Portfolio Recovery Associates (PRAA)

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January 6, 2006

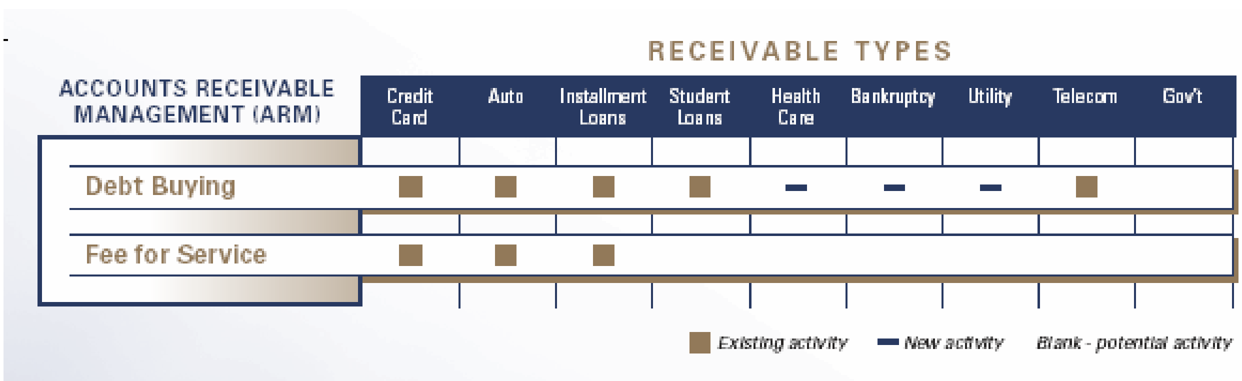
Company Overview

Portfolio Recovery Associates (Nasdaq: PRAA) is a full-service debt collector. They purchase, collect and manage portfolios of defaulted consumer receivables. These are the unpaid obligations of individuals to credit originators, including banks, credit unions, consumer and auto finance companies, retail merchants and other service providers.

Their proven ability to collect defaulted consumer receivables allows them to offer credit originators an array of solutions to address their defaulted consumer receivables. The debts PRAA collects are in substantially all cases either purchased from the credit originator or are collected on behalf of clients on a commission fee basis.

Portfolio Recovery Associates was founded in 1996 as an L.L.C. by a group of senior managers from Household International, now owned by HSBC. They converted to a corporation in 2002, the year they went public. The company operates 5 call centers in four states—Virginia, Kansas, Nevada and Alabama. They currently have 630 employees (down from 946 at the end of 2004), and have the capacity to house 1,150 employees in their call centers.

Below is a breakdown of the types of receivables they collect:



PRAA's goal is to treat all customers well, helping them through difficult financial times, while providing appropriate returns to their shareholders. In other words, they are trying to give debt collection a good name.

Portfolio Recovery Associates is an alternative to the traditional recovery operation. Rather than manage a large in-house recovery staff, portfolio sales offer an attractive alternative to many lending institutions. For a lender, the numerous benefits of selling bad debt to PRAA include:

- Dramatically reduced staff when compared to an in-house recovery strategy.
- Immediate cash flow at levels equal to or higher than the net proceeds of an in-house agency.
- Reduce the liabilities of violations by their own staff or by a collection agency.
- The ability to effectively manage a temporary inventory build up in times of increasing delinquencies, without increasing staff.
- Generate income on accounts for which recovery efforts have otherwise ceased.

Management and Staff

PRAA's management team has collective backgrounds in senior level experience with consumer lending, collections and recoveries, commercial real estate and corporate debt workouts, bank processing and operations, as well as expertise in the areas of statistical analysis and modeling.

Each new customer service representative must complete an exhaustive six-week training program, including segments on collections law compliance. Once on the job, these representatives are continuously monitored to assure compliance with all applicable laws and PRAA's own stringent policies and procedures. They are housed in well designed, modern call centers equipped with elaborate, leading edge technology in everything from predictive dialer systems to recovery software and skip-tracing databases. The company has discovered that the primary driver of growth is the tenure of their employees. Therefore, they are treated, trained and paid very well.

Why so much training? Here are some of the regulations the company employees must adhere to when communicating with consumers:

Fair Debt Collection Practices Act
Fair Credit Reporting Act
Gramm-Leach-Bliley Act
Electronic Funds Transfer Act
Telephone Consumer Protection Act
Servicemembers' Civil Relief Act
Health Insurance Portability and Accountability Act (HIPPA)

This industry is known for its very high employee turnover rates. Typical turnover for PRAA is 46% for employees who've been trained. 2004 was an anomalous year. They began the year with 946 employees. By the end of the 2nd quarter, they had 697. By the end of the 3rd quarter, they had 630. On their 3rd quarter conference call, management said they were losing employees faster than they could train them; that some were walked out, but the majority left on their on accord; and they are doing everything they can to retain the best employees.

There are 6 directors on the board, of which only one is an employee—the CEO. One director was present for 60% of the 2004 meetings and the rest were 100% in attendance. Per the Proxy, there are no family ties to the company or the board, and none of the directors are executives of any company that provides goods or services to PRAA

The company is not involved in any legal disputes at this time. They pay no dividends, and have no debt or off-balance sheet arrangements.

How They Operate

PRAA is one of the leading buyers of charged-off consumer accounts in the U.S. They have purchased over 7 million accounts with balances totaling over $13 billion and have closed on over 550 portfolios since inception. The company is capable of handling account media of any type. Their sophisticated computer models can quickly and accurately scrutinize a target portfolio to determine whether or not it may be profitable. Then, if the terms are acceptable to both the Seller and PRA, they are able to close via wire transfer immediately. They are there with cash to quickly close on all of our bid commitments.

At first glance the business model seems simple enough. But it's actually quite technical. PRAA has an elaborate system that provides them with revenues forecasts. Then they vigilantly monitor each portfolio pool to ensure they are meeting their goals. Amortization is how they describe the cash collections that are applied to reduce the value of each portfolio on the balance sheet. For each period, the cash collections are separated into two components—revenue and amortization. The higher the amortization rate, the lower the revenues recognized. Once a portfolio is fully amortized, it's considered a zero-balance pool. That doesn't mean the portfolio is no longer of value. Quite the contrary, the company earned $23.5 million off of the more than 500 zero-balance pools on their balance sheet, as of the end of 2004.

The company figures these portfolio pools are good for 7 years or more. This is a benefit in years where there are fewer pools to choose from and their competition overpays. They can sit back, hoard cash, and still earn revenue from the pools they already own.

In this industry:

- *Cash Receipts* refers to all cash collections regardless of the source.
- *Cash Collections* refers to the revenues from the company's owned portfolio pools
- *Amortization Rate* refers to cash collections applied to a portfolio as a percentage of total cash collections
- *Commissions* refer to the fee-based income from their Anchor and IGS subsidiaries

The company specializes in receivables that have been charged-off by the originator of the debt. Since the debt originator has been unsuccessful at collecting these debts, PRAA can buy them at a substantial discount—pennies on the dollar. From inception in 1996 through December, 2004, the average purchase price on all portfolios was 2.39% of face value. To date, the company has managed to earn 2.5 to 3 times the purchase price.

To see exactly how this works, study the chart below:

CASH COLLECTIONS BY YEAR, BY YEAR OF PURCHASE
($ in thousands)

Purchase Period	Purchase Price	Cash Collection Period[1] 1996	1997	1998	1999	2000	2001	2002	2003	2004	Total	ERC	Total Est. Collections to Price[2]
1996	$ 3,080	$548	$2,484	$ 1,890	$ 1,348	$ 1,025	$ 730	$ 496	$ 398	$ 285	$ 9,204	$ 95	304%
1997	7,685	—	2,507	5,215	4,069	3,347	2,630	1,829	1,324	1,022	$ 21,943	274	296%
1998	11,089	—	—	3,776	6,807	6,398	5,152	3,948	2,797	2,200	$ 31,078	827	288%
1999	18,898	—	—	—	5,138	13,069	12,090	9,598	7,336	5,615	$ 52,846	3,532	302%
2000	25,015	—	—	—	—	6,894	19,498	19,478	16,628	14,098	$ 76,596	10,295	349%
2001	33,472	—	—	—	—	—	13,048	28,831	28,003	26,717	$ 96,599	27,209	386%
2002	42,282	—	—	—	—	—	—	15,073	36,258	35,742	$ 87,073	51,511	328%
2003	61,528	—	—	—	—	—	—	—	24,308	49,706	$ 74,014	92,432	271%
2004	61,355	—	—	—	—	—	—	—	—	18,019	$ 18,019	121,936	228%
Total	$264,404	$548	$4,991	$10,881	$17,362	$30,733	$53,148	$79,253	$117,052	$153,404	$467,372	$308,111	

[1]Cash collections do not include cash sales of finance receivables.

[2]Total estimated collections to price refers to the actual cash collections, including cash sales, plus estimated remaining collections, divided by the purchase price.

The company has increased revenue from $6.8 million in 1998 to $113.4 million in 2004, a compounded annual growth rate of 60%. (Per the Pert A, earnings have grown to $140.9 million as of 3rd quarter 2005.) Excluding the impact of proceeds from the occasional sale of portfolios, cash collections have increased every year since the company's inception.

This industry uses "cash collections per hour paid" to measure the effectiveness of their employees. In 2004, employees generated an average of $117.65 per paid hour. This is up from $108.00 per hour in 2003. As of the end of 3rd quarter, 2005, the figure stood at $136.18 per paid hour. Here is a chart showing the historical cash collections per paid hour:

Cash Collections per Hour Paid[1]

Average performance	12/31/00	12/31/01	12/31/02	12/31/03	12/31/04
Total cash collections	$64.37	$77.20	$96.37	$108.27	$117.59
Non-legal cash collections	$53.31	$66.87	$77.72	$80.10	$82.06

The company has adopted the following Operating Principles and proudly displays them on their website:

- Be honest with shareholders
- Buy diverse portfolios – never bet the ranch – never overpay
- Operate fewer, but larger call centers
- Develop and retain great employees
- Keep debt levels low – allow room for error
- Stay vertically integrated – keep the buying and selling of portfolios under the same roof
- Employ steady, defined growth by carefully screening and training employees
- Management should be owners, not hired guns – all senior level managers own a significant stake
- Support employees with quality training and income incentives

This business has a low barrier to entry. It's the analysis and computer models designed, built and employed by PRAA that gives them the leg up.

PRAA has a legal recovery department and coordinates an independent nationwide network of collections attorneys used to file lawsuits, garnish wages and satisfy judgments. Legal collections constitute approximately 30% of all cash collections.

Financials

Based on their 3rd quarter conference call, the company purchased 29 portfolio pools from 13 different sellers, year to date. Much of this was Mastercard charge-off debt, plus bankrupt debt. The new bankruptcy laws went into effect on October 17, 2005. This caused many debtors to move quickly to file ahead of the deadline, causing a temporary spike in bankruptcies. These changes will make it a little difficult to price portfolios going forward—at least temporarily. So far, there's been little impact on existing portfolios. PRAA has many older portfolios, and the older they are, the less affected they are by the new laws.

Other than that, the company grew at a steady pace, albeit slightly affected by the reduction in employees at their call centers.

Business Outlook

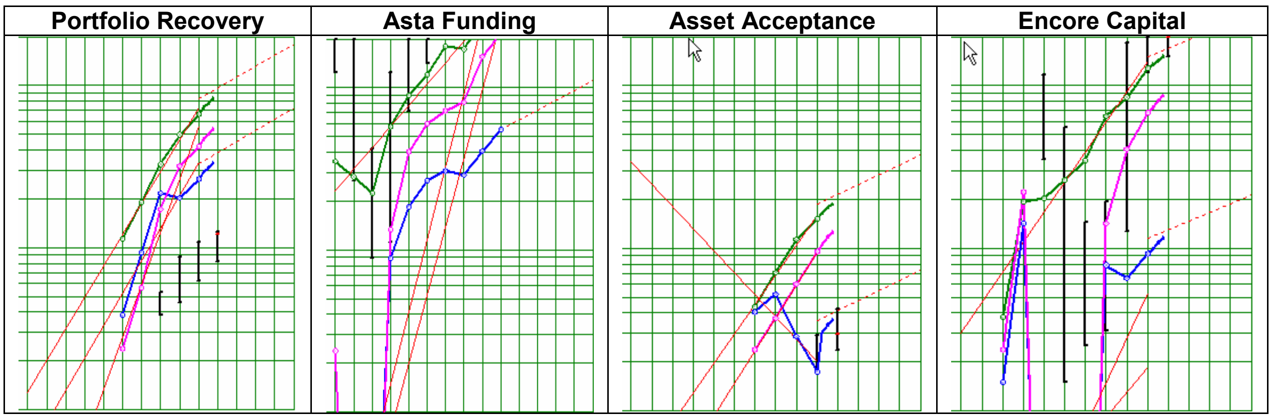
<u>Industry</u>

S&P classifies Portfolio Recovery Associates in the Industrials sector, and the Commercial & Diversified Services sub-industry. The accounts receivable management industry (owned portfolio and contingency fee) is highly fragmented and competitive, consisting of 6,000 consumer and commercial agencies. PRAA estimates that more than 90% of these agencies complete in the contingency fee market.

Collections tend to be higher in the 1st half of the year and lower in the 2nd half, due to consumer payment patterns in connection with seasonal employment, tax refunds, and holiday spending.

<u>Competition:</u>

All pure-play companies in this immediate class are small cap, with PRAA being the smallest by sales. No matter. While most of these companies are experiencing large growth numbers, PRAA has a steady, flat PERT-A graph, which meets our portfolio criteria. The graphs of all immediate competitors are below:



<u>Positive and Negative Influences</u>

As stated earlier, the majority of companies in this sub-industry are working on a contingency fee basis. PRAA is one of very few companies offering to purchase portfolios outright. This is a much less competitive arena. The owners and executives are well-seasoned, and are heavily vested in the company. If we consider the fact that Americans are heavily indebted, and that Chapter 13 bankruptcy laws have recently tightened, I believe we have an opportunity to see continued strong growth from this company.

On the negative side, it's a continual effort to hire, train and retain good employees. But PRAA is not singled out since this problem affects all companies in the sub-industry. The bankruptcy laws are a double-edged sword. It should be very profitable in the long run, but does create short-term concerns since the onslaught of last-minute filers will no doubt create a "hole" for an indefinite period of time.

Company and Analysts' growth estimates

The company does not provide future estimates, so I sought out the 5-year growth estimates from the larger consensus companies. They are as follows:

Thomson (from Yahoo)	19%
Reuters (from Reuters)	18%
S&P (from Toolkit)	19%
Zacks (from Zacks)	16%

Judgments on the SSG

Portfolio Recovery Associates is a small cap company in the explosive growth stage. Management seems to be controlling this growth since the 10-year sales and earnings growth rates are quite even at 57% and 59% respectively. The latest quarter-over-quarter growth is 32% and 32% respectively. And Pre-tax profit has been strong, although it's leveling off.

The average P/E Ratio for the past 5 years is 17. That seems to be a good growth rate in lieu of the above choices. I'm using it for both sales and earnings going forward. The historical P/Es seem steady to me, so I didn't change them. They remain at 21.4 and 12.6 respectively.

I did choose to increase the low EPS to the most recent rolling 4 quarters, raising that figure from $1.73 to $2.17. That gave me high and low estimated prices of $101.90 and $27.30. The end result is an upside ratio of 3.2:1, based on the January 6th closing price, with PAR and Total Return of 12.4% and 17.7%.

Recommendation

We could use something simple to invest in, and we are weak in the financials area. This company could fill both voids. I recommend it as a buy.

PORTFOLIO RECOV. NDQ--PRAA

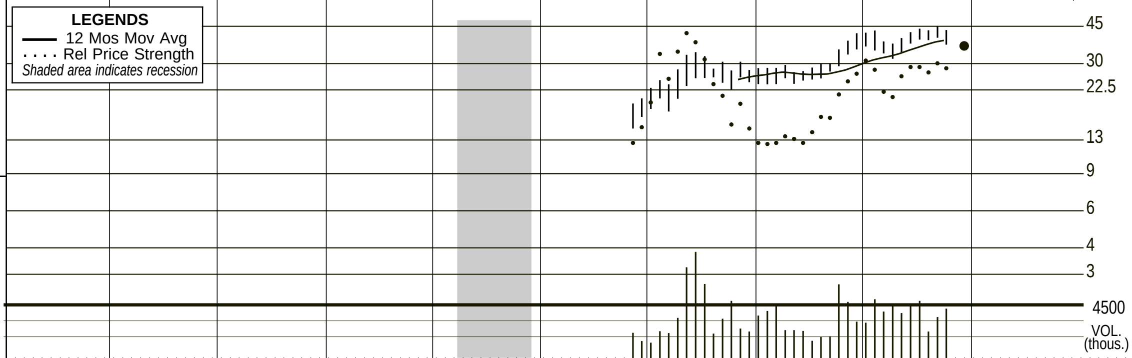
RECENT PRICE	TRAILING P/E RATIO	RELATIVE P/E RATIO	DIV'D YLD	
36.32	16.7	0.87	Nil	VALUE LINE

RANKS

PERFORMANCE	3	Average
Technical	3	Average
SAFETY	3	Average
BETA 1.00		(1.00 = Market)

Financial Strength	B++
Price Stability	50
Price Growth Persistence	NMF
Earnings Predictability	NMF

	2002	2003	2004	2005	
High	20.50	33.95	41.80	45.00	High
Low	14.75	17.76	23.89	31.60	Low



© VALUE LINE PUBLISHING, INC.	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006/2007
SALES PER SH	--	--	--	--	--	4.13	5.55	7.32	--	
"CASH FLOW" PER SH	--	--	--	--	--	.91	1.45	1.93	--	
EARNINGS PER SH	--	--	--	--	--	.94	1.32	1.73	***2.23*** A,B	***2.56*** C/NA
DIV'DS DECL'D PER SH	--	--	--	--	--	--	--	--	--	
CAP'L SPENDING PER SH	--	--	--	--	--	.10	.16	.14	--	
BOOK VALUE PER SH	--	--	--	--	--	5.96	7.79	9.77	--	
COMMON SHS OUTST'G (MILL)	--	--	--	--	--	13.52	15.29	15.50	--	
AVG ANN'L P/E RATIO	--	--	--	--	--	19.3	19.6	16.7	***16.3***	***14.2/NA***
RELATIVE P/E RATIO	--	--	--	--	--	1.05	1.12	.88	--	
AVG ANN'L DIV'D YIELD	--	--	--	--	--	--	--	--	--	
SALES ($MILL)	--	--	--	--	--	55.8	84.9	113.4	--	***Bold figures are consensus earnings estimates and, using the recent prices, P/E ratios.***
OPERATING MARGIN	--	--	--	--	--	41.8%	44.5%	44.1%	--	
DEPRECIATION ($MILL)	--	--	--	--	--	.9	1.4	2.4	--	
NET PROFIT ($MILL)	--	--	--	--	--	11.4	20.7	27.5	--	
INCOME TAX RATE	--	--	--	--	--	38.7%	38.9%	38.8%	--	
NET PROFIT MARGIN	--	--	--	--	--	20.4%	24.4%	24.2%	--	
WORKING CAP'L ($MILL)	--	--	--	--	--	77.6	112.8	146.1	--	
LONG-TERM DEBT ($MILL)	--	--	--	--	--	1.5	2.2	2.5	--	
SHR. EQUITY ($MILL)	--	--	--	--	--	80.6	119.1	151.4	--	
RETURN ON TOTAL CAP'L	--	--	--	--	--	15.3%	17.3%	17.9%	--	
RETURN ON SHR. EQUITY	--	--	--	--	--	14.1%	17.4%	18.1%	--	
RETAINED TO COM EQ	--	--	--	--	--	14.1%	17.4%	18.1%	--	
ALL DIV'DS TO NET PROF	--	--	--	--	--	--	--	--	--	

[A]No. of analysts changing earn. est. in last 29 days: 4 up, 0 down, consensus 5-year earnings growth 18.4% per year. [B]Based upon 8 analysts' estimates. [C]Based upon 8 analysts' estimates.

ANNUAL RATES

of change (per share)	5 Yrs.	1 Yr.
Sales	--	32.0%
"Cash Flow"	--	33.0%
Earnings	--	31.0%
Dividends	--	--
Book Value	--	25.5%

Fiscal Year	QUARTERLY SALES ($mill.) 1Q	2Q	3Q	4Q	Full Year
12/31/03	18.3	21.4	22.2	23.0	84.9
12/31/04	25.3	28.1	28.3	31.7	113.4
12/31/05	35.8	35.9	37.5		
12/31/06					

Fiscal Year	EARNINGS PER SHARE 1Q	2Q	3Q	4Q	Full Year
12/31/02	.19	.24	.27	.24	.94
12/31/03	.29	.33	.35	.35	1.32
12/31/04	.38	.43	.44	.48	1.73
12/31/05	.55	.56	.58	***.55***	
12/31/06	***.64***	***.66***			

Cal-endar	QUARTERLY DIVIDENDS PAID 1Q	2Q	3Q	4Q	Full Year
2002	--	--	--	--	--
2003	--	--	--	--	--
2004	--	--	--	--	--
2005	--	--	--		

INSTITUTIONAL DECISIONS

	4Q'04	1Q'05	2Q'05
to Buy	76	76	91
to Sell	38	50	39
Hld's(000)	14596	12178	15073

ASSETS ($mill.)	2003	2004	6/30/05
Cash Assets	24.9	48.5	68.5
Receivables	92.6	105.2	114.9
Inventory	.0	.0	.0
Other	.3	.0	.0
Current Assets	117.8	153.7	183.4
Property, Plant & Equip, at cost	9.2	11.6	- -
Accum Depreciation	4.0	5.8	- -
Net Property	5.2	5.8	6.8
Other	3.4	15.7	13.4
Total Assets	126.4	175.2	203.6
LIABILITIES ($mill.)			
Accts Payable	1.3	1.4	.3
Debt Due	.0	.0	.0
Other	3.7	6.2	13.7
Current Liab	5.0	7.6	14.0

LONG-TERM DEBT AND EQUITY as of 6/30/05

Total Debt $2.1 mill. **Due in 5 Yrs.** NA
LT Debt $2.1 mill.
Including Cap. Leases NA
(1% of Cap'l)

Leases, Uncapitalized Annual rentals NA

Pension Liability None in '04 vs. None in '03

Pfd Stock None **Pfd Div'd Paid** None

Common Stock 15,620,540 shares
(99% of Cap'l)

INDUSTRY: Financial Svcs. (Div.)

BUSINESS: Portfolio Recovery Associates, Inc., together with its subsidiaries, provides outsourced receivables management and related services, primarily in the United States. It purchases, collects, and manages portfolios of defaulted consumer receivables and provides collateral location services for credit originators on a commission fee basis. The company acquires receivables of Visa, MasterCard, and Discover credit cards; private label credit cards; installment loans; lines of credit; bankrupt; deficiency balances of various types; legal judgments; and trade payables from various debt sellers. Debt sellers include banks, credit unions, consumer finance companies, telecommunication providers, retailers, utilities, insurance companies, other debt buyers, and auto finance companies. Has 948 employees. Chairman, C.E.O. & President: Steven D. Fredrickson. Address: 120 Corporate Boulevard, Norfolk, VA 23502. Tel.: (888) 772-7326. Internet: http://www.portfoliorecovery.com.

T.L.

November 11, 2005

TOTAL SHAREHOLDER RETURN

Dividends plus appreciation as of 10/31/2005

3 Mos.	6 Mos.	1 Yr.	3 Yrs.	5 Yrs.
-7.82%	8.21%	15.36%	--	--

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SINCE 1951

Stock Selection Guide ®

The most widely used aid to good investment judgment

Company PORTFOLIO RECOVRY ASSOC INC Date 01/06/06
Prepared by Lynn Data taken from NAIC Data
Where traded NASDAQ Major product/service Diversified

CAPITALIZATION --- Outstanding Amounts Reference

			% Insiders	% Institution
Preferred ($M)	0.0			
Common (M Shares)	15.7		0.0	0.0
Debt ($M) 1.7	% to Tot.Cap. 1.1		% Potential Dil.	None

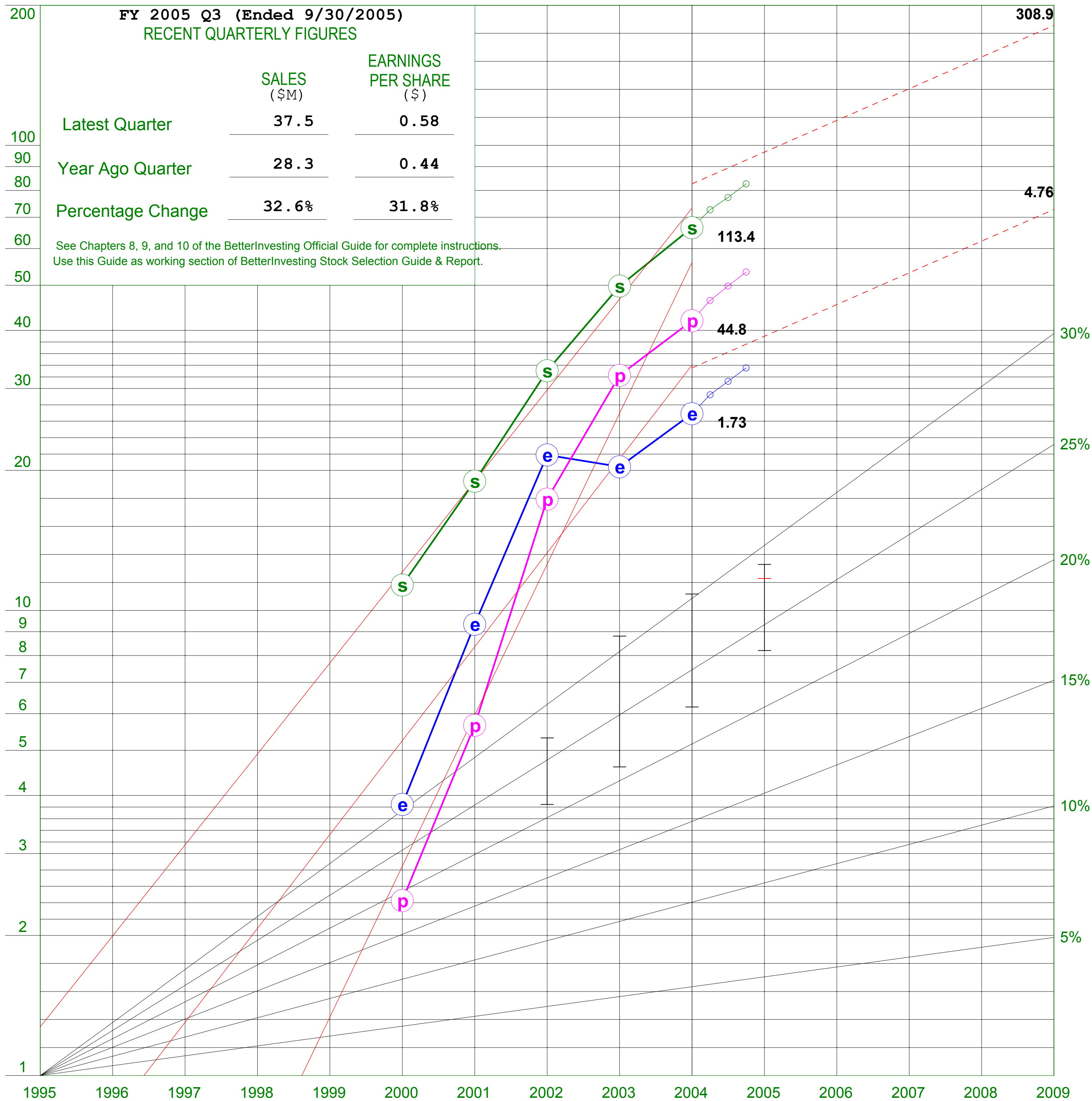
1 VISUAL ANALYSIS of Sales, Earnings and Price

PRAA

FY 2005 Q3 (Ended 9/30/2005)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	37.5	0.58
Year Ago Quarter	28.3	0.44
Percentage Change	32.6%	31.8%

See Chapters 8, 9, and 10 of the BetterInvesting Official Guide for complete instructions.
Use this Guide as working section of BetterInvesting Stock Selection Guide & Report.



(1) Historical Sales Growth 56.9 % (3) Historical Earnings Per Share Growth 59.2 %
(2) Estimated Future Sales Growth 17.0 % (4) Estimated Future Earnings Per Share Growth 17.0 %

2 EVALUATING MANAGEMENT

Company PORTFOLIO RECOVRY ASSOC INC (PRAA) 01/06/06

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	LAST 5 YEAR AVG.	TREND UP	TREND DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)						13.1	18.7	33.2	40.3	39.5	29.0	UP	
B	% Earned on Equity (E/S ÷ Book Value)								23.6	17.1	17.7	19.5		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

PRESENT PRICE 45.150 HIGH THIS YEAR 48.390 LOW THIS YEAR 31.600

	Year	A PRICE HIGH	B PRICE LOW	C Earnings Per Share	D Price Earnings Ratio HIGH A ÷ C	E Price Earnings Ratio LOW B ÷ C	F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100
1	2000	0.0	0.0	0.25	0.0	0.0	0.000	0.0	0.0
2	2001	0.0	0.0	0.61	0.0	0.0	0.000	0.0	0.0
3	2002	20.5	14.8	1.41	14.5	10.5	0.000	0.0	0.0
4	2003	34.0	17.8	1.33	25.6	13.4	0.000	0.0	0.0
5	2004	41.8	23.9	1.73	24.2	13.8	0.000	0.0	0.0
6	TOTAL		56.5		64.3	37.7		0.0	
7	AVERAGE		18.8		21.4	12.6		0.0	
8	AVERAGE PRICE EARNINGS RATIO			17.0	9	CURRENT PRICE EARNINGS RATIO		20.8	

Proj. P/E [17.78] Based on Next 4 qtr. EPS [2.54] Current P/E Based on Last 4 qtr. EPS [2.17]
PEG=105

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 21.4 (3D7 as adj.) X Estimate High Earnings/Share 4.76 = Forecast High Price $ 101.9 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 12.6 (3E7 as adj.) X Estimated Low Earnings/Share ~~1.73~~ 2.17 = $ 27.3

(b) Avg. Low Price of Last 5 Years = 18.8 (3B7)

(c) Recent Severe Market Low Price = 17.8

(d) Price Dividend Will Support Present Divd. / High Yield (H) = 0.000 / 0.000 = 0.0

Selected Estimate Low Price = $ 27.3 (4B1)

C ZONING

101.9 (4A1) High Forecast Price Minus 27.3 (4B1) Low Forecast Price Equals 74.6 (C) Range. 1/3 of Range = 18.7 (4CD)

(4C2) Lower 1/3 = (4B1) 27.3 to 46.0 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 46.0 to 83.2 (Maybe)

(4C4) Upper 1/3 = 83.2 to 101.9 (4A1) (Sell)

Present Market Price of 45.150 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 101.9 Minus Present Price 45.150 / Present Price 45.150 Minus Low Price (4B1) 27.3 = 56.8 / 17.9 = 3.2 (4D) To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 101.9 / Present Market Price 45.150 = (2.257) X 100 = (225.7) - 100 = 125.7 (4E) % Appreciation

Relative Value: 122.4% Proj. Relative Value: 104.6%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend $ 0.000 / Present Price of Stock $ 45.150 = 0.000 X 100 = 0.0 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 3.48 X Avg. % Payout (3G7) 0.0 = 0.0 / Present Price $ 45.150 = 0.0 (5B) %

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

5 Year Appreciation Potential (4E) 125.7 / 5 = 25.1 %

Average Yield (5B) 0.0 %

Average Total Annual Return Over the Next 5 Years (5C) 25.1 %

	P.A.R.	Tot. Ret.
Average Yield	0.0%	0.0%
Annual Appreciation	12.4%	17.7%
% Compd Ann Rate of Ret	12.4%	17.7%

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