

Company Size and Expectations on the SSG




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Classes-To-Go! 3A



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- The information in this presentation is for educational purposes only and is not intended to be a recommendation to purchase or sell any of the stocks, mutual funds, or other securities that may be referenced.



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Characteristics of Quality Growth Companies

- Consistent Sales, Earnings Per Share and Pre-Tax Profits growth minimum of 5 years
- Above average growth in Sales, Earnings Per Share and Pre-Tax Profits

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Characteristics of Quality Growth Companies

- Generally increase their revenues and earnings faster than the overall economy and inflation combined
- If history shows superiority we begin to feel we may have found a quality company

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Company Size

- Small Cap - below \$500M
- Mid Cap - between \$500M and \$5B
- Large Cap - above \$5B

CAPITAL STRUCTURE as of 2/28/05

Total Debt None

Leases, Uncapitalized: Annual rentals \$6.5 mill.

No Defined Benefit Pension Plan

Common Stock 48,070,530 shs.
(Options Exercisable: 5.7%)

MARKET CAP: \$1.5 billion (Mid Cap)

Noted on VL page in Capital Structure box

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Company Size

- Market capitalization is preferred by many: Price X Outstanding shares
- Sales are preferred by others

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	© VALUE LINE PUE, INC.
44.4	58.4	78.9	103.8	134.2	176.7	205.9	222.3	251.9	310	355	Revenues (\$mill) F

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Market Cap vs Sales - ISRG

PRICES						
Date	Open	High	Low	Close	Avg Vol	Adj Close*
Apr 10	351.79	393.92	330.05	364.98	934,000	364.98
Mar 10	349.98	367.00	338.52	348.13	434,400	348.13
Feb 10	328.36	349.50	315.52	347.14	469,500	347.14
Jan 10	307.20	346.29	301.29	328.06	690,500	328.06
Dec 09	282.00	309.09	281.51	303.43	416,700	303.43
Nov 09	248.33	283.09	243.10	280.54	488,700	280.54
Oct 09	200.06	259.27	211.27	246.35	948,700	246.35
Sep 09	221.15	265.49	211.00	262.25	782,900	262.25
Aug 09	231.89	239.49	214.51	222.71	587,700	222.71
Jul 09	165.00	232.54	141.25	227.32	1,381,800	227.32
Jun 09	151.99	170.66	148.39	163.66	1,073,400	163.66
May 09	143.24	164.50	138.35	149.68	1,260,900	149.68
Apr 09	93.11	154.71	91.52	143.73	2,040,500	143.73
Mar 09	89.42	105.11	84.86	95.36	1,443,600	95.36
Feb 09	101.97	116.00	90.96	90.96	1,585,000	90.96

Shares outstanding: 38,500,00 x 90.96 = \$3,501,960,000 Feb 2009
x 364.98 = \$14,051,730,000 April 2010

Sales in 2009: \$1,052,200,000

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- ### How Does BetterInvesting Define A Growth Company?
- Sales and Earnings Per Share are growing **faster than the economy**
 - Sales and Earnings Per Share are **growing consistently** year after year
 - Growth at a rate consistent with **company size**
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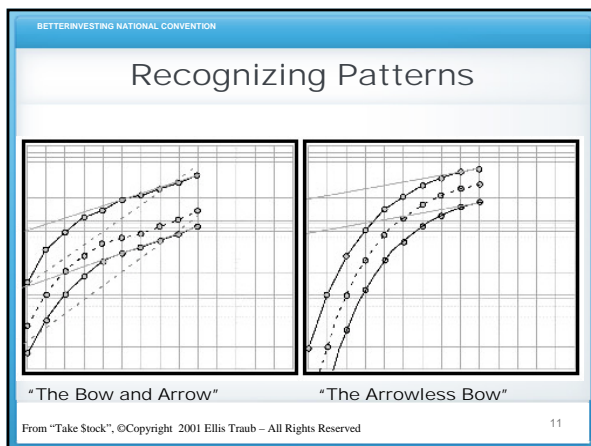
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Potential Growth Rate

Company Size	% of Portfolio	Potential Growth Rate
<\$500 million	25%	15% +
\$500 Million	50%	10 – 15%
\$5 Billion		
> \$5 Billion	25%	7 – 10%

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- ### Potential Growth Rates
- \$500 million x 15% growth rate = \$7.5 million **Possible**
 - \$250 million x 15% growth rate = \$37.5 million **Maybe**
 - \$5 billion x 15% growth rate = \$75 million **Unlikely**
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- BETTERINVESTING NATIONAL CONVENTION
- Make projections for growth based on history and company size
 - Research thoroughly
 - Projections should be based on facts, not wishful thinking.
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3A CTG- Company Size and Expectations on the SSG
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