, Inc.
Ferncrest Utilities, Inc.
Forest Utilities, Inc.
Fountain Lakes Sewer Corp.
Gold Coast Utility Corp.
Highlands Utilities Corporation
Hunter's Ridge Utility Co. of Lee County
Key Haven Utility Corporation
Labrador Utilities, Inc.
Lake Utility Services, Inc.
Miles Grant Water & Sewer Company
Parkland Utilities, Inc.
Plantation Bay Utility Co.
Rainbow Springs Utilities, L.C.
Royal Utility Company
Sun Communities Finance, L.L.C. d/b/a Water Oak Utility
Tierra Verde Utilities, Inc.
Tradewinds Utilities, Inc.
Tymber Creek Utilities, Incorporated
Utilities, Inc. of Eagle Ridge
Utilities, Inc. of Florida (Pasco County)
Utilities, Inc. of Florida (Seminole County)
Utilities, Inc. of Hutchinson Island
Utilities, Inc. of Longwood
Utilities, Inc. of Pennbrooke
Wedgefield Utilties, Inc.

Class A Water & Wastewater Utilities
North Sumter Utility Company, L.L.C.
Sanlando Utilities Corporation

Class B Water & Wastewater Utilities
Aqua Utilities Florida, Inc. (Pasco)
Aqua Utilities Florida, Inc. (Polk)
Aqua Utilities Florida, Inc. (Seminole)
Continental Utility, Inc.
Ferncrest Utilities, Inc.
Miles Grant Water & Sewer Company
Parkland Utilities Inc.
Plantation Bay Utility Co.
Rainbow Springs Utilities, L.C.
Utilities, Inc. of Florida (Pasco)
Utilities, Inc. of Hutchinson Island
Utilities, Inc. of Pennbrooke
Wedgefield Utilities, Inc.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080006-WS

In the Matter of:

WATER AND WASTEWATER INDUSTRY ANNUAL REESTABLISHMENT OF AUTHORIZED RANGE OF RETURN ON COMMON EQUITY FOR WATER AND WASTEWATER UTILITIES PURSUANT TO SECTION 367.081(4)(f), F.S.
_____/

TELEPHONIC DEPOSITION OF: JAMES ROTHSCHILD

TAKEN AT THE INSTANCE OF: The Staff of the Florida Public Service Commission

PLACE: Room 154
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida

TIME: Commenced at 2:00 p.m.
Concluded at 4:38 p.m.

DATE: Wednesday, October 8, 2008

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080006-WS EXHIBIT 47
COMPANY Deposition of
WITNESS James Rothschild
DATE 10/23/08

APPEARANCES:

CHARLIE BECK, ESQUIRE, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison St., Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of Florida.

MARTIN S. FRIEDMAN, ESQUIRE, Rose Law Firm, 2180 West State Road S. R. 434, Suite 2118, Longwood, Florida 32779, appearing on behalf of Utilities Inc.

JEAN HARTMAN, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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EXHIBITS

NUMBER:		ID.	ADMTD
1	(Late-filed) Chapter from Morningstar	44	
2	(Late-filed. No title.)	80	

PROCEEDINGS

MS. HARTMAN: Could you state your full name, please?

THE NOTARY: Sure. Vida, V-I-D-A, Rothschild.

MS. HARTMAN: Okay. And you're a notary and you are licensed, I guess, in Connecticut?

THE NOTARY: Yes, state of Connecticut.

MS. HARTMAN: Okay, great. Thank you. We need to take appearances now. My name is Jean Hartman. I'm the Commission attorney assigned to this docket.

MR. BECK: And my name is Charlie Beck. I'm with the Office of Public Counsel.

MR. FRIEDMAN: And my name is Marty Friedman. I'm the attorney for Utilities Inc.

MS. HARTMAN: If Ms. Rothschild would go ahead and swear the witness in, please.

(Witness sworn.)

MS. HARTMAN: Charlie, I just e-mailed you my fax number. I don't know if you received it.

MR. BECK: I have, and I have forward it to Jim Rothschild. Do you have a form that you would like Ms. Rothschild to fill out?

MS. HARTMAN: Yes, and I thought it was attached to the notice of deposition.

THE NOTARY: Yes, I have it here.

MR. ROTHSCHILD: Let's double check that. I wrote

that fax number down, but why don't we double check to make sure it is correct.

THE NOTARY: Okay. You said (850)413-6194.

MS. HARTMAN: That's correct.

THE NOTARY: Okay. I will fill it out and notarize it and fax it to you.

MS. HARTMAN: Great. Thank you.

THE NOTARY: Thank you.

MS. HARTMAN: Okay, great. I will go ahead and start.

DIRECT EXAMINATION

BY MS. HARTMAN:

Q Mr. Rothschild, again, my name is Jean Hartman, and I am the Commission attorney assigned to this docket. And I appreciate your time this afternoon. Thank you very much. If at any point during the deposition you need a break, please let me know. Also, if you need clarification regarding any of my questions or the terms I use, please also let me know.

A Okay.

Q Great. Thank you. Could you please state your name and business address for the record?

A Yes. James A. Rothschild, business address 115 Scarlet Oak Drive, Wilton, Connecticut.

Q And who are you employed by?

A Rothschild Financial Consulting.

Q In what capacity?

A Consultant.

Q Mr. Rothschild, you filed testimony and exhibits and surrebuttal and testimony in this docket, is that correct?

A Yes.

Q At this time do you have any additions, deletions, or corrections to your testimony, exhibits, or your surrebuttal?

A Yes, I do have few. There was one -- I guess it's a two-page change that Mr. Beck was going to distribute. Earlier, just in reviewing the testimony last night and this morning, I felt that it would be helpful to everybody to clarify the hypothetical example that was in the testimony. So that was handed out; hopefully everybody has that. And there are other, a very few small changes. I think they are all in the surrebuttal testimony. I will be happy to list those.

MS. HARTMAN: Okay. Charlie, have you sent those to me or to Marty?

MR. BECK: I have. I e-mailed them, I don't know, maybe 20 minutes ago, 15 minutes ago.

MR. FRIEDMAN: Jean, I did get an e-mail with -- it looked like some changes to the testimony.

THE WITNESS: In addition to those two pages, I would like to change on Page 7, Line 12 -- all of these changes I'm talking about now are in the surrebuttal testimony. Page 7, Line 12, the number 9.50 should read 9.00.

BY MS. HARTMAN:

Q Mr. Rothschild, I'm sorry, could you please repeat that?

A Sure. In the surrebuttal testimony, Page 7 -- when you are there let me know and I will give you the rest of it.

Q We're there.

A Okay. Page 7, Line 12, in the middle of that line there is a number 9.50. Please change that to 9.00.

Q Okay.

A And then skipping to Page 14, there's a question that runs from Lines 18 to 20. Instead of ending with the words then B times R growth rate, it should end with then five year earnings per share growth rates.

MR. FRIEDMAN: Could you read just the way it should be?

THE WITNESS: The whole question? Yes. Are B times R growth rates more or less susceptible to changes in the allowed return on equity than five year earnings per share growth rates.

MR. FRIEDMAN: All right.

THE WITNESS: All right. Then on the next page, which is Page 15, Line 14, the number $1.0567 should be 1.567.

MR. FRIEDMAN: 1.567?

THE WITNESS: Yes.

And then on Page 27, we just need to add the letter T at the very end of the page so that the word is correct instead of correc.

BY MS. HARTMAN:

Q Are there any other --

A One final change. It is just a spelling error on Page 33, Line 20, reasonableness should have two Ss.

Q Are there any other additions, deletions, or corrections to the testimony or the exhibits?

A No.

Q Great.

Mr. Rothschild, could you please describe your understanding of the purpose of the Commission's water and wastewater return on equity leverage formula?

A Yes. I tried to put that in my testimony. If we go to the direct testimony, Page 2, the answer to the question starts on Line 16 is my understanding.

Q Could you read that line for me, please?

A Sure. The Florida Public Service Commission is authorized by statute, quote, "To establish no less than once each year a leverage formula to calculate a reasonable range of return on equity (ROE) for water and wastewater (WAW) utilities. While the FPC has provided the required annual updates to the leverage formula every year, an order establishing the procedures to be used for this update was last

established by Order Number PSC-01-2514-FOF-WS in Docket Number 010006-WS issued on December 24th, 2001."

Q Anything else?

A Well, I explained -- it goes on in the testimony, so I am explaining the points that were addressed by the Commission in the order and so forth.

Q Thank you.

Could you please describe your understanding of how the Commission's leverage formula is currently applied?

A Well, how it is currently applied is there is a formula which is a starting cost of equity, and then that cost of equity is -- the starting cost of equity which would apply to a water or wastewater company with a common equity ratio of 40 percent, and then that amount would change based upon the equity ratio. I said that wrong. There is a constant number and then there is another number which is added to that, and how much is added to that depends on the equity ratio.

So that the constant number, whichever one is being used right at this moment, would be divided by the percentage of common equity that a particular company is using, and which would arrive at a result that a company can use as a filing basis without additional proof. However, my understanding is that the parties could feel or the company itself could choose not to use that number, or another party could say they don't feel that number is applicable and could provide alternatives

to that.

Q Your attorney asked that you have a copy of Commission Order Number PSC-01-2514-FOF-WS issued December 24th, 2001, in Docket Number 010006-WS available to refer to today for the purposes of your deposition. Do you have a copy of this order with you?

A Would you read the order number again?

Q Sure. It's Commission Order Number PSC-01-2514-FOF-WS issued December 24th, 2001.

A Yes, I have that.

Q Are you familiar with this order?

A Yes.

Q What is your understanding of what the Commission approved when it issued this order?

A My understanding, it approved a specific leverage formula that it felt was appropriate at the time that basically takes the form that I gave you in my prior answer.

Q In your opinion is the Commission's water and wastewater return on equity leverage formula tailored for a particular water and wastewater company, or for the average water and wastewater company under the Commission's jurisdiction?

A It is supposed to be for an average water and wastewater company. And the specific answer would change in part based upon the specifics of whatever company is in for its

rate request.

Q What's your definition of the average Florida water and wastewater utility under the Commission's jurisdiction?

A Well, as I understand the leverage formula, the leverage formula was intended to apply unless somebody feels it's inappropriate. And knowing how the formula is derived, a group of comparative companies is chosen, and indeed the Commission decided it was more appropriate to use a group of gas companies than a group of water companies.

And it determined that the cost of capital for that group, the cost of equity for that group, and what the cost of debt would be if that group effectively issued new debt as of the time of the decision. And also came up with a formula which it used to determine how that cost of equity would change only in consideration of differences in financial risk from one company to another. And the financial risk is just the fancy way or the jargon way, if you will, of saying changes in the capital structure.

MR. FRIEDMAN: Was that the answer to the question?

MS. HARTMAN: No. Let me try this again.

BY MS. HARTMAN:

Q Could you just define the average Florida water and wastewater utility under the Commission's jurisdiction? I'm trying to get a definition of the average Florida --

A I guess I don't understand what you are -- to me that

was the answer to the question, because to me when you talk about average, the average relates to what the Commission did. And in this case what the Commission did was use one group and only change it for capital structure. So, therefore, it is making -- it's saying, to me, that we are presuming that the group result applies but for capital structure changes, and if you had a company then -- at least how I would interpret that -- if you had a company with something particularly unusual or whatever other reason somebody might feel the leverage formula isn't working, then the company is free not to use the leverage formula, or if the company chooses to use the leverage formula another party is free to argue for an alternative. Other than that, I'm not sure how -- that to me defines the average. The average is the use of the group.

MR. BECK: Jean, do you have a reference to the order that you are referring to?

MS. HARTMAN: We're going to consult for a minute. We are going to go off the record for one minute, and we'll be right back.

(Off the record.)

MS. HARTMAN: Hi. We're back on the record.

BY MS. HARTMAN:

Q Mr. Rothschild, would you agree, subject to check, of the 148 water utilities under the Commission's jurisdiction, 101 of these utilities had annual revenue in 2007 of less than

$2,000 -- I'm sorry, $200,000?

MR. BECK: Jean, this is Charlie. If you know, go ahead and give the answer.

A I don't know. My only hesitation, subject to check, is I'm not sure where I can readily get that information. I'm aware that there are a lot of small water companies that are covered by this.

Q Would you agree, subject to check, of the 148 water utilities under the Commission's jurisdiction, 138 of these utilities had average -- I'm sorry, had annual revenues in 2007 of less than $1 million.

MR. BECK: Jean, this is Charlie Beck. I'm going to object. I don't have any way to check that, and I don't know how you would know subject to check. If you want to do a hypothetical, you can go ahead and do that, but otherwise I object.

BY MS. HARTMAN:

Q If you could go ahead and try to answer, Mr. Rothschild, if you can.

A Well, that's my problem. I don't know how I could check it. I don't have any personal knowledge of what the revenues are. My general understanding is there are a lot of companies covered by this, and a high percentage of those companies are what we generally consider to be small.

Q Okay.

A But I have not done an independent analysis of that, and I don't know how I would check your number. I mean, is it right? It probably is, but I wouldn't have knowledge of that.

Q Mr. Rothschild, in the notice for your deposition today you were instructed to have workpapers supporting your direct testimony available for reference. Do you have access to those workpapers?

A I have -- well, probably. I mean, generally what I put in my testimony is the schedules, and I'm not sure that there are necessarily additional workpapers other than perhaps copies of Value Line reports or something like that that I have used. But I probably have access to them.

Q Well, if you would refer to the Value Line publication you relied on for purposes of preparing Exhibit JAR-9, which is attached to your direct testimony. Do you have that?

A Just one minute. Is there one particular company you would like me to look at?

Q I will, but if you would just have that publication in front of you.

A I don't know that I have a printed-out version of all of them.

Q Do you need five minutes to get a copy of it?

A Let's see. Hold on. We're looking through our papers here to see how readily available they are.

(Pause.)

THE WITNESS: I have somebody looking for them, if you want to ask some other questions and go back to them if that works for you, otherwise we can --

MS. HARTMAN: We will go ahead and wait, Mr. Rothschild.

(Off the record.)

MS. HARTMAN: Mr. Rothschild?

THE WITNESS: Yes.

MS. HARTMAN: In particular, we are looking for the Value Line publications that report on ATMOS Energy, and South Jersey Industries, just those two?

THE WITNESS: ATMOS and South Jersey?

MS. HARTMAN: Yes.

THE WITNESS: I think the problem is we might have used them for another case and they might have been out of this file, so it could take us a few minutes to find it. We certainly can go to Value Line's website and get the reports. I'm just not 100 percent sure if they are the same ones that were current as of the time the testimony was prepared or not.

MS. HARTMAN: Mr. Rothschild, I'm going to give you a couple more minutes to locate those Value Line reports on ATMOS Energy and on South Jersey Industries.

THE WITNESS: Okay. All right. I'm going to put you on hold and we will see what we can find.

(Off the record.)

BY MS. HARTMAN:

Q Mr. Rothschild?

A Yes. We're still looking for it. It probably got moved to another case file is the problem. If you have them and want to fax them to me, we could probably work with it that way.

Q No. I mean, we were able to get that information by looking it up on-line.

A Right. The problem is that it doesn't keep it -- I can get the information on-line, but it's going to be a September 12th report, which is going to be much more current than the one that I used when this testimony was prepared.

Q Well, Mr. Rothschild, I'm going to back up a little bit. Earlier I had asked you about the definition of an average Florida water and wastewater utility under the Commission's jurisdiction. My question to you now is have you evaluated the size of water and wastewater utilities under the Florida Public Service Commission's jurisdiction?

A No, I have not. And, in part, because size is not an appropriate factor for consideration in determining the cost of capital.

Q Are you aware that the Commission breaks down the water industry into three classes?

A I probably was not specifically aware of that. I

have seen commissions that do tend to regulate differently based on size and have categories, but I specifically have not reviewed that.

Q Are you aware that Class C has revenues of 200,000 or less?

A I didn't specifically know that, but --

Q Are you aware that Class B has revenues less than 200,000 but greater than -- but more than $1 million?

I'm sorry, I need to repeat that. Are you aware that Class B has revenues of less than -- I'm sorry, more than 200,000, but less than $1 million annually?

A I was not specifically aware of that.

Q Okay. And are you familiar that Class A has revenues of --

A I will bet greater than a million. (Laughter.)

Q Are you aware of that? Yes, greater than a million; are you aware of that?

A No, I was not aware of that.

Q Okay. Skipping forward now to the Value Line publication questions. Subject to check, do you agree that the schedule shows selected financial data for the ten natural gas utilities in the group of comparable companies included in your DCF analysis?

A Does the Value Line page show selected financial data for each of the companies?

Q I'm sorry. I'm referring, again, to Exhibit JAR-9.

A Okay. So you want me to turn to my JAR-9.

Q Yes, please turn to JAR-9.

And this schedule shows selected financial data for ten natural gas utilities in the group of comparable companies included in your DCF analysis, is this correct?

A You're a little faster than I am turning to 9. Give me a minute. Yes, that is correct.

Q Of the ten companies in this proxy group, did Value Line report that ATMOS Energy had the greatest annual revenue in 2007? Can you agree to that?

A I'm sorry, part of your question was for whatever reason blanked out. I didn't hear it. So could you repeat that again, please?

Q Okay. Can you agree that of the ten companies in this proxy group, Value Line reported that ATMOS Energy had the greatest annual revenue in 2007, subject to check?

A It was the highest of this group of ten?

Q The greatest annual revenue in 2007.

A When you say greatest in 2007, I don't know if you mean greater than ATMOS had at any other year or if you mean greater than any of the others companies had in 2007?

Q The latter.

A I would be happy to accept that subject to check. I can check that, yes.

Q Thank you. Would you agree that Value Line reported annual revenues of $5.9 billion for ATMOS Energy, subject to check?

A I can certainly agree that these companies are much larger than Class B or C water utilities.

Q Of the ten companies in this proxy group, do you agree that Value Line reported that South Jersey Industries had the lowest annual revenue in 2007, subject to check?

A I answered that yes. I don't know if you heard me.

Q Okay. Would you agree that Value Line reported annual revenues of $956 million for South Jersey Industries, subject to check?

A Subject to check, yes.

Q Would you agree, subject to check, that the average annual revenue in 2007 for these ten companies was $2.3 billion?

A Given what you said as the high and low, that would sound about right. The number was 2.3 billion?

Q Right, 2.3 billion.

A That sounds about right.

Q So you agree subject to check?

A Yes.

Q Mr. Rothschild, if you could refer to Pages 28 through 30 of your direct testimony. Do you have that in front of you?

A I will in a minute.

Q Okay, great.

A Page 28. I am now on Page 28.

Q Thank you. What is your understanding for why the Commission water and wastewater return on equity leverage formula includes a bond yield differential adjustment?

A The bond yield differential adjustment is done to add an additional amount above and beyond the cost of debt that's actually incurred by companies with the same bond rating that are within the comparative group.

Q Do you believe the average water and wastewater company under the Commission's jurisdiction has access to debt at the same cost rate available to large publicly traded companies with an average bond rating of single A2?

A Those companies that have a capital structure consistent with the parameters that exist for large companies with a single A have access to capital at the same rate, yes. It's not necessarily true that all of these companies would qualify for a single A rating. And, indeed, the whole concept of looking at a large formula recognizes, and I might add correctly recognizes that financial risk, i.e., capital structure risk, does influence the cost of debt and the cost of equity. And a proper formula should take that into consideration, and certainly the one I propose does do that.

Q So, just to clarify, you said yes.

MR. BECK: I'm sorry, what was the question to which you said he said yes?

MS. HARTMAN: Okay. And I would like a yes or no answer, please.

BY MS. HARTMAN:

Q Do you believe the average water and wastewater company under the Commission's jurisdiction has access to debt at the same cost rate available to large publicly traded companies with an average bond rating of single A2?

A And I guess my answer was not necessarily for the reasons that I explained, because capital structure matters. So if I gave you a yes or a no it would be --

Q So you are giving me a maybe?

A Well, yes, because it depends on capital structure. If you have a small company, which I believe I gave you in my prior answer, if you have a small company that has the characteristics consistent with that which would achieve a single A bond rating, it will have a cost of debt the same as a company with single A characteristics.

Q Mr. Rothschild, what is your understanding for why the Commission water and wastewater return on equity leverage formula includes a private placement premium adjustment?

A Well, it's including a private placement premium adjustment under a belief, which I think is incorrect, that if a company issues securities with a private placement, that it

has to pay more than a company that doesn't have that private placement premium. And there is no evidence to suggest there is any truth to that.

Q Thank you.

Could you please explain your understanding of the issuance of common equity through the New York Stock Exchange?

A My understanding of the issuance of common equity through the New York Stock Exchange?

MR. BECK: Jean, this is Charlie Beck. I do not understand the question. Could you rephrase it?

MS. HARTMAN: We are going to go off the record for a second to see if we can assist you. Hold on, please.

(Off the record.)

MS. HARTMAN: We are back on the record.

BY MS. HARTMAN:

Q Mr. Rothschild, do you know the minimum number of shareholders a company must have to qualify to have its common stock traded on the New York Stock Exchange?

A No, I do not.

Q Would you agree, subject to check, that a company must have at least 2,200 shareholders to be listed on the New York Stock Exchange?

A I agree, subject to check. There are other listing requirements on the New York Stock Exchange, as well. I don't happen to know offhand what they all are. There are certain

reporting requirements and earnings requirements, et cetera.

Q How many water and wastewater utilities under the Commission's jurisdiction have 2,200 shareholders?

A I do not know.

Q Would you agree, subject to check, that other than Aqua America there are no other Florida water and wastewater companies under the Commission's jurisdiction that have at least 2,200 shareholders?

MR. BECK: This is Charlie Beck. I'm going to object, Jean. How do you want us to check that? I mean, look up every PSC jurisdictional water company and then determine the number of shareholders?

MS. HARTMAN: Let me ask the question in a different way.

BY MS. HARTMAN:

Q Other than Aqua America, can you identify any other Florida water and wastewater companies under the Commission's jurisdiction that have at least 2,200 shareholders?

A I have not studied the number of shareholders for any of these companies, so, therefore, I do not know. I also know that when you start counting the number of shareholders it can be misleading because sometimes you will see a name of what seems like one stockholder, but, in fact, it could be Morgan Stanley and all the accounts that Morgan Stanley -- that show up as one entity. So it is a tough number to get accurate.

Q Do you know the average monthly trading volume necessary to be listed on the New York Stock Exchange?

A No, I do not. I am not familiar with the listing requirements of the New York Stock Exchange.

Q Would you agree, subject to check, that a company must have an average monthly trading volume of 100,000 shares to be listed on the New York Stock Exchange?

A Again, my hesitation is I'm not sure how I can readily check that. It might be something available on the New York Stock Exchange website, it might not be. But the New York Stock Exchange is typically reserved for larger companies. There are examples of very large companies, such as Microsoft, that is traded on the NASDAQ, not the New York Stock Exchange. But, typically, the companies on the New York Stock Exchange are larger than --

Q Thank you. Do you know the minimum stockholder equity that must be maintained to be listed on the American Stock Exchange?

A The American Stock Exchange now?

Q Yes.

A No, I don't know the listing requirements there. The American Stock Exchange tends to not be used anywhere near as such anymore. You typically find companies either on the New York Stock Exchange or NASDAQ, although there are still some on the American.

Q Would you agree, subject to check, that a company must have a minimum stockholder equity of $4 million to be listed on the American Stock Exchange?

A Again, my hesitation of agreeing is I'm not sure how readily available that information is. It's certainly not something that I did or would consider in my determination of the appropriate leverage formula.

Q Mr. Rothschild, can you identify any water and wastewater utilities under the Commission's jurisdiction that have issued common stock on the New York Stock Exchange since 2001?

A I have not specifically studied that, so I wouldn't know.

Q Can you identify any water and wastewater utilities under the Commission's jurisdiction that have issued common stock on the NASDAQ since 2001?

A I have not specifically studied the issuance of common stock by any of the water and wastewater utility companies, so I wouldn't know if there are any or not that have issued on the New York exchange, the NASDAQ, or the American exchange.

Q Could you please explain your understanding of the issuance of common equity through the private placement market?

A Yes. If a company wishes to sell common equity it can do so either through a public offering or through a private

placement. A private placement could be a relatively small offering to individuals or it could be directly to pension funds, insurance companies, other financial institutions such as that where you have a situation where perhaps an insurance company would like to have an investment in one or more water companies, and is happy to take the entire offering. It is good for them because they can get enough stock to be a meaningful investment for them even though it is a relatively small company, and it can be good for the company because they can save on financing costs in making the issuance and just making it easier. So there are times when that becomes a win/win situation vote for the company and the investor.

Q Thank you. Can you identify any Florida water and wastewater utility under the Commission's jurisdiction that has issued equity through private placement?

A I have not specifically studied the issuances for the companies, so there might have been many or there might have been none, I don't know.

Q Can you please identify any Florida water and wastewater utilities under the Commission's jurisdiction that have issued debt through private placements?

A Again, I have not specifically looked at issuance-by-issuance which companies have or have not issued debt, and so how it was issued over the last several years. It is not information that I would have used in my testimony. If

I had it now, I still wouldn't use it. So, no, I don't know the answer to your question.

Q What is your understanding for why the Commission water and wastewater return on equity leverage formula includes a small utility premium adjustment?

A My understanding is it has included a small utility premium adjustment because it apparently believes that there is a high risk associated with an investment in a small company. As I explained in my testimony, both financial theory and empirical evidence shows that statement to be incorrect. There is no size-related risk, because risk is a diversifiable item. And, in effect, you could look at a large company as a portfolio of small companies. And investors -- many investors, not all investors, but many investors invest in a diversified portfolio, so they create the same effect of a large company.

You could have a pension fund, for example, and make the decision to invest in 150 different private placements of small water companies. Any one of the 150 might be small, but when you aggregate it together, it becomes effectively like one large water company that consists of 150 divisions. So the risk is taken away by the marketplace because there is more than one pension fund, more than one insurance company, more than one hedge fund that invests in private placement.

Q All right. In your opinion, do the average Florida water and wastewater utilities under the Commission's

jurisdiction have access to the public equity and debt markets?

A Well, I don't know if they have tried to have access or whether some of them would be sufficiently small that the financing costs could be prohibitive and, therefore, it would make more sense to do a private placement. It would make it more economical. In some cases they might be large enough that a public offering could be economically feasible.

Q Thank you. In your opinion, do the average Florida water and wastewater utilities under the Commission's jurisdiction have access to the private placement equity and debt markets?

A Well, they should be able to have that access if they so choose. It might be more efficient for them and maybe in some cases they don't need to do that, that they are just able to be financed through individual investors. I guess you could call that a private market, depending on how you choose to define the term.

Q Your attorney asked that have you a copy of Commission staff's recommendation filed on May 8th, 2008, in Docket Number 080006-WS available for the purposes of your deposition today. Do you have a copy of this recommendation that you can refer to?

A Yes.

Q And are you familiar with this recommendation?

A Yes.

Q Please discuss the elements of the determination of the water and wastewater return on equity leverage formula discussed in this recommendation that you agree with?

A The elements that I agree with. I agree with the concept that a leverage formula approach is an efficient practical approach that if done properly makes a lot of sense, since there are so many water companies that the Florida Public Service Commission has to regulate. To have a separate independent cost of equity determination for each small water company would be prohibitively expensive and time consuming. And if an appropriate leverage formula is used, it would be unnecessary especially since there is a relief valve, if you will, where either the company or another party could say no, the average result doesn't apply here for whatever reason. So I agree with that.

Q What other elements do you agree with?

A I agree with the concept of using a DCF analysis. I think using it of the natural gas index is acceptable. I realize that whatever -- any group you pick is never going to be perfect. There are, in this marketplace, some problems with using the water company index, water company group. There aren't that many of them, and there is the problem with the concentration in one state. I agree with that.

And I also -- let's see, I would also agree that the DCF result, while it is a little bit high, it's close to

reasonable. I agree with the concept of using the B times R approach in the DCF. I have explained in my testimony that I would -- there are certain adders to that which I won't do, but there is one other adder that I do make that wasn't done, so the net result of my DCF result is pretty close to the DCF result that was done by staff.

I agree with the concept of also using a CAPM. I do not agree with the concept of using a CAPM where a five year earnings per share forecast is used as a proxy for long-term sustainable growth. And as I explained to you in my prior answer, there was an adder to the DCF result, which I thought was appropriate, but I do not agree that it is -- I disagree with the concept of using a bond yield differential, private placement premium, a small utility risk premium.

Q Mr. Rothschild, so you did review the DCF and CAPM analysis staff performed to determine the leverage formula it recommended in Docket Number 080006?

A Yes, I did review that, and I discuss it in my direct testimony.

Q In reviewing the CAPM model, did you find any math errors?

A Well, it depends on your definition of math error. The concept of using a five year earnings per share growth rate as a proxy for long-term growth might not be an arithmetic error, but it is, in my definition, a math error, because it's

misusing the formula from which the constant growth DCF was derived.

Q In your opinions regarding the appropriate growth rate to use in a DCF analysis aside, did you find any math errors in staff's DCF?

I'm sorry, let me go back. In your opinions of the appropriate means of estimating the market return for purposes of the CAPM analysis aside, did you find any math errors in staff's CAPM analysis?

A Well, the truth is when I saw the approach was so inherently flawed, I no longer cared if the arithmetic was done correctly. So, no, I didn't check that. I don't know if it's correct or not.

Q Similar question. In reviewing the DCF model, did you find any mathematical errors?

A I'm trying to think whether I went through to check the arithmetic, and I don't remember that I did. But, again, the staff's result from the DCF and my result from the DCF were quite close. So there's a good chance that what staff did, other than for some pluses and minuses which pretty much -- not totally -- cancel out, but very close to totally cancel out, I would say that it's helpful.

Q What about math errors in staff's DCF analyses?

A I think I just answered that one for you.

Q I'm sorry. Thank you.

For the next couple of questions, I would like to refer you to both the 2001 order and the 2008 staff recommendation. If you could turn to Page 28 of the 2001 order, and Page 9 of the 2008 staff recommendations. And please let me know when you have those pages in front of you.

A Okay. So page --

Q Page 28 of the 2001 order, and Page 9 of the 2008 staff recommendation.

A Page 28 and Page 9. Okay. I have both of those pages. Page 28, which is Attachment A, is that the first page?

Q Yes. These two pages are a summary of the CAPM results, is that correct?

A The Attachment A on the 2001 order?

Q Uh-huh, yes. And Page 9 of the 2008 staff recommendation. The heading on both should be capital asset pricing model, cost of equity for an average water or wastewater utility.

A There is a slight difference in the title, but --

Q Right, that's the 2001. And the 2008 title is capital asset pricing model, cost of equity for water and wastewater industry.

A Yes. One doesn't say average, but presumably it is intended to mean average.

Q Do you agree that these two pages are summaries of CAPM results?

A Both of those pages show the CAPM analysis formula, the definition of the terms, and the result that was obtained by providing a quantification for each of those terms.

Q Would you agree the risk free rate using the CAPM analysis dropped from 5.74 percent in 2001 to 4.54 percent in 2008?

A Well, if you are asking me to agree that a long-term treasury bond is a risk-free rate, my answer is no, it is not a risk free rate.

Q No, Mr. Rothschild, that's not what I'm asking you.

A If you are asking me if the long-term treasury bond rate --

Q No, let me repeat the question.

Would you agree the risk-free rate used in the CAPM analysis dropped from 5.74 percent in 2001 to 4.54 percent in 2008?

A I cannot agree to a long-term treasury bond --

Q Per these sheets. Per these sheets.

MR. BECK: Jean, this is Charlie Beck. The sheets say what they say. If you ask the witness what his opinion is, he's going to give it to you.

BY MS. HARTMAN:

Q Would you agree the beta using the CAPM analysis increased from .61 in 2001 to .87 in 2008?

A That is what the sheets show, yes.

Q Thank you. For the purpose of the 2008 staff recommendation, do you have any reason to believe staff applied the DCF portion of the Commission-approved CAPM analysis differently in 2008 than it was applied in 2001?

A I have no reason to believe that it was mechanically used differently. However, the financial factors are such that using it in the current environment is much more prone to error than it was in 2001. It's a formula whose vulnerability wasn't as readily apparent in 2001.

Q Mr. Rothschild, could you please turn to Page 19 of your direct testimony. And this is the section of your testimony where you discuss beta.

A I have Page 19 of my direct testimony.

Q And would you agree this is the section of your testimony where you discuss beta?

A I do see a question which asks me what is beta and an answer that defines it, yes.

Q Could you please define beta for me?

A Beta is a measurement of the correlation between a given stock and the market as a whole. A portfolio made up of companies with a beta that averages 1.0 tends to have price swings that match the market in magnitude. A portfolio with an average beta of 1.5 tends to move 1.5 percent for every 1 percent the market moves. A portfolio with an average beta of .08 tends to move .08 percent for every 1 percent the market

moves.

Q So would you agree that beta is a measure of systematic risk; a measure of how a stock's price moves relative to the price movement of the market in general?

A Beta is a measure of the systematic risk.

Q Please explain how beta and required return are related.

A How beta and required return are related. There is a risk-free rate and then there is a risk premium. The risk premium, if you start with a risk premium that is average for the market, which is typically defined as a beta of 1.0, then the cost of equity changes in proportion to the change in the beta. So there is a constant plus the amount that changes. The overall cost of equity doesn't change the same percentage of as a move in beta, but the risk component changes as a percentage of the change in beta.

Q Is it fair to say the greater a company's beta the greater its risk?

A At the same point in time one would expect that the greater the risk for which a return is provided. There could be other factors which could make a company risky, but if that risk is diversifiable it would not influence its beta.

Q Would you agree the greater the risk the greater the required return, all other things held constant?

A Well, again, you have to be careful that you are only

talking about the risk which is nondiversifiable. So if you inject in that the nondiversifiable risk, then I would agree with your statement.

Q Please turn to Exhibit JAR-3 attached to your direct testimony. And let me know when you are there, please.

A Okay. I have JAR-3.

Q Please explain what the numbers in the line entitled "Portfolio by Size Decile" represent.

A I'm sorry, where are you looking?

Q Let's see. It is "Portfolio by Size Decile." It's right after A, above Beta.

A On Page 1 or Page 2?

Q Page 2.

A Okay. Now I'm with you. What was done in what is now the Morningstar Report, which was the Ibbotson SBBI Report, and now it is the Morningstar SBBI report, has done is taken a very large number of companies and broken them down by size decile. What size decile means is you take all of the companies and you put in ten difference groups, each group being a decile. So there is the 10 percent largest, the next 10 percent, the next 10 percent, and so on until you get the 10 percent smallest. And each of those companies was broken down into groups by size. And what we could see from each of those groups is the returns that they earned and the average beta for each group.

Q So the size of the companies decrease as one moves from one decile -- from Decile 1 through Decile 10?

A Yes.

Q And Decile 1 includes the largest companies in this analysis, and Decile 10 includes the smallest companies, is this correct?

A Yes.

Q Describe the size of the companies in each of the ten portfolios listed?

A Group one is going to be the very largest companies in the U.S., and the ten smallest are going to be the smallest listed size. I could look in the Ibbotson SBBI book to see if it gives the size of each group. I don't know it offhand, but I do have the book over here. I can take a look.

Q In which portfolio would the largest Florida water and/or wastewater utility under the Florida Public Service Commission's jurisdiction be assigned?

A Offhand, I don't know. That is not the purpose of the analysis. It doesn't matter. What this is showing -- the purpose of the analysis here is to show that size doesn't matter, and I'm trying to figure out a way that it might matter. It shows that the return differential is proportional to beta, and so what we need to be concerned about, therefore, is beta, not size.

Q In which portfolio would the average Florida water

and wastewater utility under the Commission's jurisdiction be assigned?

A I don't have the information. I don't know. As I'm looking in the Morningstar Book, which is the 2008 classic yearbook, Page 140, the decile size is by market capitalization. And the largest decile has a capitalization of over $10 billion, where the smallest has a capitalization less than $200 million.

Q Please explain what the values in the line titled "Beta" represent?

A Beta is the average beta for each of those groups. It is the same beta that we were talking about a few minutes ago when you asked me to define beta. So it defines the relative volatility of the stocks of each of those companies compared to the volatility of a broad index.

Q It appears that the largest companies have the lowest average beta and the smallest companies have the largest average beta. Is this accurate?

A Yes. That's what the data shows. It also shows that the returns go along with that. The proper interpretation of that is that beta captures the risk. It's not the size, it's the beta. The whole reason for doing this is, and if you look at the history of CAPM, what CAPM was all about is saying we can capture all of the risks that a company has by looking at its beta. And when you get into size, what you find is that

small companies do tend to have higher betas. It doesn't mean that all of the small companies have high betas, it just means that they tend to. So when you get into looking at that, what is going on here, is it size or is it something else?

The great majority of the companies in this analysis are not water utilities, and so what you have then is a situation that says, well, what is really going on here? A small company will tend to have a product which is more subject to obsolescence, more subject to competitive pressures, but when you jump to a water utility, water is not becoming obsolete. I think that is probably the safest statement that anybody could make. Water is too basic to our lives. We need that and nobody is coming along with water --

Q Thank you, Mr. Rothschild. That answers my question.

Do you know what the beta is for the average Florida water and wastewater utility?

A Well, you were not going to be able to compute a beta for a company that doesn't have publicly traded stock. But when you look at the betas for water companies that do trade, you see that the betas tend to be relatively -- on the lower risk side of things, because the water utility industry is inherently a low-risk industry for all the reasons that I have said.

So if you compare water companies as a group and look at their beta and compare their size, you will see that size --

that their beta is much lower than would be predicted just from size. And that's because of the industry that they are in, the regulation part and the lack of any risk of a competitive product coming along.

Q Thank you. Could you please explain what the values in the line titled "Historic Actual Compounded Annual Return" represent?

A Yes. That is the total return, the total geometric return that an investor who invested in that portfolio consisting of the companies in that decile would have earned from 1926 through 2007.

Q What is the relationship between the beta value and the historic annual return listed for each decile?

A When that is graphed, what you discovery is the linear relationship that is predicted by CAPM. And what that means then is that the beta is explaining the risk differential. And so long as you are working off beta, you have explained the risk differential. And it's not size, it is industry characteristics of beta.

Q Please explain what the values in the line titled "Reduced Compounded Annual Return" represent?

A Oh, that represents -- the historic numbers that are on Line B are the actual returns that were earned over that period. And what financial theory says is that investors receive an allowance for inflation, they receive a bare rent

for their money, and they receive an allowance for risk. When you are computing earned returns over a long period, you would expect if everything is working as investors expect, you would expect the allowance for inflation was earned at whatever rate it was over that time period.

But when you come to the time when you are evaluating what investors are looking at today, what you should consider is what investors are expecting for inflation, and should recognize that if inflation expectations at the moment the analysis are being done are higher than over the time period the results were quantified, then investors should be demanding a higher return for that higher inflation allowance. If it happens to be lower, then they should be demanding a lower return.

And that is what this analysis reflects. Because actually what we have right now is, and for the last, I don't know, five or ten years, we have been able to get a very accurate reading on what investors are expecting for inflation because the U.S. Treasury now sells what are called in the jargon TIPS, T-I-P-S, which stands for Treasury Inflation Protected Securities, or something like that.

So that investors can either invest in normal U.S. treasuries, in which the interest rate is whatever it is, and investors take the risk for inflation, or investors can buy these TIP Securities where the investors receive a return, an

interest return plus a change in value each year based upon the actual inflation rate.

Q Thank you, Mr. Rothschild. I think you answered my question.

Could you tell me what is the relationship between the beta value and the reduced annual return listed for each decile?

A What is the relationship between the beta --

Q The beta value and the reduced annual return listed for each decile?

A Well, that is shown in -- there is a graph that shows that, and it shows the linear relationship of what actually happened.

Q What is the R squared score for the series in Box D?

A I don't have that offhand.

Q Can you get it?

A I can try to. I'm not sure if the -- this was done on an Excel spreadsheet, I'm not sure whether that provides the R squared or not. But if it does, I'll get it for you.

Q Okay. What is the R squared score for the series in Box E?

A The same answer. If I can get it for you, I will. If I have the software to do it.

MS. HARTMAN: Charlie, this is Jean. We want a late-filed exhibit on those scores.

MR. BECK: Would you like it Exhibit 1?

MS. HARTMAN: Yes, please.

MR. BECK: Okay.

(Late-filed Exhibit 1 marked for identification.)

BY MR. BECK:

Q And we want to know what is the R squared score for the series in Box D, and also what is the R squared score for the series in Box E.

A D and E, right? Did you say C?

Q No. E as in elephant; D as in Democrat.

A Or donkey and elephant?

Q Or donkey and elephant, even better.

Please turn to Page 50 of your direct testimony, Mr. Rothschild.

A Page 50?

Q Yes.

A Okay.

Q Beginning on Line 16 of Page 50 and continuing through the next page, you discuss your CAPM analysis, is this correct?

A I explain there how I apply the CAPM, yes.

Q You relied on an ex post form of estimating the market return for purposes of your CAPM analysis, is this correct?

A I'm not sure what you mean by ex post, so let's maybe

make sure we are talking correctly.

Can you explain what you mean by that?

MS. HARTMAN: We're going to go off the record for a second.

(Off the record.)

MS. HARTMAN: We are back on.

BY MS. HARTMAN:

Q Mr. Rothschild, would you agree that an ex post form of estimating the market return for purposes of your CAPM analysis is based on historic earned returns?

A My analysis is based on historic earned returns.

Q Thank you.

A And validated to see whether or not they are consistent with what investors likely expect.

Q The CAPM analysis included in the 2001 order and the 2008 staff recommendation relied on an ex ante form of estimating the market return, correct?

A Well, it used the DCF -- an approach to the DCF which if it were correct would have produced a result which would be based upon investors anticipated results. However, because my result was verified to be consistent with to project down to a risk-free rate that is credible, and because the result I obtained is consistent with the DCF result I got, what I have is effectively a much more accurate -- tested much more accurate version of the forward-looking approach than was used

by staff.

Q All right. Great. Thank you very much.

A In its problems with using the DCF where it is taking a five year earnings per share growth rate and assuming, and I might add very incorrectly assuming that that is somehow a long-term sustainable growth.

Q Thank you.

Are you familiar with the work of Doctor Eugene Brigham regarding the accuracy of relying on ex post versus ex ante means of estimating the market risk premium in a CAPM analysis?

A I have over the years provided testimony in similar proceedings with Doctor Brigham. I filed rebuttal testimony that I have found flaws, numerous flaws in what he has done. I don't remember specifically looking at that aspect of his work, so I, at the moment, can't comment on that.

Q So you are not familiar with his work regarding the accuracy of relying on ex post versus ex ante means of estimating the market risk premium in a CAPM analysis?

A I didn't say that. I have seen lot of things by Doctor Brigham over the years. I don't know offhand whether or not I have looked at the specific analysis you are talking about. If I see the analysis, I could give you a more accurate answer as to whether or not I have specifically used that. I would say that I have found, in general -- there are exceptions

to it -- but, in general, Doctor Brigham's work in the area of public utility ratemaking has had -- usually has some serious problems with it. And I don't know whether or not the analysis you are talking about does or does not.

Q But with respect to your view of Doctor Brigham's work regarding an ex post versus ex ante risk premium, do you have a view of that for today, yes or no? Yes or no.

A I do not have a view of an analysis that I haven't seen, but I will say --

Q So if you haven't --

MR. BECK: Jean, please let the witness complete his answer.

Go ahead, Mr. Rothschild.

BY MS. HARTMAN:

Q Go ahead.

A Thank you. But I will say that what I have done is, as I explained to you in my prior answer, tested the results of the CAPM which are based on, as you call it, ex post analysis, and am satisfied that because the results project down to a risk premium -- to a risk-free rate, which is consistent with the risk-free rate that existed in the past, and because I have modified that result to be consistent with what investors expect in the future for inflation based upon an analysis of the U.S. Treasury bills, the difference between bills and bonds, the difference between the interest rate on bonds with

full inflation and interest rate without inflation, that what I have is an accurate estimate of what investors are expecting for the future. I doubt very much that the analysis you are talking about from Doctor Brigham has specifically tested the approach that I have used. And I don't know, I would be surprised if Doctor Brigham didn't find that analysis compelling, my analysis compelling.

Q Mr. Rothschild, have you finished your answer?

Hello, Mr. Rothschild?

A Yes.

Q Does a CAPM indicated ROE match the ROE result of your version of the DCF model?

A Does the -- are you talking about my CAPM indicated result or somebody else's?

Q I apologize. Let me try again.

Does any CAPM indicated ROE have to match the ROE result of your version of the DCF model to be accurate?

A Well, I would put it this way. The CAPM and the DCF are measuring the same thing. So if they are measuring the same thing and they get a very different answer, either one of them is wrong or both of them are wrong. So what I believe is appropriate is if you see a material differential, the caution lights should be flashing, and the bigger that differential the more that caution light should be flashing. And I think that is especially true-up when you are looking at what the Florida

Public Service Commission's results were when you apply that -- based upon the current report here, when you are taking a situation where you have such a huge change in a CAPM result that is inconsistent with the changes in the interest rate and so inconsistent with the DCF result, and that that should be flashing very bright, very rapid caution flag.

And when you take that a step further, which is to say that here you have an approach to the DCF that was used in the CAPM which is known to be wrong, known to be that you can't take a five year earnings per share growth rate and plug it in, and to the credit of the staff report, the alternative approach to the DCF, when it was called DCF, was to use a very rational E times R approach. And so when you compare the result of a rational approach to the DCF with a flawed approach to the CAPM, and when you see a huge difference, one shouldn't be surprised if there's a problem.

When you take it a step further and compare it to what happens when you take a more accurate view to the CAPM, as I have presented and everything comes together, the DCF done in the staff report, the DCF that I have done, and the CAPM that I have done and superimpose that on knowing what's wrong with the CAPM that was presented by staff, I think the result becomes compelling.

Q Thank you, Mr. Rothschild. Have you finished your answer?

A Yes.

Q Please turn to Page 57 of your direct testimony referring to the risk premiums discussed on Lines 18 through 20. Could you tell me how these risk premiums are calculated?

A I'm sorry, Page 57, Line --

Q 18 through 20.

A So you are asking me how the SBBI Morningstar computed its risk premiums?

Q Yes.

A I don't believe it's -- well, let me look in the book and see if it gives any more information on what it did.

There is a whole bunch of different analyses about what it did. It goes on for numerous pages. I could provide you copies of those pages.

MS. HARTMAN: Thank you. And I jumped the gun a little bit, I'm sorry.

Charlie, could we get a late-filed exhibit on this, please? I think it would be Exhibit Number 2.

MR. BECK: And would you restate what the question is for the exhibit?

MS. HARTMAN: Is a calculation of risk premiums.

MR. BECK: As done by Morningstar?

MS. HARTMAN: Yes.

MR. BECK: I think Mr. Rothschild has offered up the pages from the document that discussed that.

THE WITNESS: Yes. What I will provide to you is the entire chapter in which my testimony has quoted the summary of that, the results of that chapter.

MS. HARTMAN: Thank you.

MR. BECK: And that is going to be Late-filed 2?

MS. HARTMAN: Late-filed 2.

BY MS. HARTMAN:

Q And, Mr. Rothschild, these values represent an equity risk premium over what base?

A This is specifically intended to be the equity risk premium that SBBI Morningstar believes will occur over the long-run, using its words, meaning into the future, assuming historical inflation rates. As I explained to you earlier, the current investor expectations of inflation are a bit lower than the historical inflation rates. So if one wanted to make an adjustment for that to make it totally in line with investor expectations you would come down a little bit below the 9.66 percent quoted in the IBIS Morningstar Report.

Q In your opinion, what is the --

A Excuse me, the SBBI Morningstar Report.

Q What interest rates are these equity risk premiums added to?

A The equity risk premiums are added to -- what you're looking at here is an overall continuum. So you can take this result and you are effectively adding it simultaneously to all

the various interest rates over the entire yield curve. You are starting with -- you are using an allowance for inflation, and you are recognizing that in addition to that allowance for inflation is a risk which starts out to be virtually zero if you are adding it to a very short-term treasury, and goes up as you are adding it to a longer and longer term treasury. So it looks at the whole yield curve all at once. It makes it the one hand a simpler, and at the other hand a much more sophisticated approach than if you just merely take any one point in the yield curve and add a premium to it.

For example, if you take -- as I explained in my testimony -- if you just take a short-term treasury and add a premium to that, the short-term treasury, if you just take it at one point in time is subject to variations of what the fed is doing. If the fed is, as it is right now, trying to stimulate the economy, you are going to have very low short-term treasury rates, and short-term treasury rates are right this minute essentially almost zero. But that is because of the current issues in the economy, not because the true risk-free rate is zero. The true risk-free rate is higher than zero at the moment.

If you took a different point in time you could find a time when the economy in the judgment of the fed was overheated, and it was time to hit the brakes. And so you could find a time when the short-term interest rate is higher

than the risk-free rate. But if you look at a long-term average, everything comes together. And if you consider that if you looked at a long-term interest rate, like a five-year treasury, ten-year treasury, or a thirty-year treasury, even though those longer-term treasuries have a risk component, because you are looking at the entire beta curve, you are effectively adding the interest rates to the whole thing. And so, on the one hand, if you are using short-term you are taking away the variability of it, if you are using the long-term you are appropriately recognizing there is some risk component to even long-term treasury.

Q In your opinion, what is a reasonable spread in basis points between a given company's cost of debt and its required return on equity?

A Well, that is something that -- there are a lot of reasons why you shouldn't do that on a company-by-company basis. Other things get in the way. Perhaps one of the most simple things to understand is if you had a company with long-term debt and a company with preferred stock and common stock, the common stock would be more risky than would be expressed in the debt, because preferred stock is in the way, taking away the lower risk component. Conversely, if you have a company with no preferred stock, then the equity is effectively a blend of the lower risk preferred and the higher risk common.

Q Can you give me a range?

A No, I can't give you a range, because it really then depends on the beta of the company and other characteristics. So I haven't done the analysis the way that you are suggesting because I do not believe the analysis done that way is as accurate as done the way that I have done it. You could back figure it, if you wanted to. You could look at what the cost of equity is for a company, and then from that -- and see what their bond rating is and see what their probable current cost of debt is and put it together that way. But I don't think you -- to do it the other way around is -- for the purpose of determining the cost of capital is a substantially less precise way than the way that I have done it.

Q Please turn to Page 58 of your direct testimony.

MR. BECK: Jean, this is Charlie. We have been going for an hour and a half. Could we take a break for awhile, five or ten minutes?

MS. HARTMAN: Sure.

(Recess.)

MS. HARTMAN: I apologize. We are running a little late.

BY MS. HARTMAN:

Q Mr. Rothschild, could you please turn to Page 28 of your direct testimony. I'm sorry, Page 58 of your direct testimony.

A Sure. But before we do that, if you like, I was able to compute the R squared that you requested earlier.

Q Great.

A So the answer is .83 for both. It is really the same analysis one modified for the inflation.

Q I'm sorry, could you repeat that, please.

A Yes. The R squared is .83 for both D and E.

Q Okay. Thank you. Now, on Page 58 of your direct testimony --

A Could you hold on one second?

Q Sure. So you are on Page 58 of your direct testimony?

A Yes.

Q If you look at your testimony on Lines 1 through 7.

A Yes.

Q How do you define stock of average risk?

A In the context that it is discussed here, the average risk would be the average of the companies in this analysis, which would be those -- probably those with a beta of 1.0.

Q How does the stock of average risk compare to the average Florida water and wastewater utility under the Commission's jurisdiction?

A The estimate is that since size doesn't matter, it is a reasonable estimate, although probably conservatively high in risk to use the gas group as a proxy, but adjusting for the

financial risk or the capital structure risk. And in so doing one compares the results from the CAPM with the beta that is specific to those gas companies and making the inference that it applies to the water companies. Again, since size doesn't matter, that's a reasonable inference. But, in general, the water industry is probably lower risk than gas, so it is a conservative estimate.

Q For the purposes of the next few questions, I would like you to refer to Exhibit JAR-2 attached to your direct testimony. Could you let me know when you have it available for reference, please?

A Somehow or other my copy is missing. This is kind of, I guess, a production error. I don't have it. Which is JAR-2, and maybe I can find the --

MR. BECK: JAR-2 is the discounted cash flow indicated cost of equity.

MS. HARTMAN: Do you need to take a couple of minutes to get it?

THE WITNESS: I can probably -- for whatever reason, when I got the PDF version it didn't have that showing there. But I can go back to an original Excel spreadsheet and it is probably going to be the same as what you have.

MS. HARTMAN: Okay. Well, if I give you a couple of minutes, do you think you can pull it up?

THE WITNESS: Yes. It should be quicker than that.

I think I have it.

MS. HARTMAN: Okay. We'll wait for you to get it.

THE WITNESS: Hopefully -- we're looking at the one where it shows 9.42 and 9.43 percent on Line 7?

MS. HARTMAN: Yes.

THE WITNESS: Okay. Then I have it.

BY MS. HARTMAN:

Q Mr. Rothschild, for the purpose of -- tell me what this schedule shows?

A This schedule shows the implementation of the DCF model where the first line shows the dividend yield on market price, which is the normal way the dividend yield is computed, and then it derives the -- and also as another important input is the future expected return on equity, which is, in essence, identical to the R. Conceptually identical. I'm not sure what the value was that was used by staff at the moment, but conceptually it's the same as the R term in staff's B times R growth rate analysis.

It goes a step further in sophistication in that it recognizes that really, by definition, a company -- for every dollar of earnings a company earns, it either pays that dollar out in dividends or it retains that. So what the formula is doing is computing the retention rate consistent with the dividend yield computation and consistent with the return on future expected return on equity computation to arrive at a

retention rate on Line 2D.

And so from that retention rate and the return on equity, the B times R, which I'm calling reinvestment growth on Line 3 is computed, and then there is another growth factor which is also important that recognizes that in addition to this B times R reinvestment growth, there is another growth that occurs when a company does new financing, sells new stock above book value, and that growth is the sustainable growth and belongs in the DCF formula. So that I, therefore, arrive at a total investor estimated growth rate on Line 5 which was in the range of 5.62 to 5.73 percent.

Then on Line 6, I recognized that the dividend yield should be adjusted up to recognize that there is -- when an investor is looking out for a year as in the context of an annual DCF model, the investor does expect there will be some growth in dividends over the year and that has to be factored in. So when you add the dividend yield, the reinvestment growth, the new financing growth, and incremented dividend growth for the next year you arrive at the total DCF indicated cost of equity on Line 7.

Q And just for clarification, is this a single stage DCF model?

A This is a single stage DCF model. But the single stage is normalized to be fully sustainable. So it's a more bulletproof and much more accurate single stage DCF model than

you generally find because of the synchronization with the retention rate and the dividend yield.

Q Okay. And does Line 5 show the growth rate you used in your DCF analysis?

A Yes. That's the sum of the reinvestment growth and new financing growth. Depending on your perspective, you could argue that Line 6 is either part of the dividend yield or part of growth. That's semantics, because it all ends up in the answer the same way.

Q You used growth rates of 5.62 percent in one model and 5.73 percent in the other model, is this correct?

A Well, I would call it the same model. What's different is whether you are using the spot stock price at the end of the year or whether you are using the average of the high and low stock price for the year.

Q How long are you assuming these growth rates will remain constant?

A First, the word assumption kind of bothers me. I'm not making an assumption here, I am making a best estimate of what investors are expecting. Investors need to be expecting that that growth rate is the best estimate for earnings, dividends, book value, and stock price for as long as one can reasonably look into the future.

Q If you would turn to Page 29 of your direct testimony, and let me know when you are there.

A Twenty-nine. Yes, I have it.

Q For the benefit of everyone on the phone, could you please read aloud your testimony from Line Number 1 through 5.

A "I believe that all the above adders are appropriate. However, one adder which is actually larger than any other ones which is omitted" -- excuse me, let me start again. I think I read that wrong. "I believe all of the move adders are inappropriate. However, one adder which is actually larger than any of the other ones and was omitted but should have been included into the second stage of the DCF model is the increment to growth caused by sales of new common stock above book value. After excluding the four above listed improper additions to the cost of equity and adding the impact of sales of new common stock above book value --

Q I'm sorry, I think you are going beyond Line 5.

A Oh, I'm sorry.

Q With respect to your recommendation of including an adjustment to the second stage growth rate due to the sale of new common stock above book value, how many basis points does this adjustment add to the DCF result?

A How many basis points does which adjustment add?

I'm sorry, could repeat the question, please?

Q Sure. I mean second stage growth rate, but I will read the whole question again.

With respect to your recommendation on including an

adjustment to the second stage growth rate due to the sale of new common stock above book value, how many basis points does this adjustment add to the DCF result?

A Well, I prefer to think of it as not an adjustment to the DCF, but as something that belongs in it as an inherent part of it. But with that qualification, the answer is as shown on Line 4 of my Exhibit JAR-2. The answer is 241 to 253 basis points.

Q I'm sorry, could you please repeat that?

A 241 to 253 basis points.

Q And can you tell me where that's shown?

A On Line 4 of Exhibit JAR-2.

Q So it's part of the 5.62 growth rate?

A Yes. And the 5.73, as well, yes. Part of both depending on which period. It is part of 5.62 percent growth rate for the year ended 5/31/08 and it is part of the 5.73 growth rate which is applicable to the market price as of 5/31/08.

Q If you would now turn to Page 41 of your direct testimony and let me know when you're there.

A I'm there.

Q Also for the benefit of everyone on the phone, could you please read aloud your testimony on Line 16?

A Just the one line?

Q Yes, please.

A All of the components must grow at a rate equal to ROE times retention rate.

Q How often does this assumption hold true?

A Well, it's not an assumption. When you're looking at an analysis, if you don't believe conditions are such that you can reasonably make that the best estimate for the various factors, you shouldn't do the analysis. With that clarification, I would say that the purpose here isn't to determine whether or not you are going to have a difference in the growth rate of the various components. Everybody knows that you are going to have a difference, but the conditions must be such that you can't get a better estimate of the growth -- let me say it again rather than a double negative.

What you should be doing is expecting the best estimate for growth, and earnings, and dividends, and book value, and stock price is all the same number. And what I mean is not that they are all going to grow at 5 percent, but you think that, well, the best estimate for earnings is 5 percent, and the best estimate of dividends is five percent, and the best estimate for stock price is 5 percent, and the best estimate for book value growth is 5 percent. And that must be done or you should not use the constant growth DCF.

If you think that earnings are going to be growing more rapidly than dividends, then you must -- in order to be consistent with the derivation of the formula and for the

formulas all to make any sense, you must go back a step in the DCF model and no longer use the constant growth formula. You must go to a multi-stage model.

Q Is it your understanding that the Commission's leverage formula is applied to all water and wastewater utilities under the Commission's jurisdiction regardless of the size of the individual utility?

A Yes, it is my understanding. And I agree that it is -- that if you do it properly, which is don't make a size adjustment, then that's okay. If you start making a size adjustment, then in the first place you're making a computation which is not consistent with financial value, size doesn't matter, but then the formula since it doesn't adjust for size, if size mattered then you would have to adjust for size in the formula.

But since you can't quantify it because it doesn't exist -- maybe you could quantify it, but not with a valid analysis, if it doesn't exist you shouldn't do it. So I agree that the formula is applied to all companies irrespective of size, and I also say that size shouldn't matter. It doesn't matter from a perspective of the cost of equity, so we should have, if you will, a simpler and more accurate result of the leverage formula by ignoring size.

Q If you would refer to Exhibit JAR-8, Page 1 of 2. And let me know when you're there.

A JAR-8, Page 1 of 2, yes.

Q What does the schedule show?

A This is a schedule that shows the capital structure of each of the comparative gas companies. It starts out with the numbers that are in Value Line and computes the capital structure based upon those numbers.

Q Thank you.

Mr. Rothschild, can you identify the largest Florida water and/or wastewater utility under the Commission's jurisdiction?

A I believe that's -- I think that's Aqua America.

Q How does the --

A Of the Florida portion of the Aqua America operation. If Aqua America is the largest company. I'm not 100 percent sure if the Florida operation of Aqua America by themselves are the largest.

Q How does the largest Florida water and/or wastewater utility under the Commission's jurisdiction compare in size to the companies in the natural gas proxy group?

A We talked about earlier, I guess at the beginning of this discussion, of this deposition today I haven't made that specific comparison, so I don't know offhand. But I'm not concerned with that, because for all the reasons that I have already discussed both in my prefiled testimony and here today, size doesn't matter.

Q Can you tell me how does the average Florida water and/or wastewater utility under the Commission's jurisdiction compare in size to the companies in the natural gas proxy group?

A Well, the average size -- I'm sure if you start talking about -- just by knowing how many water companies we are talking about, the average size has to be much smaller. But so what, because size doesn't influence the cost of equity. As we have discussed earlier today, you can have, for example, a pension fund who buys -- who creates a diversified portfolio. Theoretically, such a pension fund could invest in 50, or 100, or 150 different small water companies.

And from its perspective, then, its overall investment in the water business is very well diversified. It is as diversified as a large company, or as a very large company, so it creates the diversification benefit. And this is exactly why in the competitive marketplace size risk influences the diversified out. And that exactly why when you look at size, when you are looking at it through the decile analysis we talked about earlier that was done by SBBI Morningstar, it shows that size doesn't matter. It's data, not size, that matters.

Q Thank you. Sticking with Exhibit JAR-8 for a couple more questions. Can you tell me what kind of analyses, if any, have you done to compare the water and wastewater utilities

under the Commission's jurisdiction and the natural gas companies listed on this company?

A Well, what I have -- in what respect? I mean, what I have done is I have recognized -- I have looked at the Commission's decision to use gas companies and agreed with that as a reasonable approach because of the problems with not being enough water companies and with the concentration in California, so that you are looking to too large of an extent the results from one jurisdiction.

So from that I have agreed with the Commission to use the gas companies. I know from my experience in working with other water companies that water companies tend to be even lower in risk than gas companies. So using this group results in a conservatively high cost of equity. As I said before, I am certainly aware that these are bigger companies, but I don't care about that. It doesn't matter. It is not a cost driver, because size is a diversifiable risk.

Q Well, do you believe the water and wastewater utilities under the Commission's jurisdiction and the natural gas companies listed on your Exhibit JAR-8, Page 1 of 2, are comparable in terms of business risk?

A I think that the gas companies probably have a slightly higher business risk, and they have a product where -- for example, they have a product which is more subject to -- it is possible in some uses for natural gas for customers to

switch to alternative fuels, which creates a larger risk, and that can cause somewhat of a risk differential. I don't know if the risk differential is so overwhelming that I felt sufficiently comfortable in using the gas companies, but it is a little bit higher risk than the water companies.

Q And do you believe the water and wastewater utilities under the Commission's jurisdiction and the natural gas companies listed on Exhibit JAR-8, Page 1 of 2, are comparable in terms of financial risk?

A Well, they aren't necessarily comparable in terms of financial risk, and the leverage formula does and should adjust for financial risk. So with financial risk -- which the definition of physical risk is capital structure differences. That's why as you look at JAR-8, I have computed the capital structure for these gas companies and do agree with the concept and recommend that the leverage formula continue to adjust the cost of equity result based upon the specific capital structure of the company to which the formula is being applied.

Q Thanks. Sticking with JAR-8, can you flip to the second page, 2 of 2, and tell me what this schedule shows.

A Yes. This shows that the bond rating is predictive of -- that capital structure and bond ratings are related, let me say it that way. That as the percentage of common equity and the capital structure goes up, the bond rating a company is likely to achieve goes up.

Q Do you --

A In other words, it is a confirmation of the concept of the leverage formula.

Q Can you tell me what the R squared score is for this series?

A I presume we can get that from Excel and let you know. I don't know offhand.

MS. HARTMAN: Charlie, could we make this Late-filed 2? Or, I'm sorry, it's 3.

THE WITNESS: I presume I don't have to answer Late-filed 1 any more?

MS. HARTMAN: I'm sorry. We're going to be off the record for a second.

(Off the record.)

MS. HARTMAN: Charlie, this is Jean. Are you there?

MR. BECK: I am here.

THE WITNESS: If I can interrupt it might help things. The answer to your question about the R squared of the analysis on JAR-8 Page 2 is .57.

MS. HARTMAN: Thank you.

BY MS. HARTMAN:

Q Moving forward, could you please identify every Florida water and/or wastewater utility under the Commission's jurisdiction that is assigned a credit rating by Standard and Poor's?

A I have not done that analysis, I do not know.

Q Great.

Can you identify every Florida water and wastewater utility under the Commission's jurisdiction that is assigned a credit rating by Moody's Investor Services?

A I have not done an analysis of that, either. No, I do not know.

Q Okay. And I assume the same would be -- that you would have the same answer if I asked you to identify every Florida water and wastewater utility under the Commission's jurisdiction that is assigned a credit rating by Fitch Rating Service?

A You're correct, my answer would be the same.

Q Could you please refer to Exhibit JAR-4, Page 2 of 3, attached to your testimony. And let me know when you are there.

A Yes, I have it.

Q What does this schedule show?

A This schedule shows the overall cost of capital that is obtained from the inputs into the -- the starting point inputs into the leverage formula. It develops the cost of capital that should be held constant, which is the 10.610636 percent shown towards the bottom of the page. It starts out with the -- it's based on the actual capital structure of the comparative gas companies, the 9.40 percent

cost of equity that is applicable to the gas companies, and the 6.08 percent cost of debt applicable to those companies. The 9.40 percent is multiplied as is normally done by the .4912 equity ratio, but you notice that the weighted cost is higher than you would normally get, the 7.52, because it is grossed up for taxes.

The reason it is grossed up for taxes here is to protect ratepayers from not being overcharged from a company that uses an inefficient capital structure, it is the revenue requirement basis of the capital structure that should be held constant in appropriate implementation of the leverage formula.

Q Does your recommended leverage formula include any adjustments for the difference in risk between the average Florida water and wastewater utility under the Commission's jurisdiction and the proxy group of large publicly traded natural gas companies?

A Yes, it takes into consideration risk differences that are related to financial risk.

Q Okay. Can you identify where on the exhibit?

A Well, it's not -- this exhibit is the exhibit that develops the 10.61 percent that is held constant. But where you see the difference is when that result is applied to the formula and you see that the cost of equity goes up or down as the percentage of common equity in the capital structure of the specific company changes.

Q Is it your testimony that the average Florida water and wastewater utility under the Commission's jurisdiction has the same access to capital from the public debt markets at the same cost rates as the proxy group of large publicly traded natural gas companies?

A They wouldn't necessarily have the same access to the public market, but as I said to you earlier, it would have the same cost rate consistent with its likely bond rating given its specific capital structure.

Q And is it your testimony that the average Florida water and wastewater utility under the Commission's jurisdiction should receive the same return on equity as the large publicly traded natural gas companies in the proxy group?

A No. Again, it should be adjusted for the financial risk up or down depending upon the capital structure.

Q Turning again to Exhibit JAR-4, Page 2 of 2. It appears that the rate for BAA bonds is the same as the rate for single A bonds, is this correct?

A Okay. So are you talking -- I'm not sure you have the correct schedule. JAR-4, Page 2 of 3?

Q I'm sorry, it should be 2 of 3. You're correct. Do you want me to repeat the question?

A Yes, please.

Q In Exhibit JAR-4, Page 2 of 3, it appears that the rate for AA bonds is the same as the rate for -- I'm sorry, I

will start over again.

On Exhibit JAR-4, Page 2 of 3, it appears the rate for BAA bonds is the same as the rate for single A bonds. Is this correct?

A It is certainly not my intent, no. I see where you are looking where the line says BAA rate. I'm not sure what is -- it should indicate A rate on where the 6.08 shows up, because the A rating would apply to the 49.12 percent common equity ratio. So, no, it is not correct that I am assuming that --

Q Could you provide a corrected schedule?

A I think the only thing you need to change is the BAA to A. But if you want me to provide that, I will.

Q No, that's okay. Thank you.

Mr. Rothschild, could you get a little closer to the phone so we could hear you better over here?

A I'll do the best I can. Is that better?

Q Yes, that's much better. Thank you.

If you would please refer to Exhibit JAR-5, and let me know when you have it in front of you.

A Yes, I have it.

Q Could you please tell me the R squared score for this series?

A If you wait a minute, I probably can, yes. It is going to be low.

Q Thank you.

A If you want to go ahead, I can answer some other questions while I'm getting that.

Q Okay. Could you turn to Page 16 of your direct testimony?

A I'm sorry, Page 16?

Q Sixteen, 1-6.

A Yes.

Q And if you would take a minute to look at your testimony beginning on Page 16, Line 22, through Page 17, Line 4. I'm sorry, Page 17 through Line 5.

Mr. Rothschild, are you ready for me to ask a question?

A I think so. I can read it again if I need to.

Q What did you mean by your comment on Page 17, Lines 3 through 5?

A What I meant was that if you looked at the comparative group of companies in 2001, they were using more debt and less equity than they are currently using. And so, therefore, the increase in the percentage of common equity in the capital structure, other things being equal, would have resulted in a reduction in the cost of equity. So we had two things that we are changing, if you would. Not only did the interest rate environment drops in 2001, but the financial risk also was lower for the gas companies.

Q And is it your testimony that any time a company's equity ratio increases, its required return on equity automatically decreases?

A No, and that's not what I said. But it is a factor that would contribute to the decrease. It certainly works in favor of a decrease. But, on the other hand, if you had a company that increased its common equity ratio from 42 percent to 52 percent, its risk could have changed which could offset that. The overall environment for interest rates could have changed, which could offset that. Other factors could. But if you are looking at the factors we can measure easily, which is the capital structure and the financial risk, and we look at interest rate risk, the two should have been additive to causing a reduction, which makes it all the more less likely, but not impossible that the cost of equity could have gone up.

Q If you could still speak up a little bit. You are starting to fade on us a little bit.

Mr. Rothschild, if you would please turn to Page 14. If you will go back a couple of pages on your direct testimony, and let me know when you have that in front of you.

A I have Page 14.

Q The 9.40 percent return shown on Line 20 of your testimony is the average of the results of your DCF and CAPM analysis, is that correct?

A Well, it is in consideration of both. I don't know

that it is necessarily a mechanical average of the two. I'm not sure.

Q Can you please identify any natural gas company in Florida with an authorized return on equity of 9.40 percent?

A I have not specifically studied that. I have not looked at it, so I don't know if there is or there isn't. But I would say that there has been a general downtrend in the cost of equity over numerous years, and so that one would expect if you go back in history that you would -- even if the allowed returns were computed exactly correctly, you would expect that if you go back enough years they would tend to be higher. So the kind of analysis you are talking about is ladened with problems. Looking at what the cost of equity is now and priced accordingly, if you are always looking over your shoulder you are never going to change cost of equity.

Q Can you identify any natural gas company in Florida with an authorized return on equity less than 11 percent?

A I haven't looked at the analysis. I would sure hope there are, because there must be, unless it has been a long time since they have been in for rate cases. The cost of equity has been less than 11 percent for awhile.

Q Could you please flip to Page 26 of your direct testimony, and let me know when you have it in front of you.

A Twenty-six?

Q Yes, 2-6.

A I have it.

Q According to Line 19, if the Commission adopted your leverage formula, a water and wastewater utility with a 60 percent equity ratio would receive an authorized return on equity of 8.46 percent, is this correct?

A That is correct. And that number should be understood that this particular number is a number that recognizes that a 60 percent common equity ratio would be inefficient in that it wouldn't be providing sufficient tax benefits. And so, as a result, the number that is appropriate to protect ratepayers is to provide a number that would not allow management that uses an inefficiently expensive capital structure to overly penalize ratepayers.

Q Would you accept, subject to check, that there are two Florida electric utilities with equity ratios in excess of 60 percent?

A Two Florida electric utilities now?

Q Yes.

A I haven't looked at the electric utilities. My hesitation with subject to check is there starts to be a lot of computations to check that.

Q Okay. Let me just go ahead and ask, do you know what their return on equity is for regulatory purposes?

A What the cost of equity that is allowed to electric utilities?

Q Yes. Assuming that there are two Florida electric utilities with equity ratios in excess of 60 percent.

A I don't know.

Q Would you agree, subject to check, that these two utilities have an ROE for regulatory purposes of 11.75 percent?

A Well, I'm not sure what I'm going to do with that number. I mean, do you want to tell me when those decisions were, or whether there are any extenuating circumstances, whether the capital structure was computed correctly by using a consolidated capital structure, or using a subsidiary only capital structure, what kind of evidence that the Commission was forced to rely on, et cetera, et cetera. So I don't know what to do with those numbers. I wouldn't do anything with them anyway. This is an independent analysis.

Q I'll move on to the next question.

In your opinion, should the authorized return on equity for Florida water and wastewater utilities under the Commission's jurisdiction systemically be hundreds of basis points less than the authorized return allowed for electric utilities under the Commission's jurisdiction?

A Well, I haven't done the analysis of the specific electric utilities you are discussing, but I think if it's true that there are comparable risks, then the question is whether or not the electric utilities should perhaps be brought in to lower their rates, or whether these were settlement decisions

that might have other implications that sometimes in a settlement people give things up one instead of another, and how do you put that in context, and what was really done. So there are too many things in there I just don't know.

Q Do water and wastewater utilities need to attract capital in order to provide regulated utility service?

A They should be given a reasonable opportunity to attract capital, yes.

Q Are you familiar with the Federal Power Commission versus Hope Natural Gas Company decision of the United States Supreme Court?

A Yes.

Q And are you familiar with the Bluefield Waterworks and Improvement Company versus Public Service Commission of West Virginia decision of the United States Supreme Court?

A Yes.

Q In general terms, would you agree that these two decisions hold that the authorized return for a public utility should be commensurate with returns on investments in other companies of comparable risk sufficient to maintain the financial integrity of the company and sufficient to maintain its ability to attract capital under reasonable terms?

A Yes. And that doesn't mean that they need to be given a return that is the same as some other company was authorized. It means that what they should be given is a

return that is sufficient to attract capital, i.e., it's consistent with what investors -- a return that is sufficient to have investors be willing to put money into the company, and that's the specific numbers that I'm recommending.

Q Is there any exceptions cited in either of these decisions that suggests that returns for water utilities should be significantly less than returns for other regulated companies operating in the same state?

A What you are -- I think you are going way, way, way far afield of my reading of either of these cases, but what you have to do, and I think you should do, I certainly agree with both of those decisions, is that what you need to do is provide a sufficient return to attract capital, not more and not less. And if you should hypothetically find some other company, whether it be in the same state or some other state, where a commission might have made a mistake and arrived at a return that is too high, or too low, or might have arrived at a return that was correct at the time, but it isn't applicable in the current market, it would be inappropriate to match that up. You would need to be able to give a company a reasonable opportunity to earn its cost of capital in the current environment, and that is what I am doing in this recommendation.

Q Going back to my question with regard to the R squared for JAR-5, do you have a number for me?

A Not yet, no.

MS. HARTMAN: Charlie, could we make this a late-filed exhibit?

MR. BECK: We can.

MS. HARTMAN: What would you prefer, this to be Late-filed 3 or 2? We had 2 set up, but then Mr. Rothschild came back with the answers.

MR. BECK: I would say make Number 1 the chapter from Morningstar and make this one Number 2.

MS. HARTMAN: Thank you. That works for everyone.

(Late-filed Exhibit 2 marked for identification.)

MS. HARTMAN: We are done with our questions, and I wanted to thank Mr. Rothschild for his time today. I don't know if Marty has any questions.

MR. FRIEDMAN: No, I don't have any questions for Mr. Rothschild.

Thanks, though.

MR. BECK: Nor do I have any myself.

Jean, we do not waive reading and signing. We would like to do that.

MS. HARTMAN: All right. Well, thanks everyone for their time. This concludes the deposition. Thank you.

(The deposition concluded at 4:38 p.m.)

* * * * * * * *

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 080006-WS
NAME: JAMES ROTHSCHILD
DATE: October 8, 2008

PAGE	LINE	CHANGE

From: Jim Rothschild [mailto:jimrothschild@rothschildfinancial.com]
Sent: Wednesday, October 15, 2008 7:55 PM
To: ROBERTS.BRENDA
Subject: Deposition errata sheet

Brenda:

Charlie asked me to read the transcript of my deposition in the leverage formula proceedings and let you know of any changes I may have had. Following is that list:

1. There are numerous references to B times R. The conventional way of writing this is to use a lower case "b" and a lower case "r". Not the most important change in the world, but to get it correct this change should be made.

2. Page 36, line 25 says .08. It should read 0.80. Even though it is a hypothetical example, companies do commonly have betas of 0.80, but essentially never 0.08.

3. Page 42, line 25, "TIP Security" should be "TIPS Security".

3. Page 42, line 13 E times R should be "b" times "r".

Thanks,

Jim

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE JAMES A. ROTHSCHILD

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 80 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 13th day of October, 2008.

JANE FAUROT, RPR
Chief, Hearing Reporter Services
Office of Commission Clerk
(850) 413-6732

CERTIFICATE OF OATH

STATE OF Connecticut

COUNTY OF Fairfield

I, the undersigned authority, certify that James A. Rothschild personally appeared before me at 115 Scarlet Oak Dr. Wilton, CT 06897 and was duly sworn by me to tell the truth.

WITNESS my hand and official seal in the ~~City~~ Town of Wilton, County of Fairfield, State of Connecticut, this 8th day of October, 2008.

Vida M. Rothschild

Notary Public

State of Connecticut

VIDA M. ROTHSCHILD
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 2012

Personally known ✓ OR produced identification _____. May 31, 2012

Type of identification produced _____.

Deposition of James A. Rothschild
October 8, 2008
Docket 080006-WS

Late Filed Deposition Exhibit 1

Chapter 9 from the 2008 Ibbotson SBBI Yearbook

Using Historical Data in Forecasting and Optimization

Deposition of James A. Rothschild
October 8, 2008
Docket 080006-WS

Late Filed Deposition Exhibit 2

The R-squared is 0.01.

Chapter 9

Using Historical Data in Forecasting and Optimization

Probabilistic Forecasts

When forecasting the return on an asset or a portfolio, investors are (or should be) interested in the entire probability distribution of future outcomes, not just the mean or "point estimate." An example of a point estimate forecast is that large company stocks will have a return of 13 percent in 2008. It is more helpful to know the uncertainty surrounding this point estimate than to know the point estimate itself. One measure of uncertainty is standard deviation. The large company stock return forecast can be expressed as 13 percent representing the mean with 20 percent representing the standard deviation.

If the returns on large company stocks are normally distributed, the mean (expected return) and the standard deviation provide enough information to forecast the likelihood of any return. Suppose one wants to ascertain the likelihood that large company stocks will have a return of -25 percent or lower in 2008. Given the above example, a return of -25 percent is [13 - (-25)]/20 = 1.9 standard deviations below the mean. The likelihood of an observation 1.9 or more standard deviations below the mean is 2.9 percent. (This can be looked up in any statistics textbook, in the table showing values of the cumulative probability function for a normal distribution.) Thus, the likelihood that the stock market will fall by 25 percent or more in 2008 is 2.9 percent. This is valuable information, both to the investor who believes that stocks are a sure thing and to the investor who is certain that they will crash tomorrow.

In fact, the historical returns of large company stocks are not exactly normally distributed, and a slightly different method needs to be used to make probabilistic forecasts. The actual model used to forecast the distribution of stock returns is described later in this chapter.

Some people are wary of probabilistic forecasts because they seem too wide to be useful, or because they lack punch. (The most widely quoted forecasters, after all, make very specific predictions.) However, the forecast of a probability distribution actually reveals much more than the point estimate. The point estimate reflects what statisticians call an "expected value"-but one does not actually expect this particular outcome to happen. The actual return will likely be higher or lower than the point estimate. By knowing the extent to which actual returns are likely to deviate from the point estimate, the investor can assess the risk of every asset, and thus compare investment opportunities in terms of their risks as well as their expected returns. As Harry Markowitz showed nearly a half-century ago in his Nobel Prize-winning work on portfolio theory, investors care about avoiding risk as well as seeking return. Probabilistic forecasts enable investors to quantify these concepts.

The lognormal Distribution

In the lognormal model, the natural logarithms of asset return relatives are assumed to be normally distributed. (A return relative is one plus the return. That is, if an asset has a return of 15 percent in a given period, its return relative is 1.15.)

The lognormal distribution is skewed to the right. That is, the expected value, or mean, is greater than the median. Furthermore, if return relatives are lognormally distributed, returns cannot fall below negative 100 percent. These properties of the lognormal distribution make it a more accurate characterization of the behavior of market returns than does the normal distribution.

In all normal distributions, moreover, the probability of an observation falling below the mean by as much as one standard deviation equals the probability of falling above the mean by as much as one

standard deviation; both probabilities are about 34 percent. In a lognormal distribution, these probabilities differ and depend on the parameters of the distribution.

Forecasting Wealth Values and Rates of Return

Using the lognormal model, it is fairly simple to form probabilistic forecasts of both compound rates of return and ending period wealth values. Wealth at time o (assuming reinvestment of all income and no taxes) is:

$$W_n = W_0(1 + r_1)(1 + r_2)\ldots(1 + r_n) \qquad (30)$$

where,

Wn	the wealth value at time 0;
W0	the initial investment at time 0; and,
r" rz' etc.	the total returns on the portfolio for the rebalancing period ending at times 1,2, and so forth.

The compound rate of return or geometric mean return over the same period, rG, is:

$$r_G = \left(\frac{W_n}{W_0}\right)^{\frac{1}{n}} - 1 \qquad (31)$$

where,

rG = the geometric mean return;
Wn = the ending period wealth value at time 0;
W0 = the initial wealth value at time 0; and,
n = the inclusive number of periods.

By assuming that all of the (l+rnls are lognormally distributed with the same expected value and standard deviation and are all statistically independent of each other, it follows that Wn and (l+rGl are lognormally distributed. In fact, even if the (1+rn]s are not themselves lognormally distributed but are independent and identically distributed, Wn and (l+rd are approximately lognormal for large enough values of o. This "central-limit theorem" means that the lognormal model can be useful in long-term forecasting even if short-term returns are not welJ described by a lognormal distribution.

Calculating Parameters of the lognormal Model

To use the lognormal model, we must first calculate the expected value and standard deviation of the natural logarithm of the return relative of the portfolio. These parameters, denoted m and s respectively, can be calculated from the expected return (μ) and standard deviation (0") of the portfolio as follows:

$$m = \ln(1 + \mu 0) - \left(\frac{\quad}{2}\right)$$

(32)

$$s = \sqrt{\ln\left[1 + \left(\frac{\sigma}{1+\mu}\right)^2\right]} \qquad (33)$$

where,

ln = the natural logarithm function.

To calculate a particular percentile of wealth or return for a given time horizon, the only remaining parameter needed is the z-score of the percentile. The z-score of a percentile ranking is that percentile ranking expressed as the number of standard deviations that it is above or below the mean of a normal distribution. For example, the z-score of the 95th percentile is 1.645 because in a normal distribution, the 95th percentile is 1.645 standard deviations above the 50th percentile or median, which is also the mean. Z-scores can be obtained from a table of cumulative values of the standard normal distribution or from software that produces such values.

Given the logarithmic parameters of a portfolio (m and s), a time horizon (0), and the z-score of a percentile (z), the percentile in question in terms of cumulative wealth at the end of the time horizon (W_n) is:

$$e^{(mn+zs\sqrt{n})} \qquad (34)$$

Similarly, the percentile in question in terms of the compound rate of return for the period (rG) is:

$$e^{\left(m+z\frac{s}{\sqrt{n}}\right)} - 1 \qquad (35)$$

Mean-Variance Optimization

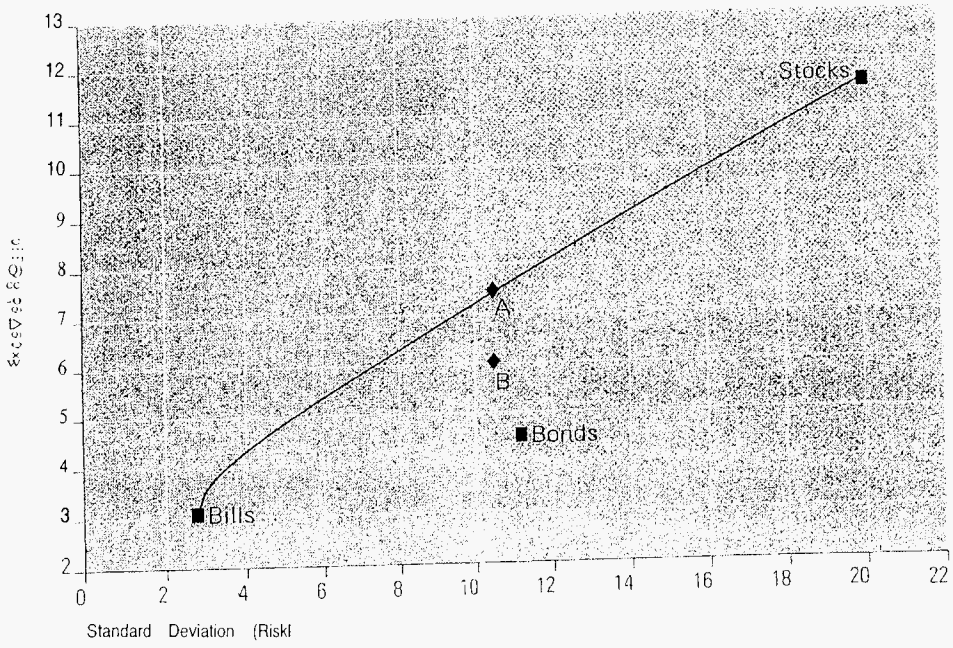
One important application of the probability forecasts of asset returns is mean-variance optimization. Optimization is the process of identifying portfolios that have the highest possible expected return for a given level of risk, or the lowest possible risk for a given expected return. Such a portfolio is considered "efficient," and the locus of all efficient portfolios is called the efficient frontier. An efficient frontier constructed from large company stocks, long-term government bonds, and Treasury bills is shown in Graph 9-1. All investors should hold portfolios that are efficient with respect to the assets in their opportunity set.

The most widely accepted framework for optimization is Markowitz or mean-variance optimization (MVO), which makes the following assumptions: 1) the forecast mean, or expected return, describes the attribute that investors consider to be desirable about an asset; 2) the risk of the asset is measured by its expected standard deviation of returns; and 3) the interaction between one asset and another is captured by the expected correlation coefficient of the two assets' returns. MVO thus requires forecasts of the return and standard deviation of each asset, and the correlation of each asset with every other asset.}

The standard deviation is the square root of the variance; hence the term "mean-variance" in describing this form of the optimization problem.

In the 1950s, Harry Markowitz developed both the concept of the efficient frontier and the mathematical means of constructing it (mean-variance optimization)2. Currently, there are a number of commercially available mean-variance optimization software tools available, including Morningstar *EnCorr®3*. This advanced analytical software unites proven financial models, sophisticated Ibbotson methodologies, and comprehensive Morningstar investment data.

Graph 9-1
Efficient Frontier
Large Company Stocks, Long-Term Government Bonds, and U.S. Treasury Bills



Estimating the Means, Standard Deviations, and Correlations of Asset Returns

To simulate future probability distributions of asset and portfolio returns, one typically estimates parameters of the historical return data. The parameters that are required to simulate returns on an asset are its mean and standard deviation. To simulate returns on portfolios of assets, one must also estimate the correlation of each asset in the portfolio with every other asset. Thus, the parameters required to conduct a simulation are the same as those required as inputs into a mean-variance optimization.[4]

To illustrate how to estimate the parameters of asset class returns relevant to optimization and forecasting, we construct an example using large company stocks, long-term government bonds, and

2 Markowitz, Harry M., Portfolio Selection: Efficient Diversification of Investments. New York: John Wiley & Sons, 1959.

3 For more information about Morningstar *EnCorr®* software refer to the Investment Tools and Resources page at the back of this book, or within the United States, call +1 866910-0840. Outside the United States, call +44 02.0 31 7- 00 2.0.

4 It is also possible to conduct a simulation using entire data sets, that is, without estimating the statistical parameters of the data sets. Typically, in such a non parametric simulation, the frequency of an event occurring in the simulated history is equal to the frequency of the event occurring in the actual history used to construct the data set.

Treasury bills. The techniques used to estimate these parameters are described below. These are similar techniques as those used in Morningstar *EnCorr®* software.

Means, or Expected Returns

The mean return (forecast mean, or expected return) on an asset is the probability-weighted average of all possible returns on the asset over a future period. Estimates of expected returns are based on models of asset returns. While many models of asset returns incorporate estimates of GNP, the money supply, and other macroeconomic variables, the model employed in this chapter does not. This is because we assume (for the present purpose) that asset markets are informationally efficient, with all relevant and available information fully incorporated in asset prices. If this assumption holds, investor expectations (forecasts) can be discerned from market-observable data. Such forecasts are not attempts to outguess, or beat, the market. They are attempts to discern the market's expectations, i.e., to read what the market itself is forecasting.

For some assets, expected returns can be estimated using current market data alone. For example, the yield on a riskless bond is an estimate of its expected return. For other assets, current data are not sufficient. Stocks, for example, have no exact analogue to the yield on a bond. In such cases, we use the statistical time series properties of historical data in forming the estimates.

To know which data to use in estimating expected returns, we need to know the rebalancing frequency of the portfolios and the planning horizon. In our example, we will assume an annual rebalancing frequency and a twenty-year planning horizon. The rebalancing frequency gives the time units in which returns are measured.

With a twenty-year planning horizon, the relevant riskless rate is the yield on a twenty-year coupon bond. At the end of 2007, the yield on a twenty-year coupon bond was 4.5 percent. This riskless rate is the baseline, from which the expected return on every other asset class is derived by adding or subtracting risk premia.

large Company Stocks

The expected return on large company stocks is the riskless rate, plus the expected risk premium of large company stocks over bonds that are riskless over the planning horizon. With a twenty-year planning horizon, this risk premium is 7.1 percent, shown as the long-horizon expected equity risk premium in Table 9-1. Hence, the expected return on large company stocks is 4.5 (the riskless rate) plus 7.1 (the risk premium) for a total of 11.6 percent.

Bonds and Bills

For default-free bonds with a maturity equal to the planning horizon, the expected return is the yield on the bond; that is, the expected return is the riskless rate of 4.5 percent. For bonds with other maturities, the expected bond horizon premium should be added to the riskless rate (for longer maturities) or subtracted from the riskless rate (for shorter maturities). Since expected capital gains on a bond are zero, the expected horizon premium is estimated by the historical average difference of the income returns on the bonds.[5]

5 The expected capital gain on a par bond is self-evidently zero. For a zero-coupon (or other discount) bond, investors expect the price to rise as the bond ages, but the expected portion of this price increase should not be considered a capital gain. It is a form of income return.

For Treasury bills, the expected return over a given time horizon is equal to the expected return on a Treasury bond of a similar horizon, less the expected horizon premium of bonds over bills. This premium is estimated by the historical average of the difference of the income return on bonds and the return on bills. From Table 9-1, this is 1.5 percent. Subtracting this from the riskless rate gives us an expected return on bills of 3.0 percent. Of course, this forecast typically differs from the current yield on a Treasury bill, since a portfolio of Treasury bills is rolled over (the proceeds of maturing bills are invested in new bills, at yields not yet known) during the time horizon described.

Standard Deviations

Standard deviations are estimated from historical data as described in Chapter 6. Since there is no evidence of a major change in the variability of returns on large company stocks, we use the entire period 1926-2007 to estimate the standard deviation of these asset classes. For bonds and bills, we use the period 1970-2007. The use of this more recent period reflects the fact that the volatility of bonds has increased over time.

Table 9-1

Building Blocks for Expected Return Construction

	Value (in percent)
Yields (Riskless Rates)[1]	
Long-Term (20-year) U.S. Treasury Coupon Bond Yield	4.5
Intermediate-Term (5-year) U.S. Treasury Coupon Note Yield	3.3
Short-Term (30-day) U.S. Treasury Bill Yield	2.8
Fixed Income Risk Premia[2]	
Expected default premium *long-term corporate bond total returns minus long-term government bond total returns*	*0.0*
Expected long-term horizon premium: *long-term government bond income returns minus US. Treasury bill total returns*[4]	1.5
Expected intermediate-term horizon premium: *intermediate-term government bond income returns minus US. Treasury bill total returns*[4]	*1.0*
Equity Risk Premia[3]	
Long-horizon expected equity risk premium: *large company stock total returns minus long-term government bond income returns*	*7.1*
Intermediate-horizon expected equity risk premium: *large company stock total returns minus intermediate-term government bond income returns*	*7.5*
Short-horizon expected equity risk premium: *large company stock total returns minus US Treasury bill total returns*[4]	*8.5*
Small Stock Premium: *small company stock total return minus large company stock total return*	*4.8*

1 As of December 31,2007. Maturities are approximate

2 Expected risk premia for fixed income are based on the differences of historical arithmetic mean returns from 1970-2007.

3 Expected risk premia for equities are based on the differences of historical arithmetic mean returns from 1926-2007.

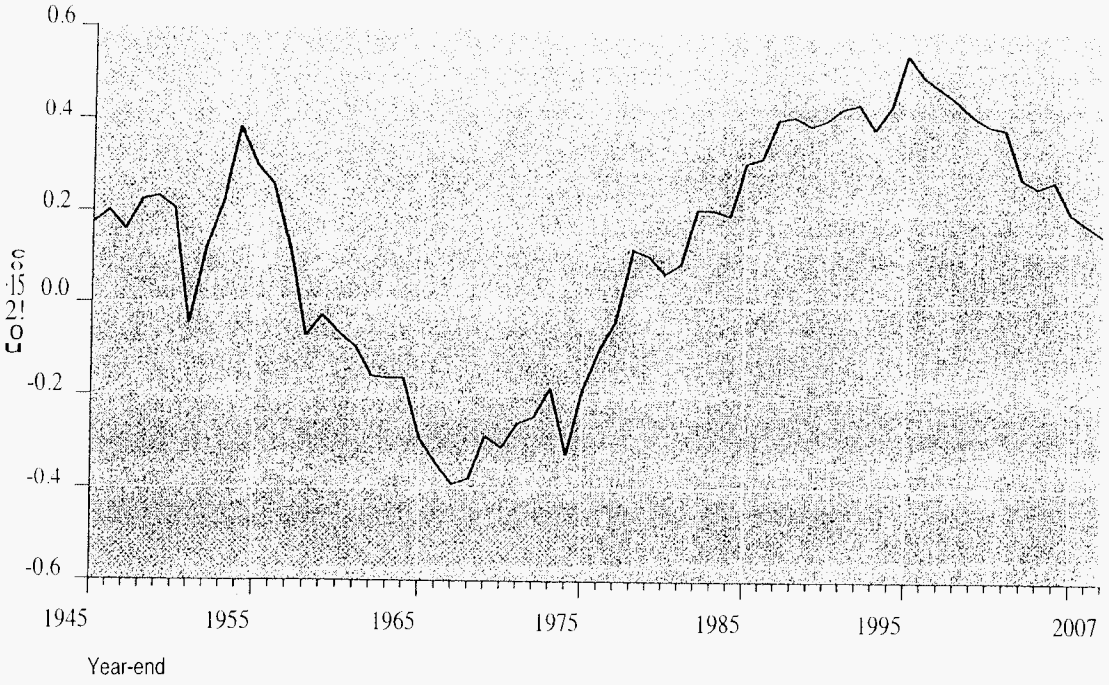
[4]For US. Treasury bills, the income return and total return are the same.

Correlations

Correlations between the asset classes are estimated from historical data as described in Chapter 6. Correlation coefficients for stocks, bonds, and bills are derived from 1970-2007. Correlations between major asset classes change over time. Graph 9-2 shows the historical correlation of annual returns on large company stocks and long-term bonds over 20 year rolling periods from 19_{26}-1945 through 1988-2007.

Graph 9-2

Twenty Year Rolling Period Correlations of Annual Returns
Large Company Stocks and Long-Term Government Bonds
from 1926-1945 through 1988-2007



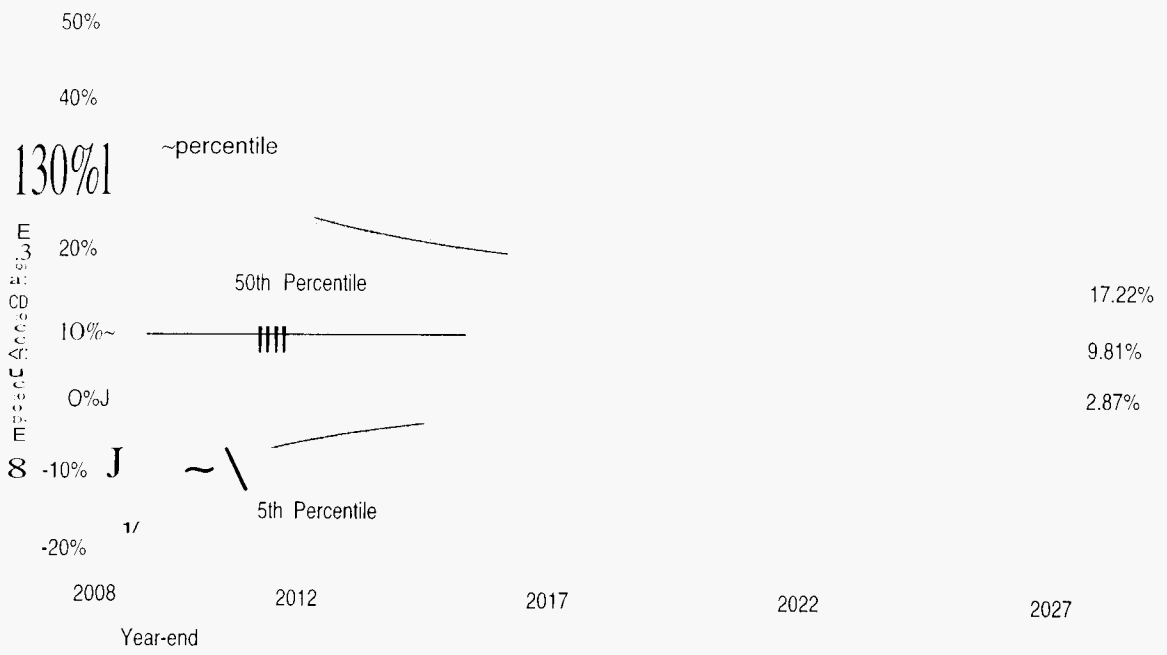
Generating Probabilistic Forecasts

For large company stocks in Table 9-2, the logarithmic parameters are calculated to be m = 0.093_6 and s = 0.1776 based on equations (32) and (33). The z-scores of the 95th, 50th, and 5th percentile are $1.645_{,0}$, and -1.645, respectively. Using these parameters, we can calculate the 95th, 50th, and 5th percentiles of cumulative wealth and compound returns over various time horizons using equations (34) and (35). Graph 9-3 shows percentiles of compound returns over the entire range of one to twenty year horizons in graphical form. This type of graph is sometimes called a "trumpet" graph because the high and low percentile curves taken together make the shape of a trumpet. The "mouthpiece" of the trumpet is on the right side of the graph because for long time horizons, all percentiles converge to the median (50th percentile).

Graph 9-3

Forecast Total Return Distribution

100 Percent Large Stocks from 2008 to 2027



Graph 9-4

Forecast Distribution of Wealth Index Value

100 Percent Large Stocks from 2008 to 2027

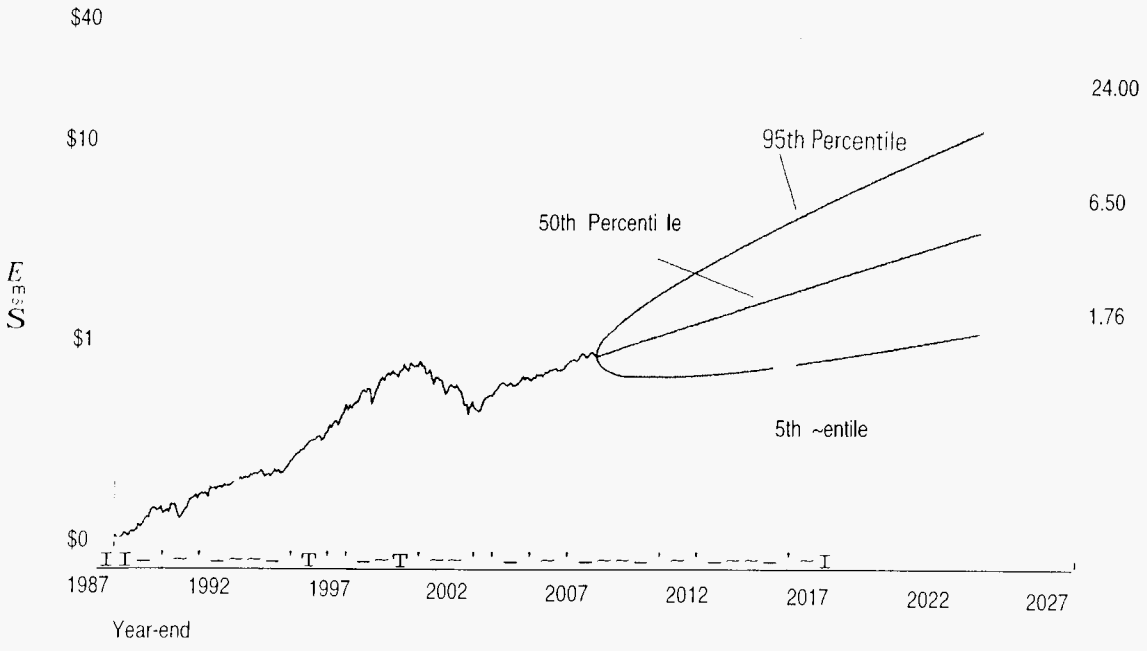


Table 9-2

Optimization Inputs: Year-End 2007 large Company Stocks, Long-Term Government Bonds, and U.S. Treasury Bills (In percent)

	Expected Return	Standard Deviation	Correlation with Stocks	Bonds	Bills
Stocks	11.6	20.0	100		
Bonds	4.5	11.2	0.27	100	
Bills	3.0	2.9	0.05	0.04	1.00

Graph 9-4 is a graph showing percentiles of cumulative wealth over the entire range of zero to twenty year time horizons, along with the back history of the portfolio's performance. The past and forecasted (future) values on the graph are connected by setting the wealth index to $1.00 at the end of 2007. The past index values show how much wealth one would have had to hold in large company stocks to have $1.00 at the end of 2007; the percentiles of future value show the probability distribution of future growth of $1.00 invested in large company stocks. This type of graph is sometimes called a "tulip" graph because of its overall shape.

Table 9-3 shows (in the top panel) the probability distribution of compound annual returns on large company stocks over the next 20 years. The top line shows the 95th percentile or optimistic case, the middle line the 50th percentile or median case, and the bottom line the 5th percentile or pessimistic case. The bottom panel shows the same projections, redrawn as cumulative values of $1.00 invested at the beginning of the period simulated. Simulations such as these are used for asset allocation, funding of liabilities, and other portfolio management-related applications; Morningstar *EnCorr®* mean-variance optimization software can produce these forecasts.

Table 9-3

Forecast Distributions of Compound Annual Returns and End of Period Wealth

Large Company Stocks Year-End 2007

	Compound Annual Return (In percent)				
Percentile	2008	2012	2017	2022	2027
95th	4706	25.13	20.44	18.41	17.22
90th	37.87	21.58	18.00	16.46	15.54
75th	23.78	15.85	1405	13.26	12.79
50th	9.81	9.81	9.81	9.81	9.81
25th	-2.59	4.08	5.73	6.47	6.91
10th	-12.54	-082	2.19	3.54	4.36
5th	-18.00	-3.64	0.12	1.83	2.87

	End of Period Wealth ($1 Invested on 12/31/07)				
Percentile	2008	2012	2017	2022	2027
95th	147	3.07	6.42	12.62	24.00
90th	1.38	2.66	5.24	9.83	17.99
75th	1.24	209	3.72	6.47	11.11
50th	1.10	1.60	2.55	4.07	6.50
25th	0.97	1.22	1.75	2.56	3.80
10th	0.87	0.96	1.24	1.69	2.35
5th	0.82	0.83	1.01	1.31	176

Constructing Efficient Portfolios

A mean-variance optimizer uses the complete set of optimizer inputs (the expected return and standard deviation of each asset class and the correlation of returns for each pair of asset classes) to generate an efficient frontier. The efficient frontier shown in Graph 9-1 was generated from the inputs described above and summarized in Table 9-2. Each point on the frontier represents a portfolio mix that is mean-variance efficient. The point labeled A represents a portfolio that contains 50 percent in large company stocks,9 percent in long-term bonds, and 41 percent in Treasury bills. (Recall that other asset classes were not considered in this example.) From the location of point A on the grid, we can find its expected return (7·44 percent) and standard deviation (ro. 52 percent).

Using Inputs to Form Other Portfolios

Given a complete set of inputs, the expected return and standard deviation of any portfolio (efficient or other) of the asset classes can be calculated. The expected return of a portfolio is the weighted average of the expected returns of the asset classes:

$$r_p = \sum_{i=1}^{n} X_i r_i \qquad (36)$$

where,

r_p = the expected return of the portfolio p;

n - the number of asset classes;

X_i = the portfolio weight of asset class i, scaled such that:

$\sum_{i=1}^{n} X_I = 1$; and,

r_i - the expected return of asset class i.

The point labeled B in Graph 9-1 represents a portfolio that contains 22 percent in large company stocks (asset class 1),76 percent in long-term bonds (asset class 2), and 2 percent in Treasury bills (asset class 3)· Applying the above formula to this portfolio using the inputs in Table 9-_2, we calculate the expected return to be 6.0 percent as follows:

$$(022 \times 0.116) + (0.76 \times 0045) + (0.02 \times 0.03) = 0.060$$

The standard deviation of the portfolio depends not only on the standard deviations of the asset classes, but on all of the correlations as well. It is given by:

$$\sigma_p = \sum_{i=1}^{n} \sum_{j=1}^{n} X_i X_j \sigma_i \sigma_j \rho_{ij} \qquad (37)$$

where,

σ_p	the standard deviation of the portfolio;
X_i and X_j	the portfolio weights of asset classes i and j;
σ_i and σ_j	the standard deviations of returns on asset classes i and j; and,
ρ_{ij}	the correlation between returns on asset classes i and j. (Note that ρ_{ii} equals one and that ρ_{ij} is equal to ρ_{ji})

The standard deviation for point B in Graph 9-1 (containing three asset classes) would be calculated as follows:

	Stocks (asset class 1)	Bonds (asset class 2)	Bills (asset class 3)
Stocks	$X_1 X_1 \sigma_1 \sigma_1 \rho_{11}$ ~ (0.22)Z(0200)2(1) ~ 0001930	$X_1 X_2 \sigma_1 \sigma_2 \rho_{12}$ ~ (022) (Ol6) (0200) (0112)(027)~ 0.000995	$X_1 X_3 \sigma_1 \sigma_3 \rho_{13}$ ~ (0.22)(0.02)(0.200)(0029)(005) ~ 0.000001
Bonds	$X_1 X_2 \sigma_1 \sigma_2 \rho_{12}$ ~ (0.22)(Ol6)(0200)(0112)(027) ~ 0000995	$X_2 X_2 \sigma_2 \sigma_2 \rho_{22}$ ~ (076)2(0112)Z(1)~ 0007241	$X_2 X_3 \sigma_2 \sigma_3 \rho_{23}$ ~ (076)(0.02)(0.112)(0029)(004) ~ 0.000002
Bills	$X_1 X_3 \sigma_1 \sigma_3 \rho_{13}$ ~ (0.22)(0.02)(0.200)(0029)(005) ~ 0.000001	$X_2 X_3 \sigma_2 \sigma_3 \rho_{23}$ ~ (Ol6)(0.02)(0.112)(0029)(004) ~ 0.000002	$X_3 X_3 \sigma_3 \sigma_3 \rho_{33}$ ~ (O.02)Z(0029)2(1) ~ 0000000

By summing these terms and taking the square root of the total, the result is a standard deviation of IO.57 percent.

All of the previous tables and graphs presented in this chapter were prepared using Morningstar *EnCorr®* asset allocation software. Using these tools, similar analyses can be performed for a wide variety of asset classes, historical time periods, percentiles, and planning horizons. Additionally, Morningstar, Inc. offers a returns-based style analysis product to aid in the evaluation of mutual funds for use in implementing an optimal asset mix.6

6 For more information about Morningstar *EnCorr®* software and other Morningstar products, refer to the Investment Tools and Resources page at the back of this book, or within the United States, call +1 866 9IO-0840. Outside the United States, call +44 020 3107-0020.

Enhancements to Mean-Variance Optimization

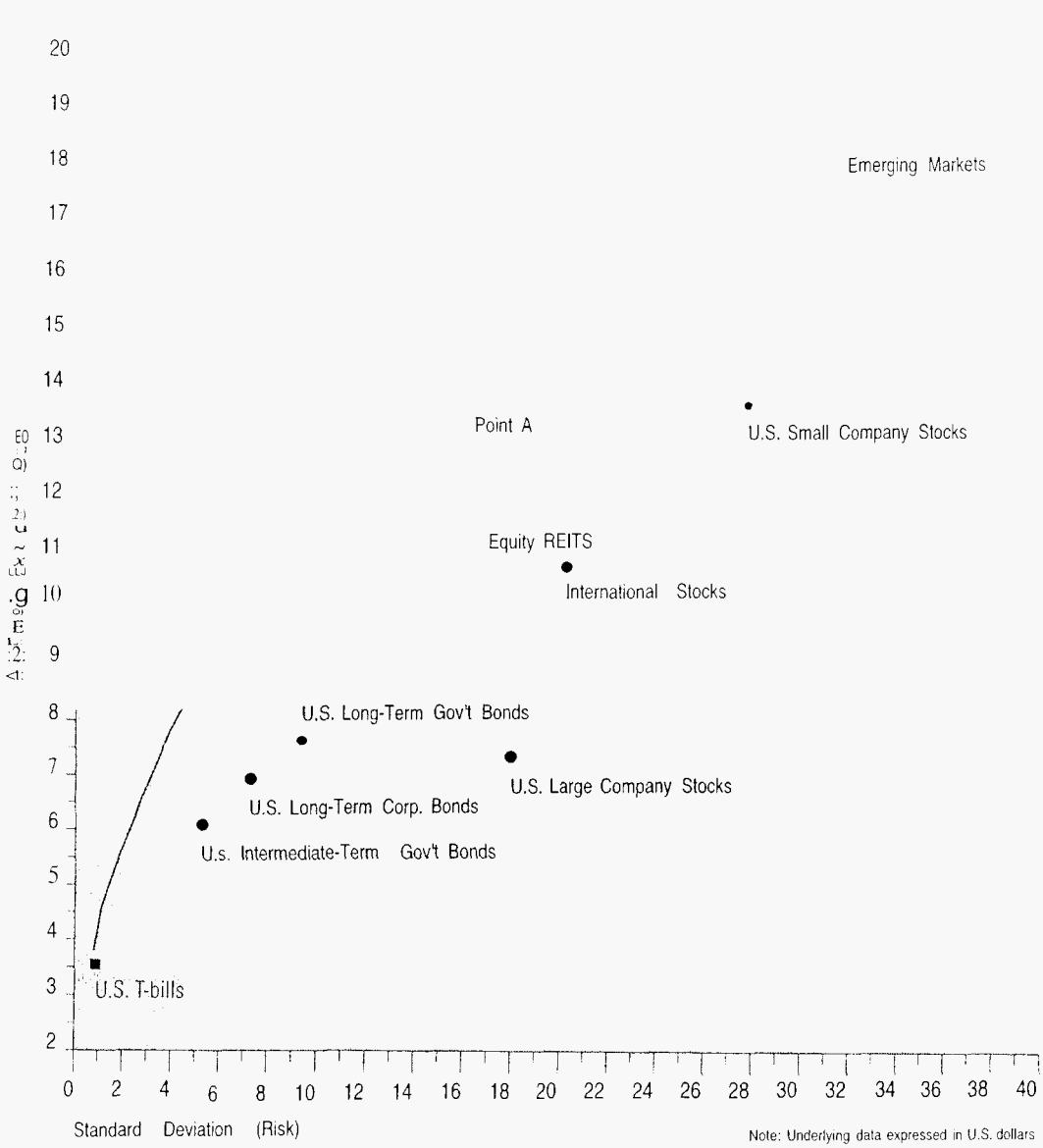
Ibbotson Associates creates asset class model guidelines on the basis of mean-variance optimization, a Nobel Prize-winning economic theory. Optimization has three inputs: the expected risk and return of each asset class and the correlation among the asset classes. Using these three inputs, optimization models then determine which combination of asset classes will provide either the highest return for a given risk level or the lowest risk for a given return level. Over the last-half century, the Markowitz mean-variance optimization (MVO) framework has become the textbook approach for creating these optimal asset allocations, but the approach has several shortcomings.

Shortcomings of Traditional Optimization Techniques

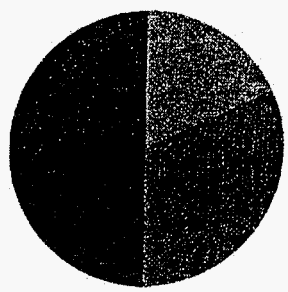
One notable shortcoming is that the output (optimal asset allocation weights) is very sensitive to the inputs (expected returns, standard deviations, and correlations). Input sensitivity oftentimes can lead to highly concentrated allocations in only a small number of the available asset classes. For example, if a typical optimization starts with around 10 asset classes to choose from, it wouldn't be uncommon to see just a few of these asset choices ending up in the resulting optimal allocation, with the remaining asset choices not even getting a mention. An example of this is shown in Graph 9-5, where only three of the nine asset classes originally considered made it into the final optimized mix (Point A).

Graph 9-5 highlights the potential pitfalls of blindly following mean-variance optimization results. Mean-variance optimization is a powerful tool, but it needs to be used with caution. For instance, basing mean-variance optimization inputs on shorter time periods, as was done in Graph 9-5, can contribute to the extreme results. Basing the mean-variance optimization inputs on longer time periods, such as those presented elsewhere in this book, can help mitigate the extreme asset allocations mixes. The reason that longer time periods are preferred is that with longer time periods there is usually a more consistent ratio of return to risk amongst the different asset classes.

In addition to basing inputs on longer term histories, the most common solution to the problem of the highly concentrated asset allocations is to place maximum and minimum allocation constraints on each asset. For instance, in the example shown in Graph 9-5, we could specify a minimum allocation of 5 percent and a maximum allocation of 15 percent for each of the nine asset choices. This would ensure that each asset gets represented in the final allocation and also that no single asset completely dominates in the final allocation mix. Unfortunately, these artificial minimums and maximums are arbitrary, and usually end up limiting the ability of the optimizer to properly act on the information contained in the inputs.



Point A.



- Emerging Markets 50%
- Equity REITs 18%
- U.S. Long-Term Gov't Bonds 32%

'The inputs for Graph 9-5 were estimated using 10 years of quarterly data.

"International stocks are represented by the Morgan Stanley Capital International Europe, Australasia, and Far East (EAFE®) Index, REITsare represented by the FTSE NAREIT Equity REIT Index®; emerging markets are represented by the Morgan Stanley Capital International Emerging Markets Index.

Two Popular Enhancements to Traditional Optimization Techniques

Two popular enhancements to traditional optimization techniques have emerged in recent years that can help overcome these difficulties. While both of these methods can help develop well-diversified asset allocations, they approach the problem in very different ways. The first of these, the Black-Litterman model, attempts to create better inputs. The second, resampled mean-variance optimization, attempts to build a better optimizer.

The Black-Litterman model was created by Fischer Black and Robert Litterman in the late 1980s. The Black-Litterman model combines investors' views regarding expected returns and the expected returns predicted by the capital asset pricing model CAPM to form a single blended estimate of expected returns. When this new combined estimate is used as an input within a traditional mean-variance optimization framework, it produces well-diversified portfolios that include not only market-based asset allocations but also allocations in assets that received favorable views.

The second approach, resampled mean-variance optimization, is an attempt to build a better optimizer. Resampling grew out of the work of a number of authors, but is most closely associated with the work of Richard Michaud. While traditional mean-variance optimization treats the capital market assumptions as if they were known with 100 percent certainty, resampled mean-variance optimization recognizes that the capital market assumptions are forecasts, and are therefore not known with 100 percent certainty. Conceptually, resampled mean-variance optimization is a combination of Monte Carlo simulation[7] and the more traditional Markowitz mean-variance optimization approach. The simulation randomly resamples possible returns from a forecasted return distribution or randomly resamples possible returns from a historical distribution. The simulated returns lead to a simulated set of capital market assumptions that are used in a traditional mean-variance optimizer, and the asset allocations are recorded. After combining the asset allocations from the numerous intermediate optimizations, the resulting asset allocations are those that, on average, are predicted to perform best over the range of potential outcomes implied by the capital market assumptions. Research has shown that asset allocations selected from a resampled efficient frontier may outperform those from a traditional efficient frontier.[8]

In addition to the problem of getting results that are highly concentrated in just a few of the assets available, there are two more criticisms of the traditional mean-variance optimization framework.

First, the traditional approach focuses on a subset of the total portfolio. Traditionally, the focus is on finding a mix of asset classes that maximizes the expected return, subject to a risk constraint. However, because the purpose of most asset portfolios is to fund a specified future cash-flow stream-a liability-the true risk for the portfolio is not the standard deviation of the assets or the performance of the assets relative to that of peers-the true risk is not being able to fund the future liability.

An asset allocation approach that takes the future liability into account is called liability-relative optimization (or surplus optimization). The usual method employed to accomplish this is to constrain the optimizer to hold an asset class representing the liability short.

7 See Chapter 10, "Wealth Forecasting with Monte Carlo Simulation" for more information.

8 See Markowitz and Usmen (2003).

Second, the traditional mean-variance optimization framework assumes that the returns of the assets in the optimization are normally distributed. As illustrated in Table 2-1, the return distributions of different asset classes don't always follow a standard, symmetrical bell-shaped curve. Some assets have distributions that are skewed to the left or right, while others have distributions that are skinnier or fatter than others. These more complicated characteristics are called skewness and kurtosis, respectively. The next wave of enhancements to the traditional mean-variance optimization are frameworks that incorporate these additional types of non-normalities into the optimization.

The Debate over Future Stock Market Returns

The impressive performance of the stock market over the last two decades and the resultant increase in investor expectations have spurred numerous articles that call attention to the historical market return and caution investors about their overly optimistic expectations. The articles point to the recent stock market performance which was well below its historical average, while the bond market, on the contrary, has performed quite well. In fact, many studies are predicting stock returns that are much lower when compared to the historical average. A few even predict that stocks won't outperform bonds in the future.

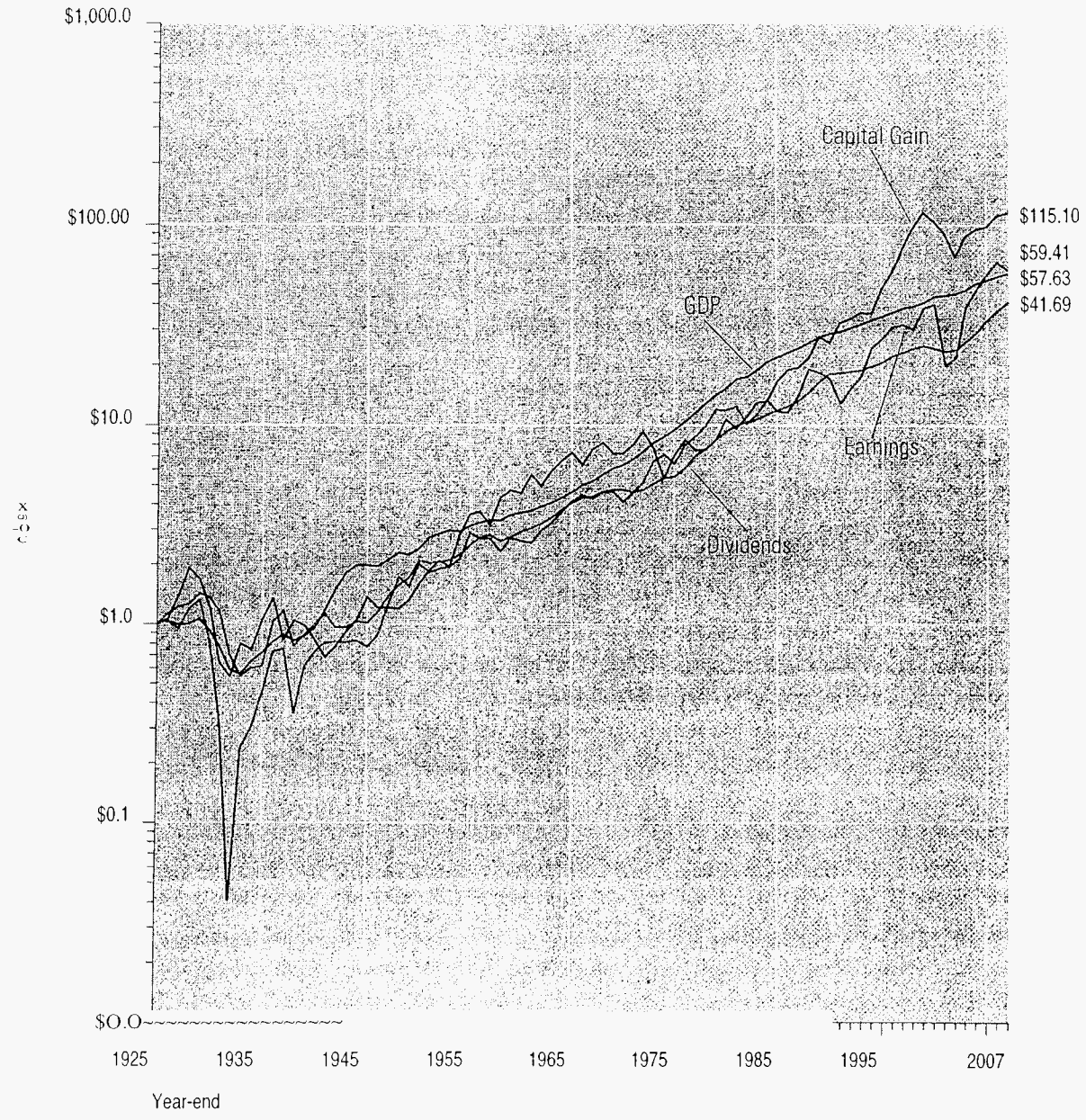
Approaches to Calculating the Equity Risk Premium

The expected return on stocks over bonds, the equity risk premium, has been estimated by a number of authors who have utilized a variety of different approaches. Such studies can be categorized into four groups based on the approaches they have taken. The first group of studies derive the equity risk premium from historical returns between stocks and bonds. Supply side models, using fundamental information such as earnings, dividends, or overall productivity, are used by the second group to measure the expected equity risk premium. A third group adopts demand side models that derive the expected returns of equities through the payoff demanded by equity investors for bearing the additional risk. The opinions of financial professionals through broad surveys are relied upon by the fourth and final group.

This section is based upon the work by Roger G. Ibbotson and Peng Chen, who combined the first and second approaches to arrive at their forecast of the equity risk premium.[9] By proposing a new supply side methodology, the Ibbotson-Chen study challenges current arguments that future returns on stocks over bonds will be negative or close to zero. The results affirm the relationship between the stock market and the overall economy.

9 "Long-Run Stock Returns: Participating in the Real Economy," Roger G. Ibbotson and Peng Chen, *Financial Analysts Journal*, January/February 2003.

from 1925 to 2007



Supply Model

Long-term expected equity returns can be forecasted by the use of supply side models. The supply of stock market returns is generated by the productivity of the corporations in the real economy. Investors should not expect a much higher or lower return than that produced by the companies in the real economy. Thus, over the long run, equity return should be close to the long-run supply estimate.

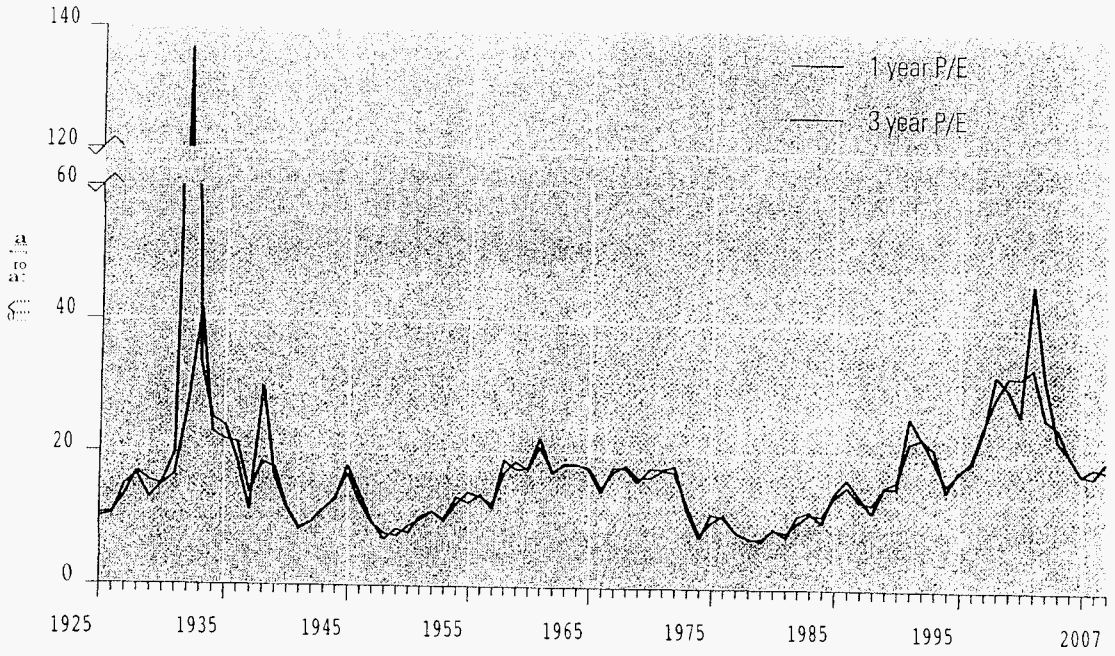
Earnings, dividends, and capital gains are supplied by corporate productivity. Graph 9-6 illustrates that earnings and dividends have historically grown in tandem with the overall economy (GDP per capita). However, GDP per capita did not outpace the stock market. This is primarily because the *PIE* ratio increased 1.94 times during the same period. So, assuming that the economy will continue to grow, all three should continue to grow as well.

Forward-Looking Earnings Model

Roger G. Ibbotson and Peng Chen forecast the equity risk premium through a supply side model using historical data. They utilized an earnings model as the basis for their suppy side estimate. The earnings model breaks the historical equity return into four pieces, with only three historically being supplied by companies: inflation, income return, and growth in real earnings per share. The growth in the *PIE* ratio, the fourth piece, is a reflection of investors' changing prediction of future earnings growth. The past supply of corporate growth is forecasted to continue; however, a change in investors' predictions is not. *PIE* rose dramatically from 1980 through 2001 because people believed that corporate earnings were going to grow faster in the future. This growth in *PIE* drove a small portion of the rise in equity returns over the same period.

Graph 9-7 illustrates the price to earnings ratio from 1926 to 2007. The *PIE* ratio, using one-year average earnings, was 10.22 at the beginning of 1926 and ended the year 2007 at 19.80, an average increase of 0.81 percent per year. The highest *PIE* was 136.52 recorded in 1932, while the lowest was 7.07 recorded in 1948. Ibbotson Associates revised the calculation of the *PIE* ratio from a one-year to a three-year average earnings for use in equity forecasting. This is because reported earnings are affected not only by the long-term productivity, but also by "one-time" items that do not necessarily have the same consistent impact year after year. The three-year average is more reflective of the long-term trend than the year-by-year numbers. The *PIE* ratio calculated using the three-year average of earnings had an increase of 0.67 percent per year.

Graph 9-7
large Company Stocks
PIE Ratio



The historical *PIE* growth factor, using three-year earnings, of 0.67 percent per year is subtracted from the equity forecast, because it is not believed that *PIE* will continue to increase in the future. The market serves as the cue. The current *PIE* ratio is the market's best guess for the future of corporate earnings and there is no reason to believe, at this time, that the market will change its mind.

Thus, the supply of equity return only includes inflation, the growth in real earnings per share, and income return. The forward-looking earnings model calculates the long-term supply of U.S. equity returns to be 9.66 percent:

$$SR = [(1 + CPI) \times (1 + {}_{gREPS}) - 1] + Inc + Rinv$$

$$9.66\% = [(1 + 3.05\%) \times (1 + 2.14\%) - 1] + 4.18\% + 0.23\%$$ 'Difference due to rounding

where:

SR = the supply of the equity return;
CPI = Consumer Price Index (inflation);
$_{gREPS}$ = the growth in real earning per share;
Inc = the income return;
Rinv = the reinvestment return.

The equity risk premium, based on the supply side earnings model, is calculated to be 4.24 percent on a geometric basis:

$$SERP = \frac{1+SR}{} - 1$$

$$4.24\%^{*} = \frac{1 + 9.66\%}{(1 + 3.05\%) \times (1 + 2.06\%)} - 1$$

*Difference due to rounding

where:

SERP	the supply side equity risk premium;
SR	the supply of the equity return;
CPI	Consumer Price Index (inflation);
RRf	the real risk-free rate.

Converting the geometric average into an arithmetic average results in an equity risk premium of 6.23 %:

$$R_A = R_G + \frac{\sigma^2}{2}$$

$$6.23\% = 4.24\% + \frac{19.97\%2}{}$$

where:

RA - the arithmetic average;

RG = the geometric average;

σ" = the standard deviation of equity returns.

long-Term Market Predictions

The supply side model estimates that stocks will continue to provide significant returns over the long run, averaging around 9.66 percent per year, assuming historical inflation rates. The equity risk premium, based on the supply side earnings model, is calculated to be 4.24 percent on a geometric basis and 6.23 percent on an arithmetic basis.

In the future, Ibbotson and Chen predict increased earnings growth that will offset lower dividend yields. The fact that earnings will grow as dividend payouts shrink is in line with Miller and Modigliani Theory.

The forecasts for the market are in line with both the historical supply measures of public corporations (i.e. earnings) and overall economic productivity (GDP per capita).