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**Ctrip.com International Ltd.**

|              |         |
|--------------|---------|
| CTRP         | \$58.38 |
| Rating       | Neutral |
| Price Target | N/A     |

|                          |              |
|--------------------------|--------------|
| Market Cap(\$bln)        | 3.8          |
| 52 Week Range(\$)        | 35.91 -70.89 |
| Enterprise Value(\$bln)  | 3.7          |
| Shares Outstanding (\$M) | 69.042       |
| Average Daily Volume (M) | 0.91         |
| Cash Per Share(\$)       | 2.88         |
| Divident Yield           | 0.4%         |

**GAAP Earnings (FY Ends December)**

| EPS(US\$)                         | 2007A | 2008E | prior | 2009E | prior |
|-----------------------------------|-------|-------|-------|-------|-------|
| 1Q                                | 0.12  | 0.20A |       |       |       |
| 2Q                                | 0.17  | 0.24  |       |       |       |
| 3Q                                | 0.21  | 0.27  |       |       |       |
| 4Q                                | 0.27  | 0.29  |       |       |       |
| FY                                | 0.78  | 1.01  |       | 1.73  |       |
| P/E                               | 74.4x | 57.5x |       | 33.4x |       |
| Non-GAAP Earnings                 |       |       |       |       |       |
| 1Q                                | 0.16  | 0.27A |       |       |       |
| 2Q                                | 0.22  | 0.29  |       |       |       |
| 3Q                                | 0.26  | 0.33  |       |       |       |
| 4Q                                | 0.31  | 0.35  |       |       |       |
| FY                                | 0.95  | 1.25  |       | 1.75  |       |
| P/E                               | 61.1x | 46.3x |       | 33.0x |       |
| Net Rev.(\$M)                     |       |       |       |       |       |
| 1Q                                | 30.1  | 48.6  |       |       |       |
| 2Q                                | 37.8  | 55.8  |       |       |       |
| 3Q                                | 43.1  | 63.4  |       |       |       |
| 4Q                                | 48.8  | 68.9  |       |       |       |
| FY                                | 159.8 | 236.6 |       | 328.7 |       |
| EV/Revenue                        | 23.2x | 15.7x |       | 11.3x |       |
| Exchange rate: US \$1 = RMB 7.012 |       |       |       |       |       |

**CTRP Share Price (LTM)**


Source: SFG Research and company reports

**Ctrip.com International Ltd.**
**CTRP: \$58.38**
**Tough Hotel Room Supply For Ctrip During Olympic Games**
**Rating: Neutral**
**Price Target: N/A**

We have recently conducted a survey among 30+ leading hotels in Beijing. Our research suggests a majority of rooms in these hotels have been reserved by the Beijing Olympic Organizing Committee for the upcoming Olympics in August, leaving limited room available for travel agencies such as Ctrip. In addition, room rates during the Game period could go up by 4 to 10 times, which should force Ctrip's customers to change or cancel their travel plans. Ctrip could experience some significant slowdown in 3Q, in our estimation.

**HIGHLIGHTS**

- **Based on our proprietary survey, we expect Ctrip will experience a hotel supply shortage during the Olympic Games period.** In essence, the government has become a competitor to travel agencies, as the Beijing Olympic Organizing Committee has reserved 70% of 112 starred hotels in Beijing. Although there are lower-end starred hotels available, those with good brand names, quality, and convenient locations have been taken. For example, our checks suggest five-star hotels such as Grand Hotel Beijing and Crowne Plaza Park View Wuzhou have either been fully reserved by the Committee or already sold out. Room availability at other hotels such as Hilton and Westin are tight, as well. The situation is also reflected by the fact that most of contracted hotels require a minimum stay period of 7-18 days. The Beijing Olympic Committee estimated that the games will attract 600K tourists from overseas, but it is unclear whether Ctrip will be able to exploit from the opportunity, as in-bound travel booking is insignificant in its total bookings. **Negative Factor**
- **Our survey also suggests hotel room rates will soar during the game period.** According to Xiang Ping, Vice President of the Committee, average room rates for 5-, 4-, and 3-star hotels are \$353, \$272, and \$176, respectively. However, our survey tells the price for non-reserved hotel rooms will skyrocket by 4 to 10 times above normal levels. Take Grand Hyatt as an example; a room night will cost RMB 8,500, up from a normal level of RMB 2,000+. Aoyou, a 3-star hotel near Olympic Village, will raise its prices by around 10 times to RMB 3,000. Additionally, travelers are also required to pay the full amount in advance when booking rooms from a contracted hotel, compared with "pay when checking out" traditionally. High room rates could change travel plans or drive Ctrip's customers to low-end hotels. **Negative Factor**
- **Our checks indicate most contracted hotels do not guarantee rooms for Ctrip during Olympic period, due to extremely high demand.** As ~80% of Ctrip's customers are business travelers (and the average room rate is above RMB 500), we think limited supply coupled with expensive rates will force travelers to re-schedule or cancel travel plans. We also note that unlike in the U.S., 3Q is typically a strong season for businesses in China, but the upcoming Olympics will alter the pattern dramatically. Beijing accounts for 15%+ of Ctrip's booking volumes, which means Ctrip will experience significant growth slowdown in 3Q, in our estimation. **Negative Factor**

**VALUATION**

We maintain our Neutral rating on CTRP. Historically, Ctrip shares trade at a P/E between 35x to 45x. CTRP currently trades at 33x 2009 non-GAAP EPS, but given the near-term adverse impact from the earthquake and the Olympics, we believe its shares will continue to linger at low end of its P/E band. *We do not believe the one-time event should change the long-term growth potential of Ctrip, but investors may find a better buying opportunity than the present.*

**RISKS**

The upside risks include: 1) fast pickup in online booking, which will lead to margin expansion, and 2) penetrating more second and third-tier regions. The downside risks include a slowdown in the Chinese economy, airline operators and chain hotels beefing up direct sales, and competitions from rivals such as eLong.

## COMPANY DESCRIPTION

Ctrip.com International Ltd. (CTRP), headquartered in Shanghai China, provides travel-related services, including hotel reservation, air-ticketing, packaged-tour services, Internet-related advertising, and other related services in China. Ctrip.com offers its services to customers through a transaction and service platform consisting of centralized toll-free customer service centers and bilingual web sites. The company was co-founded by James Jianzhang Liang, Neil Nanpeng Shen, Min Fan, and Qi Ji in 1999.

Figure 1. P&L Analysis (In RMB mln, except per share data)

|                                                     | 1Q06         | 2Q06         | 3Q06         | 4Q06         | 1Q07         | 2Q07         | 3Q07         | 4Q07         | 1Q08         | 2Q08E        | 3Q08E        | 4Q08E        | 2005         | 2006         | 2007          | 2008E         | 2009E         |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
| Hotel reservation                                   | 95.6         | 117.9        | 125.1        | 137.8        | 133.5        | 171.4        | 175.6        | 196.0        | 171.2        | 210.9        | 208.9        | 239.8        | 362.9        | 476.5        | 676.5         | 830.8         | 1100.8        |
| Air-ticketing                                       | 59.8         | 72.7         | 81.0         | 89.5         | 94.6         | 116.9        | 137.7        | 154.2        | 158.5        | 177.1        | 213.4        | 224.5        | 162.6        | 303.0        | 503.5         | 773.5         | 1191.2        |
| Packaged-tour                                       | 9.3          | 8.6          | 12.9         | 11.0         | 16.0         | 12.9         | 20.7         | 22.0         | 26.8         | 17.4         | 33.1         | 35.1         | 22.8         | 41.7         | 71.5          | 112.4         | 166.3         |
| Travel                                              | 164.7        | 199.2        | 219.0        | 238.3        | 244.1        | 301.2        | 333.9        | 372.2        | 356.5        | 405.3        | 455.4        | 499.4        | 548.3        | 821.2        | 1251.5        | 1716.6        | 2458.3        |
| Others                                              | 2.6          | 3.3          | 3.6          | 3.4          | 5.1          | 8.0          | 11.9         | 10.9         | 10.1         | 14.3         | 21.4         | 19.5         | 8.0          | 12.8         | 35.8          | 65.4          | 10.3          |
| <b>Total revenues</b>                               | <b>167.3</b> | <b>202.5</b> | <b>222.6</b> | <b>241.7</b> | <b>249.2</b> | <b>309.2</b> | <b>345.8</b> | <b>383.1</b> | <b>366.7</b> | <b>419.6</b> | <b>476.8</b> | <b>518.9</b> | <b>556.2</b> | <b>834.0</b> | <b>1287.3</b> | <b>1782.1</b> | <b>2468.6</b> |
| Less: business tax and related surcharges           | -11.2        | -12.5        | -14.4        | -15.9        | -17.0        | -21.2        | -23.2        | -26.9        | -26.2        | -29.4        | -33.4        | -36.3        | -35.0        | -54.1        | -88.2         | -125.3        | -167.9        |
| Net revenues                                        | 156.0        | 190.0        | 208.2        | 225.8        | 232.2        | 288.0        | 322.7        | 356.2        | 340.5        | 390.3        | 443.5        | 482.6        | 521.2        | 780.0        | 1199.1        | 1656.8        | 2300.7        |
| Cost of services                                    | -28.2        | -35.6        | -43.6        | -45.8        | -48.6        | -57.2        | -64.0        | -66.4        | -68.0        | -74.2        | -84.3        | -91.7        | -88.6        | -153.1       | -236.2        | -318.1        | -414.1        |
| <b>Gross profit</b>                                 | <b>127.9</b> | <b>154.5</b> | <b>164.5</b> | <b>180.0</b> | <b>183.7</b> | <b>230.8</b> | <b>258.7</b> | <b>289.8</b> | <b>272.5</b> | <b>316.1</b> | <b>359.2</b> | <b>390.9</b> | <b>432.6</b> | <b>626.8</b> | <b>962.9</b>  | <b>1338.7</b> | <b>1886.6</b> |
| <b>Operating Expenses</b>                           |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Product development                                 | -19.8        | -21.3        | -23.7        | -27.4        | -29.2        | -35.6        | -42.0        | -47.8        | -45.4        | -50.7        | -57.7        | -62.7        | -57.2        | -92.2        | -154.6        | -216.6        | -280.7        |
| Sales and marketing                                 | -32.5        | -39.5        | -45.4        | -46.4        | -45.4        | -55.4        | -59.9        | -68.9        | -60.9        | -74.2        | -84.3        | -91.7        | -112.3       | -163.9       | -229.7        | -311.0        | -432.5        |
| General administrative                              | -12.4        | -14.1        | -17.0        | -17.2        | -19.4        | -21.4        | -22.9        | -23.7        | -22.4        | -29.3        | -33.3        | -36.2        | -41.1        | -60.7        | -87.4         | -121.1        | -161.1        |
| Share-based compensation                            | -13.3        | -13.3        | -14.2        | -13.9        | -18.6        | -23.1        | -22.9        | -22.4        | -33.5        | -28.0        | -28.0        | -28.0        | -1.8         | -54.7        | -86.9         | -117.5        | -12.0         |
| Total operating expenses                            | -78.0        | -88.3        | -100.3       | -105.0       | -112.6       | -135.6       | -147.7       | -162.7       | -162.2       | -182.2       | -203.2       | -218.6       | -213.1       | -371.6       | -558.6        | -766.1        | -886.3        |
| <b>Income(loss) from operations</b>                 | <b>49.8</b>  | <b>66.1</b>  | <b>64.2</b>  | <b>75.0</b>  | <b>71.1</b>  | <b>95.2</b>  | <b>111.0</b> | <b>127.1</b> | <b>110.3</b> | <b>134.0</b> | <b>156.0</b> | <b>172.3</b> | <b>219.5</b> | <b>255.2</b> | <b>404.3</b>  | <b>572.6</b>  | <b>1000.3</b> |
| Interest Income                                     | 4.3          | 4.5          | 3.7          | 3.1          | 3.3          | 3.1          | 4.7          | 5.7          | 7.5          | 6.0          | 6.2          | 6.4          | 12.7         | 15.6         | 16.7          | 26.1          | 30.0          |
| Other Income                                        | 2.7          | 0.6          | 8.1          | -0.3         | 2.8          | 5.7          | 13.6         | 13.2         | 18.9         | 13.0         | 13.0         | 13.0         | 22.9         | 11.2         | 35.3          | 57.9          | 40.0          |
| Income tax expense                                  | -8.5         | -10.6        | -11.3        | -10.9        | -12.2        | -15.7        | -19.5        | -10.5        | -37.8        | -38.2        | -43.8        | -47.9        | -30.6        | -41.3        | -58.0         | -167.7        | -214.1        |
| Minority interests                                  | 0.0          | -0.2         | 0.0          | -0.1         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | -0.3         | -0.2         | 0.0           | 0.0           | 0.0           |
| <b>Net income</b>                                   | <b>48.4</b>  | <b>60.5</b>  | <b>64.7</b>  | <b>66.9</b>  | <b>64.9</b>  | <b>88.2</b>  | <b>109.7</b> | <b>135.5</b> | <b>98.8</b>  | <b>114.7</b> | <b>131.4</b> | <b>143.8</b> | <b>224.2</b> | <b>240.6</b> | <b>398.3</b>  | <b>488.8</b>  | <b>856.3</b>  |
| EPS(US\$)                                           | 0.18         | 0.23         | 0.25         | 0.13         | 0.12         | 0.17         | 0.21         | 0.27         | 0.20         | 0.24         | 0.27         | 0.29         | 0.84         | 0.93         | 0.78          | 1.01          | 1.73          |
| Adjusted operating income (excl. stock option cost) | 63.1         | 79.5         | 78.4         | 88.9         | 89.7         | 118.3        | 133.8        | 149.4        | 143.8        | 162.0        | 184.0        | 200.3        | 219.5        | 309.9        | 491.2         | 690.0         | 1012.3        |
| Adjusted net income                                 | 61.7         | 73.9         | 78.9         | 80.8         | 83.5         | 111.3        | 132.5        | 157.9        | 132.3        | 142.7        | 159.4        | 171.8        | 224.2        | 295.2        | 485.2         | 606.2         | 868.3         |
| <b>Adjusted EPS (US\$)</b>                          | <b>0.23</b>  | <b>0.14</b>  | <b>0.15</b>  | <b>0.15</b>  | <b>0.16</b>  | <b>0.22</b>  | <b>0.26</b>  | <b>0.31</b>  | <b>0.27</b>  | <b>0.29</b>  | <b>0.33</b>  | <b>0.35</b>  | <b>0.84</b>  | <b>0.67</b>  | <b>0.95</b>   | <b>1.25</b>   | <b>1.75</b>   |
| Shares used in EPS calculation                      | 65.6         | 66.5         | 66.7         | 67.0         | 67.5         | 67.8         | 68.4         | 69.1         | 69.0         | 69.2         | 69.5         | 69.7         | 32.7         | 66.5         | 68.2          | 69.4          | 70.7          |
| Exchange rate for RMB to US \$1                     | 8.02         | 7.99         | 7.90         | 7.80         | 7.72         | 7.61         | 7.49         | 7.29         | 7.01         | 7.00         | 7.00         | 7.00         |              |              |               |               |               |
| <b>Segment Analysis</b>                             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Hotel reservation                                   | 57%          | 58%          | 56%          | 57%          | 54%          | 55%          | 51%          | 51%          | 47%          | 50%          | 44%          | 46%          | 65%          | 57%          | 53%           | 47%           | 45%           |
| Air-ticketing                                       | 36%          | 36%          | 36%          | 37%          | 38%          | 38%          | 40%          | 40%          | 43%          | 42%          | 45%          | 43%          | 29%          | 36%          | 39%           | 43%           | 48%           |
| Packaged-tour                                       | 6%           | 4%           | 6%           | 5%           | 6%           | 4%           | 6%           | 6%           | 7%           | 4%           | 7%           | 7%           | 4%           | 5%           | 6%            | 6%            | 7%            |
| Others                                              | 2%           | 2%           | 2%           | 1%           | 2%           | 3%           | 3%           | 3%           | 3%           | 3%           | 4%           | 4%           | 1%           | 2%           | 3%            | 4%            | 0%            |
| <b>Margin Analysis</b>                              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Gross profit margin                                 | 82%          | 81%          | 79%          | 80%          | 79%          | 80%          | 80%          | 81%          | 80%          | 81%          | 81%          | 81%          | 83%          | 80%          | 80%           | 81%           | 82%           |
| Operating profit margin                             | 32%          | 35%          | 31%          | 33%          | 31%          | 33%          | 34%          | 36%          | 32%          | 34%          | 35%          | 36%          | 42%          | 33%          | 34%           | 35%           | 43%           |
| Net profit margin                                   | 31%          | 32%          | 31%          | 30%          | 28%          | 31%          | 34%          | 38%          | 29%          | 29%          | 30%          | 30%          | 43%          | 31%          | 33%           | 29%           | 37%           |
| Adjusted operating profit                           | 40%          | 42%          | 38%          | 39%          | 39%          | 41%          | 41%          | 42%          | 42%          | 42%          | 42%          | 42%          | 42%          | 40%          | 41%           | 42%           | 44%           |
| Adjusted net income                                 | 40%          | 39%          | 38%          | 36%          | 36%          | 39%          | 41%          | 44%          | 39%          | 37%          | 36%          | 36%          | 43%          | 38%          | 40%           | 37%           | 38%           |
| <b>Cost and Expenses (as % of rev)</b>              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Less: business tax and related surcharges           | -7%          | -6%          | -6%          | -7%          | -7%          | -7%          | -7%          | -7%          | -7%          | -7%          | -7%          | -7%          | -6%          | -6%          | -7%           | -7%           | -7%           |
| Cost of services                                    | -18%         | -19%         | -21%         | -20%         | -21%         | -20%         | -20%         | -19%         | -20%         | -19%         | -19%         | -19%         | -17%         | -20%         | -20%          | -19%          | -18%          |
| Product development                                 | -13%         | -11%         | -11%         | -12%         | -13%         | -12%         | -13%         | -13%         | -13%         | -13%         | -13%         | -13%         | -11%         | -12%         | -13%          | -13%          | -12%          |
| Sales and marketing                                 | -21%         | -21%         | -22%         | -21%         | -20%         | -19%         | -19%         | -19%         | -18%         | -19%         | -19%         | -19%         | -22%         | -21%         | -19%          | -19%          | -19%          |
| General administrative                              | -8%          | -7%          | -8%          | -8%          | -8%          | -7%          | -7%          | -7%          | -7%          | -8%          | -8%          | -8%          | -8%          | -8%          | -7%           | -7%           | -7%           |
| Total operating expenses                            | -50%         | -46%         | -48%         | -46%         | -48%         | -47%         | -46%         | -46%         | -48%         | -47%         | -46%         | -45%         | -41%         | -48%         | -47%          | -46%          | -39%          |
| <b>Growth (Y/Y)</b>                                 |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Hotel reservation                                   | 36%          | 28%          | 30%          | 33%          | 40%          | 45%          | 40%          | 42%          | 28%          | 23%          | 19%          | 22%          | 0%           | 31%          | 42%           | 23%           | 33%           |
| Air-ticketing                                       | 109%         | 98%          | 76%          | 75%          | 58%          | 61%          | 70%          | 72%          | 68%          | 51%          | 55%          | 46%          | 158%         | 86%          | 66%           | 54%           | 54%           |
| Packaged-tour                                       | 173%         | 48%          | 97%          | 56%          | 73%          | 49%          | 61%          | 67%          | 35%          | 60%          | 60%          | 60%          | 117%         | 83%          | 71%           | 57%           | 48%           |
| Others                                              | 259%         | 26%          | 122%         | 12%          | 97%          | 141%         | 232%         | 222%         | 99%          | 80%          | 80%          | 80%          | 77%          | 61%          | 179%          | 83%           | 30%           |
| Total revenues                                      | 62%          | 47%          | 48%          | 46%          | 49%          | 53%          | 55%          | 59%          | 47%          | 36%          | 38%          | 35%          | 57%          | 50%          | 54%           | 38%           | 39%           |
| Gross profit                                        | 56%          | 41%          | 41%          | 44%          | 44%          | 49%          | 57%          | 61%          | 48%          | 37%          | 39%          | 35%          | 52%          | 45%          | 54%           | 39%           | 41%           |
| Adjusted operating profit                           | 61%          | 39%          | 26%          | 47%          | 42%          | 49%          | 71%          | 68%          | 60%          | 37%          | 38%          | 34%          | 62%          | 41%          | 59%           | 40%           | 47%           |
| Adjusted net income                                 | 56%          | 31%          | 20%          | 29%          | 35%          | 51%          | 68%          | 95%          | 58%          | 28%          | 20%          | 9%           | 68%          | 32%          | 64%           | 25%           | 43%           |
| <b>Growth (Q/Q)</b>                                 |              |              |              |              |              |              |              |              |              |              |              |              |              |              |               |               |               |
| Hotel reservation                                   | -8%          | 23%          | 6%           | 10%          | -3%          | 28%          | 2%           | 12%          | -13%         | 23%          | -1%          | 15%          |              |              |               |               |               |
| Air-ticketing                                       | 17%          | 22%          | 11%          | 11%          | 6%           | 24%          | 18%          | 12%          | 3%           | 12%          | 20%          | 5%           |              |              |               |               |               |
| Packaged-tour                                       | 32%          | -7%          | 49%          | -15%         | 46%          | -20%         | 61%          | 6%           | 22%          | -35%         | 91%          | 6%           |              |              |               |               |               |
| Others                                              | -14%         | 27%          | 9%           | -6%          | 51%          | 56%          | 50%          | -9%          | -7%          | 41%          | 50%          | -9%          |              |              |               |               |               |
| Total revenues                                      | 1%           | 21%          | 10%          | 9%           | 3%           | 24%          | 12%          | 11%          | -4%          | 14%          | 14%          | 9%           |              |              |               |               |               |
| Gross profit                                        | 2%           | 21%          | 7%           | 9%           | 2%           | 26%          | 12%          | 12%          | -6%          | 16%          | 14%          | 9%           |              |              |               |               |               |
| Adjusted operating profit                           | 4%           | 26%          | -1%          | 13%          | 1%           | 32%          | 13%          | 12%          | -4%          | 13%          | 14%          | 9%           |              |              |               |               |               |
| Adjusted net income                                 | -1%          | 20%          | 7%           | 2%           | 3%           | 33%          | 19%          | 19%          | -16%         | 8%           | 12%          | 8%           |              |              |               |               |               |

Source: Company reports, SFG Research

## APPENDIX: IMPORTANT DISCLOSURES

SFG is a market maker in the securities of the subject company.

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**Net Positive** which carried the same definition as Positive above

**Net Neutral** which carried the same definition as Neutral above

**Net Negative** which carried the same definition as Negative above

**SFG Fundamental Research:** 211 companies under coverage (as of 3-31-2008)

**Covered companies in each rating category**

Positive (Buy): 60% (127 securities)

Neutral (Hold): 37% (78 securities)

Negative (Sell): 2% (5 securities)

**Investment banking clients in each rating category**

Positive (Buy): 9% (11 securities)

Neutral (Hold): 0% (0 securities)

Negative (Sell): 0% (0 securities)

From January, 2006 to June, 2006 SFG used the following ranking system in addition to the above.

**SIG Q SCORE™** is a hybrid quantitative modeling tool designed to cover a broad universe of stocks. It compares multi-factor analysis of historical, company reported financials and other quantitative trading and performance data to derive a ranking designed to provide a relative performance tool. The end result is a composite rank from 1 to 5 with 5 indicating the highest predicted return. The ranking is meant to be regarded as an indicator of relative performance. Based on these rankings, we would expect stocks ranked 5 to outperform those ranked 4 or lower over the next 12 months, those ranked 4 to outperform those ranked 3 or lower, and so on. The entire universe of analyzed stocks (of which SFG Small-Cap coverage is a subset) is divided into fifths, such that the percentage of stocks in each category will remain largely consistent over time. Changes in quantitative and other factors that occur after the ranking are not reflected until the model is run again next quarter.

Beginning July, 2006 SFG changed the ranking system to include only three SIG Q SCORE rankings from 1 to 3, with a SIG Q SCORE of 1 representing the highest ranking. The methodology of computing the rankings remains as above; however, the result is now divided into thirds rather than fifths and the order inverts with 1 now being the highest ranking.

**SFG Small-Cap Research:** 0 companies under coverage (as of 03-31-2008)

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**Price/Rating Chart Legend** for all charts below

|                             |                                                   |
|-----------------------------|---------------------------------------------------|
| <b>Net Neut</b> Net Neutral | <b>Cov Disc</b> Coverage Discontinued             |
| <b>Net Pos</b> Net Positive | <b>Cov Res</b> Coverage Resumed                   |
| <b>Net Neg</b> Net Negative | ◆ Indicates SIG Q SCORE system change, 07-01-2006 |
| ▲ Indicates Split           | * Indicates previous SIG Q SCORE system ranking   |

All dates are in mm-dd-yyyy format.

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