

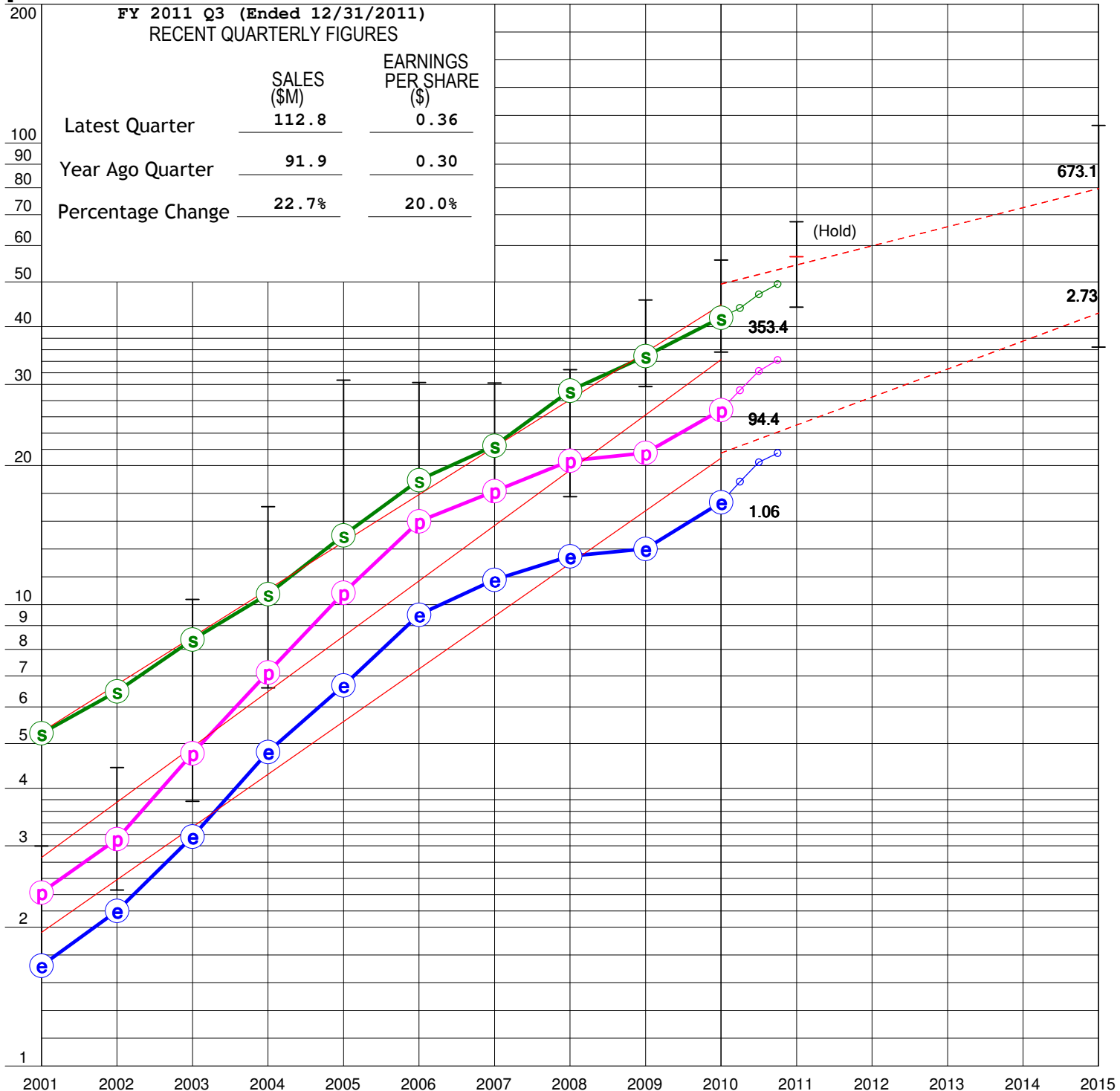


Stock Study

Company	Quality Systems-2-7-1..	Price Date	02/07/12
Study by	S Patterso	Data Date	02/07/12
Sector	Technology	Data Source	BI
Industry Health	Information Servi	Reference	Morningsta
Preferred(\$M)	0.0		
Common(M Shares)	58.8	% Insiders	67.2
Debt(\$M)	0.0	% Institutions	79.2
% Debt to Tot.Cap.	0.0	Quality	

1 Growth Analysis

NAS: QSII



(1) Historical Sales Growth	26.7 %	(3) Historical Earnings Per Share Growth	30.1 %	www.iclub.com
(2) Estimated Future Sales Growth	10.0 %	(4) Estimated Future Earnings Per Share Growth	15.0 %	
(5) Sales Growth R ²	1.00	(6) Earnings Per Share Growth R ²	0.95	

2 QUALITY ANALYSIS

Company **Quality Systems-2-7-12**

(QSII)

02/07/12

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	19.1	20.3	24.0	28.7	31.8	34.5	33.8	29.9	26.1	26.7	30.2	DOWN
B % ROE (Beginning Yr)	19.1	8.8	20.7	12.6	17.7	44.4	42.6	39.0	30.8	32.5	37.9	DOWN
C % Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	EVEN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **42.57 (31.3)** 52-WEEK HIGH (P/E) **50.70 (37.3)** 52-WEEK LOW (P/E) **33.08 (24.3)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1 2006	22.7	14.2	0.61	37.5	23.5	0.000	0.0	0.0	
2 2007	22.7	13.0	0.72	31.5	18.1	0.500	69.4	3.8	
3 2008	24.2	12.9	0.81	29.9	15.9	0.575	71.0	4.5	
4 2009	34.3	22.3	0.84	40.8	26.5	0.600	71.4	2.7	
5 2010	41.8	26.5	1.06	39.4	25.0	0.625	59.0	2.4	
6 AVERAGE		17.8		35.8	21.8		67.7		
AVERAGE P/E RATIO	28.8		PROJECTED P/E RATIO	27.2		TTM EPS	1.36		
CURRENT P/E RATIO	31.4		PEG RATIO	1.8		FTM EPS	1.56		
RELATIVE VALUE	109.0		PROJ. RELATIVE VALUE	94.5		AVG TTM + FTM EPS	1.46		

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS - NEXT 5 YEARS

Selected High P/E ~~35.8~~ **28.9** X Estimated High Earnings/Share **2.73** = Forecast High Price \$ ~~78.9~~ **81.9**

B FUTURE LOW PRICE ANALYSIS - NEXT 5 YEARS

(a) Sel. Low P/E ~~21.8~~ **14.2** X Estimated Low Earnings/Share ~~1.06~~ **1.36** = \$ **19.2**

(b) Average 5-Year Low Price = **17.8**

(c) Recent Severe Low Price = **22.3**

(d) Price Dividend Will Support = Present Divd. + High Yield = **0.700 + 0.045 = 15.7**

Selected Estimated Low Price = \$ **27.1**

C PRICE RANGES

Forecast High Price **81.9** - Estimated Low Price **27.1** = Range **54.8** 25% of Range = **13.7**

BUY (Lower 25% of Range) = **27.1** to **40.8**

MAYBE (Middle 50% of Range) = **40.8** to **68.2**

SELL (Upper 25% of Range) = **68.2** to **81.9**

Current Price **42.570** is in the **Hold** Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price **81.9** - Current Price **42.570**) + (Current Price **42.570** - Estimated Low Price **27.1**) = **2.5** To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ **0.700** ÷ Current Price of Stock \$ **42.570** = **1.6 %** Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout **67.7** ÷ Forecast High P/E **28.9** = Avg. Yield **2.3**

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout **67.7** ÷ Forecast Avg P/E **21.6** = Avg. Yield **3.1**

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield **2.3 %** + Annual Appreciation **14.0 %** = Compound Annual Total Return **16.3 %**

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield **3.1 %** + Annual Appreciation **6.7 %** = Projected Average Total Return **9.8 %**