

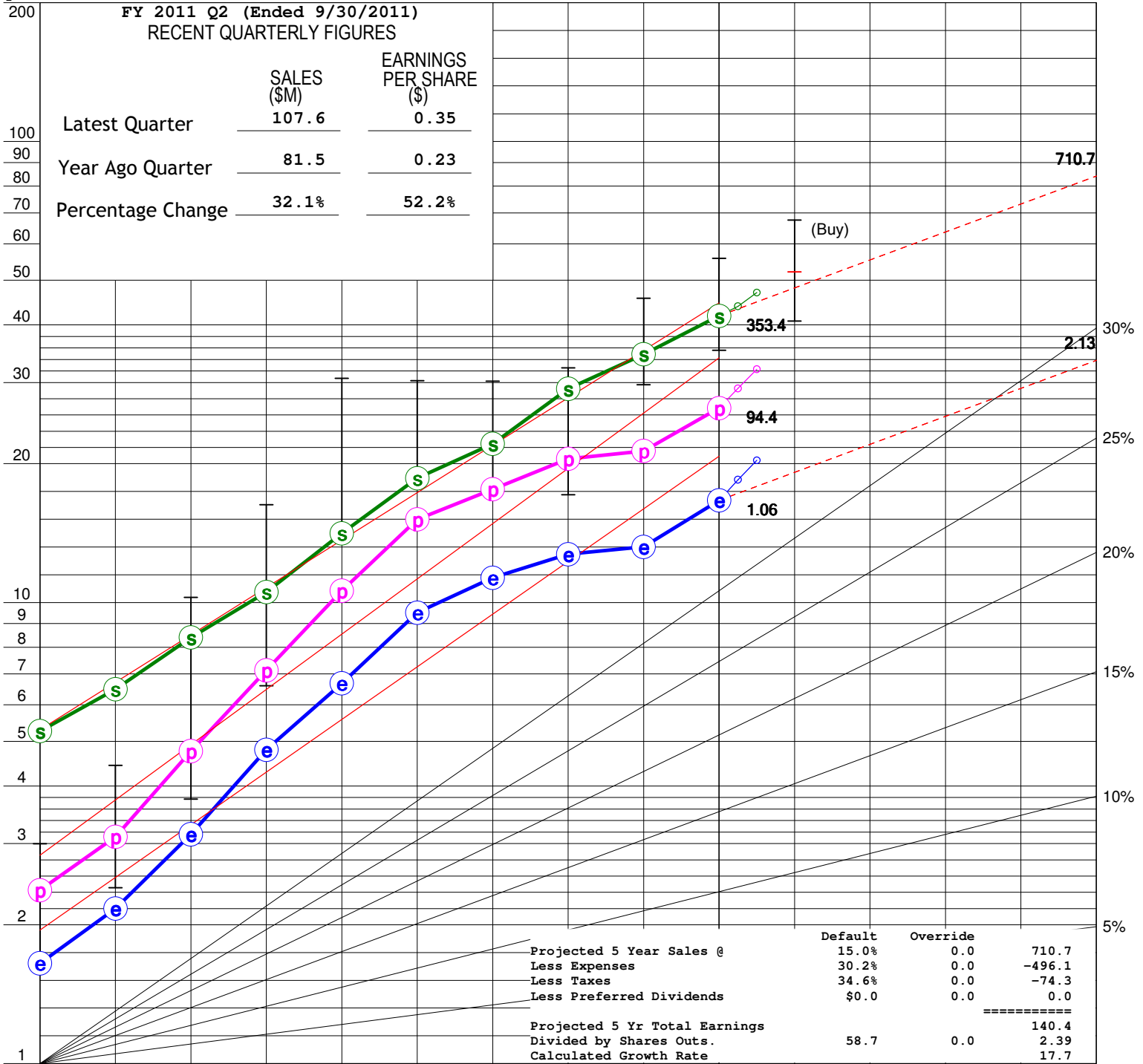


Stock Study

Company Quality Systems		Price Date	11/07/11
Study by S Patterson		Data Date	11/07/11
Sector	Technology	Data Source	BI
Industry Health Information Servi		Reference	Morningstar
Preferred(\$M)	0.0		
Common(M Shares)	58.7	% Insiders	33.8
Debt(\$M)	0.0	% Institutions	74.2
% 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 | 15.0 % | (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** (QSII)

11/07/11

	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	16.3	34.6	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 39.110 52-WEEK HIGH 50.700 52-WEEK LOW 30.595

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	26.2		TTM EPS	1.30		
CURRENT P/E RATIO	30.2		PEG RATIO	1.7		FTM EPS	1.50		
RELATIVE VALUE	104.9		PROJ. RELATIVE VALUE	90.8		AVG TTM + FTM EPS	1.40		

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS – NEXT 5 YEARS

Selected High P/E ~~35.8~~ 30.0 X Estimated High Earnings/Share 2.13 = Forecast High Price \$ 63.9

B FUTURE LOW PRICE ANALYSIS – NEXT 5 YEARS

(a) Sel. Low P/E ~~21.8~~ 14.9 X Estimated Low Earnings/Share ~~1.06~~ 1.30 = \$ 19.3

(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 = \$ 31.3

C PRICE RANGES

Forecast High Price 63.9 - Estimated Low Price 31.3 = Range 32.6 25% of Range = 8.2

BUY (Lower 25% of Range) = 31.3 to 39.5

MAYBE (Middle 50% of Range) = 39.5 to 55.7

SELL (Upper 25% of Range) = 55.7 to 63.9

Current Price 39.110 is in the **Buy** Range

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

(Forecast High Price 63.9 - Current Price 39.110) + (Current Price 39.110 - Estimated Low Price 31.3) = 3.2 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ 0.700 ÷ Current Price of Stock \$ 39.110 = 1.8 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 67.7 ÷ Forecast High P/E 30.0 = Avg. Yield 2.3

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 67.7 ÷ Forecast Avg P/E 22.5 = Avg. Yield 3.0

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

Average Yield 2.3 % + Annual Appreciation 10.3 % = Compound Annual Total Return 12.6 %

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

Average Yield 3.0 % + Annual Appreciation 4.1 % = Projected Average Total Return 7.1 %