1 VISUAL ANALYSIS of Sales, Earnings, and Price

- Latest Quarter:
  - Sales ($M): 2,721
  - Earnings Per Share: 0.49
- Year Ago Quarter:
  - Sales ($M): 2,343
  - Earnings Per Share: 0.45
- Percentage Change:
  - Sales: 16.1%
  - Earnings: 8.9%

(1) Historical Sales Growth 21.6%
(2) Estimated Future Sales Growth 7.0%
(3) Historical Earnings Per Share Growth 19.2%
(4) Estimated Future Earnings Per Share Growth 15.2%
This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

5-YEAR POTENTIAL

<table>
<thead>
<tr>
<th>Year</th>
<th>High Price</th>
<th>Low Price</th>
<th>High Earnings Per Share</th>
<th>Price Earnings Ratio</th>
<th>Dividend</th>
<th>% Payout</th>
<th>% High Yield</th>
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<tbody>
<tr>
<td>2013</td>
<td>34.3</td>
<td>20.1</td>
<td>1.02</td>
<td>33.6</td>
<td>19.7</td>
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<td>1.73</td>
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AVERAGE PRICE EARNINGS RATIO: 22.0  CURRENT PRICE EARNINGS RATIO: 18.4

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: 24.0 \( \times \) Estimate High Earnings/Share: 3.51 = Forecasted High Price: $84.2

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E: 16.2 \( \times \) Estimate Low Earnings/Share: 1.73 = Forecasted Low Price: $28.0

(b) Avg. Low Price of Last 5 Years: 23.9

(c) Recent Market Low Price: 24.0

(d) Price Dividend Will Support = Indicated Dividend

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C ZONING

Using 25%-50%-25%

Forecasted High Price: 84.2

Minus Forecasted Low Price: 26.0 = 58.2 Range. 25% of Range: 14.6

Buy Zone: 26.0 to

Hold Zone: 40.6 to

Sell Zone: 69.7 to

Selected Forecasted Low Price: $26.0

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

High Price: 84.2

Minus Present Price: 32.59 = 51.65 = 7.8 To 1

Present Price: 32.59

Minus Low Price: 26.0 = 6.59 = 7.8 To 1

E PRICE TARGET

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

High Price: 84.2

Closing Price: 32.59 = 2.5848 \( \times \) 100 = 258.48 - 100 = 158.5 % Appreciation

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.

A Indicated Annual Dividend = 0.00

Closing Price: 32.59 = 0.0000 = 0.0 % Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout = 0.0 % = 0.0 %

Forecast High PE: 24.00

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout = 0.0 % = 0.0 %

Forecast Average PE: 20.10

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation: 20.9 %

Average Yield: 0.0 %

Annualized Rate of Return: 20.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation: 16.7 %

Average Yield: 0.0 %

Annualized Rate of Return: 16.7 %